

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.  
TABLE OF CONTENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

|   |          |
|---|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>                   | <b>1</b> |
| <b>CONSOLIDATED FINANCIAL STATEMENTS</b>              |          |
| <b>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b>  | <b>3</b> |
| <b>CONSOLIDATED STATEMENTS OF ACTIVITIES</b>          | <b>4</b> |
| <b>CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES</b> | <b>6</b> |
| <b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>          | <b>8</b> |
| <b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>     | <b>9</b> |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Metropolitan State University of Denver Foundation, Inc.  
Denver, Colorado

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Metropolitan State University of Denver Foundation, Inc., which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan State University of Denver Foundation, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Metropolitan State University of Denver Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan State University of Denver Foundation, Inc.'s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Metropolitan State University of Denver Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan State University of Denver Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CliftonLarsonAllen LLP**

Denver, Colorado  
September 30, 2024

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

| <b>ASSETS</b>                                 | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Cash and Cash Equivalents                     | \$ 5,754,459         | \$ 2,460,266         |
| Cash Restricted for Alumni Association        | 240,477              | 302,153              |
| Investments                                   | 14,265,631           | 15,775,455           |
| Receivable from University                    | 3,423                | 6,359                |
| Promises to Give, Net                         | 3,937,399            | 4,218,254            |
| Promises to Give - Charitable Lead Trust, Net | 605,733              | 820,900              |
| Prepaid Expenses and Other Assets             | 28,795               | 42,400               |
| Property and Equipment, Net                   | 5,223,956            | 1,267,642            |
| Endowment:                                    |                      |                      |
| Cash Restricted for Endowment                 | -                    | 100,000              |
| Promises to Give, Net                         | 2,354,592            | 2,823,189            |
| Investments                                   | 26,535,889           | 23,613,270           |
|   | <b>\$ 58,950,354</b> | <b>\$ 51,429,888</b> |
| <b>Total Assets</b>                           | <b>\$ 58,950,354</b> | <b>\$ 51,429,888</b> |
| <b>LIABILITIES AND NET ASSETS</b>             |                      |                      |
| <b>LIABILITIES</b>                            |                      |                      |
| Accounts Payable and Other Liabilities        | \$ 328,155           | \$ 292,586           |
| Accounts Payable to University                | 973,513              | 3,008,329            |
| Funds Held for Alumni Association             | 240,477              | 302,153              |
| Refundable Advance - Life Insurance Policy    | 1,058,241            | -                    |
| Total Liabilities                             | 2,600,386            | 3,603,068            |
| <b>NET ASSETS</b>                             |                      |                      |
| Without Donor Restrictions:                   |                      |                      |
| Undesignated                                  | 2,969,905            | 4,852,049            |
| Board-Designated                              | 1,061,511            | 1,008,413            |
| Invested in Property and Equipment, Net       | 5,223,956            | 1,267,642            |
| Total Without Donor Restrictions              | 9,255,372            | 7,128,104            |
| With Donor Restrictions                       | 47,094,596           | 40,698,716           |
| Total Net Assets                              | 56,349,968           | 47,826,820           |
|   | <b>\$ 58,950,354</b> | <b>\$ 51,429,888</b> |
| <b>Total Liabilities and Net Assets</b>       | <b>\$ 58,950,354</b> | <b>\$ 51,429,888</b> |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>REVENUE, SUPPORT, AND GAINS</b>                 |                               |                            |                      |
| Contributions of Financial Assets                  | \$ 297,977                    | \$ 12,690,363              | \$ 12,988,340        |
| Contributions of Nonfinancial Assets:              |                               |                            |                      |
| In-Kind Contributions                              | -                             | 141,792                    | 141,792              |
| Endowment Management Fees                          | 421,785                       | -                          | 421,785              |
| Gross Special Events Revenue                       | -                             | 6,353                      | 6,353                |
| Less: Cost of Direct Benefits to Donors            | -                             | (39,437)                   | (39,437)             |
| Net Special Events Expense                         | -                             | (33,084)                   | (33,084)             |
| Net Investment Gain                                | 1,410,117                     | 2,390,769                  | 3,800,886            |
| Rent and Other Income                              | 486,997                       | -                          | 486,997              |
| Net Assets Released from Restrictions              | 8,793,960                     | (8,793,960)                | -                    |
| Total Revenue, Support, and Gains                  | <u>11,410,836</u>             | <u>6,395,880</u>           | <u>17,806,716</u>    |
| <b>EXPENSES</b>                                    |                               |                            |                      |
| Program Services Expense:                          |                               |                            |                      |
| Support Provided to University                     | 8,203,061                     | -                          | 8,203,061            |
| Alumni Relations Operating Expenses                | 824,562                       | -                          | 824,562              |
| Total Program Services Expense                     | <u>9,027,623</u>              | <u>-</u>                   | <u>9,027,623</u>     |
| Supporting Services Expense:                       |                               |                            |                      |
| General and Administrative Costs                   | 2,415,508                     | -                          | 2,415,508            |
| Donor Development Costs                            | 2,379,697                     | -                          | 2,379,697            |
| Total Supporting Services Expense                  | <u>4,795,205</u>              | <u>-</u>                   | <u>4,795,205</u>     |
| Total Expenses                                     | <u>13,822,828</u>             | <u>-</u>                   | <u>13,822,828</u>    |
| <b>CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER</b> | (2,411,992)                   | 6,395,880                  | 3,983,888            |
| Equity Transfer - Donated Services from Affiliate  | <u>4,539,260</u>              | <u>-</u>                   | <u>4,539,260</u>     |
| <b>CHANGE IN NET ASSETS</b>                        | 2,127,268                     | 6,395,880                  | 8,523,148            |
| Net Assets - Beginning of Year                     | <u>7,128,104</u>              | <u>40,698,716</u>          | <u>47,826,820</u>    |
| <b>NET ASSETS - END OF YEAR</b>                    | <u>\$ 9,255,372</u>           | <u>\$ 47,094,596</u>       | <u>\$ 56,349,968</u> |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
|--|-------------------------------|----------------------------|---------------|
| <b>REVENUE, SUPPORT, AND GAINS</b>                     |                               |                            |               |
| Contributions of Financial Assets                      | \$ 66,286                     | \$ 14,806,702              | \$ 14,872,988 |
| Contributions of Nonfinancial Assets:                  |                               |                            |               |
| In-Kind Contributions                                  | -                             | 60,423                     | 60,423        |
| Endowment Management Fees                              | 367,242                       | -                          | 367,242       |
| Gross Special Events Revenue                           | -                             | 85,590                     | 85,590        |
| Less: Cost of Direct Benefits to Donors                | -                             | (3,379)                    | (3,379)       |
| Net Special Events Revenue                             | -                             | 82,211                     | 82,211        |
| Net Investment Gain                                    | 1,116,051                     | 1,960,005                  | 3,076,056     |
| Rent and Other Income                                  | 309,552                       | -                          | 309,552       |
| Net Assets Released from Restrictions                  | 7,678,953                     | (7,678,953)                | -             |
| Total Revenue, Support, and Gains                      | 9,538,084                     | 9,230,388                  | 18,768,472    |
| <b>EXPENSES</b>  |                               |                            |               |
| Program Services Expense:                              |                               |                            |               |
| Support Provided to University                         | 7,543,061                     | -                          | 7,543,061     |
| Alumni Relations Operating Expenses                    | 806,806                       | -                          | 806,806       |
| Total Program Services Expense                         | 8,349,867                     | -                          | 8,349,867     |
| Supporting Services Expense:                           |                               |                            |               |
| General and Administrative Costs                       | 2,449,162                     | -                          | 2,449,162     |
| Donor Development Costs                                | 2,051,282                     | -                          | 2,051,282     |
| Total Supporting Services Expense                      | 4,500,444                     | -                          | 4,500,444     |
| Total Expenses   | 12,850,311                    | -                          | 12,850,311    |
| <b>CHANGE IN NET ASSETS BEFORE EQUITY<br/>TRANSFER</b> | (3,312,227)                   | 9,230,388                  | 5,918,161     |
| Equity Transfer - Donated Services from Affiliate      | 4,382,639                     | -                          | 4,382,639     |
| <b>CHANGE IN NET ASSETS</b>                            | 1,070,412                     | 9,230,388                  | 10,300,800    |
| Net Assets - Beginning of Year                         | 6,057,692                     | 31,468,328                 | 37,526,020    |
| <b>NET ASSETS - END OF YEAR</b>                        | \$ 7,128,104                  | \$ 40,698,716              | \$ 47,826,820 |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

|  | Program Services               |                                  |                     | Supporting Services        |                     |                    | Total                |
|--|--------------------------------|----------------------------------|---------------------|----------------------------|---------------------|--------------------|----------------------|
|  | Support Provided to University | Alumni Relations Operating Costs | Total               | General and Administrative | Donor Development   | Cost of Goods Sold |                      |
| Scholarships and Other Assistance  | \$ 8,203,061                   | \$ -                             | \$ 8,203,061        | \$ -                       | \$ -                | \$ -               | \$ 8,203,061         |
| Salaries, Wages, Benefits, and Taxes   | -                              | 645,576                          | 645,576             | 1,964,402                  | 1,663,392           | -                  | 4,273,370            |
| Cost of Direct Benefits to Donors  | -                              | -                                | -                   | -                          | -                   | 39,437             | 39,437               |
| Professional Services  | -                              | 178,986                          | 178,986             | 198,247                    | 716,305             | -                  | 1,093,538            |
| Other  | -                              | -                                | -                   | 125,304                    | -                   | -                  | 125,304              |
| Office Expenses  | -                              | -                                | -                   | 70,901                     | -                   | -                  | 70,901               |
| Depreciation   | -                              | -                                | -                   | 61,800                     | -                   | -                  | 61,800               |
| Occupancy  | -                              | -                                | -                   | 41,824                     | -                   | -                  | 41,824               |
| Conferences, Conventions, and Meetings   | -                              | -                                | -                   | 25,413                     | -                   | -                  | 25,413               |
| Insurance  | -                              | -                                | -                   | 25,918                     | -                   | -                  | 25,918               |
| <b>Total Expenses by Function</b>  | <b>8,203,061</b>               | <b>824,562</b>                   | <b>9,027,623</b>    | <b>2,513,809</b>           | <b>2,379,697</b>    | <b>39,437</b>      | <b>13,960,566</b>    |
| Less: Expenses Included with Revenues on the Consolidated Statements of Activities:                |                                |                                  |                     |                            |                     |                    |                      |
| Investment Management Fees   | -                              | -                                | -                   | (98,301)                   | -                   | -                  | (98,301)             |
| Cost of Direct Benefits to Donors  | -                              | -                                | -                   | -                          | -                   | (39,437)           | (39,437)             |
| <b>Total Expenses Included in the Expense Section on the Consolidated Statements of Activities</b> | <b>\$ 8,203,061</b>            | <b>\$ 824,562</b>                | <b>\$ 9,027,623</b> | <b>\$ 2,415,508</b>        | <b>\$ 2,379,697</b> | <b>\$ -</b>        | <b>\$ 13,822,828</b> |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

|  | Program Services               |                                  |                     | Supporting Services        |                     |                    | Total                |
|--|--------------------------------|----------------------------------|---------------------|----------------------------|---------------------|--------------------|----------------------|
|  | Support Provided to University | Alumni Relations Operating Costs | Total               | General and Administrative | Donor Development   | Cost of Goods Sold |                      |
| Scholarships and Other Assistance  | \$ 7,543,061                   | \$ -                             | \$ 7,543,061        | \$ -                       | \$ -                | \$ -               | \$ 7,543,061         |
| Salaries, Wages, Benefits, and Taxes   | -                              | 606,168                          | 606,168             | 2,067,227                  | 1,620,439           | -                  | 4,293,834            |
| Cost of Direct Benefits to Donors  | -                              | -                                | -                   | -                          | -                   | 3,379              | 3,379                |
| Professional Services  | -                              | 200,638                          | 200,638             | 159,508                    | 430,843             | -                  | 790,989              |
| Other  | -                              | -                                | -                   | 114,298                    | -                   | -                  | 114,298              |
| Office Expenses  | -                              | -                                | -                   | 58,599                     | -                   | -                  | 58,599               |
| Depreciation   | -                              | -                                | -                   | 36,000                     | -                   | -                  | 36,000               |
| Occupancy  | -                              | -                                | -                   | 31,900                     | -                   | -                  | 31,900               |
| Conferences, Conventions, and Meetings   | -                              | -                                | -                   | 38,208                     | -                   | -                  | 38,208               |
| Insurance  | -                              | -                                | -                   | 25,766                     | -                   | -                  | 25,766               |
| <b>Total Expenses by Function</b>  | <b>7,543,061</b>               | <b>806,806</b>                   | <b>8,349,867</b>    | <b>2,531,506</b>           | <b>2,051,282</b>    | <b>3,379</b>       | <b>12,936,034</b>    |
| Less: Expenses Included with Revenues on the Consolidated Statements of Activities:                |                                |                                  |                     |                            |                     |                    |                      |
| Investment Management Fees   | -                              | -                                | -                   | (82,344)                   | -                   | -                  | (82,344)             |
| Cost of Direct Benefits to Donors  | -                              | -                                | -                   | -                          | -                   | (3,379)            | (3,379)              |
| <b>Total Expenses Included in the Expense Section on the Consolidated Statements of Activities</b> | <b>\$ 7,543,061</b>            | <b>\$ 806,806</b>                | <b>\$ 8,349,867</b> | <b>\$ 2,449,162</b>        | <b>\$ 2,051,282</b> | <b>\$ -</b>        | <b>\$ 12,850,311</b> |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

|   | 2024         | 2023          |
|---|--------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |               |
| Change in Net Assets  | \$ 8,523,148 | \$ 10,300,800 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: |              |               |
| Depreciation  | 61,800       | 36,000        |
| Realized and Unrealized Gain on Operating Investments                                       | (758,430)    | (396,140)     |
| Change in Discount on Promises to Give  | (39,358)     | 757,399       |
| Bad Debt Expense  | 17,218       | 42,500        |
| Contributions Restricted to Endowment   | (646,494)    | (5,382,432)   |
| Endowment Net Investment Return   | (2,489,666)  | (2,047,165)   |
| Changes in Operating Assets and Liabilities:  |              |               |
| Receivable from University  | 2,936        | (1,998)       |
| Promises to Give, Net   | 278,162      | (2,212,726)   |
| Prepaid Expenses and Other Assets   | 13,605       | (20,128)      |
| Accounts Payable and Other Liabilities  | (2,034,816)  | 2,064,649     |
| Accounts Payable and Accrued Liabilities to University                                      | (26,107)     | 47,882        |
| Net Cash Provided by Operating Activities   | 2,901,998    | 3,188,641     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |               |
| Purchases of Property and Equipment   | (4,018,114)  | -             |
| Purchases of Investments  | (8,236,484)  | (28,613,779)  |
| Proceeds from Sales of Investments  | 11,130,026   | 22,768,643    |
| Net Cash Used by Investing Activities   | (1,124,572)  | (5,845,136)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |              |               |
| Collections of Contributions Restricted to Endowment  | 1,355,091    | 2,758,775     |
| Net Cash Provided by Financing Activities   | 1,355,091    | 2,758,775     |
| <b>NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>                            | 3,132,517    | 102,280       |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year                             | 2,862,419    | 2,760,139     |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>                            | \$ 5,994,936 | \$ 2,862,419  |
| <b>RECONCILIATION OF CASH</b>   |              |               |
| Cash and Cash Equivalents   | \$ 5,754,459 | \$ 2,460,266  |
| Cash Restricted for Alumni Association  | 240,477      | 302,153       |
| Cash Restricted for Endowment   | -            | 100,000       |
| Total Cash  | \$ 5,994,936 | \$ 2,862,419  |
| <b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY</b>                  |              |               |
| Donated Refundable Advance Life Insurance Policy  | \$ 1,058,241 | \$ -          |

See accompanying Notes to Consolidated Financial Statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Metropolitan State University of Denver Foundation, Inc. (the Foundation) is a Colorado nonprofit organization established to promote the general welfare and development of Metropolitan State University of Denver (the University).

The Foundation is the sole member of 965 Santa Fe, LLC (Sante Fe LLC) and 800 Kalamath Street LLC (Kalamath LLC), Colorado limited liability companies. Sante Fe LLC owns and rents the Center for Visual Arts (the CVA) facility to the University. Kalamath LLC owns and rents the School of Music facility to the University.

The consolidated financial statements include the accounts of the Foundation, Sante Fe LLC, and Kalamath LLC because the Foundation has both control and an economic interest in the LLCs. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as the Foundation.

**Cash, Cash Equivalents, and Restricted Cash**

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowment, held on behalf of others or other long-term purposes of the Foundation are excluded from this definition. The Foundation serves as a repository of funds raised through the *Colorado Rockies Foundation 50/50 Raffle* on behalf of Metropolitan State University of Denver Alumni Association, a separate Colorado nonprofit organization.

|  | 2024         | 2023         |
|--|--------------|--------------|
| Cash and Cash Equivalents              | \$ 5,754,459 | \$ 2,460,266 |
| Cash Restricted for Alumni Association | 240,477      | 302,153      |
| Total                                  | \$ 5,994,936 | \$ 2,862,419 |

**Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. Management's estimate of the allowance for uncollectible promises to give is based on historical collection rates and an analysis of the collectability of individual promises.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment additions over \$5,000 with useful lives exceeding one year are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, at present only the buildings at 965 Santa Fe and 800 Kalamath are subject to depreciation over a 30-year useful life. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any remaining gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed when incurred. Property and equipment also includes works of art which are capitalized at original cost, or fair value if donated, and are not depreciated because the Foundation intends to preserve these assets in perpetuity.

The Foundation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- (or certain grantor-) imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment (see Note 9).

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

**Revenue Recognition**

The Foundation records contributions in accordance with the requirements of accounting principles generally accepted in the United States of America for nonprofit entities. The Foundation recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time the Foundation is notified of the contribution and that promise is verified, regardless of the timing of cash receipt. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

Promises to give are recognized initially at fair value. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue.

When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Endowment management fees consist of fees charged to manage endowment funds during the fiscal year. Fees are assessed to endowment funds on a quarterly basis in accordance with fund agreements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Professional Services, In-Kind Contributions, and Services Received from the University**

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. Donated services received from Affiliated Organizations are recorded at the respective fair values of the services received in accordance with accounting principles generally accepted in the United States of America (see Note 12).

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Program activities are those that are conducted in accordance with the Foundation's nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to the Foundation's existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Costs that are directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas. Certain other costs that benefit multiple functional areas have been allocated across program and supporting services based on management's best estimate of the functions that benefit from the expense.

**Income Taxes**

The Foundation is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(iv), and has been determined not to be a private foundation under Section 509(a)(1). Sante Fe LLC and Kalamath LLC are treated as disregarded entities for tax purposes, and are incorporated into the tax return filed by the Foundation.

The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

Management believes that the Foundation has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**Financial Instruments and Credit Risk**

The Foundation manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from individuals, corporations, and foundations supportive of the Foundation's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

**Recently Implemented Accounting Standard**

At the beginning of fiscal year 2024, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. There was no cumulative net asset adjustment as the implementation of Topic 326 did not have a material impact on the consolidated financial statements.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of June 30:

|                            | <u>2024</u>          | <u>2023</u>         |
|----------------------------|----------------------|---------------------|
| Cash and Cash Equivalents  | \$ 5,754,459         | \$ 2,460,266        |
| Investments                | 6,472,902            | 4,737,345           |
| Receivable from University | 3,423                | 6,359               |
| Total                      | <u>\$ 12,230,784</u> | <u>\$ 7,203,970</u> |

The Foundation's liquidity is structured so its financial assets are available as its general expenditures, liabilities, and other obligations come due. A portion of Foundation's operations is funded by investment income without donor restrictions which is expendable as needed. To manage unanticipated liquidity needs, the Foundation will calculate, on a regular basis, assumed liquidity requirements for the nonendowment assets. These projections will provide a net total assumed liquidity dollar amount that the Foundation has readily available for expenditures. Additionally, the Foundation has a committed line of credit of \$2,500,000 that could be drawn upon in the event of an unanticipated liquidity need (Note 13).

The Foundation's endowment funds consist of donor-restricted and board-designated endowments. Income from earnings are distributed annually from each qualifying endowment fund to its associated expendable account to be available for fulfilling each specific fund's restricted purpose. The endowment has a spending policy statement, which uses the banded inflation method to determine endowment distributions (see Note 7).

Although no spending is intended from the board-designated endowment (other than amounts appropriated for general expenditures as part of annual endowment spending appropriation), these amounts could be made available if necessary.

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets that the Foundation can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the Foundation's investment assets are classified within Level 1 because they are comprised of open-end mutual funds and investment trusts with readily determinable fair values based on daily redemption values.

The fair value of the CSV Life Insurance policy is based on the cash surrender value of the policy as determined by the insurance provider using factors such as estimated premium payments, life expectancy tables, and net policy account value less any applicable surrender charge. This is considered to be a Level 2 measurement.

The fair value of the Foundation's investment in private equity is reported at fair value, as determined by the Foundation, utilizing the most current information provided by the investee. This is considered to be a Level 3 measurement.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

The following table presents assets measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient, as identified below, at June 30:

|                                       | 2024   |   |   |  |                                   |
|---------------------------------------|--|---|---|--|-----------------------------------|
|                                       | Fair Value Measurements at Report Date Using |   |   |  |                                   |
|                                       | Total  | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Investments<br>Measured at<br>NAV |
| <b>Investments:</b>                   |  |   |   |  |                                   |
| Cash and Money Market Funds (at Cost) | \$ 47,826                                    | \$ 47,826   | \$ -  | \$ -   | \$ -                              |
| Fixed Income Mutual Funds:            |  |   |   |  |                                   |
| Bonds                                 | 3,171,407                                    | 3,171,407   | -   | -  | -                                 |
| Equity and Other Mutual Funds:        |  |   |   |  |                                   |
| U.S. Common Stock                     | 6,780,873                                    | 6,780,873   | -   | -  | -                                 |
| Small to Mid-Cap Equity               | 679,135                                      | 679,135   | -   | -  | -                                 |
| International Equity                  | 2,056,608                                    | 2,056,608   | -   | -  | -                                 |
| Emerging Market                       | 471,355                                      | 471,355   | -   | -  | -                                 |
| Private Equity                        | 186  | -   | -   | 186  | -                                 |
| CSV Life Insurance                    | 1,058,241                                    | -   | 1,058,241   | -  | -                                 |
| Total                                 | <u>\$ 14,265,631</u>                         | <u>\$ 13,207,204</u>  | <u>\$ 1,058,241</u>                                       | <u>\$ 186</u>                                      | <u>\$ -</u>                       |
| <b>Endowment Investments:</b>         |  |   |   |  |                                   |
| Cash and Money Market Funds (at Cost) | \$ 144,833                                   | \$ 144,833  | \$ -  | \$ -   | \$ -                              |
| Fixed Income Mutual Funds:            |  |   |   |  |                                   |
| Bonds                                 | 5,717,246                                    | 5,717,246   | -   | -  | -                                 |
| Equity and Other Mutual Funds:        |  |   |   |  |                                   |
| U.S. Common Stock                     | 10,765,846                                   | 10,765,846  | -   | -  | -                                 |
| Small to Mid-Cap Equity               | 1,854,473                                    | 1,854,473   | -   | -  | -                                 |
| International Equity                  | 5,391,761                                    | 5,391,761   | -   | -  | -                                 |
| Emerging Market                       | 1,324,890                                    | 1,324,890   | -   | -  | -                                 |
| Mutual Funds                          | -  | -   | -   | -  | -                                 |
| Limited Liability Companies           | 5,709  | -   | -   | -  | 5,709                             |
| Limited Partnerships                  | 1,331,131                                    | -   | -   | -  | 1,331,131                         |
| Total                                 | <u>\$ 26,535,889</u>                         | <u>\$ 25,199,049</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ 1,336,840</u>               |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

|                                       | 2023   |   |   |  |                                   |
|---------------------------------------|--|---|---|--|-----------------------------------|
|                                       | Fair Value Measurements at Report Date Using |   |   |  |                                   |
|                                       | Total  | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Investments<br>Measured at<br>NAV |
| <b>Investments:</b>                   |  |   |   |  |                                   |
| Cash and Money Market Funds (at Cost) | \$ 77,294                                    | \$ -  | \$ -  | \$ -   | \$ -                              |
| Fixed Income Mutual Funds:            |  |   |   |  |                                   |
| Bonds                                 | 5,623,216                                    | 5,623,216   | -   | -  | -                                 |
| Equity and Other Mutual Funds:        |  |   |   |  |                                   |
| U.S. Common Stock                     | 4,322,685                                    | 4,322,685   | -   | -  | -                                 |
| Small to Mid-Cap Equity               | 1,967,412                                    | 1,967,412   | -   | -  | -                                 |
| International Equity                  | 2,180,008                                    | 2,180,008   | -   | -  | -                                 |
| Emerging Market<br>Mutual Funds       | 1,477<br>205,522                             | 1,477<br>205,522  | -   | -  | -                                 |
| Hedge Funds (Equity Hedge)            | 485,425                                      | 485,425   | -   | -  | -                                 |
| Real Estate Investment Trusts         | 412,983                                      | 412,983   | -   | -  | -                                 |
| Private Equity                        | 499,433                                      | 498,103   | -   | 1,330  | -                                 |
| Total                                 | <u>\$ 15,775,455</u>                         | <u>\$ 15,696,831</u>  | <u>\$ -</u>   | <u>\$ 1,330</u>                                    | <u>\$ -</u>                       |
| <b>Endowment Investments:</b>         |  |   |   |  |                                   |
| Cash and Money Market Funds (at Cost) | \$ 153,133                                   | \$ -  | \$ -  | \$ -   | \$ -                              |
| Fixed Income Mutual Funds:            |  |   |   |  |                                   |
| Bonds                                 | 4,228,072                                    | 4,228,072   | -   | -  | -                                 |
| Equity and Other Mutual Funds:        |  |   |   |  |                                   |
| Small to Mid-Cap Equity               | 10,440,496                                   | 10,440,496  | -   | -  | -                                 |
| International Equity                  | 5,885,538                                    | 5,885,538   | -   | -  | -                                 |
| Hedge Funds (Equity Hedge)            | 1,801,884                                    | 980,966   | -   | -  | 820,918                           |
| Real Estate Investment Trusts         | 1,099,050                                    | 1,099,050   | -   | -  | -                                 |
| Limited Partnership                   | 5,097  | -   | -   | -  | 5,097                             |
| Total                                 | <u>\$ 23,613,270</u>                         | <u>\$ 22,634,122</u>  | <u>\$ -</u>   | <u>\$ -</u>  | <u>\$ 826,015</u>                 |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

Below is a reconciliation of the beginning and ending balances of the assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

|  | 2024  |
|--|---|
|  | Fair Value Measurement at<br>Report Date Using Significant<br>Unobservable Inputs (Level 3) |
|  | Private<br>Equity   |
| Balance - Beginning of Year  | \$ 1,330  |
| Net Realized and Unrealized Loss   | (1,144)   |
| Distributions  | -   |
| Balance - End of Year  | \$ 186  |
| Unrealized Loss Included in Net Investment Return<br>in the Consolidated Statement of Activities<br>Relating to Assets Still Held at June 30, 2024 | \$ (1,144)  |
|  | 2023  |
|  | Fair Value Measurement at<br>Report Date Using Significant<br>Unobservable Inputs (Level 3) |
|  | Private<br>Equity   |
| Balance - Beginning of Year  | \$ 3,283  |
| Net Realized and Unrealized Loss   | (1,953)   |
| Distributions  | -   |
| Balance - End of Year  | \$ 1,330  |
| Unrealized Loss Included in Net Investment Return<br>in the Consolidated Statement of Activities<br>Relating to Assets Still Held at June 30, 2023 | \$ (1,953)  |

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2024:

|                             | Number of<br>Investments | Fair Value   | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|-----------------------------|--------------------------|--------------|-------------------------|-------------------------|-----------------------------|
| Limited Liability Companies | 1                        | \$ 5,709     | \$ -                    | Monthly;                | 90 days                     |
| Limited Partnerships        | 2                        | 1,331,131    | 700,000                 | Quarterly<br>Illiquid   | N/A                         |
| Total                       |                          | \$ 1,336,840 | \$ 700,000              |                         |                             |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)**

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2023:

|                             | Number of<br>Investments | Fair Value        | Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|-----------------------------|--------------------------|-------------------|-------------------------|-------------------------|-----------------------------|
| Limited Liability Companies | 1                        | \$ 5,097          | \$ -                    | Monthly;<br>Quarterly   | 90 days                     |
| Hedge Funds (Equity Hedge)  | 1                        | 820,918           | 200,000                 | Illiquid                | N/A                         |
| Total                       |                          | <u>\$ 826,015</u> | <u>\$ 200,000</u>       |                         |                             |

**NOTE 4 PROMISES TO GIVE**

Unconditional promises to give are estimated to be collected as follows at June 30:

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Within One Year   | \$ 3,121,516        | \$ 2,807,672        |
| In One to Five Years  | 3,959,973           | 5,058,360           |
| Over Five Years   | 750,000             | 1,000,000           |
| Total   | <u>7,831,489</u>    | <u>8,866,032</u>    |
| Less: Discount to Net Present Value at<br>Rates Ranging from 3.25% to 8.25% | (866,765)           | (948,689)           |
| Less: Allowance for Uncollectible Promises to Give                          | (67,000)            | (55,000)            |
| Total   | <u>\$ 6,897,724</u> | <u>\$ 7,862,343</u> |

Promises to give appear as follows in the consolidated statements of financial position:

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Promises to Give, Net                         | \$ 3,937,399        | \$ 4,218,254        |
| Promises to Give - Charitable Lead Trust, Net | 605,733             | 820,900             |
| Endowment Promises to Give, Net               | 2,354,592           | 2,823,189           |
| Total   | <u>\$ 6,897,724</u> | <u>\$ 7,862,343</u> |

At June 30, 2024 and 2023, one and three donors accounted for 27% and 54% of total promises to give, respectively.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 4 PROMISES TO GIVE (CONTINUED)**

**Charitable Lead Trust Split-Interest Agreement**

During the year ended June 30, 2022, a donor established a trust with a local bank naming the Foundation as a partial beneficiary of a charitable lead annuity trust. Under terms of the split-interest agreement, the Foundation is to receive approximately \$242,000 annually until the agreement terminates in August 2026. The payments received under the agreement are to support the University’s nursing program, scholarships, and wraparound services for students. The receivable for the split-interest agreement is carried at fair value, which the Foundation has estimated based on the present value of its expected future cash inflows. Based on a discount rate of 4.75%, the fair value of the Foundation’s interest in the trust was estimated to be approximately \$1,213,000, which was recorded in fiscal year 2022 as a contribution with donor restrictions and as promise to give—charitable lead trust. The Foundation received approximately \$242,000 from the trust in fiscal years 2024 and 2023, which were recorded as reductions in the receivable. On an annual basis, the Foundation will revalue the promise to give based on current market conditions.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30:

|                                | <u>2024</u>         | <u>2023</u>         |
|--------------------------------|---------------------|---------------------|
| Land                           | \$ 2,942,568        | \$ 456,400          |
| Building                       | 2,555,418           | 1,023,472           |
| Subtotal                       | <u>5,497,986</u>    | <u>1,479,872</u>    |
| Less: Accumulated Depreciation | <u>(539,620)</u>    | <u>(477,820)</u>    |
| Subtotal                       | 4,958,366           | 1,002,052           |
| Nondepreciated Artwork         | 265,590             | 265,590             |
| Total Property and Equipment   | <u>\$ 5,223,956</u> | <u>\$ 1,267,642</u> |

**NOTE 6 LESSOR AGREEMENTS**

During the year ended June 30, 2010, Santa Fe LLC purchased a commercial building at 965 Santa Fe Drive to house the operations of the CVA. Effective March 1, 2010, Santa Fe LLC and the University entered into a three-year noncancellable lease which has since been renewed through June 30, 2025. Under the agreement, the University paid annual rent for the years ended June 30, 2024 and 2023 in the amount of \$100,000. In addition to the annual minimum rent, the University reimburses Sante Fe LLC for actual expenses incurred for the maintenance and operation of the premises, which approximated \$49,000 and \$31,000 for the years ended June 30, 2024 and 2023, respectively.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 6 LESSOR AGREEMENTS (CONTINUED)**

During the year ended June 30, 2024, Kalamath LLC purchased a commercial building at 800 Kalamath Street to house the University's School of Music. Effective January 5, 2024, Kalamath LLC assumed a noncancellable lease with the University which expires on September 30, 2027. Under the agreement, the University paid annual rent for the year ended June 30, 2024 in the amount of \$143,637. In addition to the annual minimum rent, the University reimburses the LLC for actual expenses incurred for the maintenance and operation of the premises. There were no such reimbursements during the year ended June 30, 2024.

**NOTE 7 ENDOWMENT**

The Foundation's endowment (Endowment) is composed of 86 individual funds established by donors (Perpetual Endowment) and 163 purpose-restricted quasi-endowment funds (Quasi-Endowment). The funds were established by donors primarily to provide scholarships to eligible students of the University, and to support academic departments, student activities, and other purposes of the University. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the board of directors (Board-Designated Endowment). Perpetual Endowment funds are charitable funds whose principal must be preserved in perpetuity as a condition imposed by the donor. Quasi-Endowment funds are purpose-restricted gifts from donors whose principal is designated by the board and intended to be maintained in perpetuity, but which may be expended in accordance with the University's spending-rate policy, with no requirement that any such expenditure be replenished. Net assets associated with Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's board of directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair values of original Perpetual Endowment gifts, as of each gift date, absent explicit donor instructions to the contrary. At June 30, 2024 and 2023, there were no contrary donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment) and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not required to be retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 7 ENDOWMENT (CONTINUED)**

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The Foundation had the following endowment net asset composition by type of fund as of June 30:

|  | 2024                          |                            |               |
|--|-------------------------------|----------------------------|---------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
| Board-Designated Endowment Funds   | \$ 1,061,511                  | \$ -                       | \$ 1,061,511  |
| Purpose-Restricted Quasi-Endowment Funds   | -                             | 16,079,188                 | 16,079,188    |
| Donor-Restricted Endowment Funds:  |                               |                            |               |
| Original Donor-Restricted Gift Amount<br>and Amounts Required to be Maintained<br>in Perpetuity by Donor | -                             | 10,692,328                 | 10,692,328    |
| Accumulated Investment Gains   | -                             | 1,057,454                  | 1,057,454     |
| Total  | \$ 1,061,511                  | \$ 27,828,970              | \$ 28,890,481 |
|  |                               |                            |               |
|  | 2023                          |                            |               |
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
| Board-Designated Endowment Funds   | \$ 1,008,413                  | \$ -                       | \$ 1,008,413  |
| Purpose-Restricted Quasi-Endowment Funds   | -                             | 13,426,817                 | 13,426,817    |
| Donor-Restricted Endowment Funds:  |                               |                            |               |
| Original Donor-Restricted Gift Amount<br>and Amounts Required to be Maintained<br>in Perpetuity by Donor | -                             | 11,641,689                 | 11,641,689    |
| Accumulated Investment Gains   | -                             | 459,540                    | 459,540       |
| Total  | \$ 1,008,413                  | \$ 25,528,046              | \$ 26,536,459 |

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 7 ENDOWMENT (CONTINUED)**

At June 30, 2024, funds with original gift values of \$330,578, fair values of \$315,140, and deficiencies of \$15,438 were reported in net assets with donor restrictions. At June 30, 2023, funds with original gift values of \$2,267,697, fair values of \$2,186,849, and deficiencies of \$80,848 were reported in net assets with donor restrictions. The deficiencies resulted from unfavorable market fluctuations.

**Investment and Spending Policies**

The Foundation has adopted investment and distribution policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment. Under this policy, as approved by the board of directors, endowment assets are invested in a manner intended to maintain or increase the dollar value of the portfolio after annual distribution expenses and fees in order to provide the benefit intended by donors. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Effective January 1, 2014, the Foundation adopted a banded inflation method to determine endowment distributions based on the Higher Education Price Index (HEPI), with the resulting rate subject to a minimum of 3% and a maximum of 5%. Barring specific requirements for each individual endowment, distributions from Donor-Restricted Endowments are limited to the excess of the fair values of the Donor-Restricted Endowments over the sum of the original and subsequent gift amounts. In establishing this policy, the Foundation considered the long-term expected return on the Endowment, and set the rate with the objective of maintaining the purchasing power of the Endowment over time.

Changes in Endowment net assets are as follows for the years ended June 30:

|   | 2024                          |                            |                      |
|---|-------------------------------|----------------------------|----------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Endowment Net Assets - Beginning of Year                              | \$ 1,008,413                  | \$ 25,528,046              | \$ 26,536,459        |
| Transfers, Net  | -                             | 250,000                    | 250,000              |
| Investment Return, Net  | 98,897                        | 2,390,769                  | 2,489,666            |
| In-Kind Contributions   | -                             | -                          | -                    |
| Contributions   | -                             | 646,494                    | 646,494              |
| Appropriation of Endowment Assets<br>Pursuant to Spending-Rate Policy | (45,799)                      | (986,339)                  | (1,032,138)          |
| Endowment Net Assets - End of Year                                    | <u>\$ 1,061,511</u>           | <u>\$ 27,828,970</u>       | <u>\$ 28,890,481</u> |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

|   | 2023                          |                            |               |
|---|-------------------------------|----------------------------|---------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
| Endowment Net Assets - Beginning of Year                              | \$ 921,253                    | \$ 18,844,179              | \$ 19,765,432 |
| Transfers, Net  | -                             | 250                        | 250           |
| Investment Return, Net  | 87,160                        | 1,960,005                  | 2,047,165     |
| Contributions   | -                             | 5,382,432                  | 5,382,432     |
| Appropriation of Endowment Assets<br>Pursuant to Spending-Rate Policy | -                             | (658,820)                  | (658,820)     |
| Endowment Net Assets - End of Year                                    | \$ 1,008,413                  | \$ 25,528,046              | \$ 26,536,459 |

Net assets with donor restrictions are restricted for the following purposes or periods:

|   | 2024          | 2023          |
|---|---------------|---------------|
| Purpose Restricted Net Assets:  |               |               |
| Scholarships  | \$ 2,960,505  | \$ 3,357,120  |
| Academic, Student, and Other Activities   | 7,550,095     | 7,590,654     |
| University Capital Projects   | 8,755,026     | 4,222,896     |
| Total   | 19,265,626    | 15,170,670    |
| Endowments:   |               |               |
| Purpose-Restricted Quasi-Endowments Subject<br>to Expenditure for Specified Purpose:                    |               |               |
| Scholarships  | 9,258,340     | 8,550,435     |
| Academic, Student, and Other Activities   | 6,820,848     | 4,876,382     |
| Total   | 16,079,188    | 13,426,817    |
| Donor-Restricted Investment Earnings Subject<br>to Appropriation and Expenditure:                       |               |               |
| Accumulated Losses on Endowment Funds   | (15,438)      | (80,848)      |
| Scholarships  | 551,723       | 284,296       |
| Academic, Student, and Other Activities   | 521,169       | 256,092       |
| Total   | 1,057,454     | 459,540       |
| Perpetual in Nature, Earnings from Which are Subject<br>to Endowment Spending Policy and Appropriation: |               |               |
| Scholarships  | 4,893,181     | 5,741,209     |
| Academic, Student, and Other Activities   | 5,799,147     | 5,900,480     |
| Total   | 10,692,328    | 11,641,689    |
| Total Endowments  | 27,828,970    | 25,528,046    |
| Total Net Assets with Donor Restrictions  | \$ 47,094,596 | \$ 40,698,716 |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Satisfaction of Purpose Restrictions, Including |              |              |
| Spending-Rate Distributions:                    |              |              |
| Scholarships                                    | \$ 3,171,089 | \$ 3,253,183 |
| Academic, Student, and Other Activities         | 4,508,066    | 3,897,716    |
| University of Capital Projects                  | 1,114,805    | 528,054      |
| Total   | \$ 8,793,960 | \$ 7,678,953 |

**NOTE 9 BOARD-DESIGNATED NET ASSETS**

Board-designated net assets consist of the following at June 30:

|           | 2024         | 2023         |
|-----------|--------------|--------------|
| Endowment | \$ 1,061,511 | \$ 1,008,413 |

During the year ended June 30, 2017, the Foundation's board of directors designated \$1,000,000 as reserve funding for the establishment of a new School within the University; this designation was changed to a board-designated endowment for a Dean position during the year ended June 30, 2019.

**Management Designations**

An additional \$1,000,000 was internally designated by management for scholarships and applied to creating matching opportunities for gifts from new or lapsed donors, or stimulating increased levels of support from current donors. During the years ended June 30, 2024 and 2023, none of these funds were undesignated and used to satisfy the extension of donor restrictions under the challenge match program.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

The Foundation has agreements with the University to use its best efforts to raise cash and in-kind contributions for the University Hospitality Center and for the University's athletic fields. The agreements are conditioned on the Foundation's ability to collect donor contributions restricted to the respective projects; as contributions are collected, the Foundation records a liability to the University, as appropriate, and a corresponding contribution expense.

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 11 RELATED PARTY TRANSACTIONS**

Transactions with the University consist of the following during the years ended June 30:

|  | <u>2024</u>  | <u>2023</u>  |
|--|--------------|--------------|
| Funding Provided to the University                           | \$ 8,203,061 | \$ 7,543,061 |
| Payable to the University                                    | 973,513      | 3,008,329    |
| Payments for Salaries and Benefits to the University         | 540,541      | 483,248      |
| Payments for Rent to the University                          | 8,274        | 6,206        |
| Professional Services Donated by the University              | 4,539,260    | 4,382,639    |
| Due from University  | 3,423        | 6,359        |
| Reimbursement for CVA and 800 Kalamath<br>Operating Expenses | 49,207       | 31,058       |
| Reimbursement for CVA and 800 Kalamath<br>Rent Expense       | 243,637      | 100,000      |

**NOTE 12 IN-KIND CONTRIBUTIONS AND SERVICES RECEIVED FROM THE UNIVERSITY**

**Contributed Nonfinancial Assets**

Contributed nonfinancial assets recognized within the consolidated statements of activities are as follows for the year ended June 30:

| <u>Nonfinancial Asset</u>                     | <u>2024 Revenue Recognized</u> | <u>2023 Revenue Recognized</u> | <u>Monetized or Utilized</u> | <u>Utilization in Function</u>  | <u>Donor Restrictions</u>  | <u>Valuation Technique</u>           |
|---|--------------------------------|--------------------------------|------------------------------|---|----------------------------|--------------------------------------|
| Management and Fundraising Staff Compensation | \$ 3,392,813                   | \$ 3,354,767                   | Utilized                     | Program Services - Alumni Relations<br>Operating Costs;<br>General and Administrative; and<br>Donor Development | No Donor Restrictions      | Cost of Staff Salaries and Benefits  |
| Professional Services                         | 1,146,447                      | 1,027,872                      | Utilized                     | Program Services - Alumni Relations<br>Operating Costs;<br>General and Administrative; and<br>Donor Development | No Donor Restrictions      | Allocated Cost of Goods and Services |
| Materials                                     | -                              | 36,505                         | Utilized                     | Support Provided to University  | Donor-Restricted - Purpose | Sales Prices of Comparable Materials |
| Equipment                                     | 141,792                        | 23,918                         | Utilized                     | Support Provided to University  | Donor-Restricted - Purpose | Sales Prices of Comparable Equipment |
| Total   | <u>\$ 4,681,052</u>            | <u>\$ 4,443,062</u>            |                              |   |                            |                                      |

**METROPOLITAN STATE UNIVERSITY OF DENVER FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 12 IN-KIND CONTRIBUTIONS AND SERVICES RECEIVED FROM THE UNIVERSITY  
(CONTINUED)**

**University-Contributed Nonfinancial Assets**

The Foundation received in-kind contributed services from the University as follows during the years ended June 30:

|   | 2024         | 2023         |
|---|--------------|--------------|
| Program Services - Alumni Relations Operating Costs         |              |              |
| Alumni Relations Operations Staff Compensation - University | \$ 645,576   | \$ 606,168   |
| Professional Services - University                          | 178,986      | 200,638      |
| General and Administrative:                                 |              |              |
| Administration Office Compensation - University             | 1,083,845    | 1,128,160    |
| Professional Services - University                          | 251,156      | 399,800      |
| Donor Development:  |              |              |
| Development Office Compensation - University                | 1,663,392    | 1,620,439    |
| Professional Services - University                          | 716,305      | 427,434      |
| Total   | \$ 4,539,260 | \$ 4,382,639 |

**NOTE 13 LINE OF CREDIT**

In June 2024, the Foundation opened a line of credit with a bank with maximum borrowings of up to \$2,500,000. Borrowings under the line bear interest at the bank's prime rate minus 1.00%, or a floor of 5.00%. Accrued interest and principal are due monthly, with all outstanding and unpaid interest and principal due at maturity (October 26, 2027). The interest rate as of June 30, 2024 was 7.50%. At June 30, 2024, the Foundation had \$-0- outstanding cash borrowing on the line of credit.

**NOTE 14 SUBSEQUENT EVENTS**

In July 2024, the Foundation determined that a contribution received during fiscal year 2024 for \$1,058,241 will be returned to the donor. A corresponding liability has been recorded in the consolidated statement of financial position as of June 30, 2024.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.