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**University of Central Missouri  
Foundation  
A Component Unit of the  
University of Central Missouri**

**Independent Auditor's Report and Financial  
Statements**

June 30, 2023 and 2022



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**A Component Unit of the University of Central Missouri**  
**June 30, 2023 and 2022**

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## Independent Auditor's Report

Board of Directors  
University of Central Missouri Foundation  
Warrensburg, Missouri

### ***Opinion***

We have audited the financial statements of University of Central Missouri Foundation, a component unit of the University of Central Missouri, which comprise the statements of financial position as of June 30 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 University of Central Missouri Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of University of Central Missouri 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 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 University of Central Missouri Foundation's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

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 University of Central Missouri 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 University of Central Missouri Foundation's ability to continue as a going concern for a reasonable period of time.

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

**FORVIS,LLP**

Springfield, Missouri  
October 13, 2023

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash	\$ 273,889	\$ 445,992
Investments	86,923,479	68,987,299
Accrued investment income	315,444	226,978
Accounts receivable	28,568	-
Contributions receivable, net	1,761,350	4,834,863
Notes receivable	1,446,994	1,692,841
Cash surrender value of life insurance	527,032	601,184
Beneficial interests in trusts	970,598	805,612
Prepaid expenses	8,466	8,107
	<u>\$ 92,255,820</u>	<u>\$ 77,602,876</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accrued expenses and due to University	\$ 5,473,915	\$ 401,276
Annuities payable	620,200	637,871
	<u>6,094,115</u>	<u>1,039,147</u>
<b>Net Assets</b>		
Without donor restrictions	12,027,653	8,266,652
With donor restrictions	74,134,052	68,297,077
	<u>86,161,705</u>	<u>76,563,729</u>
	<u>\$ 92,255,820</u>	<u>\$ 77,602,876</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Activities**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>			<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains, and Other Support</b>						
Gifts	\$ 2,835,502	\$ 9,716,455	\$ 12,551,957	\$ 381,644	\$ 11,096,705	\$ 11,478,349
In-kind gifts	500	413,421	413,921	50	483,481	483,531
Personnel paid by University	909,927	-	909,927	817,214	-	817,214
Other income	138	207,573	207,711	3,803	152,356	156,159
Net investment income	351,271	1,499,422	1,850,693	330,104	1,130,524	1,460,628
Net realized and unrealized gain (loss) on investments and beneficial interests in trusts	1,923,681	3,028,492	4,952,173	(599,925)	(9,827,517)	(10,427,442)
Change in donor restrictions	13,671	(13,671)	-	(28,400)	28,400	-
Net assets released from restrictions	9,109,522	(9,109,522)	-	5,780,906	(5,780,906)	-
Total revenues, gains, and other support	<u>15,144,212</u>	<u>5,742,170</u>	<u>20,886,382</u>	<u>6,685,396</u>	<u>(2,716,957)</u>	<u>3,968,439</u>
<b>Expenses and Losses</b>						
Foundation expenses						
General administrative	1,306,411	-	1,306,411	1,216,705	-	1,216,705
Fundraising	1,348,784	-	1,348,784	1,283,239	-	1,283,239
Total Foundation expenses	<u>2,655,195</u>	<u>-</u>	<u>2,655,195</u>	<u>2,499,944</u>	<u>-</u>	<u>2,499,944</u>
Expenses for University advancement						
Program expenses						
Scholarships	1,595,422	-	1,595,422	1,506,131	-	1,506,131
KMOS-TV	328,680	-	328,680	319,646	-	319,646
Athletic program	1,072,894	-	1,072,894	998,235	-	998,235
Academic instruction and departmental	631,279	-	631,279	647,674	-	647,674
Support services						
Capital projects	5,099,741	-	5,099,741	1,991,949	-	1,991,949
Total expenses for University advancement	<u>8,728,016</u>	<u>-</u>	<u>8,728,016</u>	<u>5,463,635</u>	<u>-</u>	<u>5,463,635</u>
Actuarial (gain) loss on annuity obligations	-	(94,805)	(94,805)	-	(297,403)	(297,403)
Total expenses and losses	<u>11,383,211</u>	<u>(94,805)</u>	<u>11,288,406</u>	<u>7,963,579</u>	<u>(297,403)</u>	<u>7,666,176</u>
<b>Change in Net Assets</b>	3,761,001	5,836,975	9,597,976	(1,278,183)	(2,419,554)	(3,697,737)
<b>Net Assets, Beginning of Year</b>	<u>8,266,652</u>	<u>68,297,077</u>	<u>76,563,729</u>	<u>9,544,835</u>	<u>70,716,631</u>	<u>80,261,466</u>
<b>Net Assets, End of Year</b>	<u>\$ 12,027,653</u>	<u>\$ 74,134,052</u>	<u>\$ 86,161,705</u>	<u>\$ 8,266,652</u>	<u>\$ 68,297,077</u>	<u>\$ 76,563,729</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2023**

	Expenses for University Advancement					Foundation Expenses				
	Scholarships	KMOS-TV	Athletic Program	Academic Instruction and Departmental	Capital Projects	University Advancement Total	General Administrative	Fundraising	Foundation Total	Total
Contributed services from University	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,278	\$ 291,649	\$ 909,927	\$ 909,927
Salaries and benefits	3,300	208,985	21,548	128,158	-	361,991	423,299	526,284	949,583	1,311,574
Travel	-	1,138	126,134	84,336	-	211,608	7,766	5,906	13,672	225,280
Professional services	-	275	92,021	33,073	16,232	141,601	92,925	77,136	170,061	311,662
Advertising and underwriting	-	199	44,689	1,500	-	46,388	200	1,201	1,401	47,789
Bad debts	-	-	-	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	37,503	8,178	45,681	45,681
Food and beverage	57	1,512	21,829	9,475	399	33,272	23,959	19,473	43,432	76,704
Fundraising events	-	-	-	-	-	-	-	174,340	174,340	174,340
In-kind gifts	-	58,070	136,346	83,539	-	277,955	500	135,616	136,116	414,071
Promotions and recruiting	-	2,447	70,965	1,339	-	74,751	20,748	33,586	54,334	129,085
University equipment	-	-	479,251	218,392	10,105	707,748	-	-	-	707,748
University capital projects	-	-	-	-	5,069,090	5,069,090	-	-	-	5,069,090
Office supplies, postage, memberships, and other	2,319	56,054	80,111	63,101	3,915	205,500	81,233	75,415	156,648	362,148
Scholarships and awards	1,589,746	-	-	8,366	-	1,598,112	-	-	-	1,598,112
	<u>\$ 1,595,422</u>	<u>\$ 328,680</u>	<u>\$ 1,072,894</u>	<u>\$ 631,279</u>	<u>\$ 5,099,741</u>	<u>\$ 8,728,016</u>	<u>\$ 1,306,411</u>	<u>\$ 1,348,784</u>	<u>\$ 2,655,195</u>	<u>\$ 11,383,211</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2022**

	Expenses for University Advancement					Foundation Expenses				
	Scholarships	KMOS-TV	Athletic Program	Academic Instruction and Departmental	Capital Projects	University Advancement Total	General Administrative	Fundraising	Foundation Total	Total
Contributed services from University	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 536,046	\$ 281,168	\$ 817,214	\$ 817,214
Salaries and benefits	825	200,946	16,212	127,507	-	345,490	427,768	470,899	898,667	1,244,157
Travel	183	668	207,299	114,339	-	322,489	3,081	742	3,823	326,312
Professional services	-	15	206,729	25,645	-	232,389	84,492	65,898	150,390	382,779
Advertising and underwriting	-	-	30,528	1,000	-	31,528	600	1,159	1,759	33,287
Bad debts	-	-	-	-	-	-	11,122	-	11,122	11,122
Bank fees	-	-	110	-	-	110	42,862	9,115	51,977	52,087
Food and beverage	98	3,512	55,976	10,261	-	69,847	24,578	27,479	52,057	121,904
Fundraising events	-	-	-	-	-	-	-	162,023	162,023	162,023
In-kind gifts	-	50,321	108,841	211,049	-	370,211	50	113,270	113,320	483,531
Promotions and recruiting	-	-	82,346	12,963	-	95,309	9,767	35,125	44,892	140,201
University equipment	-	5,985	230,955	27,107	27,314	291,361	-	2,970	2,970	294,331
University capital projects	-	-	-	4,140	1,964,396	1,968,536	-	-	-	1,968,536
Office supplies, postage, memberships, and other	1,093	58,199	59,239	102,609	239	221,379	76,339	113,361	189,700	411,079
Scholarships and awards	1,503,932	-	-	11,054	-	1,514,986	-	30	30	1,515,016
	<u>\$ 1,506,131</u>	<u>\$ 319,646</u>	<u>\$ 998,235</u>	<u>\$ 647,674</u>	<u>\$ 1,991,949</u>	<u>\$ 5,463,635</u>	<u>\$ 1,216,705</u>	<u>\$ 1,283,239</u>	<u>\$ 2,499,944</u>	<u>\$ 7,963,579</u>



**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Change in net assets	\$ 9,597,976	\$ (3,697,737)
Items not requiring (providing) operating activities cash flows		
Net realized and unrealized (gain) loss on investments	(4,952,173)	10,427,442
Actuarial gain on annuity obligations	(94,805)	(297,403)
Investment income restricted for long-term investment	(16,711)	(40,555)
Contributions restricted for long-term investment	(1,228,429)	(2,651,372)
Change in cash surrender value of life insurance	74,152	(64,009)
Changes in		
Contributions receivable, net	3,073,513	(3,267,047)
Accounts receivable	(28,568)	
Accrued investment income	(88,466)	(12,159)
Prepaid expenses	(359)	1,605
Accrued expenses and due to University	5,072,639	(257,932)
Net cash provided by operating activities	11,408,769	140,833
<b>Investing Activities</b>		
Purchase of investments	(27,900,060)	(19,628,906)
Proceeds from sale or maturity of investments	22,209,070	19,868,656
Principal payments received on note receivable from University	245,847	235,522
Net cash provided by (used in) investing activities	(5,445,143)	475,272
<b>Financing Activities</b>		
Payments on annuities payable	(65,000)	(116,935)
Proceeds from contributions restricted for long-term investment	(2,742,189)	1,371,786
Net cash provided by (used in) financing activities	(2,807,189)	1,254,851
<b>Increase (Decrease) in Cash and Restricted Cash Equivalents</b>	3,156,437	1,870,956
<b>Cash and Restricted Cash Equivalents, Beginning of Year</b>	3,010,943	1,139,987
<b>Cash and Restricted Cash Equivalents, End of Year</b>	\$ 6,167,380	\$ 3,010,943
<b>Reconciliation of Cash and Restricted Cash Equivalents to the Statement of Financial Position</b>		
Cash	\$ 273,889	\$ 445,992
Restricted cash equivalents included in investments	5,893,491	2,564,951
Total cash and restricted cash equivalents	\$ 6,167,380	\$ 3,010,943

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

The University of Central Missouri Foundation (the “Foundation”) is a not-for-profit corporation formed in 1979 to promote the educational, benevolent, and research purposes of the University of Central Missouri (the “University”). The Foundation is a component unit of the University. The primary purpose of the Foundation is to solicit gifts from individuals and businesses for the benefit of the University. These gifts are utilized to provide scholarships to students and financial support to various University programs in order to continue to offer a high-quality education to the students of the University.

***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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the periods. Actual results could differ from those estimates.

***Investments and Net Investment Income***

The Foundation measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

Net investment income includes dividend and interest income and investment expenses of \$132,009 and \$126,552 for the years ended June 30, 2023 and 2022, respectively. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Net investment income and net realized and unrealized gains and losses are reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

***Management of Pooled Investments***

The Foundation manages three separate investment pools designated as Pool A, Pool B, and Pool C. Pooled investments and allocation of pooled investment income are accounted for using the unit market value method. For Pool A, the annual earnings are accumulated and an annual payout is calculated based on a Board-approved spending rate that is applied to the average market value of Pool A funds.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

Earnings in excess of the annual payout are accumulated to be used as payouts for future years. The approved spending rate to fund programs, projects, and scholarships was 3.625 percent with a 1.5 percent administration fee and a 0.53 percent reserve funding fee for the year ended June 30, 2023. The approved spending rate to fund programs, projects, and scholarships was 3.625 percent with a 1.5 percent administration fee and a 0.83 percent reserve funding fee for the year ended June 30, 2022.

Pool A consists of endowment funds, as well as other funds functioning as endowments, funds with donor restrictions, and funds without donor restrictions. These funds are invested for capital appreciation in anticipation of greater long-term returns recognizing that current yields from interest and dividends may be lower than the total payout. Using the total rate of return methodology, when ordinary income generated by Pool A is insufficient to provide the full amount of the total payout, the remainder may be appropriated from Pool A's accumulated undistributed realized gains. In no event will the payout cause the endowment funds to decrease below the original corpus of the endowment.

Pool B consists of funds from charitable remainder annuity trusts that are invested with a goal of meeting the specified distribution amounts as provided in the trust agreements.

Pool C consists of funds from charitable gift annuities that are invested with a goal of meeting the specified distribution amounts as provided in the gift annuity agreements.

The following is a summary of the Foundation's investment and spending policies for funds functioning as endowments:

The primary objectives of the investment policy are to: (A) maintain intergenerational equity as measured by achieving a real long-term return after total spending that at least equals inflation; (B) create investment returns to meet the current and future program or expenditure needs designated by donors; (C) create a flow of investment returns to assist the Board of Directors in funding operating expenses of the Foundation, including sufficiently building operating reserves for future use; and (D) maximize risk-adjusted returns. The objectives of the spending policy are to: (A) provide consistent funding for programs, projects, or scholarships as designated by the donor(s); (B) provide for annual assessments for operating reserves and expenses; and (C) provide for long-term growth of the corpus of the investments.

The portfolio should be diversified both as to fixed income and equity holdings; the purpose of such diversification is to provide reasonable assurance that no single security or class of securities will have a disproportionate impact on the total portfolio.

The equity component of the portfolio shall range from 30 percent to 70 percent, the fixed income component shall range from 20 percent to 50 percent, alternative investments shall range from 10 percent to 20 percent, and cash and cash equivalents shall range from 0 percent to 5 percent.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

The Foundation's spending policy allows for an annual distribution to scholarship and continuing project funds based upon a calculated 12-quarter rolling average market value of the portfolio times the payout rate approved by the Board. The Committee to the Board reviews the performance of the Funds Functioning as Endowments portfolio each year and establishes a payout rate in January for the next fiscal year. The total distribution for spending may include appropriations for operating reserves and expenses.

The following is a summary of the Foundation's investment and spending policies for split-interest agreements intended to apply to the charitable gift annuity and trust investment assets:

The primary objectives of the investment policy are to: (A) invest the entire gift in order to make the required annuity payments; (B) maximize return within a reasonable and prudent level of risk; and (C) maintain an appropriate asset allocation that is compatible with the required annuity payments, while still having the potential to retain at least 50 percent of the initial gift if the donor(s) live to their life expectancy.

The equity component of the portfolio shall range from 35 percent to 75 percent, the fixed income component shall range from 20 percent to 50 percent, alternative investments shall range from 0 percent to 15 percent, and the cash component shall range from 0 percent to 10 percent.

All spending will be based on the contractual requirements of each charitable gift annuity and trust agreement.

The following is a summary of the investment policy for expendable funds:

The primary objectives of the investment policy are: (A) the preservation of capital while attempting to keep up with inflation; (B) the maximization of returns with minimal levels of risk; and (C) the management of liquidity requirements.

The equity component of the portfolio shall range from 15 percent to 50 percent, the fixed income component shall range from 40 percent to 85 percent, alternative investments shall range from 0 percent to 10 percent, and the cash component shall range from 0 percent to 5 percent.

Spending of expendable funds will be governed by the intent of donors.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for Board-designated endowment funds.

Net assets with donor restrictions are subject to donor restrictions. Some 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**Gifts**

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

**In-Kind Gifts**

In-kind gifts are recorded as revenue and expense in the accompanying financial statements. These contributions consist of equipment, services, and materials and supplies, all of which are recorded at the estimated fair value.

**Income Taxes**

The Internal Revenue Service has issued a determination letter that the Foundation is a nonprofit organization, as defined under Section 501(c)(3) of the Internal Revenue Code. As such, the Foundation is generally exempt from income taxes. It is, however, required to file the information return, federal Form 990, *Return of Organization Exempt from Income Tax*, and federal Form 990-T to report unrelated business income.

**Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated between expenses for University advancement and Foundation expenses based on various methods.

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**Reclassifications**

Certain reclassifications have been made to the 2022 statement of activities to conform to the 2023 financial statement presentation. These reclassifications had no effect on the change in net assets.

**Revision**

An immaterial revision has been made to the 2022 *Note 14* information disclosed in to present the amount of closely held investments as Investments Measured at NAV as opposed to Level 1. This revision had no impact on the financial statements.

**Subsequent Events**

The Foundation has evaluated subsequent events through October 13, 2023, the date the financial statements were available to be issued.

**Note 2: Investments**

Investments at June 30, 2023 and 2022, consisted of the following:

	<b>2023</b>		<b>2022</b>	
	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>
Money market				
mutual funds	\$ 5,893,491	\$ 5,893,491	\$ 2,564,951	\$ 2,564,951
Domestic equity	27,590,795	34,658,738	24,675,086	28,035,365
International equity	9,294,148	9,807,626	7,648,143	7,257,170
Fixed income	32,019,561	29,774,535	26,153,052	24,387,929
Alternative				
investment funds	6,780,395	6,789,089	6,792,429	6,741,884
	<u>\$ 81,578,390</u>	<u>\$ 86,923,479</u>	<u>\$ 67,833,661</u>	<u>\$ 68,987,299</u>

**University of Central Missouri Foundation**  
**A Component Unit of the University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**Note 3: Contributions Receivable**

Contributions receivable consist of unconditional gifts to be received in future periods and are discounted to their present value based on anticipated payment streams. Unconditional contributions receivable with donor restrictions at June 30, 2023 and 2022, consisted of the following:

	<b>2023</b>	<b>2022</b>
Due within one year	\$ 746,395	\$ 1,227,500
Due in one to five years	1,224,000	3,770,627
	1,970,395	4,998,127
Less		
Allowance for uncollectible contributions	35,946	40,419
Unamortized discount	173,099	122,845
	<b>\$ 1,761,350</b>	<b>\$ 4,834,863</b>

Discount rates ranged from 0.8 percent to 5.0 percent and from 0.8 percent to 3.2 percent for 2023 and 2022, respectively.

**Note 4: Conditional Gifts**

At both June 30, 2023 and 2022 the Foundation had not received any conditional promises to give that the fundraising condition had not been met.

**Note 5: Planned Contributions (UNAUDITED)**

The Foundation has been named in a number of wills as a beneficiary and has also been informed of other intentions to give. Such intentions to give, which cannot be recorded as contributions receivable until they become unconditional, aggregated approximately \$45,964,960 and \$45,822,475 at June 30, 2023 and 2022, respectively.

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**Note 6: Notes Receivable**

	<b>2023</b>	<b>2022</b>
Note receivable from the University, unsecured, dated July 31, 2015, bearing interest at 4%, with fifteen annual payments of \$214,919, due July 31, 2030	\$ 1,446,994	\$ 1,597,994
Note receivable from the University, unsecured, dated December 31, 2017, bearing interest at 5%, with five annual payments of \$99,589, due December 31, 2022	-	94,847
	\$ 1,446,994	\$ 1,692,841

**Note 7: Beneficial Interests in Trusts**

The Foundation is named as the beneficiary of a unitrust held by third-party trustees totaling \$366,647 and \$222,754 at June 30, 2023 and 2022, respectively.

The Foundation is named as the beneficiary of a perpetual trust held by a third-party trustee. Under the terms of the trust, the Foundation is designated to receive the net income derived from trust assets on a quarterly basis, which is to be used for the purpose of scholarships and is recorded as temporarily restricted net assets. The Foundation is the beneficiary of the trust with the condition that the University continues to operate or maintain an accredited four-year college for a term in excess of 24 successive calendar months. The Foundation records its beneficial interest in the trust at fair value. Changes in the fair value of the Foundation's interest in the trust are reflected as unrealized gains or losses in the statement of activities in the year in which they take place. The unrealized gain on this trust was \$56,974 for the year ended June 30, 2023, and the unrealized loss on this trust was \$140,901 for the year ended 2022. The Foundation's share in the trust had a value of \$603,951 and \$582,858 at June 30, 2023 and 2022, respectively.

**Note 8: Annuities Payable**

The Foundation has entered into split-interest agreements, including a charitable remainder trust plan and a charitable gift annuity program. The Foundation has established a charitable remainder trust plan whereby donors may contribute assets to the Foundation in exchange for the right of a named beneficiary or beneficiaries to receive a fixed-dollar or a fixed-percentage annual return during their lifetimes. The Foundation has also established a charitable gift annuity program whereby, in exchange for a donor's contribution, the Foundation promises to make fixed payments for life to one or more annuitants. The amount paid is based on the age(s) of the annuitant(s), in accordance with the Foundation's rate schedule, which is based on actuarially determined life expectancy tables, trust asset growth assumptions, and discount rates ranging from 3.6 percent to 5.8 percent. The difference between the amount of the gift and the present value of the liability for



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future payments, determined on an actuarial basis, is recognized as a contribution at the date of the gift. The gifts are classified as either with or without donor restrictions based on how the remainder will be used at the termination of the annuity period per the individual agreements. The liability is revalued annually based upon actuarially computed present values, and any resulting actuarial gain or loss is recorded in the statements of activities and changes in net assets. The investments are held in separate accounts and follow the Investment and Spending Policies for Split-Interest Agreements as approved by the Board of Directors.

A summary of assets held and obligations related to split-interest agreements is as follows as of June 30:

	<b>2023</b>	<b>2022</b>
Assets		
Charitable remainder trusts/unitrusts (Pool B)	\$ 140,997	\$ 142,573
Charitable gift annuities (Pool C)	620,323	598,234
	<u>\$ 761,320</u>	<u>\$ 740,807</u>
Liabilities		
Split-interest agreement obligations	<u>\$ 253,859</u>	<u>\$ 262,377</u>

In addition to the obligations for the split-interest agreements, annuities payable also include the future obligation relating to the settlement of an estate gift. The present value of this liability was \$366,341 and \$375,494 at June 30, 2023 and 2022, respectively.

**Note 9: Net Assets Without Donor Restrictions**

Net assets without donor restrictions at June 30, 2023 and 2022, are designated for the following purposes:

	<b>2023</b>	<b>2022</b>
Undesignated	\$ 1,015,807	\$ 471,778
Board-designated operating reserve fund	3,272,233	2,997,233
Board-designated endowment funds	7,479,534	4,598,743
University President directed fund	260,079	198,898
	<u>\$ 12,027,653</u>	<u>\$ 8,266,652</u>

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**Note 10: Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30, 2023 and 2022, are restricted for the following purposes:

	<b>2023</b>	<b>2022</b>
Subject to expenditure for specified purpose		
Scholarships	\$ 8,267,251	\$ 7,964,810
Academic instruction and departmental	17,060,332	14,302,081
Athletic program	690,361	785,074
KMOS-TV	623,424	515,747
Capital projects	5,017,750	6,862,149
Net accumulated earnings in excess of approved payout	8,441,981	5,809,200
	<u>40,101,099</u>	<u>36,239,061</u>
Perpetually restricted with the earnings subject to		
Foundation endowment spending policy		
Scholarships	29,397,629	28,088,380
Academic instruction and departmental	4,467,491	3,802,813
Athletic program	127,588	126,578
Capital projects	40,245	40,245
	<u>34,032,953</u>	<u>32,058,016</u>
	<u>\$ 74,134,052</u>	<u>\$ 68,297,077</u>

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by occurrence of other events specified by donors, or Board-approved administrative allocations. Substantially all releases from restrictions are included in expenses for university advancement in the statement of activities.

**Note 11: Endowment**

The Foundation's endowment consists of approximately 610 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments (Board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The Foundation’s governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Foundation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Foundation
7. Investment policies of the Foundation

The composition of net assets by type of endowment fund at June 30, 2023 and 2022, was:

	<b>Without Donor Restrictions</b>	<b>2023 With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 66,274,081	\$ 66,274,081
Board-designated endowment funds	7,479,531	-	7,479,531
<b>Total endowment funds</b>	<b>\$ 7,479,531</b>	<b>\$ 66,274,081</b>	<b>\$ 73,753,612</b>
		<b>2022</b>	
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 60,832,847	\$ 60,832,847
Board-designated endowment funds	4,598,743	-	4,598,743
<b>Total endowment funds</b>	<b>\$ 4,598,743</b>	<b>\$ 60,832,847</b>	<b>\$ 65,431,590</b>

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Changes in endowment net assets for the years ended June 30, 2023 and 2022, were:

	<b>Without Donor Restrictions</b>	<b>2023 With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 4,598,743	\$ 60,832,847	\$ 65,431,590
Net investment return			
Net investment income	-	1,479,850	1,479,850
Net realized and unrealized loss on investments	469,096	3,202,269	3,671,365
Total net investment return	469,096	4,682,119	5,151,215
Gifts	2,440,365	7,603,733	10,044,098
Appropriation of assets for expenditure	(63,675)	(6,657,326)	(6,721,001)
Change in donor restrictions	35,002	(169,686)	(134,684)
Actuarial loss on annuity obligations	-	(17,606)	(17,606)
Endowment net assets, end of year	<u>\$ 7,479,531</u>	<u>\$ 66,274,081</u>	<u>\$ 73,753,612</u>
	<b>Without Donor Restrictions</b>	<b>2022 With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 5,273,717	\$ 59,852,805	\$ 65,126,522
Net investment return			
Net investment income	-	1,088,637	1,088,637
Net realized and unrealized gain on investments	(611,233)	(9,575,879)	(10,187,112)
Total net investment return	(611,233)	(8,487,242)	(9,098,475)
Gifts	45,174	9,148,758	9,193,932
Appropriation of assets for expenditure	(136,922)	(1,884,710)	(2,021,632)
Change in donor restrictions	28,007	2,239,718	2,267,725
Actuarial loss on annuity obligations	-	(36,482)	(36,482)
Endowment net assets, end of year	<u>\$ 4,598,743</u>	<u>\$ 60,832,847</u>	<u>\$ 65,431,590</u>

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The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. At June 30, 2023, funds with original gift values of \$9,954,275, fair values of \$9,360,103, and deficiencies of \$594,172 were reported in net assets with donor restrictions. At June 30, 2022, funds with original gift values of \$13,579,632, fair values of \$12,296,567, and deficiencies of \$1,283,065 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that were deemed prudent by the Foundation.

The Foundation’s investment and spending policies are disclosed in the “Management of Pooled Investments” section of *Note 1*.

**Note 12: Contributed Nonfinancial Assets**

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Animals	\$ 4,250	\$ 4,450
Works of art	-	194,300
Books and publications	1,603	-
Cars and other vehicles	11,285	-
Clothing and household goods	23,764	20,578
Collectibles	11,205	12,705
Equipment and supplies	51,606	29,665
Food inventory	60,131	70,121
Gift certificates	10,024	6,647
Services from community	240,053	145,064
Services from University	909,927	817,215
	<u>\$ 1,323,848</u>	<u>\$ 1,300,745</u>

The nonfinancial assets listed above were recognized within revenue, gains, and other support. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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Contributed items were utilized in the following programs and were valued using the following techniques and inputs.

	<b>Utilization in Programs/ Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and Inputs</b>
Animals	Athletic Fundraising Event	To be used for the Athletic Program	The animals were valued at the fair market value that would have been received for selling the same or similar animal.
Works of art	UCM Gallery of Art & Design	To be used for Academic Instruction & other departmental	Artwork was appraised by an independent fine art and personal property appraiser at market value
Books & Publications	Music & Biology	To be used for Academic Programs	Books & publications were valued at the fair market value that would have been received for selling the same or similar product.
Cars & Other Vehicles	Missouri Safety Center	To be used for the Police Academy	Cars & other vehicles were valued at the fair market value that would have been received for selling the same or similar product.
Clothing and household goods	Athletic Fundraising Events, Career Services, and Theatre Dept.	To be used for the Athletic Program, and Academic Instruction & other departmental	Clothing and household goods were valued at either the price tag still attached to the item or the fair market value that would have been received for selling the same or similar product.
Collectibles	Athletic Fundraising Events	To be used for the Athletic Program	Values for the collectible items are based on the average of prices for similar items for sale during online searches when the item(s) is received.
Equipment and supplies	UCM Research Farm, Athletic Programs, Criminal Justice Program, and Athletic Fundraising Events	To be used for the Athletic Program, and Academic Instruction & other departmental	Equipment and supplies were valued at either the price tag still attached to the item or the fair market value that would have been received for selling the same or similar product.
Food inventory	Athletic Programs and Athletic Fundraising Events	To be used for the Athletic Program	Food inventory items were valued at the fair market value that would have been received for selling the same or similar product.
Gift certificates	Athletic Programs, Career Services, and Athletic Fundraising Events	To be used for the Athletic Program, and Academic Instruction & other departmental	Gift certificates were valued at the amount that can be redeemed as indicated on the face of the gift certificate.
Services from community	Athletic Programs, KMOS-TV, UCM Research Farm, and Athletic Fundraising Events	To be used for the Athletic Program, and KMOS-TV, and Academic Instruction & other departmental	Service items were valued at the fair market value that would have been paid for purchasing the same or similar service.
Services from University	Alumni Foundation Operations & Fundraising	No donor restriction	Values were established at current compensation rates for University personnel

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Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributions of services also include services received from personnel of an affiliate.

**Note 13: Transactions with the University**

The Foundation incurs certain expenses for the direct advancement of University programs. Total expenses incurred by the Foundation for the advancement of the University were \$8,728,016 and \$5,463,635 for the years ended June 30, 2023 and 2022, respectively, and presented by purpose in the statements of activities. The amount due to the University for expenses not yet reimbursed by the Foundation was \$5,369,566 and \$286,001 at June 30, 2023 and 2022, respectively, and is included in accrued expenses and due to University on the accompanying statements of financial position.

Compensation and benefits for some University employees who provide services for the Foundation are reimbursed by the Foundation and are shown on the accompanying statements of activities as general administrative and fundraising expenses. Total compensation and benefits paid by the University and reimbursed by the Foundation were \$949,583 and \$898,667 for the years ended June 30, 2023 and 2022, respectively. The amount due to the University for compensation and benefits not yet reimbursed by the Foundation was \$102,975 and \$113,679 at June 30, 2023 and 2022, respectively, and is included in accrued expenses and due to University on the accompanying statements of financial position.

Compensation and benefits for some University employees who provide services for the Foundation are paid by the University and are not reimbursed by the Foundation. Compensation and benefits paid by the University were \$909,927 and \$817,214, based on the percentage of time related to the Foundation, for the years ended June 30, 2023 and 2022, respectively. The compensation and benefits for these employees is included in the accompanying statement of activities as in-kind gifts and general administrative and fundraising expenses.

**Note 14: Disclosures About Fair Value of Assets**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

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- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**Recurring Measurements**

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

	<b>2023</b>				
	<b>Total Fair Value</b>	<b>Fair Value Measurements Using</b>			<b>Investments Measured at NAV (A)</b>
<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>		<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>		
Investments					
Mutual funds					
Money market	\$ 5,893,491	\$ 5,893,491	\$ -	\$ -	\$ -
Domestic equity	18,588,101	18,588,101	-	-	-
International equity	9,807,626	9,807,626	-	-	-
Common stock					
Domestic	12,890,718	12,890,718	-	-	-
Exchange traded funds					
Domestic	3,179,919	3,179,919	-	-	-
Fixed income investments					
Mortgage	1,916,680	-	1,916,680	-	-
Credit	15,806,190	-	15,806,190	-	-
U.S. Treasuries	6,959,079	6,959,079	-	-	-
Agencies	1,856,372	-	1,856,372	-	-
Asset backed securities	581,884	-	581,884	-	-
Taxable municipal bonds	2,422,288	-	2,422,288	-	-
Diversified taxable funds	232,042	232,042	-	-	-
Alternative investment funds					
Hedge funds	5,239,899	5,239,899	-	-	-
Closely held funds	1,549,190	-	-	1,359,100	190,090
Total investments	<u>86,923,479</u>	<u>62,790,875</u>	<u>22,583,414</u>	<u>1,359,100</u>	<u>190,090</u>
Beneficial interests in trusts	970,598	-	-	970,598	-
Total assets	<u>\$ 87,894,077</u>	<u>\$ 62,790,875</u>	<u>\$ 22,583,414</u>	<u>\$ 2,329,698</u>	<u>\$ 190,090</u>



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	2022				
	Total Fair Value	Fair Value Measurements Using			Investments Measured at NAV (A)
Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments					
Mutual funds					
Money market	\$ 2,564,951	\$ 2,564,951	\$ -	\$ -	\$ -
Domestic equity	14,320,683	14,320,683	-	-	-
International equity	7,248,524	7,248,524	-	-	-
Common stock					
Domestic	11,041,467	11,041,467	-	-	-
International	8,646	8,646	-	-	-
Exchange traded funds					
Domestic	2,673,215	2,673,215	-	-	-
Fixed income investments					
Mortgage	1,387,409	-	1,387,409	-	-
Credit	13,024,357	11,439	13,012,918	-	-
U.S. Treasuries	5,721,874	5,721,874	-	-	-
Agencies	1,624,985	-	1,624,985	-	-
Asset backed securities	146,253	-	146,253	-	-
Taxable municipal bonds	2,275,668	-	2,275,668	-	-
Diversified taxable funds	207,383	207,383	-	-	-
Alternative investment funds					
Hedge funds	5,854,323	5,854,323	-	-	-
Closely held funds	887,561	-	-	780,097	107,464
Total investments	<u>68,987,299</u>	<u>49,652,505</u>	<u>18,447,233</u>	<u>780,097</u>	<u>107,464</u>
Beneficial interests in trusts	805,612	-	-	805,612	-
Total assets	<u>\$ 69,792,911</u>	<u>\$ 49,652,505</u>	<u>\$ 18,447,233</u>	<u>\$ 1,585,709</u>	<u>\$ 107,464</u>

(A) Certain investments that are measured using the net assets value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliations of the fair value hierarchy to the amounts presented in the statements of financial position.

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Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2023 and 2022. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

***Alternative Investments***

Investments in certain entities measured at fair value using the net asset value per share as a practical expedient consist of the following:

	<b>2023</b>	
	<b>Fair Value</b>	<b>Unfunded Commitment</b>
Closely held investments (A)	\$ 190,090	\$ 560,331
	<b>2022</b>	
	<b>Fair Value</b>	<b>Unfunded Commitment</b>
Closely held investments (A)	\$ 107,464	\$ 142,831

This class includes investments in venture capital funds that invest in early-stage technology companies. Investments in this class cannot be redeemed.

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***Beneficial Interest in Trusts***

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

***Transfers To and From Level 3***

Transfers to Level 3 and the reasons for those transfers are as follows:

	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Reason for Transfer</b>
Purchases	\$ 588,624	Increase investments in alternative investments

**Note 15: Significant Estimates and Concentrations**

***Concentrations of Credit and Market Risk***

The Foundation invests in various investment securities. Investment securities are subject to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements. The Foundation has established guidelines to mitigate these risks. These guidelines are periodically reviewed and modified when necessary.

***Contributions***

Approximately 65 percent of all contributions were received from two donors during the year ended June 30, 2023.

Approximately 25 percent of all contributions were received from one donor during the year ended June 30, 2022.

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**Note 16: Liquidity and Availability**

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions; such support has historically represented approximately 7 to 11 percent of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and Board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and scholarship, academic enrichment, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation

The Foundation's Finance Committee (the "Committee") meets annually to review and approve the annual operating budget and annual payout. Due to this timing, the Foundation strives to maintain financial assets available to meet general expenditures at a level that represents 100 percent of annual expenses for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for the annual payout approved by the Committee, which typically represents approximately 51 percent of the expected annual cash needs. In the event of financial distress, the Executive Committee of the Board of Directors may direct use of the reserves to help fund Foundation operating expenses and/or the annual payout for annual program and scholarship expenditures.

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As of June 30, 2023 and 2022, the following table shows the total financial assets held by the University and the amounts of those financial assets that could readily be made available within one year to meet general expenditures:

	<b>2023</b>	<b>2022</b>
Financial assets at year-end		
Cash	\$ 273,889	\$ 445,992
Investments	86,923,479	68,987,299
Accrued investment income	315,444	226,978
Contributions receivable	1,761,350	4,834,863
Notes receivable	1,446,994	1,692,841
	<u>90,721,156</u>	<u>76,187,973</u>
Less amounts restricted or not available to be used within one year		
Donor-imposed restrictions on financial assets	72,636,422	66,890,281
Board-designated operating reserve fund	3,272,233	2,997,233
Board-designated endowment funds	7,479,531	4,598,743
University President directed fund	260,079	198,898
Notes receivable – due after one year	1,289,955	1,446,995
	<u>84,938,220</u>	<u>76,132,150</u>
Financial assets not available to meet general expenditures within one year		
	<u>84,938,220</u>	<u>76,132,150</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,782,936</u>	<u>\$ 55,823</u>