skr+co

STOCKMAN KAST RYAN + COMPANY

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

And

Independent Auditors' Report

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

TABLE OF CONTENTS

skr+co
STOCKMAN KAST RYAN + COMPANY

102 N. Cascade Avenue, Suite 400
Colorado Springs, CO 80903
T: 719.630.1186
F: 719.630.1187
skrco.com

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, 2024 and 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (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, 2024 and 2023 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 audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Stockman Kast Ryan + Co, LLP

October 18, 2024

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 296,779	$ 734,266
Accounts receivable	78,176	53,439
Unconditional promises to give - cash, net	675,497	1,247,122
Prepaid expenses	18,896	46,309
Marketable securities	45,402,741	42,521,220
Miscellaneous assets	5,165	602
Note receivable - CSU Pueblo Athletics	57,470	85,328
Beneficial interest in charitable trust held by others	255,346	240,120
Investment in limited partnership	249,948	249,948
Commercial real estate projects	2,490,228	2,476,228
Thunderbowl Stadium	19,995,278	19,867,723
Right-to-use assets under leases —		
CSU Pueblo Thunderbowl, LLC	1,232,307	1,232,307
Leasehold improvements and office equipment	34,357	34,357
Less accumulated depreciation	(1,971,087)	(1,300,571)
TOTAL ASSETS	$ 68,821,101	$ 67,488,398
LIABILITIES AND NET ASSETS		
Accounts payable	$ 1,736,778	$ 1,675,539
Other liabilities	92,172	70,346
Notes payable - Foundation		206,823
Note payable - Thunder Village I, LLC	984,939	1,029,745
Lease payable, CSU Pueblo Thunderbowl, LLC	1,236,178	1,236,178
TOTAL LIABILITIES	4,050,067	4,218,631
NET ASSETS		
Without donor restrictions	24,088,153	23,752,418
With donor restrictions	40,682,881	39,517,349
TOTAL NET ASSETS	64,771,034	63,269,767
TOTAL LIABILITIES AND NET ASSETS	$ 68,821,101	$ 67,488,398

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contribution of cash and other financial assets	$ 912	$ 3,291,378	$ 3,292,290
Contribution of non-financial assets	28,262	38,995	67,257
Fundraising revenue	967	517,275	518,242
Net investment return	1,068,613	4,017,639	5,086,252
Thunderbowl operating revenues	182,331		182,331
Miscellaneous revenue	5,856	10,759	16,615
Changes in the value of beneficial interest in assets held by others		15,226	15,226
Reclassification of net assets	46,375	(46,375)	
Net assets released from restrictions	6,679,365	(6,679,365)	
TOTAL REVENUE AND SUPPORT	8,012,681	1,165,532	9,178,213
EXPENSES			
Program expenses	5,607,400		5,607,400
Thunderbowl expenses	855,975		855,975
Management and general	649,637		649,637
Fundraising	563,934		563,934
TOTAL EXPENSES	7,676,946	—	7,676,946
CHANGE IN NET ASSETS	335,735	1,165,532	1,501,267
NET ASSETS, Beginning of year	23,752,418	39,517,349	63,269,767
NET ASSETS. End of year	$ 24,088,153	$ 40,682,881	$ 64,771,034

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contribution of cash and other financial assets	$ 1,085	$ 3,834,360	$ 3,835,445
Contribution of non-financial assets	27,772	71,605	99,377
Fundraising revenue	3,760	432,820	436,580
Net investment return	885,257	3,122,131	4,007,388
Thunderbowl operating revenues	188,533		188,533
Miscellaneous revenue	113,895	(837)	113,058
Gain on sale of assets		35,540	35,540
Changes in the value of beneficial interest in assets held by others		10,367	10,367
Reclassification of net assets	216,477	(216,477)	
Net assets released from restrictions	6,688,710	(6,688,710)	
TOTAL REVENUE AND SUPPORT	8,125,489	600,799	8,726,288
EXPENSES			
Program expenses	5,589,373		5,589,373
Thunderbowl expenses	863,022		863,022
Management and general	546,632		546,632
Fundraising	631,116		631,116
TOTAL EXPENSES	7,630,143	—	7,630,143
CHANGE IN NET ASSETS	495,346	600,799	1,096,145
NET ASSETS, Beginning of year	23,257,072	38,916,550	62,173,622
NET ASSETS, End of year	$ 23,752,418	$ 39,517,349	$ 63,269,767

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Foundation Operations				
	Program Expenses	Management and General	Fundraising	Thunderbowl	Total
Scholarships	$ 3,790,110				$ 3,790,110
Salaries and fringe benefits	762,446	$ 368,832	$ 295,189		1,426,467
Depreciation		2,047		$ 668,469	670,516
Construction projects and University expenses	337,844		13,083		350,927
Equipment and software	263,908	77,155	1,195		342,258
Official functions	128,748		45,646	20,560	194,954
Direct costs of fundraising events			194,043		194,043
Supplies	154,189	6,972	16,750		177,911
Marketing expenses	57,718		1,223	84,687	143,628
Professional fees		76,894		6,174	83,068
Interest expense	768	5,851		47,477	54,096
Travel	34,480	13,769			48,249
Contributed non-financial program expenses	38,995	4,262			43,257
Repairs and facilities costs	6,844	2,676	643	23,443	33,606
Miscellaneous	2,169	18,076		5,040	25,285
Contributed use of facilities		24,000			24,000
Insurance	2,584	19,506		125	22,215
Printing, reproduction and publications	11,722	779	1,235		13,736
Dues, registrations and memberships	4,067	7,908			11,975
Prizes and awards	10,038		1,892		11,930
Telephone	192	8,988			9,180
Training and conferences		8,906			8,906
Postage	578	3,016	635		4,229
Bad debts (recovery)			(7,600)		(7,600)
TOTAL	$ 5,607,400	$ 649,637	$ 563,934	$ 855,975	$ 7,676,946

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Foundation Operations				
	Program Expenses	Management and General	Fundraising	Thunderbowl	Total
Scholarships	$ 4,119,474				$ 4,119,474
Salaries and fringe benefits	601,896	$ 299,221	$ 326,327		1,227,444
Depreciation		2,047		$ 662,711	664,758
Construction projects and University expenses	354,530		12,522		367,052
Official functions	78,815		82,491	30,000	191,306
Direct costs of fundraising events			180,602		180,602
Supplies	130,267	7,808	10,488		148,563
Marketing expenses	61,057		583	62,213	123,853
Equipment and software	60,440	61,865			122,305
Professional fees		72,731		11,363	84,094
Contributed non-financial program expenses	71,605				71,605
Interest expense	8,734			49,872	58,606
Travel	45,687	10,668			56,355
Repairs and facilities costs	1,042	2,676	32	41,643	45,393
Bad debts			10,000	2,614	12,614
Printing, reproduction and publications	23,716	1,714	5,477		30,907
Contributed office rent and other expenses		27,772			27,772
Miscellaneous	1,925	17,204		2,318	21,447
Prizes and awards	16,590		1,899		18,489
Dues, registrations and memberships	10,776	7,528			18,304
Training and conferences		13,122			13,122
Insurance	2,584	9,274		50	11,908
Telephone	235	7,914			8,149
Postage		5,088	695	238	6,021
TOTAL	$ 5,589,373	$ 546,632	$ 631,116	$ 863,022	$ 7,630,143

See notes to consolidated financial statements.

COLORADO STATE UNIVERSITY-PUEBLO FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS USED IN OPERATIONS		
Change in net assets	$ 1,501,267	$ 1,096,145
Adjustments to reconcile change in net assets to net cash used in operations:		
Depreciation	670,516	664,758
Unrealized gain on sale of marketable securities	(2,882,824)	(1,701,338)
Realized gain on sale of marketable securities	(295,136)	(193,855)
Contributions restricted to endowments	(185,748)	(107,829)
Bad debt expense (recovery)	(7,600)	12,614
Gain on sale of assets		(35,540)
Change in beneficial interest in trusts	(15,226)	(10,367)
Increase in lease payable-CSU Pueblo Thunderbowl, LLC		3,871
Discount on note receivable	(2,142)	(2,821)
Changes in operating assets:		
Accounts receivable	(24,737)	(43,489)
Unconditional promises to give	579,225	802,917
Prepaid expenses	27,413	(4,873)
Accounts payable	61,239	(1,374,222)
Other liabilities	21,826	(486)
Miscellaneous assets	(4,563)	
NET CASH USED IN OPERATIONS	(556,490)	(894,515)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Maturities and sales of marketable securities	12,837,276	5,794,514
Loan to CSU Pueblo Athletics	30,000	30,000
Proceeds from sale of assets		130,540
Purchase of marketable securities	(12,540,837)	(5,224,801)
Purchase of and improvements to commercial real estate projects	(141,555)	(5,815)
NET CASH PROVIDED BY INVESTING ACTIVITIES	184,884	724,438
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments on note payable - Foundation	(206,823)	(201,355)
Payments on note payable - Thunder Village I, LLC	(44,806)	(43,732)
Collections of contributions restricted to endowments	185,748	107,829
NET CASH USED IN FINANCING ACTIVITIES	(65,881)	(137,258)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(437,487)	(307,335)
CASH AND CASH EQUIVALENTS, Beginning of year	734,266	1,041,601
CASH AND CASH EQUIVALENTS, End of year	$ 296,779	$ 734,266
SUPPLEMENTAL INFORMATION		
Interest paid	$ 80,830	$ 89,745

See 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, 2024 and 2023, 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, 2024 and 2023, the allowance was $19,000 and $53,000, 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 the years ended June 30, 2024 and 2023, the value of the facilities used by the Foundation on the campus of the Colorado State University-Pueblo totaled $24,000 each year. 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 5.9% and 4.9% for years ended June 30, 2024 and 2023, respectively, of covered salaries to the plan. Covered salaries totaled $544,579 and $552,908 for the years ended June 30, 2024 and 2023, respectively. Foundation contributions to the plans totaled $32,316 and $27,080, at June 30, 2024 and 2023, 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.

Change in Accounting Principle — In accordance with ASC 326, Financial Instruments — Credit Losses, the Foundation adopted the Current Expected Credit Losses (CECL) model effective July 1, 2023. ASC 326 introduces a new approach to accounting for credit losses on financial instruments, moving from an incurred loss model to an expected loss model. Under the CECL model, entities are required to estimate and recognize expected credit losses over the life of financial assets, including loans, trade receivables, and held-to-maturity debt securities, based on historical data, current conditions, and reasonable and supportable forecasts.

The adoption of ASC 326 was assessed for its impact on the Foundation's financial statements. As a result of this assessment, we determined that there was no significant impact on our financial statements as of July 1, 2023. The allowance for credit losses, as well as other related financial statement elements, remained unchanged following the adoption. Our existing credit risk evaluation processes and credit loss estimation methodologies were deemed sufficient under the CECL model, and no cumulative-effect adjustment to retained earnings was required.

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 balance sheet date, comprise the following:

Cash and cash equivalents	$ 296,779
Accounts receivable	78,176
Unconditional promises to give, to be collected within one year	484,142
Note receivable, to be collected within one year	30,000
Investments	45,402,741
Total financial assets	46,291,838
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Net assets with donor restrictions	(40,682,881)
Financial assets and liquidity resources available within one year	$ 5,608,957

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 does have a $2,500,000 operating line of credit that can be borrowed upon if needed. The line of credit expires November 11, 2024.

3. UNCONDITIONAL PROMISES TO GIVE - CASH

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

	2024	**2023**
Restricted for scholarships or other particular purposes	$ 725,392	$ 1,338,535
Less: allowance for credit losses	(19,000)	(53,000)
Gross unconditional promises to give	706,392	1,285,535
Less: unamortized discount	(30,895)	(38,413)
Net unconditional promises to give	$ 675,497	$ 1,247,122

	2024	2023
Amounts due in:		
Less than one year	$ 484,142	$ 847,535
One to five years	163,571	399,587
More than five years	27,784	
Total	$ 675,497	$ 1,247,122

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, 2024 and 2023.

Unamortized discount was arrived at by discounting amounts to be received in the future by the average borrowing rate. Pledges made in 2020 and 2021 were discounted using a rate of 2%, pledges made in 2022 and 2023 were discounted using a rate of 4% and pledges made in 2024 were discounted using a rate of 5%.

4. INVESTMENTS – NET INVESTMENT RETURN

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

	2024		2023	
	Cost	Carrying Value	Cost	Carrying Value
Registered Investment Co.	$ 40,546,921	$ 45,402,741	$ 39,847,290	$ 42,521,220

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
2024:			
Dividend income	$ 414,060	$ 1,556,734	$ 1,970,794
Interest income	6,390	24,021	30,411
Realized gains	62,007	233,128	295,135
Unrealized gains	605,677	2,277,147	2,882,824
Net rental income	1,391	5,229	6,620
Investment expenses	(20,912)	(78,620)	(99,532)
Total investment income	$ 1,068,613	$ 4,017,639	$ 5,086,252
2023:			
Dividend income	$ 477,996	$ 1,685,802	$ 2,163,798
Interest income	7,691	27,124	34,815
Realized gains	42,824	151,031	193,855
Unrealized gains	375,837	1,325,502	1,701,339
Net rental income	2,402	8,473	10,875
Investment expenses	(21,493)	(75,801)	(97,294)
Total investment income	$ 885,257	$ 3,122,131	$ 4,007,388

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, 2024, one of the beneficiaries has ceased operations. The trust is to stay intact until 6 of the 8 individuals pass away. As of June 30, 2024, 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:

	2024	2023
Foundation's share of the value of assets	$ 255,346	$ 240,120
Change in value of split-interest agreement	15,226	10,367

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:

	2024	2023
Cash in checking and savings	$ 92,751	$ 159,146
Rents receivable	2,750	6,906
Prepaid expenses	3,947	3,947
Due from Foundation	102,188	204,688
Accounts payable and accrued expenses	50,182	27,646
Unsecured note payable	984,939	1,029,745
Lease payable – CSU ThunderBowl, LLC parking lot	1,236,178	1,236,178

	2024	2023
Investments in real estate and the limited partnership carried at the lower of cost or fair value:		
Thunder Village I	$ 2,490,228	$ 2,476,228
Investment in limited partnership	249,948	249,948
Investment in activities in CSU-Pueblo ThunderBowl, LLC:		
CSU Pueblo ThunderBowl, LLC costs	95,203	25,224
CSU ThunderBowl stadium	19,842,500	19,842,500
CSU ThunderBowl equipment	57,575	
Less: accumulated depreciation	(1,938,773)	(1,270,304)
CSU ThunderBowl parking lot	1,232,307	1,232,307

Dillon Drive, Pueblo, CO: The Foundation holds a 3/16th's interest in real estate located at the southwest intersection of Eagleridge Boulevard and Dillon Drive in Pueblo, CO. The site consists of two vacant lots, namely lots 1 and 2, Block 2, North Pueblo Commercial Park #1. The investment is carried at the lower of current fair value or fair value as of the date of receipt of the property. This lot was sold in August 2022 for $129,258.

Thunder Village: The Foundation is completing construction on 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, 2024.

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.

7. 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 following is a summary of the future rents to be received under these leases:

Years Ending June 30	
2025	$ 115,583
2026	81,322
2027	33,323
2028	29,534
2029	20,079
Total	$ 279,841

8. LEASE FINANCING PAYABLE

The Foundation, through CSU-Pueblo ThunderBowl, LLC, has entered into a financing lease to purchase the parking lot adjacent to the CSU ThunderBowl stadium. Payments started July 1, 2021. The lease requires monthly payments from $3,720 to $4,854 per month plus repairs and maintenance and property taxes, if any. The Foundation can purchase the parking lot at the end of each year through then end of the 10th year, with the final purchase price being $1,213,209. A portion of the lease payments reduce the purchase price each year. Payments of interest expense on this lease totaled $47,477 and $49,872 for the years ended June 30, 2024 and 2023.

The following is a summary of the future payments to be made (including interest at 4%) under this financing lease:

Years Ending June 30:	
2025	$ 48,780
2026	50,243
2027	51,750
2028	53,302
2029	54,902
Thereafter	1,328,003
Total	1,586,980
Less amounts representing interest	(350,802)
Lease payable	$ 1,236,178

9. DESIGNATED NET ASSETS

At June 30, 2024 and 2023, the Foundation had designated unrestricted net assets for the following purposes:

	2024	2023
Operating reserve for subsequent years' expense	$ 1,728,842	$ 1,785,871
Designated operating reserve	750,000	750,000
Special projects awarded to University groups for next year expenses	65,000	31,956
University personnel discretionary funds	44,924	94,917
Total	$ 2,588,766	$ 2,662,744

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. At June 30, 2023, reclassification of net assets includes a deficit balance in the Rawlings Sports Complex project totaling $112,306. The Foundation does have a long-term pledge that did cover the deficit.

11. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to expenditure for specified purpose or time:		
Academic support (counseling, student services, library, athletics, etc.)	$ 6,774,934	$ 6,476,950
Instructional support	97,603	97,113
Research / public service	53,305	30,756
Scholarships	5,680,558	6,033,363
Promises to give, the proceeds from which have been restricted by donors for:		
Academic support (counseling, student services, library, athletics, etc.)	675,497	1,247,122
Total	13,281,897	13,885,304
Subject to passage of time:		
Beneficial interests in charitable trusts held by others	255,346	240,120
Endowments:		
Subject to the Foundation endowment spending policy and appropriation:		
Academic support	2,939,016	2,800,715
Instructional support	2,737,797	2,661,808
Scholarships	21,468,826	19,929,402
Total endowments	27,145,639	25,391,925
Total	$ 40,682,881	$ 39,517,349

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Satisfaction of purpose restrictions:		
Academic support (counseling, student services, library, athletics, etc.)	$ 1,622,197	$ 1,370,137
Administrative fee expense	1,163,333	1,105,630
Instructional support	103,725	83,740
Scholarships	3,790,110	4,129,203
Total net assets with restrictions released	$ 6,679,365	$ 6,688,710

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):

	2024	2023
CSU-Pueblo ThunderBowl, LLC	$ 18,180,020	$ 18,647,242

During the year ended June 30, 2024, four donors each contributed more than 10% of the total contributions and for the year ended June 30, 2023, 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, 2024, all amounts were insured.

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, 2024, all amounts are insured.

14. CONDITIONAL PROMISES TO GIVE

At June 30, 2024 and 2023, the Foundation had $1,280,706 and $1,344,895, 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:

	2024	2023
Life insurance designations, restricted for as directed by the Foundation's Board	$ 50,000	$ 50,000

15. LINE OF CREDIT

The Foundation has obtained a $2,500,000 unsecured line of credit with Legacy Bank. Variable interest due monthly (current rate is 8.50%) and the maturity date is November 11, 2024. No amounts were outstanding on this line at June 30, 2024 or 2023.

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 3.75%. 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, 2024:

Years Ended June 30	
2025	$ 45,546
2026	46,862
2027	48,215
2028	844,316
Total	$ 984,939

In May 2020, the Foundation obtained an unsecured 46-month note payable from Legacy Bank. The proceeds were used to fund additional improvements at the Rawlings Sports Complex. The note payable carries interest at a rate of 2.50% and annual payments of $211,956. The loan was paid in full during the year ended June 30, 2024.

17. ENDOWMENT

Our endowment consists of approximately 135 individual projects established donors to provide annual funding for a variety of purposes. At June 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024, 5 accounts were deemed underwater, totaling $55,845, and at June 30, 2023, 11 accounts were deemed underwater, totaling $234,771.

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, 2022		$ 24,292,591	$ 24,292,591
Net asset reclassification		(313,378)	(313,378)
Investment income:			
Interest and dividend income		1,304,307	1,304,307
Net rental income		6,452	6,452
Realized and unrealized appreciation		1,124,307	1,124,307
Investment fees		(57,718)	(57,718)

	Without Donor Restriction	With Donor Restriction	Total
Administrative fees		(745,855)	(745,855)
Contributions		301,612	301,612
Appropriation of endowment assets for expenditure		(520,393)	(520,393)
Balance, June 30, 2023	$ —	25,391,925	25,391,925
Net asset reclassification		(33,323)	(33,323)
Investment income:			
Interest and dividend income		1,219,461	1,219,461
Net rental income		4,034	4,034
Realized and unrealized appreciation		1,936,532	1,936,532
Investment fees		(60,651)	(60,651)
Administrative fees		(788,063)	(788,063)
Contributions		225,260	225,260
Appropriation of endowment assets for expenditure		(749,536)	(749,536)
Balance, June 30, 2024	$ —	$ 27,145,639	$ 27,145,639

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, 2024 and 2023. The objective of the mutual fund investments is both appreciation and rates of returns (dividend income).

18. CONTRIBUTED NON-FINANCIAL ASSETS

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

	2024	2023
Items used for Athletic fundraisers and events	$ 32,595	$ 5,266
Office space	24,000	24,000
Commission on acquiring tenant for Thunder Village	4,262	
Sheet music and supplies	3,607	4,152
Alumni event supplies	2,765	
Books	28	300
Iconic Image project		39,311
SmartGlow home thermometers		22,670
Auto		2,478
Demolition and dump fees		1,200
Total	$ 67,257	$ 99,377

Colorado State University Foundation recognized the above contributed non-financial assets within revenue in the consolidated statement 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 is valued at values assigned by the donor and were restricted for a particular purpose or event

19. 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 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 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, 2024 and 2023:

	Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
2024:				
Marketable equity securities:				
Domestic emphasis	$ 21,354,096	$ 21,354,096		
International emphasis	8,805,472	8,805,472		
Marketable debt securities:				
Domestic emphasis	10,767,450	10,767,450		
Certificates of deposit	500,570		$ 500,570	
Cash with brokerage	3,975,153	3,975,153		
Beneficial interest in charitable trusts held by others	255,346			$ 255,346
Total	$ 45,658,087	$ 44,902,171	$ 500,570	$ 255,346
2023:				
Marketable equity securities:				
Domestic emphasis	$ 20,117,216	$ 20,117,216		
International emphasis	7,729,959	7,729,959		
Marketable debt securities:				
Domestic emphasis	11,649,749	11,649,749		
Certificates of deposit	716,525		$ 716,525	
Cash with brokerage	2,307,771	2,307,771		
Beneficial interest in charitable trusts held by others	240,120			$ 240,120
TOTAL	$ 42,761,340	$ 41,804,695	$ 716,525	$ 240,120

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, 2022	$ 229,753
Change in value of beneficial interest in charitable trusts held by others	10,367
Transfers in and / or out of Level 3	
Balance, June 30, 2023	240,120
Change in value of beneficial interest in charitable trusts held by others	15,226
Transfers in and / or out of Level 3	
Balance, June 30, 2024	$ 255,346