University of Northern Colorado Foundation

Financial Report

June 30, 2025

Contents

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Independent Auditor's Report

To the Board of Directors
University of Northern Colorado Foundation

Opinion

We have audited the financial statements of University of Northern Colorado Foundation (the "Organization"), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 4 to the financial statements, the financial statements include certain investments valued at approximately $52,550,000 (approximately 25 percent of net assets) at June 30, 2025, whose fair values are not based on readily determinable fair values. Management recognizes the fair value of these investments based on information provided by the fund managers or general partners. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
University of Northern Colorado Foundation

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

September 18, 2025

Statement of Financial Position

June 30, 2025
(with summarized comparative totals for June 30, 2024)

	2025	2024
Assets		
Cash and cash equivalents	$ 5,357,566	$ 1,001,086
Investments	169,066,475	154,655,572
Pledges receivable - Net	24,378,521	26,680,686
Accrued interest	127,376	127,020
Life insurance policies	114,395	107,193
Prepaids and other assets	83,572	16,144
Beneficial interest in long-term trusts held by others	10,906,554	11,578,941
Property and equipment - Net	665,147	696,002
Total assets	**$ 210,699,606**	**$ 194,862,644**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 1,392,564	$ 1,080,503
Obligations under gift annuity agreements	90,629	95,585
Assets held for others	440,898	437,726
Total liabilities	1,924,091	1,613,814
Net Assets		
Without donor restrictions:		
Undesignated	19,391,931	17,022,849
Board designated	2,323,516	1,288,542
Total without donor restrictions	21,715,447	18,311,391
With donor restrictions	187,060,068	174,937,439
Total net assets	208,775,515	193,248,830
Total liabilities and net assets	**$ 210,699,606**	**$ 194,862,644**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2025
(with summarized comparative totals for the year ended June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Support				
Contributions - Net	$ 13,319	$ 14,598,341	$ 14,611,660	$ 30,890,564
Nonfinancial contributions	-	117,838	117,838	20,300
Net realized and unrealized gains - Net of fees	3,610,951	11,069,891	14,680,842	10,713,885
Interest, dividends, and mineral royalties	901,340	3,211,828	4,113,168	3,991,412
Change in value of charitable gift annuities and long-term trusts held by others	-	(133,823)	(133,823)	2,755,966
Other income	4,344	114,294	118,638	112,525
Net assets released from restrictions	16,855,740	(16,855,740)	-	-
Total revenue, gains, and support	21,385,694	12,122,629	33,508,323	48,484,652
Expenses				
Program services - Programs, scholarships, and capital support	16,723,475	-	16,723,475	14,572,825
Support services - Management and general	1,200,037	-	1,200,037	1,055,091
Total expenses	17,923,512	-	17,923,512	15,627,916
Change in Net Assets - Before other losses	3,462,182	12,122,629	15,584,811	32,856,736
Other Losses - Provision for uncollectible pledges and pledges replaced by contributions from donor-advised funds - Net of recoveries	(58,126)	-	(58,126)	(103,425)
Change in Net Assets	3,404,056	12,122,629	15,526,685	32,753,311
Net Assets - Beginning of year	18,311,391	174,937,439	193,248,830	160,495,519
Net Assets - End of year	**$ 21,715,447**	**$ 187,060,068**	**$ 208,775,515**	**$ 193,248,830**

Statement of Functional Expenses

Year Ended June 30, 2025
(with summarized comparative totals for the year ended June 30, 2024)

	Program Services	Support Services	Total	
	Programs, Scholarships, and Capital Support	Management and General	2025	2024
Support paid to the University	$ 16,723,475	$ -	$ 16,723,475	$ 14,572,825
Salaries and wages	-	585,008	585,008	444,453
Professional services and consulting	-	297,378	297,378	391,716
Other employee benefits	-	127,472	127,472	83,465
Miscellaneous	-	100,594	100,594	22,444
Credit card and bank fees	-	36,039	36,039	33,025
Information technology	-	28,078	28,078	36,138
Payroll taxes	-	19,386	19,386	31,391
Retirement plan contributions	-	6,082	6,082	12,459
Total functional expenses	**$ 16,723,475**	**$ 1,200,037**	**$ 17,923,512**	**$ 15,627,916**

See notes to financial statements.

Statement of Cash Flows

Year Ended June 30, 2025
(with summarized comparative totals for the year ended June 30, 2024)

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 15,526,685	$ 32,753,311
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	30,855	34,636
Net realized and unrealized gains on investments	(15,214,837)	(11,184,967)
Provision for uncollectible pledges - Net of recoveries	58,126	103,425
Change in cash surrender value of life insurance policies	(7,202)	(7,325)
Change in value of charitable gift annuities and long-term trusts held by others	157,164	(2,755,966)
Contributions restricted for investment in endowments	(5,362,523)	(2,296,527)
Settlements of long-term trusts held by others	525,058	-
Contributions of long-term trusts held by others	-	(525,058)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Pledges receivable	4,344,218	(20,110,301)
Accrued interest	(356)	(37,514)
Prepaids and other assets	(67,428)	35,209
Accounts payable and accrued expenses	312,061	70,996
Assets held for others	3,172	(12,861)
Net cash and cash equivalents provided by (used in) operating activities	304,993	(3,932,942)
Cash Flows from Investing Activities		
Sales of investments	26,686,889	42,480,275
Purchases of investments	(25,882,955)	(41,392,477)
Net cash and cash equivalents provided by investing activities	803,934	1,087,798
Cash Flows from Financing Activities		
Proceeds from contributions restricted for investment in endowments	3,262,344	2,149,527
Payments on gift annuity obligations	(14,791)	(14,790)
Net cash and cash equivalents provided by financing activities	3,247,553	2,134,737
Net Change in Cash and Cash Equivalents	4,356,480	(710,407)
Cash and Cash Equivalents - Beginning of year	1,001,086	1,711,493
Cash and Cash Equivalents - End of year	**$ 5,357,566**	**$ 1,001,086**

See notes to financial statements.

Note 1 - Nature of Business

University of Northern Colorado Foundation (the "Organization") is a nonprofit corporation providing program, scholarship, and other support to the University of Northern Colorado (the "University"). The majority of the Organization's revenue is derived from contributions and investment income.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the principal of the fund be maintained in perpetuity.

The governing board of the Organization has identified certain assets with and without donor restrictions to be invested for a long-term period. These endowments are referred to as quasi endowments within the notes to the financial statements (see Notes 11 and 12).

Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash and cash equivalents. It does not include cash and cash equivalents presented in investments, which are subject to investment management direction. Frequently, cash balances in commercial banks may exceed the level of insurance provided by the FDIC.

Investments

The Organization maintains pooled investment accounts for the majority of its endowments. Investment income and realized and unrealized gains and losses, net of investment and management fees, from securities in the pooled investment accounts are allocated quarterly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts and are adjusted for additions to or deductions from those accounts.

Note 2 - Significant Accounting Policies (Continued)

Investments are stated at fair value, as further discussed in Note 4. Investment returns include dividend, interest, and other investment income, as well as realized and unrealized gains and losses on investments. Investment returns are reflected on the statement of activities and changes in net assets as with or without restrictions based on the existence and nature of any donor or legally imposed restrictions on those earnings.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Approximately 36.9 percent of total contributions were received from three donors.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

Beneficial Interest and Gift Annuity Agreements

The Organization is a remainder beneficiary of several charitable annuity contracts and trusts administered by third-party trustees. The Organization recognizes its beneficial interest in assets held by third parties based on remainder interest estimates per the terms of each agreement. The discount rates used to calculate the present value range from 5 percent to 7 percent.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the fair value on the date of donation. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives ranging from 3 to 50 years. Assets with an initial purchase price under $5,000 are expensed in the year purchased.

Assets Held for Others

The Organization holds and invests certain funds on behalf of the University.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Due to the nature of the Organization's operations, all direct support paid to the University is reflected as program expense. Management has determined that all activities, except direct support paid to the University, should be classified as part of the support services function as management and general expenses.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 18, 2025, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2025, after being reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

Cash and cash equivalents	$ 5,357,566
Investments	169,066,475
Pledges receivable - Net of allowances	24,378,521
Beneficial interests in long-term trusts held by others	10,906,554
Other financial assets	241,771
Financial assets - At year end	209,950,887
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	187,060,068
Obligations under gift annuity	90,629
Assets held for others	440,898
Board designations	2,323,516
Financial assets available to meet cash needs for general expenditures within one year	$ 20,035,776

At year end, the Organization held over $174 million in cash and investments. The Organization monitors current-use accounts, totaling approximately $44 million at June 30, 2025, which support scholarships and programs at the University. The Organization’s investment portfolio has approximately $120 million of investments with liquidity of one to two days that can be accessed to meet all the current needs if called upon.

The Organization also realizes there could be unanticipated liquidity needs.

Certain investments contain lock-up provisions that would reduce the total investments that could be made available (see Note 4 for disclosures about investments).

Although the Organization does not intend to spend from its quasi endowments other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi endowments (as disclosed within Note 12) could be made available if necessary.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy and are, thus, broken out separately below.

There were no changes in the Organization's valuation techniques during the year.

The following table sets forth by level within the fair value hierarchy the Organization's investments measured on a recurring basis at fair value:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Balance at June 30, 2025
Cash equivalent mutual funds, subject to investment management direction	$ 123,549	$ -	$ -	$ -	$ 123,549
Equities:					
Domestic	49,929,525	-	-	-	49,929,525
International	36,363,832	-	-	-	36,363,832
Fixed income:					
Domestic	9,317,766	8,383,394	-	-	17,701,160
Opportunistic	-	439,652	-	-	439,652
Student-managed funds	-	870,307	-	-	870,307
Stock/Bond mixed mutual funds	1,122,893	-	-	-	1,122,893
Alternative investments:					
Low-correlated hedge	-	-	-	13,883,325	13,883,325
Private equity	-	-	-	23,947,072	23,947,072
Illiquid credit	-	-	-	11,420,509	11,420,509
Real estate	8,965,899	-	-	3,298,752	12,264,651
Beneficial interest in long-term trusts held by others	-	-	10,906,554	-	10,906,554
Total assets	$ 105,823,464	$ 9,693,353	$ 10,906,554	$ 52,549,658	$ 178,973,029

Note 4 - Fair Value Measurements (Continued)

The fair value of certain fixed income and student-managed funds at June 30, 2025 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using quoted market prices and other market data for the same or comparable instruments and transactions in establishing prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures.

The Organization also has assets that, under certain conditions, are subject to measurement at fair value on a nonrecurring basis. These assets include a limited partnership investment, the value of which was $1,000,000 as of June 30, 2025. This limited partnership investment cannot be redeemed by the Organization. The value of the investment in this category is based on the initial partnership contribution and is valued based on Level 3 inputs within the fair value hierarchy.

Net investment returns consist of the following for the year ended June 30, 2025:

Interest, dividends, and mineral royalties	$ 4,113,168
Realized and unrealized gains on investments	15,214,837
Less investment management fees	(533,995)
Total	$ 18,794,010

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended June 30, 2025 are as follows:

	Beneficial Interest in Long-term Trusts Held by Others
Balance at July 1, 2024	$ 11,578,941
Sales	(525,058)
Unrealized/realized losses	(147,329)
Balance at June 30, 2025	$ 10,906,554

The fair value of beneficial interests in long-term trusts held by others at June 30, 2025 was determined based on the underlying investments held by the trusts, less the net present value of future cash outflow to lifetime recipients, and the Organization's interest in the underlying assets at present value.

Investments in Entities that Calculate Net Asset Value per Share

The Organization holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

Note 4 - Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	NAV Investments Held at June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Low-correlated hedge - Multistrategy (a)	$ 13,883,325	$ -	Quarterly, semiannually*	95 days**
Private equity (b)	23,947,072	6,071,669	Generally illiquid***	N/A
Illiquid credit (c)	11,420,509	1,628,168	Generally illiquid***	N/A
Real estate (d)	3,298,752	819,334	Generally illiquid***	N/A
Total	$ 52,549,658	$ 8,519,171		

*Subject to restrictions
**Annual one-year lock-up and then rolling 25 percent quarterly redemption
***While funds are generally illiquid, some allow investors to sell shares back to the fund at a set price through a discretionary periodic repurchase offer

(a) The low-correlated hedge class invests in investments that pursue multiple strategies to diversify risks and reduce volatility. The investments composite portfolio for this class includes investments in public equities, private equities, public equity derivatives, Treasurys, and fixed-income derivatives. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

(b) The private equity class includes several private equity funds that invest, either directly or indirectly, in both domestic and international private companies. The fair values of the investments in this category have been estimated using net asset value per share of the investments.

(c) The illiquid credit class invests in funds that pursue investment opportunities with long-term potential, including those that may be early-stage domestic private companies. The investments cannot be redeemed because the investments include holdings that are part of an illiquid market. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

(d) The real estate class includes several real estate funds that primarily invest in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the Organization’s ownership interest in partners’ capital.

Note 5 - Pledges Receivable

Included in contributions receivable are several unconditional promises to give. They are included as follows at June 30, 2025:

Gross promises to give before unamortized discount	$ 26,579,998
Less allowance for uncollectible contributions	(25,000)
Less allowance for net present value discount	(2,176,477)
Net contributions receivable	$ 24,378,521
Amounts due in:	
Less than one year	$ 4,479,913
One to five years	22,090,085
More than five years	10,000
Total	$ 26,579,998

Note 5 - Pledges Receivable (Continued)

Unconditional promises to give (pledges receivable) are from various entities, including foundations, corporations, and individuals. The discount factor utilized in the present value calculation is the five-year U.S. Treasury note rate as of June 30 of the fiscal year in which the commitment is made, ranging from 0.29 percent to 4.44 percent.

Approximately 86 percent of the Organization's pledges receivable as of June 30, 2025 consist of pledges from two donors.

Note 6 - Life Insurance Policies

The Organization is the owner and beneficiary of various donated life insurance policies with total cash surrender values of $114,395 and face values of approximately $116,000 as of June 30, 2025.

Note 7 - Property and Equipment

Property and equipment are summarized as follows:

Building and improvements	$ 1,310,556
Equipment	20,115
Total cost	1,330,671
Accumulated depreciation	665,524
Net property and equipment	$ 665,147

Depreciation expense for 2025 was $30,855.

Note 8 - Charitable Gift Annuity Contracts

The Organization has entered into several charitable gift annuity contracts. These contracts require the Organization to make fixed payments to the beneficiaries over their lifetimes. Under a charitable gift annuity contract, the assets received by the Organization are not held in trust separately from other investments of the Organization. On the date each charitable gift annuity was established, the Organization recorded a contribution equal to the difference between the amount transferred from the donor and the present value of the future cash flows expected to be paid to the specified beneficiaries using a discount rate equal to the current applicable federal rate. At the end of these contracts, the majority of these assets are to be endowed and are included in net assets with donor restrictions as follows at June 30, 2025:

Assets held under gift annuity contracts (included in investments)	$ 136,948
Annuity obligations	(90,629)
Net present value of assets held under contracts	$ 46,319

Note 9 - Beneficial Interest in Assets Held by Third Parties

The Organization has been named irrevocable remainder beneficiary for several trusts administered by third-party corporate trustees. For these arrangements, beneficial interest in long-term trusts held by others and contribution revenue are recorded at the estimated present value of the remainder interest when the Organization has sufficient information to record it. These arrangements are revalued annually to reflect changes in the remainder interest estimates. The Organization does not permit use of the funds by the University until the expiration of the lifetime recipient's interest. The fair value of these trusts as of June 30, 2025 was $5,740,680.

Note 9 - Beneficial Interest in Assets Held by Third Parties (Continued)

The Organization has been named irrevocable beneficiary of several perpetual trusts administered by third-party corporate trustees. For these arrangements, beneficial interest in long-term trusts held by others and contribution revenue are recorded at the fair value of the Organization's share of the trust when the Organization has sufficient information to record it. Distributions received from the trustees are recorded as interest income, and the change in fair value at year end is recorded in change in value of charitable gift annuities and long-term trusts held by others. The fair value of these trusts as of June 30, 2025 was $5,165,874.

Note 10 - Assets Held for Others

Assets held in trust for the University represent certain assets held for long-term investment purposes by the Organization. The fair value of these assets was $440,898 at June 30, 2025 and is included within investments on the statement of financial position.

Note 11 - Net Assets

Net assets without donor restrictions consist of the following as of June 30, 2025:

Board-designated net assets:	
Programs	$ 379,264
Quasi endowments	1,944,252
Total	$ 2,323,516

Net assets with donor restrictions as of June 30, 2025 are available for the following purposes:

Programs	$ 98,133,715
Scholarships	84,798,588
Capital improvements	1,726,486
Multiple designations	972,292
Time restricted	540,896
President's discretion	478,921
Other	409,170
Total	$ 187,060,068

Note 12 - Donor-restricted and Board-designated Endowments

In order to create an endowed fund with the Organization, a donor must give a minimum initial gift, as defined in the Organization's policies. The Organization's endowment consists of approximately 598 individual funds established for a variety of purposes. The endowment includes donor-restricted endowment funds, quasi endowments, and board-designated endowment funds. Donor-restricted endowment funds are permanent charitable funds whose principal is treated in accordance with a defined spending policy or that must be preserved in perpetuity as a condition imposed by the donor. Quasi endowments are those purpose-restricted gifts that are intended to be maintained in perpetuity or to be spent over a specified time period, usually several years; however, under specific circumstances defined by the donor, the principal may be invaded fully to meet the defined purpose. Board-designated endowments are unrestricted funds designated by the board of directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Most endowed funds are included in the Organization's investment pool.

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The Organization is subject to the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing donor-restricted endowment funds, a fund may be considered to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 1,944,252	$ -	$ 1,944,252
Donor-restricted quasi-endowment funds	-	9,457,656	9,457,656
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	72,222,359	72,222,359
Accumulated investment gains	-	47,771,366	47,771,366
Total donor-restricted endowment funds	-	119,993,725	119,993,725
Total funds	$ 1,944,252	$ 129,451,381	$ 131,395,633

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 1,287,102	$ 118,092,555	$ 119,379,657
Investment return:			
Investment income - Net of expenses	5,418	1,095,494	1,100,912
Net realized and unrealized gains	145,240	11,049,038	11,194,278
Total investment return	150,658	12,144,532	12,295,190
Additions	7,544	3,262,344	3,269,888
Reinvested funds	-	111,724	111,724
Appropriation of endowment assets for expenditure	(49,450)	(4,228,299)	(4,277,749)
Donor reclassifications	-	68,525	68,525
Transfers	548,398	-	548,398
Endowment net assets - End of year	$ 1,944,252	$ 129,451,381	$ 131,395,633

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of June 30, 2025, there were no underwater endowments.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking the proper balance between preservation of capital and maintaining the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve a return that provides for growth over distributions and fees while assuming prudent risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. In consultation with the investment consultant, the investment committee of the Organization is responsible for selecting the managers and asset mix for the endowments of the Organization, keeping within the asset allocation ranges outlined in the board-approved investment policy statement.

Spending Policy and How the Investment Objectives Relate to Spending Policy

As of June 30, 2025, the Organization's endowment policy, approved by the board of directors, is to generally appropriate for distribution each year 4.00 percent of the preceding three-year rolling average of the fiscal year-end fair value of each fund. Newly established endowments are invested for one full fiscal year before the distributions begin. However, when any endowment's fair value drops more than 1.00 percent below the sum of all gifts to the endowment, the distribution rate is 1.00 percent.

Note 12 - Donor-restricted and Board-designated Endowments (Continued)

The Organization assesses a management fee on all endowment funds. In general, for endowments valued $10,000,000 or greater, the management fee was calculated at 1.00 percent of their fair values; for endowments valued between $1,000,000 and $9,999,999, the management fee was calculated at 1.25 percent of their fair values; and for endowments valued less than $1,000,000, quasi endowments, and gift annuities, the management fee was calculated at 1.75 percent of their fair values during the year ended June 30, 2025. However, in the case when any endowment's fair value drops more than 1.00 percent below the sum of all gifts to the endowment, the management fee is 1.00 percent.

For the year ended June 30, 2025, the Organization assessed management fees of $1,879,873.

Note 13 - Retirement Plans

The Organization has a Savings Incentive Match Plan for Employees individual retirement account retirement plan (SIMPLE IRA). Employees are eligible to participate in the SIMPLE IRA immediately, which allows for pretax salary deferrals into the SIMPLE IRA. The Organization will match up to 3 percent of the employee's gross salary, depending on the employee's deferral amount. Effective December 31, 2024, the Organization's SIMPLE IRA plan was terminated and employees now participate in the University's benefit programs (see Note 14). For the year ended June 30, 2025, the Organization contributed a total of $6,082 in employee deferral matches up to 3 percent.

Note 14 - Related Party Transactions

The following is a description of transactions between the Organization and related parties:

The University

Effective November 15, 2024, the Organization entered into a new operating agreement with the University to strengthen its collaborative relationship and ensure alignment with the University’s goals and priorities. Under this agreement, the Organization's staff are now university employees, dedicated to supporting the Organization’s governance and operations. The Organization reimburses the University for the salaries, wages, and benefits of the Organization's staff members.

At June 30, 2025, the Organization had accounts payable to the University for programs, scholarships, salaries and wages, and other expenses totaling $1,343,570 included within accounts payable and accrued expenses on the statement of financial position. Amounts totaling $16,926,989 were paid to the University during the year ended June 30, 2025, including $16,723,475 in grants for program services and $203,514 for reimbursement for salaries, wages, and benefits of the Organization's staff.

The building used by the Organization for its administrative offices, meetings, and events is located on land that is leased to the Organization by the University. The land is leased to the Organization at $1 per year for 99 years.