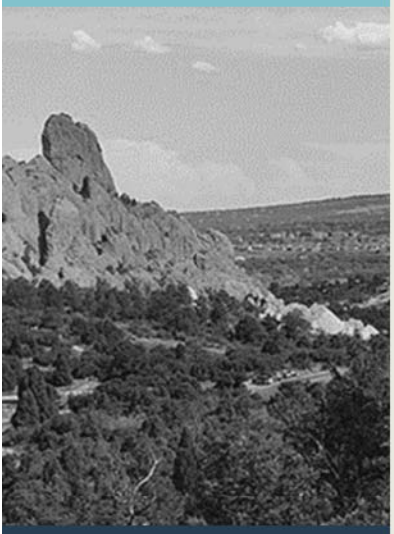


Consolidated Financial Statements

Colorado State University-Pueblo Foundation
For the Years Ended June 30, 2026 and 2025

sorren CPAs, PC

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Colorado State University-Pueblo Foundation
Pueblo, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Colorado State University-Pueblo Foundation, a non-profit organization, and its wholly-owned subsidiaries (collectively, the Foundation) which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, 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 (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025 and the changes in their net assets and their 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Foundation'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Sorren CPAs P.C.
Colorado Springs, Colorado
October 16, 2026

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 1,034,423	$ 717,643
Accounts receivable	641,210	235,276
Unconditional promises to give - cash, net	1,823,082	432,922
Prepaid expenses	22,296	26,538
Marketable securities	45,803,824	45,974,976
Assets managed for others	4,961,419	
Miscellaneous assets	9,492	6,946
Note receivable - CSU Pueblo Athletics	67,823	95,681
Beneficial interest in charitable trust held by others	284,848	264,625
Investment in limited partnership	249,948	249,948
Commercial real estate projects	1,219,409	1,219,409
Thunderbowl Stadium	24,538,831	22,379,293
Leasehold improvements and office equipment	34,357	34,357
Less accumulated depreciation	(3,475,107)	(2,641,599)
TOTAL ASSETS	$ 77,215,855	$ 68,996,015
LIABILITIES AND NET ASSETS		
Accounts payable	$ 1,405,775	$ 2,149,398
Other liabilities	78,855	646,271
Assets managed for others	4,961,419	
Note payable - Thunder Village I, LLC	916,051	941,708
TOTAL LIABILITIES	7,362,100	3,737,377
NET ASSETS		
Without donor restrictions	25,583,977	23,888,363
With donor restrictions	44,269,778	41,370,275
TOTAL NET ASSETS	69,853,755	65,258,638
TOTAL LIABILITIES AND NET ASSETS	$ 77,215,855	$ 68,996,015

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contribution of cash and other financial assets	$ 1,470,982	$ 6,542,815	$ 8,013,797	$ 6,689	$ 5,045,593	$ 5,052,282
Net investment return	873,787	3,399,296	4,273,083	639,968	2,634,142	3,274,110
Fundraising revenue	17,503	616,521	634,024	3,936	528,850	532,786
Contribution of non-financial assets	315,240	60,057	375,297	26,500	40,021	66,521
Thunderbowl operating revenues	269,967		269,967	162,038		162,038
Other revenue	228,146	22,714	250,860	110,297	9,125	119,422
Changes in the value of beneficial interest in assets held by others		20,223	20,223		9,279	9,279
Reclassification of net assets	64,271	(64,271)		(112,369)	112,369	
Net assets released from restrictions	7,697,852	(7,697,852)		7,691,985	(7,691,985)	
TOTAL REVENUE AND SUPPORT	10,937,748	2,899,503	13,837,251	8,529,044	687,394	9,216,438
EXPENSES						
Program expenses	6,751,400		6,751,400	6,535,015		6,535,015
Thunderbowl expenses	988,276		988,276	794,131		794,131
Management and general	753,128		753,128	712,614		712,614
Fundraising	749,330		749,330	687,074		687,074
TOTAL EXPENSES	9,242,134	—	9,242,134	8,728,834	—	8,728,834
CHANGE IN NET ASSETS	1,695,614	2,899,503	4,595,117	(199,790)	687,394	487,604
NET ASSETS, Beginning of year	23,888,363	41,370,275	65,258,638	24,088,153	40,682,881	64,771,034
NET ASSETS, End of year	$ 25,583,977	$ 44,269,778	$ 69,853,755	$ 23,888,363	$ 41,370,275	$ 65,258,638

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Expenses	Thunderbowl Expenses	Foundation Operations		Total
			Management and General	Fundraising	
Scholarships	$ 4,328,381				$ 4,328,381
Salaries and fringe benefits	1,087,611		$ 432,020	$ 414,181	1,933,812
Depreciation		$ 833,508			833,508
Construction projects and University expenses	595,293			24,416	619,709
Supplies	305,015	3,288	19,330	18,149	345,782
Official functions	111,047	10,000		89,297	210,344
Direct costs of fundraising events				155,924	155,924
Professional fees		31,019	103,655		134,674
Marketing expenses	23,534	88,121		1,650	113,305
Equipment and software	50,180		61,863	89	112,132
Repairs and facilities costs	42,495	18,072	2,677	399	63,643
Contributed non-financial program expenses	60,057				60,057
Travel	48,753		8,879		57,632
Dues, registrations and memberships	42,330	262	7,166		49,758
Board development and expenses			43,557		43,557
Prizes and awards	34,716			3,375	38,091
Bad debts				36,500	36,500
Printing, reproduction and publications	18,148		2,077	4,693	24,918
Contributed use of facilities			24,000		24,000
Insurance	2,584	125	20,846		23,555
Training and conferences			13,762		13,762
Telephone	435		8,950		9,385
Postage	94		4,125	657	4,876
Miscellaneous	727	3,881	221		4,829
TOTAL	$ 6,751,400	$ 988,276	$ 753,128	$ 749,330	$ 9,242,134

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Expenses	Thunderbowl Expenses	Foundation Operations		Total
			Management and General	Fundraising	
Scholarships	$ 4,259,956				$ 4,259,956
Salaries and fringe benefits	822,271		$ 453,864	$ 387,585	1,663,720
Construction projects and University expenses	704,610			21,020	725,630
Depreciation		$ 668,469	2,043		670,512
Official functions	201,116	10,000		88,773	299,889
Equipment and software	195,144		51,202		246,346
Direct costs of fundraising events				167,772	167,772
Supplies	122,747	116	9,219	17,648	149,730
Professional fees		22,339	90,242		112,581
Marketing expenses	41,706	67,910		1,722	111,338
Repairs and facilities costs	41,375	17,885	2,676	302	62,238
Printing, reproduction and publications	44,220		1,903	1,801	47,924
Contributed non-financial program expenses	40,021				40,021
Travel	30,200		9,391		39,591
Contributed use of facilities			26,500		26,500
Insurance	4,731	125	20,676		25,532
Prizes and awards	17,624			2,479	20,103
Dues, registrations and memberships	7,644	297	7,464		15,405
Telephone	456		9,448		9,904
Training and conferences			9,731		9,731
Postage	94		5,581	659	6,334
Interest expense		3,947			3,947
Miscellaneous	1,100	3,043	12,674		16,817
Bad debts (recovery)				(2,687)	(2,687)
TOTAL	$ 6,535,015	$ 794,131	$ 712,614	$ 687,074	$ 8,728,834

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS PROVIDED BY OPERATIONS		
Change in net assets	$ 4,595,117	$ 487,604
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation	833,508	670,512
Unrealized gain on sale of marketable securities	(953,270)	(1,794,931)
Realized gain on sale of marketable securities	(72,546)	(125,179)
Unrealized loss on real estate project		1,290,228
Contributions restricted to endowments	(323,682)	(510,102)
Capitalization of in-kind contribution	(291,240)	
Bad debt expense (recovery)	36,500	(2,687)
Change in beneficial interest in trusts	(20,223)	(9,279)
Discount on note receivable	(2,142)	1,789
Changes in operating assets:		
Accounts receivable	(405,934)	(157,100)
Unconditional promises to give	(1,426,660)	245,262
Prepaid expenses	4,242	(7,642)
Accounts payable	(743,623)	412,620
Other liabilities	(567,416)	554,099
Miscellaneous assets	(2,546)	(1,781)
Net cash provided by operations	660,085	1,053,413
CASH FLOWS USED IN INVESTING ACTIVITIES		
Maturities and sales of marketable securities	12,473,558	9,055,061
(Loan to) payment received from CSU Pueblo Athletics	30,000	(40,000)
Purchase of marketable securities	(11,276,590)	(7,707,186)
Purchase of and improvements to commercial real estate projects	(1,868,298)	(2,407,295)
Net cash used in investing activities	(641,330)	(1,099,420)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Payments on note payable - Thunder Village I, LLC	(25,657)	(43,231)
Collections of contributions restricted to endowments	323,682	510,102
Net cash provided by financing activities	298,025	466,871
NET INCREASE IN CASH AND CASH EQUIVALENTS	316,780	420,864
CASH AND CASH EQUIVALENTS, Beginning of year	717,643	296,779
CASH AND CASH EQUIVALENTS, End of year	$ 1,034,423	$ 717,643
SUPPLEMENTAL INFORMATION		
Interest paid	$ 65,882	$ 31,974
Cancelation of lease on parking lot due to purchase	$ —	$ 1,236,178

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities — The Colorado State University-Pueblo Foundation, a nonprofit organization, was established to promote and account for contributions from the general public for the benefit of the Colorado State University-Pueblo. The Foundation collects contributions and distributes them in accordance with the donor's restrictions, if any. Contributions are primarily from businesses and individuals located in Southeastern Colorado and from alumni of the Colorado State University-Pueblo.

Principles of Consolidation — The consolidated financial statements (the financial statements) reflect all assets, liabilities, revenues and expenses of Colorado State University-Pueblo Foundation and its wholly-owned subsidiaries, Thunder Village I, LLC, Land Holdings Management and Development, LLC and its wholly owned subsidiary CSU Pueblo ThunderBowl, LLC, and Dillon Healy, LLC (collectively, the Foundation). All significant intercompany accounts and transactions have been eliminated in the consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Foundation".

Basis of Accounting — The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and other assets along with payables and other liabilities.

Use of Estimates — The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates, and those differences could be material.

Cash and Cash Equivalents — We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies — Accounts receivable consist primarily of non-interest-bearing amounts due for program services and for fundraising activities that have occurred and donors have participated in, but payment has not been received by the date of the financial statements. We determine the allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At June 30, 2026 and 2025, all amounts were deemed collectible.

Promises to Give — We record unconditional promises to give - cash, that are expected to be collected within one year at a net realizable value. Unconditional promises to give - cash, 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. We determine the allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2026 and 2025, the allowance was $46,000 and $12,000, respectively.

Property and Equipment — Effective July 1, 2018, we record property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of the donation. Prior to that date, the amount was $500. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting 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 currently.

Revenue and Revenue Recognition — Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services and Other Non-Financial Contributions — Contributed services are recorded if they (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. A number of volunteers have contributed significant amounts of their time in the Foundation's program services and its fundraising campaigns, but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria.

Contributed Use of Facilities: During each of the years ended June 30, 2026 and 2025, the value of the facilities used by the Foundation on the campus of the Colorado State University-Pueblo totaled $24,000. These amounts are recorded in the consolidated statements of activities and functional expenses under the captions contributions of non-financial assets and contributed use of facilities.

Beneficial Interest in Charitable Trusts Held By Others — We have been named as an irrevocable beneficiary of a charitable trust held and administered by independent trustees. This trust was created independently by donors and is administered by outside agents designated by the donors; therefore, we neither have possession nor control over the assets of the trust.

At the date we receive notice of beneficial interest, a contribution with donor restrictions is recorded in the consolidated statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the consolidated statements of financial position at fair value using present value techniques and risk - adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement.

Thereafter, beneficial interests in the trusts are reposted at the fair value in the consolidated statements of financial position, with changes in fair value recognized in the consolidated statements of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions without donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor restrictions are not released.

Investments — We record investment purchases at cost, or if donated, at fair value on the date of the 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 consisted of interest and dividend income, realized and unrealized capital gains and losses, net rental income, less external and direct internal investment expenses.

Investment Income (Loss) Allocation — We pool investments of the various net asset accounts. The income from such investments, including gains and losses, are allocated to the participating net asset accounts. The distributable income (loss) is allocated to all income producing accounts for which the Executive Committee of the Foundation specifies allocation. Individual accounts cannot be allocated investment income that is more than 90% of the Foundation's gross yield on its investments. Any excess investment income due to this limitation is credited to the Unspecified Capital Campaign account. See note 4 for calculation of net investment income. In an effort to enhance the timeliness and reporting to the persons in charge of the accounts described above, we are allocating investment income each June 30 and December 31.

Net Assets — Net assets, revenues, gains and losses are classified based on the existence or absence of donor or 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) restrictions. The governing board has designated, from assets without donor restrictions, net assets for subsequent year's expenses.

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 the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Program Expenses — Program expenses as detailed in the consolidated statements of functional expenses are primarily reimbursements paid directly to Colorado State University-Pueblo or directly to vendors who have provided a service to or goods directly to Colorado State University-Pueblo.

Most of these payments are made in accordance with donor's restrictions at the time the contributions were made. The salaries, payroll taxes and fringe benefits of the Foundation employees are allocated to the appropriate function based on what duties the employee performs.

Retirement Plan — Effective January 1, 2013, the Foundation started leasing employees through an employee leasing agency and the employees participate in a 401(k) plan. The Foundation contributed 7.0% for the years ended June 30, 2026 and 2025, of covered salaries to the Plan. Covered salaries totaled $789,272 and $732,828 for the years ended June 30, 2026 and 2025, respectively. Foundation contributions to the plans totaled $55,250 and $47,438, for the years ended June 30, 2026 and 2025, respectively.

Administrative Fee — The Foundation charges a 3% annual administrative fee to all income producing accounts. The administrative fee is calculated each time the investment income is allocated. The administrative fee is used to allow the Foundation to carry out its operations and assist where they can.

Income Taxes — The Foundation is organized as a Colorado non-profit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(a) and (3), respectively. The Foundation is annually required to file a Return of Organization Exempt from Income Taxes (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 their exempt purposes. We have filed the appropriate forms, but the forms reported a loss and therefore no tax was due. The Foundation believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Evaluation of Subsequent Events — We have evaluated subsequent events through the date of the Independent Auditors' Report, the date that the financial statements are available to be issued, and have considered any relevant matters in the preparation of the financial statements and footnotes.

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:

	2026	2025
Cash and cash equivalents	$ 1,034,423	$ 717,643
Accounts receivable	641,210	235,276
Unconditional promises to give, to be collected within one year	1,595,010	267,179
Note receivable, to be collected within one year	30,000	30,000
Investments	45,803,824	45,974,976
Total financial assets	49,104,467	47,225,074

	2026	2025
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Net assets with donor restrictions	(44,269,778)	(41,370,275)
Financial assets and liquidity resources available within one year	$ 4,834,689	$ 5,854,799

The Foundation's goal is to maintain financial assets to meet one year of general operating expenses. As part of the Foundation's liquidity plan, excess cash may be invested in short-term CD's and mutual funds that are of short-term duration. The Foundation is substantially supported by charitable contributions in addition to administrative fees earned from the management of income producing accounts with donor-imposed restrictions. As those charged with management of those accounts request expenses to be made, assets with donor restrictions can be liquidated to cover those expenses. As mentioned in Note 15, the Foundation has a $2,500,000 line of credit that can be borrowed upon if needed.

3. UNCONDITIONAL PROMISES TO GIVE - CASH

Unconditional promises to give - cash, consist of the following:

	2026	2025
Restricted for scholarships or other particular purposes	$ 1,911,509	$ 468,169
Less allowance for credit losses	(46,000)	(12,000)
Gross unconditional promises to give	1,865,509	456,169
Less unamortized discount	(42,427)	(23,247)
Net unconditional promises to give	$ 1,823,082	$ 432,922
Amounts due in:		
Less than one year	$ 1,595,010	$ 267,179
One to five years	213,503	148,627
More than five years	14,569	17,116
Total	$ 1,823,082	$ 432,922

The allowance for credit losses was arrived at by identifying specific donors that have failed to keep their promises and by applying a historical percentage of 2% to the remaining amount at June 30, 2026 and 2025.

Unamortized discount was arrived at by discounting amounts to be received in the future by the average borrowing rate. Pledges made in 2023 were discounted using a rate of 4% and pledges made in 2025 and 2026 were discounted using a rate of 5%. There were no additional long-term pledges made in the year ended June 30, 2026.

4. INVESTMENTS – NET INVESTMENT RETURN

Marketable debt and equity securities are presented in the financial statements at fair market value:

	2026		2025	
	Cost	Carrying Value	Cost	Carrying Value
Registered Investment Co.	$ 39,830,775	$ 45,803,824	$ 39,831,838	$ 45,974,976

The following schedule summarizes the net investment return and its classification in the consolidated statements of activities for the years ended June 30:

	Without Donor Restriction	With Donor Restriction	Total
2026:			
Dividend income	$ 683,807	$ 2,660,217	$ 3,344,024
Interest income	1,828	7,111	8,939
Realized gains	14,834	57,711	72,545
Unrealized gains, net	194,931	758,339	953,270
Net rental income	80	309	389
Investment expenses	(21,693)	(84,391)	(106,084)
Total investment income	$ 873,787	$ 3,399,296	$ 4,273,083
2025:			
Dividend income	$ 525,165	$ 2,161,609	$ 2,686,774
Interest income	4,058	16,703	20,761
Realized gains	24,468	100,711	125,179
Unrealized gains, net	1,388,878	406,052	1,794,930
Unrealized loss on real estate project	(1,290,228)		(1,290,228)
Net rental income	7,944	32,692	40,636
Investment expenses	(20,317)	(83,625)	(103,942)
Total investment income	$ 639,968	$ 2,634,142	$ 3,274,110

5. BENEFICIAL INTEREST IN CHARITABLE TRUST HELD BY OTHERS

We have been named as a remainder beneficiary of a charitable trust held by others. A summary follows:

Helen Jones Charitable Trust (Jones Trust): The trust was established on December 27, 1999. The Foundation is named as one of 10 remainder beneficiaries. Each February 1, the trustee is required to make certain established payments to 8 individuals and all 10 remainder beneficiaries. The balance of the prior year's income, if any, is then remitted to the 10 remainder beneficiaries according to predetermined percentages in the trust. If any of the remainder beneficiaries cease, their percentage of income is allocated to the remaining beneficiaries. As of June 30, 2026, 3 of the 8 have passed away. The Foundation has made the assumption that the income generated is equal to the required payments each year and therefore the balance of the trust will be intact to distribute when the day arrives.

The assets of the trust consist of marketable securities with readily determinable values. The recorded value on the books of the Foundation is equal to the fair market value of the trust assets at June 30 multiplied by the percentage (currently 32.25%) the Foundation is to receive upon termination of the trust.

A summary of the values at June 30 and the change from the previous year are as follows:

	2026	2025
Foundation's share of the value of assets	$ 284,848	$ 264,625
Change in value of split-interest agreement	20,223	9,279

6. COMMERCIAL REAL ESTATE / OTHER ASSETS OF LLC'S

On July 1, 2002, the Foundation transferred assets and related items to Land Holdings Management and Development, LLC. During the year ended June 30, 2011, the Foundation acquired assets from an estate for the benefit of the Healy Business Institute and placed them into three separate LLC's. During the years ended June 30, 2018 and 2017, the Foundation through Thunder Village I, LLC completed construction of commercial real estate which is being treated as an investment once fully occupied. During the year ended June 30, 2021, the Foundation through Land Holdings Management and Development, LLC established CSU Pueblo ThunderBowl, LLC to account for the activity of the assets to be received from the Friends of Football relating to the ThunderBowl. The assets, liabilities, revenues and expenses of all of these LLC's are included in the financial statements of the Foundation.

The following is a summary of the assets and liabilities in the LLCs at June 30:

	2026	2025
Cash in checking and savings	$ 43,376	$ 111,521
Accounts and rents receivable	433,100	2,500
Due from Foundation	102,188	108,035
Accounts payable and accrued expenses	471,166	825,380
Unsecured note payable	916,051	941,708
Note payable due to Foundation	800,000	
Investments in real estate and the limited partnership carried at the lower of cost or fair value:		
Thunder Village I	$ 1,200,000	$ 1,200,000
Investment in limited partnership	249,948	249,948
Investment in activities in CSU-Pueblo ThunderBowl, LLC:		
CSU Pueblo ThunderBowl, LLC costs	$ 19,409	$ 19,409
CSU ThunderBowl stadium	19,842,500	19,842,500
CSU ThunderBowl Box Seats (under construction)	2,867,078	1,132,441
CSU ThunderBowl equipment	57,575	57,575
CSU ThunderBowl new turf (under construction)	424,900	
Less accumulated depreciation	(3,440,750)	(2,607,242)
CSU ThunderBowl parking lot	1,346,777	1,346,777

Thunder Village: The Foundation has completed construction of a commercial facility close to the football and soccer / lacrosse complexes on the campus of the University. The facility is at full capacity at June 30, 2025. The commercial facility was determined to be impaired during the year ended June 30, 2025 and a loss of $1,290,228 was recorded.

Investment In Limited Partnership: The Foundation owns 425 units (approximately 6%) in W.L. Enterprises, Ltd., a New Mexico partnership. The assets of W.L. Enterprises, Ltd. consist of commercial and residential real estate parcels in the City and County of Pueblo. The investment is carried at the fair value on date of receipt less cash distributions received.

CSU-Pueblo ThunderBowl, LLC: This entity was established to account for the football stadium and cash to be received from Friends of Football and to account for the operation of the stadium and associated transactions. The stadium was transferred to the Foundation in July 2021 and the cash was transferred to the Foundation in August 2021. During the year ended June 30, 2025, the Foundation purchased a parking lot adjacent to the stadium. In addition, the Foundation has completed construction on box seats for the stadium. Once completed, they will be leased to tenants. The Foundation has loaned $800,000 to complete these seats. Those funds, plus interest will be borrowed from the investment pool with a projected repayment of approximately 10 years.

7. NEW TURF PROJECT – CSU-PUEBLO THUNDERBOWL LLC

During the year ended June 30, 2026, the Foundation through CSU-Pueblo ThunderBowl LLC started removing the old turf and replacing it with new turf in the CSU-Pueblo Thunderbowl. Total estimated cost for removal and replacement is $600,000. Costs incurred and recorded as accounts payable by year ended June 30, 2026 was $424,900. The Foundation will receive $250,000 from the NFL Foundation and $175,000 from the University to help offset that cost. Those amounts are included in accounts receivable at June 30, 2026.

8. RENTAL INCOME TO BE RECEIVED

The Foundation, through Thunder Village I, LLC, has entered into non-cancelable operating leases with three entities for commercial real estate located in Pueblo. The leases require monthly rental payments from $1,700 to $5,117 per month plus the entity's percentage of common area maintenance costs. The Foundation, through CSU Pueblo ThunderBowl LLC has leased box seats from 1 to 4 years that require annual payments of $5,000 to $17,000. The following is a summary of the future rents to be received under these leases:

Years Ending June 30	
2027	$ 121,483
2028	72,650
2029	29,000
2030	12,000
Total	$ 235,133

9. DESIGNATED NET ASSETS

At June 30, 2026 and 2025, the Foundation had designated unrestricted net assets for the following purposes:

	2026	2025
Operating reserve for subsequent years' expense	$ 1,836,160	$ 1,807,293
Designated operating reserve	750,000	750,000
Special projects awarded to University groups for next year expenses	45,000	45,000
University personnel discretionary funds	27,967	33,590
Total	$ 2,659,127	$ 2,635,883

10. RECLASSIFICATION OF NET ASSETS

The reclassification of net assets occurs when (1) additional information becomes available or the donor will change his initial restriction, (2) there are some donor restrictions requiring that a portion of the net investment income earned to be added to their endowments, (3) amounts of temporarily restricted and permanently restricted contributions that have been determined to be uncollectible, and (4) a project that has a deficit balance is reported as with donor restrictions for internal purposes is reclassified to without donor restrictions for financial statement purposes.

11. NET ASSETS WITH DONOR RESTRICTIONS

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

	2026	2025
Subject to expenditure for specified purpose or time:		
Academic support (counseling, student services, library, athletics, etc.)	$ 6,969,631	$ 6,769,796
Scholarships	5,184,407	5,204,270
Research / public service	115,170	74,684
Instructional support	82,101	98,281
Promises to give, the proceeds from which have been restricted by donors for:		
Academic support (counseling, student services, library, athletics, etc.)	1,823,082	432,922
Total	14,174,391	12,579,953
Subject to passage of time:		
Beneficial interests in charitable trusts held by others	284,848	264,625
Endowments:		
Subject to the Foundation endowment spending policy and appropriation:		
Scholarships	23,471,942	22,475,970
Academic support	3,428,669	3,266,084
Instructional support	2,909,928	2,783,643
Total endowments	29,810,539	28,525,697
Total	$ 44,269,778	$ 41,370,275

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:

	2026	2025
Satisfaction of purpose restrictions:		
Scholarships	$ 4,320,071	$ 4,259,956
Academic support (counseling, student services, library, athletics, etc.)	2,080,039	2,128,714
Administrative fee expense	1,220,267	1,214,904
Instructional support	77,475	88,411
Total net assets with restrictions released	$ 7,697,852	$ 7,691,985

12. MAJOR NET ASSET PROJECTS / MAJOR DONORS

The following is a listing of significant net asset projects (net assets projects with balances exceeding 10% of the total net assets of the Foundation):

	2026	2025
CSU-Pueblo ThunderBowl, LLC	$ 20,422,935	$ 19,160,816

During the years ended June 30, 2026 and 2025, one donor contributed more than 10% of the total contributions.

13. RISKS AND UNCERTAINTIES

Concentration of Credit Risk: In the normal course of business, the Foundation has cash balances with financial institutions and money market funds with the brokerage house of Stifel Nicolaus. The financial institutions' balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2026, $12,351 was not insured nor collateralized in any other fashion.

The money market funds with Stifel Nicolaus are insured by Securities Investor Protection Corp. (SIPC) for amounts up to $500,000 per account and by Travelers Casualty and Surety Company of America for the full equity of their account and unlimited cash coverage. At June 30, 2026, all amounts are insured.

14. CONDITIONAL PROMISES TO GIVE

At June 30, 2026 and 2025, the Foundation had $86,885 and $886,769, respectively, of conditional promises to give directly related to public grants with measurable performance related barriers and right of return that have not been reflected in the accompanying financial statements.

The Foundation has been named as the beneficiary of various trusts and life insurance policies. In accordance with accounting principles generally accepted in the United States, as events occur that make these unconditional and amounts to be received known, they are recorded in the financial records of the Foundation.

Known conditional promises to give consist of the following at June 30:

	2026	2025
Life insurance designations, restricted for as directed by the Foundation's Board	$ 50,000	$ 50,000

15. LINE OF CREDIT

As of June 30, 2026 and 2025, the Foundation has obtained a $2,500,000 unsecured line of credit With PB&T Bank. Interest is due monthly at 6.75% and the maturity date is December 9, 2026. No amounts were outstanding at June 30, 2026 and 2025.

16. UNSECURED NOTES PAYABLE

On July 31, 2017, the Thunder Village I, LLC obtained an unsecured 130-month note payable from Legacy Bank. The proceeds were used to repay the line of credit that was outstanding at June 30, 2017 and replenish the cash that had been spent on the Thunder Village I project.

The note payable carries interest at a rate of 7.50%. It required interest only payments through May 2018 and then principal and interest payments of $12,411.88 starting June 10, 2018 through May 10, 2028. In February 2019, the Foundation decreased the principal outstanding by $1,200,000 to reduce the monthly payment. The new monthly principal and interest payments are $6,085 through May 10, 2028. In March 2020, the bank suspended the monthly payment requirement. Payments resumed in October 2020. The following is a summary of the principal payments due on this note payable subsequent to June 30, 2026:

Years Ended June 30	
2027	$ 48,215
2028	867,836
Total	$ 916,051

17. ENDOWMENT

Our endowment consists of approximately 130 individual projects established by donors to provide annual funding for a variety of purposes. At June 30, 2026 and 2025, our endowment is made up of projects with donor restrictions.

Our Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2026 and 2025, there were no such donor stipulations. As a result of this interpretation, we retain in perpetuity (a) the original value of initial and subsequent gifts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of applicable gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

We consider the following factors in making a decision to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes of the Foundation and the donor-restricted endowment fund.
3) General economic conditions.
4) The possible effect of inflation and deflation.
5) The expected total return from income and the appreciation of investments.
6) Other resources of the Foundation.
7) The investment policies of the Foundation.

The Foundation has established an accounting system whereby the original value of an endowment is recorded in one project and the earnings from the investment of the endowment is recorded in another project. If the terms of the endowment require a portion of the earnings to be reinvested in the corpus, that amount is transferred from the income project to the endowment project on the day income is allocated. The accounting system allows easy identification of donor-restricted endowment projects that may have fair values less than the amount to be maintained by donors or law (underwater endowments). If this situation occurs, we have chosen to cease further distributions until the balance in the income account becomes positive. At June 30, 2026, no accounts were deemed underwater and at June 30, 2025, 3 accounts were deemed underwater totaling $4,494.

Investment and Spending Policies: We have adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for the projects while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target rate of return is 7 percent on an annual basis. Actual returns in any given year may vary from this amount.

To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

We use an endowment spending-rate formula to determine the amount to spend from the endowment projects each year. The rate, currently at 3% but can be adjusted by the Board of Directors, is applied to the average fair value of the endowment projects at December 31 and June 30 of each year. In establishing this policy, we considered the long-term expected return on the endowment projects and set the rate with the objective of maintaining the purchasing power of the endowment over time.

Below is a summary of the activity in our endowment accounts:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets			
Balance, June 30, 2024		$ 27,145,639	$ 27,145,639
Net asset reclassification		190,677	190,677
Investment income:			
Interest and dividend income		1,737,851	1,737,851
Net rental income		26,082	26,082
Realized and unrealized appreciation		404,294	404,294
Investment fees		(66,716)	(66,716)
Administrative fees		(835,070)	(835,070)
Contributions		541,430	541,430
Appropriation of endowment assets for expenditure		(618,490)	(618,490)
Balance, June 30, 2025	$ —	28,525,697	28,525,697
Net asset reclassification		(210,534)	(210,534)
Investment income:			
Interest and dividend income		2,119,586	2,119,586
Net rental income		246	246
Realized and unrealized appreciation		648,472	648,472
Investment fees		(67,061)	(67,061)
Administrative fees		(917,030)	(917,030)
Contributions		357,786	357,786
Appropriation of endowment assets for expenditure		(646,623)	(646,623)
Balance, June 30, 2026	$ —	$ 29,810,539	$ 29,810,539

The Foundation's investment committee, in addition to a professional investment advisor, has addressed the various types of investments to be used for the endowments. The Foundation's investments consist of mutual funds at June 30, 2026 and 2025. The objective of the mutual fund investments is both appreciation and rates of returns (dividend income).

18. ASSETS MANAGED FOR OTHERS

During the year ended June 30, 2026, the Foundation entered into an agency transaction with the University. The Foundation will assist with the management of investments. Due to this being an agency transaction, the fair market value of the investments at June 30, 2026 are reported as both an asset and a liability. The Foundation received a management fee of $225,000 for the year ended June 30, 2026. The management fee will be used to hire fundraising employees and/or implement fundraising activities.

19. CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended June 30, contributed non-financial assets recognized within the consolidated statement of activities included:

	2026	2025
Construction assistance with box seats in ThunderBowl	$ 291,240	
Lab and other equipment	55,642	
Office space	24,000	$ 24,000
Items used for Athletic fundraisers and events	4,297	22,104
Books	118	736
Medical freezers and supplies for nursing program		16,543
Environmental site assessment for Thunderbowl parking lot		2,500
Alumni event supplies		638
Total	$ 375,297	$ 66,521

Colorado State University Foundation recognized the above contributed non-financial assets within revenue in the consolidated statements of activities. Unless otherwise noted, all contributed non-financial assets did not have donor-imposed restrictions for the particular program or purpose. The value of office space is recorded at estimated value compared to other commercial buildings and is the office space provided by the University and used by the Foundation. The balance of the items are valued at values assigned by the donor and were restricted for a particular purpose or event.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

We report certain assets at fair value in the 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 the current market conditions regardless of whether the 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.

A three-tier hierarchy categorizes the inputs as follows:

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

Level 2: Inputs other than quoted market 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, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of the 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 judgement, 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 our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

The fair value of beneficial interests in charitable trusts are determined by us using present value techniques and risk adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of the trust investments as reported by the trustees. This is considered to be a Level 3 measurement.

The following table presents the Foundation's fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2026 and 2025:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2026:				
Marketable equity securities:				
Domestic emphasis	$ 20,784,901	$ 20,784,901		
International emphasis	10,524,578	10,524,578		
Marketable debt securities:				
Domestic emphasis	10,039,066	10,039,066		
Cash with brokerage	4,455,279	4,455,279		
Beneficial interest in charitable trusts held by others	284,848			$ 284,848
Total	$ 46,088,672	$ 45,803,824	$ —	$ 284,848
2025:				
Marketable equity securities:				
Domestic emphasis	$ 22,509,861	$ 22,509,861		
International emphasis	8,949,623	8,949,623		
Marketable debt securities:				
Domestic emphasis	10,118,742	10,118,742		
Cash with brokerage	3,916,363	3,916,363		
Certificates of deposit	480,387		$ 480,387	
Beneficial interest in charitable trusts held by others	264,625			$ 264,625
Total	$ 46,239,601	$ 45,494,589	$ 480,387	$ 264,625

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Beneficial interest in charitable trusts held by others	
Balance, June 30, 2024	$ 255,346
Change in value of beneficial interest in charitable trusts held by others	9,279
Balance, June 30, 2025	264,625
Change in value of beneficial interest in charitable trusts held by others	20,223
Balance, June 30, 2026	$ 284,848