WESTERN COLORADO UNIVERSITY FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2026, AND 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Colorado University Foundation
Gunnison, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Western Colorado University Foundation (a nonprofit organization), 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 consolidated notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Western Colorado University Foundation as of June 30, 2026, and 2025, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Western Colorado University Foundation and to meet our 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 Western Colorado University Foundation's ability to continue as a going concern within one year after the date of the financial statements are available to be issued.

Auditor's Responsibilities for the Audit 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 auditor's 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Western Colorado University 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Colorado University 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McPherson, Goodrich, Paolucci & Mihelich, PC

August 21, 2026

WESTERN COLORADO UNIVERSITY FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash and cash equivalents	$ 439,037	$ 434,393
Accounts receivable	195,893	109,472
Estates in process of liquidation	778,500	4,407,427
Promises to give, net	4,705,020	3,771,695
Marketable securities	53,356,113	38,236,195
Derivative investments	3,103,500	5,420,337
Other assets	136,376	926,376
Property and equipment, net	1,250,165	1,273,718
TOTAL ASSETS	**$ 63,964,604**	**$ 54,579,613**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 883,161	$ 208,067
Accrued compensated absences	30,526	21,038
Notes payable	-	78,612
Liabilities under charitable gift annuities	21,702	22,733
TOTAL LIABILITIES	935,389	330,450
NET ASSETS		
Without donor restrictions		
Undesignated	3,516,193	2,946,255
With donor restrictions		
Perpetual in nature	8,573,605	6,585,958
Purpose restrictions	46,234,397	40,945,255
Time-restricted for future period	4,705,020	3,771,695
	59,513,022	51,302,908
TOTAL NET ASSETS	63,029,215	54,249,163
TOTAL LIABILITIES AND NET ASSETS	**$ 63,964,604**	**$ 54,579,613**

The accompanying notes are an integral part of these statements.

WESTERN COLORADO UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contribution of cash and other financial assets	$ 606,048	$ 7,240,382	$ 7,846,430
Fundraising revenue	-	88,868	88,868
Contribution of nonfinancial assets	14,000	1,241,491	1,255,491
Net investment return	626,773	8,368,539	8,995,312
Service agreement income - Western Colorado University	270,000	-	270,000
Royalties	-	29,249	29,249
Loss on disposal of assets	(20,742)	-	(20,742)
Reclassification of net assets	343,478	(343,478)	-
Net assets released from restrictions	8,414,937	(8,414,937)	-
TOTAL REVENUE AND SUPPORT	10,254,494	8,210,114	18,464,608
EXPENSES			
Program expenses	8,494,959	-	8,494,959
Management and general	482,316	-	482,316
Fundraising	707,281	-	707,281
TOTAL EXPENSES	9,684,556	-	9,684,556
CHANGES IN NET ASSETS	569,938	8,210,114	8,780,052
NET ASSETS - BEGINNING OF YEAR	2,946,255	51,302,908	54,249,163
NET ASSETS - ENDING OF YEAR	**$ 3,516,193**	**$ 59,513,022**	**$ 63,029,215**

The accompanying notes are an integral part of these statements.

WESTERN COLORADO UNIVERSITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Program Expenses	Management and General	Fundraising	Total
Scholarships	$ 2,756,092	$ -	$ -	$ 2,756,092
Personnel costs	2,016,575	225,518	281,872	2,523,965
In-kind expenses	1,241,491	14,000	-	1,255,491
Supplies and equipment	649,535	-	-	649,535
Program operations	437,632	-	-	437,632
Travel	406,798	-	9,561	416,359
Bad debt expense	-	-	347,319	347,319
Official functions	210,376	-	33,068	243,444
Professional fees	116,177	74,783	-	190,960
Capital, equipment, and software	95,087	69,841	-	164,928
Dues, registrations, sponsorships, training	82,073	8,082	-	90,155
Direct cost of fundraising	88,275	-	-	88,275
Advertising / marketing	79,373	-	-	79,373
Student success and career development	75,000	-	-	75,000
Staff development for university	62,500	-	-	62,500
Miscellaneous	37,019	8,126	-	45,145
Honorariums / stipends	41,900	-	-	41,900
Maintenance	40,892	-	-	40,892
Bank and credit card fees	-	35,368	-	35,368
Insurance	14,442	15,167	-	29,609
Other fundraising expenses	-	-	26,936	26,936
Depreciation expense	23,553	-	-	23,553
Board of directors' expenses	-	19,498	-	19,498
Office supplies and postage	-	11,814	-	11,814
Research projects	9,396	-	-	9,396
Publication costs	-	-	8,525	8,525
Property taxes	7,393	-	-	7,393
Annuity disbursements	3,380	-	-	3,380
Director's expense	-	119	-	119
TOTAL	$ 8,494,959	$ 482,316	$ 707,281	$ 9,684,556

The accompanying notes are an integral part of these statements.

WESTERN COLORADO UNIVERSITY FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contribution of cash and other financial assets	$ 584,552	$ 11,489,156	$ 12,073,708
Fundraising revenue	-	100,699	100,699
Contribution of nonfinancial assets	2,299,986	1,306,801	3,606,787
Net investment return	567,443	4,026,856	4,594,299
Service agreement income - Western Colorado University	270,000	-	270,000
Royalties	-	35,528	35,528
Loss on write down of assets	(67,271)	-	(67,271)
Reclassification of net assets	350,871	(350,871)	-
Net assets released from restrictions	7,594,107	(7,594,107)	-
TOTAL REVENUE AND SUPPORT	11,599,688	9,014,062	20,613,750
EXPENSES			
Program expenses	9,274,008	-	9,274,008
Management and general	472,925	-	472,925
Fundraising	381,169	-	381,169
TOTAL EXPENSES	10,128,102	-	10,128,102
CHANGES IN NET ASSETS	1,471,586	9,014,062	10,485,648
NET ASSETS - BEGINNING OF YEAR	1,474,669	42,288,846	43,763,515
NET ASSETS - ENDING OF YEAR	**$ 2,946,255**	**$ 51,302,908**	**$ 54,249,163**

The accompanying notes are an integral part of these statements.

WESTERN COLORADO UNIVERSITY FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Expenses	Management and General	Fundraising	Total
In-kind expenses	$ 3,396,801	$ 14,000	$ -	$ 3,410,801
Scholarships	2,249,403	-	-	2,249,403
Personnel costs	1,076,351	312,205	208,193	1,596,749
Capital equipment and software	956,811	53,094	-	1,009,905
Supplies and equipment	460,119	-	-	460,119
Travel	432,354	-	11,786	444,140
Official functions	141,317	-	17,345	158,662
Direct cost of fundraising	143,975	-	-	143,975
Professional fees	92,747	19,043	-	111,790
Bad debt expense	-	-	100,678	100,678
Dues, registrations, memberships	88,602	3,780	-	92,382
Advertising / marketing	82,333	-	-	82,333
Annuity disbursements	71,830	-	-	71,830
Other fundraising expenses	-	-	33,128	33,128
Bank and credit card fees	-	32,257	-	32,257
Miscellaneous	29,123	991	-	30,114
Insurance	12,501	14,887	-	27,388
Depreciation expense	23,152	-	-	23,152
Maintenance	14,323			14,323
Board of directors' expenses	-	12,721	-	12,721
Office supplies	-	9,947	-	9,947
Publication costs	-	-	7,795	7,795
Property taxes	2,266	-	-	2,266
Director's expense	-	-	2,244	2,244
TOTAL	$ 9,274,008	$ 472,925	$ 381,169	$ 10,128,102

The accompanying notes are an integral part of these statements.

WESTERN COLORADO UNIVERSITY FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 8,780,052	$ 10,485,648
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	23,553	23,152
Bad debt expense (recovery)	347,319	100,678
Collections of contributions restricted to endowments	(40,000)	(606,432)
Net realized and unrealized (gains) and losses on marketable securities	(6,704,585)	(3,339,370)
Net realized and unrealized (gains) and losses on derivatives	(838,653)	(543,587)
Write-down of assets (real estate) to net realizable value	15,000	67,271
Realized (gain) loss on sale/disposal of assets	5,742	-
(Increase) decrease in value of life insurance policy	-	397,075
Donation of land to University	-	132,549
Cash receipts from selling of estate assets	3,628,927	-
Receipt of estates in process of liquidation	-	(4,407,427)
Net change in split interest liabilities	(1,031)	(473,228)
Changes in operating assets and liabilities -		
(Increase) decrease in accounts receivable	(86,421)	(58,406)
(Increase) decrease in promises to give	(1,280,644)	(1,038,088)
(Decrease) increase in accounts payable	675,094	(310,697)
(Decrease) increase in accrued liabilities	9,488	21,038
NET CASH FROM (USED BY) OPERATING ACTIVITIES	4,533,841	450,176
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	(12,719,321)	(3,998,523)
Proceeds from sales and maturities of marketable securities	4,303,988	2,956,967
Proceeds from sales and maturities of derivatives	3,155,490	198,303
Proceeds from sale of other assets	769,258	-
NET CASH USED FOR INVESTING ACTIVITIES	(4,490,585)	(843,253)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes receivable	(78,612)	-
Collections of contributions restricted to endowments	40,000	606,432
NET CASH FROM FINANCING ACTIVITIES	(38,612)	606,432
NET CHANGE IN CASH AND CASH EQUIVALENTS	**4,644**	**213,355**
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	434,393	221,038
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 439,037**	**$ 434,393**

The accompanying notes are an integral part of these statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Western Colorado University Foundation (the Foundation) (formerly Western State Colorado University Foundation – name change formally adopted in June 2019), a nonprofit organization, was incorporated on August 22, 1975, under the laws of the State of Colorado. The Foundation was established to promote and account for contributions from the general public for the benefit of the Western Colorado University. 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 Colorado and from alumni of Western Colorado University.

Principles of Consolidation

The consolidated financial statements (the financial statements) reflect all assets, liabilities, revenues and expenses of Western Colorado University Foundation and its wholly owned subsidiary, John Brach Estate WCUF, 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 consists primarily of noninterest-bearing amounts due for program services and or 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 to give 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 $630,204 and $282,892, respectively.

Property and Equipment

We record property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of the donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 45 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 statement 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 In-kind 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.

Assets Held and Liabilities Under Split-Interest Agreements

Under charitable gift annuity contracts, we receive immediate title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of the receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using net present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of the contributed assets over the annuity liability is recorded as a contribution. It is recorded as restricted if directed by the donor. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount rates and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as contribution revenue.

Investments/Marketable Securities/Derivatives

We record investment and derivative purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments and derivatives are reported at their fair values in the Consolidated Statement of Financial Position. Net investment return/(loss) is reported in the Consolidated Statement of Activities and consisted of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investment Income (Loss) Allocation

We pool investments and derivatives of the various net asset accounts. The income from such investments and derivatives, including gains and losses, is allocated to the participating net asset accounts.

The distributable income (loss) is allocated to all endowment and quasi-endowment funds on a semi-annual basis in 2025. In 2026, a new investment allocation module was implemented, and the first two quarters were calculated on a semi-annual basis; the third and fourth quarters were allocated on a quarterly basis, which will be the schedule going forward.

Accrued Compensated Absences

Effective July 1, 2023, the Foundation employees became Western Colorado University employees. All employees are entitled to accumulated vacation pay and can carry hours forward from year to year. Accrued compensated absences at June 30, 2026, and 2025 totaled $30,526 and $21,038, respectively.

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 Statement of Functional Expenses are primarily reimbursements paid directly to Western Colorado University or directly to vendors who have provided a service to or goods directly to Western Colorado University. 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

The Foundation's employees participate in the University's 401(a) defined contribution plan. The plan allows for a match of 11.4% of the employees' compensation. Total expense for the years ended June 30, 2026, and 2025, totaled $49,442 and $50,758, respectively.

Administrative Fee

The Foundation charges a 2% annual administrative fee to all endowment and quasi-endowment funds. The administrative fee is calculated semi-annually, moving to a quarterly calculation, when the investment income is allocated. The administrative fee is used to allow the Foundation to carry out its operations and provide support to the University.

Income Taxes

The Foundation is organized as a Colorado nonprofit 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 which 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.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash balances at financial institutions in excess of federally insured limits. We maintain cash balances at financial institutions located in Western Colorado. Accounts are insured by the FDIC up to $250,000. At June 30, 2026, $170,074 was not covered by FDIC insurance nor was it insured in any other manner.

Reclassifications

Certain amounts from the fiscal year ending 2025 financial statements have been reclassified to meet the format of financial statements for the fiscal year ending 2026. There was no effect on net assets due to these reclassifications.

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.

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 balance sheet date, comprise the following:

Cash and cash equivalents	$ 439,037
Accounts receivable	195,893
Unconditional promises to give	1,315,944
Estates in process of liquidation	778,500
Investments/marketable securities/derivatives	56,459,613
Total financial assets	59,188,987
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Net assets with donor restrictions	(56,123,946)
Financial assets and liquidity resources available within one year	$ 3,065,041

The Foundation's goal is to maintain financial assets to meet one year of general operating expenses. The Foundation has $46,234,397 in net assets restricted for particular purposes. As requests for those expenses are made, the Foundation can liquidate investments/marketable securities as deemed necessary. Endowments consist of donor-restricted amounts. Income earned on those are restricted and is not available for general expenditures.

For the year ended June 30, 2026, we received $270,000 from Western Colorado University that was spent on operations. The University will continue to support the Foundation based on the mutually agreed upon budget and the Foundation can expect a similar amount of funding going forward.

The Foundation assesses a 2% management fee on all quasi-endowments and endowments.

NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2026	2025
Resilience Studies Consortium	$ 1,650,000	$ 1,750,000
Scholarships	1,532,826	148,118
Geiman Scholars	1,489,154	1,504,154
Locke Accounting Scholarship	861,000	952,000
School of Business Career Advancement	500,267	500,267
Restricted for other particular purposes	588,201	803,297
Less: Allowance for uncollectible unconditional promises to give	(630,204)	(282,892)
Gross unconditional promises to give	5,991,244	5,374,944
Less: unamortized discount	(1,286,224)	(1,603,249)
Net unconditional promises to give	$ 4,705,020	$ 3,771,695
Amounts due in:		
Less than one year	$ 1,315,944	$ 1,063,542
One to five years	2,274,863	1,562,600
More than five years	1,114,213	1,145,553
TOTAL	$ 4,705,020	$ 3,771,695

The allowance for uncollectible unconditional promises to give was arrived at by identifying specific donors where support has fallen behind schedule and by applying a historical percentage of 5% 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 weighted average rate of borrowing of 4.35% for 2026 pledges, 8.25% for 2025 pledges, 8.5% for 2024 pledges, 6.95% for 2023 pledges, 3.5% for 2022 pledges and 2% for the balance of the pledges.

NOTE 4 – INVESTMENTS (INCLUDING DERIVATIVES) – 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
Mutual funds, stocks, bonds, etc.	$ 42,131,132	$ 56,459,613	$ 34,659,836	$ 43,656,532

The following schedule summarizes the net investment return and its classification in the Consolidated Statement 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
Dividend and Interest income	$ 110,473	$ 1,475,010	$ 1,585,483	$ 110,774	$ 786,106	$ 896,880
Realized gains (losses)	154,089	2,057,365	2,211,454	25,662	182,110	207,772
Unrealized gains (losses)	371,507	4,960,277	5,331,784	453,923	3,221,262	3,675,185
Investment expenses	(9,296)	(124,113)	(133,409)	(22,916)	(162,622)	(185,538)
Total investment income (loss)	$ 626,773	$ 8,368,539	$ 8,995,312	$ 567,443	$ 4,026,856	$ 4,594,299

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2026	2025
Land	$ 1,180,676	$ 1,180,676
Aspinall-Wilson Center facility	1,108,583	1,108,583
Less accumulated depreciation	(1,039,647)	(1,016,648)
Equipment / furniture	105,360	105,360
Less accumulated depreciation	(104,807)	(104,253)
Net property and equipment	$ 1,250,165	$ 1,273,718

NOTE 6 - OTHER ASSETS

At June 30, 2026, and 2025, other assets consist of the following:

	2026	2025
Residence and real estate, Hawaii	$ -	$ 775,000
Art	128,376	128,376
Property	5,000	20,000
Lithographs	3,000	3,000
TOTAL	$ 136,376	$ 926,376

NOTE 7 - RECLASSIFICATION OF NET ASSETS

During the normal course of business, the Foundation receives and records contributions from the best information available. From time to time, additional information becomes available, or the donor will change their initial restriction. The Foundation will reclassify the amounts involved to the new classification. These reclassifications have no effect on the overall financial position.

NOTE 8 – 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.)	$10,086,533	$11,959,822
Instructional support	7,130,631	6,332,741
Research	2,961,722	2,526,475
Scholarships	21,485,206	17,452,420
Split interest agreements	54,280	42,481
Promises to give, the proceeds from which have been restricted by donors for Academic support (counseling, student services, library, athletics, etc.)	4,705,020	3,771,695
	46,423,392	42,085,634
Endowments		
Subject to the Foundation endowment spending policy and appropriation		
Academic support	1,570,959	1,328,544
Instructional support	2,485,730	2,088,779
Scholarships	9,032,941	5,799,951
Total Endowments	13,089,630	9,217,274
Total	$59,513,022	$51,302,908

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, and 2025:

	2026	2025
Satisfaction of purpose restrictions		
Academic support (counseling, student services, library, athletics, etc.)	$ 3,787,344	$ 4,475,336
Administrative fee expense	813,633	679,032
Fundraising	87,356	100,678
Instructional support	820,048	299,050
Research	141,464	109,336
Scholarships	2,765,092	1,930,675
Total net assets with restrictions released	$ 8,414,937	$ 7,594,107

NOTE 9 – NET ASSETS WITHOUT DONOR RESTRICTIONS DEFICIT

The Board of Directors of the Foundation, working with the management and Board of Trustees of Western Colorado University, have made decisions over the last years to assist the University with projects. A deficit in net assets without donor restrictions existed because certain projects were completed without being fully funded. Part of the shortage in funding was due to unfulfilled pledges, payments for principal and interest on loans used to complete building construction, and campaigns that did not meet the full project commitments. Some of those projects are: Borick Business building construction, University Center construction, and the ENVS Center remodel. The Board of directors has put a plan in place to eliminate these deficits over the last few years. Those plans reduced the deficit by $231,048 during the year ended June 30, 2026, and $612,377 during the year ended June 30, 2025. The Foundation received the balance from a promise to give in July 2025 that eliminated the balance of all deficits.

NOTE 10 – CHARITABLE GIFT ANNUITIES PAYABLE

The Foundation is a party to three charitable gift annuity agreements. The payments on these agreements vary from $225 to $355 per quarter. The interest rate used for calculation purposes vary from 5.3% to 9%. The life expectancies of the parties involved range from 3.2 years to 16.4 years. Below is a summary of the amounts due under these agreements subsequent to June 30, 2026:

June 30, 2027	$ 2,051
June 30, 2028	2,206
June 30, 2029	2,373
June 30, 2030	1,622
June 30, 2031	1,730
Thereafter	11,720
Total	$ 21,702

NOTE 11 – CONDITIONAL PROMISES TO GIVE

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 are 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
Will designation (estimated amounts), restricted for		
Miscellaneous purposes	$ 2,964,451	$ 3,256,986
ENVS	2,400,000	2,400,000
Scholarships	1,770,000	1,770,000
History	1,000,000	1,000,000
Business	1,000,000	1,000,000

NOTE 12 – ENDOWMENT

At June 30, 2026, our endowment consists of 89 individual funds established by donors to provide annual funding for a variety of purposes. Quasi-endowment funds fluctuate with actual earnings, additional contributions, and expenses. Quasi-endowments are not included in the endowments. At June 30, 2026, and 2025 our endowment is made up of projects with donor restrictions.

Our Board of Directors have 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, the Foundation retains 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. The Board of Directors considers 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 as book value and that value plus the earnings from the investment of the endowment less appropriations made in accordance with the spending policy of the Board is accounted for as market value. The accounting system allows easy identification of donor-restricted endowment projects that may have fair values less than the amount to be maintained as stipulated by donors or law (underwater endowments).

Funds with Deficiencies

Due to past stock market fluctuations and continued funding to the University, the fair value of assets associated with individual donor-restricted endowment funds had fallen below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The continued appropriations for certain programs that were deemed prudent by the Board of Directors and in accordance with UPMIFA, may cause deficiencies. At June 30, 2026, and 2025, there were no funds with deficits. The Board and management will continue to work to keep all funds in a positive position.

Investment and Spending Policies

The Foundation has 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. 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.

The spending policy is to distribute 4% of the fair market value of a 12-quarter moving average of the market value of the endowed accounts each year, with the caveat that the Foundation's Board shall have the discretion to adjust the distribution rate for a given year, depending on the short/long term needs of the Foundation or University and the anticipated near-terms trends in inflation and investment returns. An exception to this policy shall be for the endowment distribution tied directly to a faculty member's salary, such as endowed chair. In this case, efforts will be made to hold these distributions steady at 5% annually, to protect against market-based fluctuations of faculty salaries.

The total endowment spending allocation distributed for the years ended June 30, 2026, and 2025 was $401,519 and $318,549, respectively.

The Foundation's primary investment objective is to preserve the long-term purchasing power of its endowment assets after accounting for spending. This means that the Endowment intends to seek, on average, a minimum total annual rate of return equal to inflation plus actual Endowment spending over a perpetual investment time horizon. In order to have an opportunity to meet this primary objective, a long-term investment perspective is required when formulating investment strategy and evaluating spending levels. For this purpose, a "long-term investment perspective" is defined as more than 10 years.

The secondary objective is moderate short- and intermediate-term capital losses so spending can be preserved without excessive spending of principal, regardless of market performance.

The Foundation stands prepared to incur risks consistent with its pursuit of the return set forth above. The endowment investment pool should be deployed in common stocks, exchange traded funds that invest in common stocks, bonds, real assets, fixed income, and market alternatives based on limits adopted as part of its investment policy.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets			
Balance, June 30, 2024	$ -	$ 9,479,865	$ 9,479,865
Investment income –			
Interest and dividend income	-	200,932	200,932
Realized and unrealized appreciation (depreciation)	-	869,944	869,944
Investment fees	-	(41,564)	(41,564)
Administrative fees	-	(171,324)	(171,324)
Contributions	-	626,251	626,251
Appropriation of endowment assets for expenditure	-	(147,225)	(147,225)
Change in classification of project / transfer	25,000	(1,599,605)	(1,574,605)
Balance, June 30, 2025	25,000	9,217,274	9,242,274
Investment income –			
Interest and dividend income	988	404,667	405,655
Realized and unrealized appreciation (depreciation)	4,699	1,925,280	1,929,979
Investment fees	(83)	(34,050)	(34,133)
Administrative fees	(558)	(214,817)	(215,375)
Contributions	-	40,000	40,000
Appropriation of endowment assets for expenditure	-	(186,702)	(186,702)
Change in classification of project / transfer	-	1,937,978	1,937,978
Balance, June 30, 2026	$ 30,046	$ 13,089,630	$ 13,119,676

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 and derivatives at June 30, 2026, and 2025. The objective of the mutual fund investments is both appreciation and rates of returns (dividend income).

NOTE 13 – ASSETS OF LLC

During the year ended June 30, 2025, the Foundation became the beneficiary of an estate that contained various types of assets – equipment, guns, real estate, vehicles, water shares, etc. To account for these assets until they are converted to cash, the Foundation created the John Brach Estate WCUF, LLC. The assets remaining in the LLC at June 30, 2025, are listed below at their carrying value: (all of these were converted to cash during the year ended June 30, 2026)

580 Bookcliff Ave., Apartment 4	$ 187,427
42254 Piburn Flats	700,000
444 E Scenic Drive	500,000
618 Walnut	600,000
13733 2600 Rd Cedaredge	275,000

NOTE 14 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

The Foundation reports 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 assumption 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 process for similar assets in active markets, quoted process 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 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 the assessment of the quality, risk, or liquidity profile of the asset.

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

As a way to try to increase value and return, the Foundation has purchased derivatives. These investments are determined to be a level 2 asset as they are not sold in active markets. However, they use inputs from assets and or items that are associated with active markets so that the investment advisor does have access to values at the measurement date.

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:

June 30, 2026	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 539,078	$ 539,078	$ -	$ -
Marketable equity securities -				
Domestic emphasis	33,895,133	33,895,133	-	-
International emphasis	13,713,732	13,713,732	-	-
Fixed income –				
Bonds	302,561	-	302,561	-
Derivatives	3,103,500	-	3,103,500	-
Real estate REITS	4,905,609	4,905,609	-	-
TOTAL	$ 56,459,613	$ 53,053,552	$ 3,406,061	$ -
June 30, 2025				
Cash and cash equivalents	$ 497,147	$ 497,147	$ -	$ -
Marketable equity securities -				
Domestic emphasis	22,780,702	22,780,702	-	-
International emphasis	10,604,339	10,604,339	-	-
Fixed income –				
Bonds	531,172	-	531,172	-
Derivatives	5,420,337	-	5,420,337	-
Real estate REITS	3,822,835	3,822,835	-	-
TOTAL	$ 43,656,532	$ 37,705,023	$ 5,951,509	$ -

NOTE 15 – NOTE PAYABLE

The Foundation has obtained a $240,000 line of credit from a local financial institution. The line of credit matures on October 12, 2027. The interest rate is Wall Street Prime plus .25%; currently at 8.5%. Interest payments are required to be paid semi-annually. The first draw on the line of credit was made June 25, 2024. The balance outstanding on June 30, 2025, was $78,612. This note was paid off in August 2025.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

From time-to-time issues arise with the ongoing operations of any entity. At this time, we are unaware of any commitments or contingencies that would be deemed material to the financial statements.

NOTE 17 – ESTATES IN PROCESS OF LIQUIDATION

From time to time, the Foundation becomes the beneficiary of estates. We are in the process of liquidating them. Below are the assets and their estimated values on June 30, 2026:

Cash and marketable securities	$ 628,500
Real Estate	150,000
	$ 778,500

NOTE 18 – CONTRIBUTED NONFINANCIAL ASSETS

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

	2026	2025
Land donated to University for Employee Housing	$ -	$ 2,090,000
Geology Software – Haliburton Energy Advancement Inc.	941,475	941,475
Salaries, medical equipment, and supplies for athletics	187,101	241,765
Catering, food services, meals, beverages	34,636	45,912
Apparel, equipment, gear, books, etc.	27,975	24,879
Lodging and rooms	21,236	13,000
IT and maintenance services	14,000	14,000
Tickets to events	9,296	2,000
Transportation	9,056	17,620
Printing services	3,550	2,949
Auction services	3,500	3,500
Advertising	1,500	12,000
Office supplies and furniture	2,166	1,201
Venue usage	-	500
	$ 1,255,941	$ 3,410,801

Western Colorado University Foundation recognized the above contributed non-financial assets within revenue in the Statement of Activities. Unless otherwise noted, all contributed non-financial assets that did have donor-imposed restrictions for a particular program or purpose was used for that purpose.

The land donated to the University for employee housing was owned by the Foundation. The value of the donation was based on appraised value.

The geology software is used by Western Colorado University in support of their geology program and valued according to the software provider as if it were being purchased.

The salaries, medical equipment, supplies, apparel, equipment, gear, books, catering, food services, meals, beverages, venue usage, lodging and rooms, advertising, tickets to events, printing services, office supplies and furniture, and auction services were used by Western Colorado University in their athletic programs and their fundraising activities. They were valued based on information provided by the entities providing the non-financial assets.

IT and maintenance services were used by the Foundation in their day-to-day activities.

NOTE 19 – MAJOR DONORS

The Foundation had two donors provide more than 10% of its contributions for the year ending June 30, 2026, and two donors provide more than 10% of its contributions for the year ending June 30, 2025.