

**MINNESOTA STATE UNIVERSITY, MANKATO
FOUNDATION, INC. AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Minnesota State University, Mankato Foundation, Inc. and Subsidiaries
Mankato, Minnesota

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Minnesota State University, Mankato Foundation, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minnesota State University, Mankato Foundation, Inc. and Subsidiaries as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Minnesota State University Mankato Foundation, Inc. and Subsidiaries 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota State University Mankato Foundation, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued .

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with 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 consolidated dually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Minnesota State University Mankato Foundation, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota State University Mankato Foundation, Inc. and Subsidiaries' 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 11, 2024

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 479,612	\$ 261,644
Promises to Give, Net (Note 5)	8,667,650	4,441,017
Other Assets	37,319	43,963
Investments (Notes 3 and 4)	89,483,730	79,105,761
Split-Interest Agreements:		
Assets Held in Charitable Trusts	599,396	562,775
Beneficial Interest in Trusts	309,246	515,345
Property Held for Investment	1,503,547	1,503,547
Total Assets	\$ 101,080,500	\$ 86,434,052
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 84,305	\$ 265,780
Liabilities under Split-Interest Agreements	257,963	333,458
Line of Credit	558,413	558,413
Total Liabilities	900,681	1,157,651
NET ASSETS		
Without Donor Restrictions	3,903,218	3,475,066
With Donor Restrictions (Note 6 and 7)	96,276,601	81,801,335
Total Net Assets	100,179,819	85,276,401
Total Liabilities and Net Assets	\$ 101,080,500	\$ 86,434,052

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 737,617	\$ 11,355,528	\$ 12,093,145
Gifts In-Kind	-	220,491	220,491
Noncash Support from the University	461,390	-	461,390
Investment Income, Net	152,444	9,143,692	9,296,136
Change in Carrying Value of Split-Interest Agreements	-	(60,081)	(60,081)
Support Services Income	5,128	-	5,128
Miscellaneous Revenue	97,959	-	97,959
Subtotal	1,454,538	20,659,630	22,114,168
Net Assets Released from Restrictions	6,184,364	(6,184,364)	-
Total Revenue, Support, and Gains	7,638,902	14,475,266	22,114,168
EXPENSES			
Program Services Expense:			
Distribution for Educational Services	5,684,957	-	5,684,957
Supporting Services Expense:			
Fundraising - Promotion and Development	2,234,108	-	2,234,108
General and Administrative	776,062	-	776,062
Total Supporting Services Expenses	3,010,170	-	3,010,170
Total Expenses	8,695,127	-	8,695,127
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	(1,056,225)	14,475,266	13,419,041
Equity Transfer - Donated Services from University Affiliate	1,484,377	-	1,484,377
CHANGE IN NET ASSETS	428,152	14,475,266	14,903,418
Net Assets - Beginning of Year	3,475,066	81,801,335	85,276,401
NET ASSETS - END OF YEAR	\$ 3,903,218	\$ 96,276,601	\$ 100,179,819

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 1,998,056	\$ 5,307,815	\$ 7,305,871
Gifts In-Kind	-	1,776,749	1,776,749
Noncash Support from the University	511,781	-	511,781
Investment Income, Net	137,881	7,394,379	7,532,260
Change in Carrying Value of Split-Interest Agreements	-	51,822	51,822
Support Services Income	6,371	-	6,371
Miscellaneous Revenue	99,595	-	99,595
Subtotal	<u>2,753,684</u>	<u>14,530,765</u>	<u>17,284,449</u>
Net Assets Released from Restrictions	<u>5,461,750</u>	<u>(5,461,750)</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>8,215,434</u>	<u>9,069,015</u>	<u>17,284,449</u>
EXPENSES			
Program Services Expense:			
Distribution for Educational Services	6,385,559	-	6,385,559
Supporting Services Expense:			
Fundraising - Promotion and Development	2,145,020	-	2,145,020
General and Administrative	774,347	-	774,347
Total Supporting Services Expenses	<u>2,919,367</u>	<u>-</u>	<u>2,919,367</u>
Total Expenses	<u>9,304,926</u>	<u>-</u>	<u>9,304,926</u>
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	(1,089,492)	9,069,015	7,979,523
Equity Transfer - Donated Services from University Affiliate	<u>1,313,772</u>	<u>-</u>	<u>1,313,772</u>
CHANGE IN NET ASSETS	224,280	9,069,015	9,293,295
Net Assets - Beginning of Year	<u>3,250,786</u>	<u>72,732,320</u>	<u>75,983,106</u>
NET ASSETS - END OF YEAR	<u>\$ 3,475,066</u>	<u>\$ 81,801,335</u>	<u>\$ 85,276,401</u>

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			Total
	Program Services	Management and General	Fundraising	
Grants - Distributions for Educational Services	\$ 4,019,338	\$ -	\$ -	\$ 4,019,338
Donated Goods and Services for				
University Use	220,491	-	-	220,491
Salaries and Benefits	704,900	138,302	1,498,030	2,341,232
Professional Fees and Contract Services	-	37,447	-	37,447
Supplies and Office Expenses	184,977	256,936	-	441,913
Travel, Conferences, and Meetings	317,702	111,605	186,199	615,506
Occupancy	2,953	9,054	75,214	87,221
Information Technology	32,381	71,578	129,522	233,481
Insurance	-	23,973	-	23,973
Marketing and Promotion	3,560	-	176	3,736
Bad Debt Expense	-	-	120,252	120,252
Memberships	14,084	18,982	-	33,066
Other	184,571	108,185	224,715	517,471
	<u>\$ 5,684,957</u>	<u>\$ 776,062</u>	<u>\$ 2,234,108</u>	<u>\$ 8,695,127</u>
Total Functional Expenses				

	2023			Total
	Program Services	Management and General	Fundraising	
Grants - Distributions for Educational Services	\$ 3,282,070	\$ -	\$ -	\$ 3,282,070
Donated Goods and Services for				
University Use	1,776,749	-	-	1,776,749
Salaries and Benefits	619,526	136,128	1,335,807	2,091,461
Professional Fees and Contract Services	-	34,190	-	34,190
Supplies and Office Expenses	302,019	265,802	-	567,821
Travel, Conferences, and Meetings	201,167	82,046	251,225	534,438
Occupancy	2,495	9,945	72,196	84,636
Information Technology	6,660	96,821	119,941	223,422
Insurance	-	19,076	-	19,076
Marketing and Promotion	13,507	-	875	14,382
Bad Debt Expense	-	-	131,824	131,824
Memberships	11,520	11,285	-	22,805
Other	169,846	119,054	233,152	522,052
	<u>\$ 6,385,559</u>	<u>\$ 774,347</u>	<u>\$ 2,145,020</u>	<u>\$ 9,304,926</u>
Total Functional Expenses				

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 14,903,418	\$ 9,293,295
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(8,527,120)	(6,884,855)
Changes in Carrying Value of Split-Interest Agreements	122,126	5,536
Contributions Restricted for Long-Term Investment	(2,177,534)	(1,049,057)
Bad Debt Expense	120,252	131,824
Changes in Operating Assets and Liabilities:		
Promises to Give	(5,225,667)	(2,276,291)
Other Assets	6,644	(14,213)
Accounts Payable	(181,475)	126,023
Net Cash Used by Operating Activities	(959,356)	(667,738)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(20,716,663)	(19,425,385)
Proceeds from Sale of Investments	18,865,814	18,316,614
Net Cash Used by Investing Activities	(1,850,849)	(1,108,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investment	3,056,316	1,872,891
Payments to Beneficiaries of Split-Interest Agreements	(28,143)	(39,457)
Net Cash Provided by Financing Activities	3,028,173	1,833,434
NET CHANGE IN CASH AND CASH EQUIVALENTS	217,968	56,925
Cash and Cash Equivalents - Beginning of Year	261,644	204,719
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 479,612	\$ 261,644

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The purpose of Minnesota State University, Mankato Foundation, Inc. and Subsidiaries (the Foundation), a nonprofit organization, is to receive contributions and other property through fundraising and gift acceptance and to hold, invest, and expend these amounts exclusively for the benefit of Minnesota State University, Mankato (the University).

Principles of Consolidation

The consolidated financial statements include the accounts of the Minnesota State University, Mankato Foundation, Inc. and its 100% owned subsidiaries, Maverick Philanthropic Properties, LLC and Lime Valley Wetlands, LLC. All significant intercompany accounts and transactions would be eliminated in consolidation. There was a \$110,000 and \$70,000 loan between the Minnesota State University, Mankato Foundation, Inc. and Maverick Philanthropic Properties, LLC as of June 30, 2024 and 2023, respectively. The loan has 0% interest and matures on April 30, 2026. There is no collateral on the loan. This loan is eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Foundation". Subsequent to year end, Maverick Real Estate Foundation, Inc. was formed for the purposes to support the exempt purposes of the Foundation.

Maverick Philanthropic Properties, LLC (LLC) was formed during the year ended June 30, 2014. All property held for investment is owned by the LLC.

Lime Valley Wetlands, LLC was formed during the year ended June 30, 2021. The entity holds land as of June 30, 2023 which was valued at \$-0- on the consolidated statements of financial position as of June 30, 2024. The property was sold in 2024 and the LLC was dissolved on April 5, 2024.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. At times, cash and cash equivalents at financial institutions may be in excess of Federal Deposit Insurance Corporation insurance limits.

Promises to Give

Contributions, including unconditional promises to give, are recognized as revenues on an accrual basis. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at rates of 5.5% based on when the contribution was made. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2024 and 2023, the allowance was \$508,905 and \$256,804, respectively.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Held for Investment

Property held for investment by the Foundation has been designated to be held for long-term investment purposes. Property held for investment consisted of land as of June 30, 2024 and 2023.

The Foundation reviews the carrying values of property held for investment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There was no impairment loss recognized for the years ended June 30, 2024 and 2023, respectively.

Split-Interest Agreements

Assets Held in Charitable Trusts

The Foundation has entered into trust agreements as trustee that provide, among other matters, that the trustee shall pay to the beneficiaries an annual income payment until the income obligation is completed in accordance with the donor's trust agreement. The Foundation records the assets held in these trusts at fair value and the corresponding liability at the actuarially determined present value of payments to be made to the designated beneficiaries. The residual amount is recorded as contribution revenue at the time the trust is established. In subsequent periods, the liability under charitable trust agreements is adjusted and changes therein are reported as a component of the Change in Carrying Value of Split-Interest Agreements in the consolidated statements of activities. Upon termination of the income obligation, the assets of the trust are held by the Foundation in accordance with the donor's trust agreement.

Gift Annuity Agreements

The Foundation has entered into gift annuity agreements that provide that the Foundation shall pay to the designated beneficiaries an annual amount until the death of the designated beneficiaries. The payments continue even if the assets of the gift annuity fund have been exhausted. The Foundation records the assets received at fair value and a corresponding liability is recorded for the actuarially determined present value of payments to be made to the designated beneficiaries, with the residual amount recorded as contribution revenue. Upon the death of the beneficiaries, the assets of the gift annuity fund are held by the Foundation in accordance with the agreements.

Beneficial Interest in Trusts

The Foundation has beneficial interests in charitable remainder trusts that are held by other entities such as banks or charitable organizations. The Foundation records its interest in these trusts, upon discovery of their existence, at fair value as determined using the present value of the estimated future cash receipts to be received from the trust. Because of the complex issues related to collecting the data for these transactions, there can be a time delay in the recording of the asset because of the time needed for discovery, verification of the Foundation's rights and the determination of the valuation of future payments.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are carried at fair value. The fair value of publicly traded securities is based upon quoted market prices and net asset values. For other securities, for which no such quotations or valuations are readily available, fair value is estimated using values provided by external investment managers based upon their valuation policies and methodologies. Realized and unrealized gains and losses are recognized in the period in which they occur and are recorded in the consolidated statements of activities. Due to market volatility with certain investment securities, it is 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 future consolidated statements of activities.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis. The Foundation has elected to measure all investments at fair value. The Foundation may elect to measure newly acquired financial instruments at fair value in the future.

Net Asset Classification

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. Funds paid from the board-designated endowment are subject to approval by the board.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions and Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions are reclassified to net assets without donor restriction upon expiration of the restriction. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Unconditional promises to give are recorded as received. Conditional promises to give are not included as support until such time as the conditions are met.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Revenue Recognition (Continued)

Donated property is recorded at fair value on the date of the donation.

Gifts In-Kind and Noncash Support from the University

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America (U.S. GAAP). Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received. The Foundation had noncash support from the University of \$1,945,767 and \$1,825,553 for the years ended June 30, 2024 and 2023, respectively. See Note 8 for further detail on the noncash support from the University. The Foundation also had other gifts in-kind of \$220,491 and \$1,776,749 for the years ended June 30, 2024 and 2023, respectively. These gifts in-kind were primarily supplies used in program services expense – distribution for educational services.

Distributions for Educational Services

Distributions are recognized as expenses in the period that the funds are requested.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis on the consolidated statements of functional expenses. Grants – distributions for educational services and donated goods and services for university use are considered to be program expense. Salaries and benefits are allocated based on employee job descriptions. All other costs are allocated based on the best estimates of management.

Income Taxes

Minnesota State University, Mankato Foundation, Inc. (the Foundation) is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). Maverick Philanthropic Properties, LLC and Lime Valley Wetlands, LLC maintain exempt status under the Foundation's exemption since the Foundation is the sole member of both entities. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purpose.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Leases

The Foundation determines if an arrangement is a lease at inception. Leases are reported on the consolidated statements of financial position as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined by using a period comparable with that of the lease term for computing the present value of lease liability.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Subsequent Events

The Foundation has evaluated subsequent events through October 11, 2024, the date the consolidated financial statements were available to be issued.

NOTE 2 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 provide scholarships and fund programs. In addition, the Foundation receives support without donor restrictions, this support has historically represented approximately 60% of annual program funding needs.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation's Finance Committee meets quarterly to review the Foundation's financial progress throughout the year. The Finance Committee also approves the Foundation's budget on an annual basis. The Foundation strives to maintain financial assets available to meet general expenditures of the organization during the year, as well as the semi-annual payments for scholarships.

The Foundation considers the following to be available to meet cash needs for operation and scholarship expenditures:

- Investment income without donor restrictions
- Appropriated earnings from donor-restricted and board-designated (quasi) endowments
- Contributions without donor restrictions
- Contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations.

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, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The table below presents liquid financial assets available for operation and scholarship expenditures within one year at June 30:

	2024	2023
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 479,612	\$ 261,644
Promises to Give, Net	8,667,650	4,441,017
Investments	89,483,730	79,105,761
Total Financial Assets	98,630,992	83,808,422
Less: Amounts Not Available to be Used Within One Year		
Promises to Give - for Restricted Gifts Due		
Within One Year	(2,872,825)	(1,618,855)
Promises to Give - Due After One Year, Net	(5,315,801)	(2,455,521)
Amounts Held for Donor-Restricted Endowment Funds	(77,075,546)	(67,580,248)
Amounts Held for Board-Designated Endowment Funds	(1,157,342)	(1,019,755)
Amounts Held for Scholarships, Departmental and		
Other Restrictions	(10,122,489)	(9,197,530)
Financial Assets Available to Meet General		
Expenditures Within One Year	\$ 2,086,989	\$ 1,936,513

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
U.S. Equities and Equity Funds	\$ 22,288,535	\$ 23,069,840
International Equity Funds	2,777,948	1,830,099
Fixed Income	1,080,769	1,573,321
Equity Exchange Traded Funds	6,125,049	2,016,058
Life Insurance Contracts	239,261	204,519
Investments Measured at NAV or its Equivalent	54,425,951	49,906,593
Cash and Short-Term Investments	<u>2,546,217</u>	<u>505,331</u>
Total	<u>\$ 89,483,730</u>	<u>\$ 79,105,761</u>

NOTE 4 FAIR VALUE MEASUREMENTS

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the Foundation's financial assets measured at fair value on a recurring basis at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Assets Held in Charitable Trusts:				
Mutual Funds:				
Equity	\$ 281,178	\$ -	\$ -	\$ 281,178
Fixed Income	103,520	-	-	103,520
Money Market	1,876	-	-	1,876
Other	212,822	-	-	212,822
Total Mutual Funds	<u>599,396</u>	<u>-</u>	<u>-</u>	<u>599,396</u>
Total Assets Held in Charitable Trusts	599,396	-	-	599,396
Beneficial Interest in Trusts	-	-	309,246	309,246
Total Split-Interest Agreements	<u>\$ 599,396</u>	<u>\$ -</u>	<u>\$ 309,246</u>	<u>\$ 908,642</u>
Investments:				
U.S. Equities and Equity Funds	\$ 22,288,535	\$ -	\$ -	\$ 22,288,535
International Equity Funds	2,777,948	-	-	2,777,948
Fixed Income	1,080,769	-	-	1,080,769
Equity Exchange Traded Funds	6,125,049	-	-	6,125,049
Subtotal	<u>\$ 32,272,301</u>	<u>\$ -</u>	<u>\$ -</u>	32,272,301
Life Insurance Contracts				239,261
Investments Measured at Net Asset Value or its Equivalent				54,425,951
Cash and Short-Term Investments				<u>2,546,217</u>
Total				<u>\$ 89,483,730</u>

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the Foundation's financial assets measured at fair value on a recurring basis at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Assets Held in Charitable Trusts:				
Mutual Funds:				
Equity	\$ 275,167	\$ -	\$ -	\$ 275,167
Fixed Income	112,550	-	-	112,550
Money Market	4,777	-	-	4,777
Other	170,281	-	-	170,281
Total Mutual Funds	<u>562,775</u>	<u>-</u>	<u>-</u>	<u>562,775</u>
Total Assets Held in Charitable Trusts	562,775	-	-	562,775
Beneficial Interest in Trusts	-	-	515,345	515,345
Total Split-Interest Agreements	<u>\$ 562,775</u>	<u>\$ -</u>	<u>\$ 515,345</u>	<u>\$ 1,078,120</u>
Investments:				
U.S. Equities and Equity Funds	\$ 23,069,840	\$ -	\$ -	\$ 23,069,840
International Equity Funds	1,830,099	-	-	1,830,099
Fixed Income	1,573,321	-	-	1,573,321
Equity Exchange Traded Funds	2,016,058	-	-	2,016,058
Subtotal	<u>\$ 28,489,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>28,489,318</u>
Life Insurance Contracts				204,519
Investments Measured at Net Asset Value or its Equivalent				49,906,593
Cash and Short-Term Investments				<u>505,331</u>
Total				<u>\$ 79,105,761</u>

The following is a summarization of the level 3 significant unobservable inputs:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2024	2023		
Beneficial Interest in Trusts	<u>\$ 309,246</u>	<u>\$ 515,345</u>	Discounted Cash Flows	Discount Rates Duration

The changes in investments measured at fair value on a recurring basis included as Level 3 measurements are summarized as follows:

	Beginning Balance at July 1, 2023	Contributions	Distributions	Change in Value	Ending Balance at June 30, 2024
Beneficial Interest in Trusts	<u>\$ 515,345</u>	<u>\$ -</u>	<u>\$ (221,323)</u>	<u>\$ 15,224</u>	<u>\$ 309,246</u>
	Beginning Balance at July 1, 2022	Contributions		Change in Value	Ending Balance at June 30, 2023
Beneficial Interest in Trusts	<u>\$ 494,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,807</u>	<u>\$ 515,345</u>

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at June 30:

June 30, 2024	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemptions Notice Period
Emerging Markets	\$ 5,067,046	\$ -	Monthly	30 Days
International Equity	17,421,969	-	Daily to Monthly	5-60 Days
International Equity	3,527,032	-	Rolling 24 month lock up	120 Days
Fixed Income	9,905,762	-	Daily	5-10 Days
Diversifying Strategies	7,614,815	-	Semi-Annually	95 Days
Private Equity	9,557,247	8,724,892	(1)	(1)
Hedge Fund	1,332,080	-	Semi-Annually	90 Days
Total	<u>\$ 54,425,951</u>	<u>\$ 8,724,892</u>		
June 30, 2023	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemptions Notice Period
U.S. Equity	\$ 3,022,983	\$ -	Daily to Quarterly	5-60 Days
Emerging Markets	4,129,794	-	Monthly	30 Days
International Equity	14,272,231	-	Daily to Monthly	5-60 Days
Real Assets	1,313,346	-	Daily to Monthly	5 Days
Fixed Income	10,909,337	-	Daily	5-10 Days
Diversifying Strategies	7,032,936	-	Semi-Annually	95 Days
Private Equity	8,080,443	7,391,990	(1)	(1)
Hedge Fund	1,145,523	-	Semi-Annually	90 Days
Total	<u>\$ 49,906,593</u>	<u>\$ 7,391,990</u>		

(1) Redemptions are not permitted, and liquidity is available to the extent of distributable realized events.

U.S. Equity – Investment strategies in this category include the purchase and sale of ownership shares in companies domiciled within the U.S.

Emerging Markets – This category includes strategies that invest in companies that are located within countries with developing economies.

International Equity – Investment strategies in this category include the purchase and sale of ownership shares in companies domiciled outside the U.S.

Real Assets – Investment strategies include in investment in tangible investments with intrinsic value due to its substance and physical properties.

Fixed Income – Investment strategies that pay investors fixed interest or dividend payments until its maturity date.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Diversifying Strategies – This category includes alternative investments using pooled funds that employ numerous different strategies to earn active return, or alpha, for their investors. Hedge funds may be aggressively managed or make use of derivatives and leverage in both domestic and international markets with the goal of generating high return (either in an absolute sense or over a specified market benchmark).

Private Equity – This category seeks capital appreciation by making equity and equity-related investments in conjunction with privately negotiated transactions.

Hedge Fund – This vehicle indirectly invests in the Master Fund (a fund-of-funds) with the goal of achieving attractive risk-adjusted returns through investments in a diversified portfolio of assets. A fund-of-funds strategy is used to hedge or minimize the single manager risk and single strategy risk. The hedge funds only report the value of the investment monthly.

NOTE 5 PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at June 30:

	2024	2023
Receivable in Less than One Year	\$ 3,351,849	\$ 1,985,496
Receivable in One to Five Years	6,472,482	2,950,971
Receivable in More than Five Years	72,000	72,000
Total	9,896,331	5,008,467
Less: Discount to Net Present Value at a Rate of 5.5%	719,776	310,646
Less: Allowance for Uncollectible Pledges	508,905	256,804
Net Promises to Give	\$ 8,667,650	\$ 4,441,017

Unconditional promises to give include one donor's balance which approximated 64% for the year ended June 30, 2024. Unconditional promises to give include three donor's balance which approximated 41% for the year ended June 30, 2023.

NOTE 6 ENDOWMENTS

The Foundation's endowment consists of approximately 400 individual funds established for a variety of purposes. Those funds are organized in five separate funds, accumulated under the Minnesota State University Mankato Composite for management and record-keeping purposes, making up the endowment assets of the Foundation. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by U.S. 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 ENDOWMENTS (CONTINUED)

The Foundation's board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature as the following: (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment that is not perpetual in nature is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes 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 Foundation and the University
- The investment policies of the Foundation

The Foundation had the following endowment net asset composition by type of fund as of June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 77,075,546	\$ 77,075,546
Board-Designated Endowment Funds	1,157,342	-	1,157,342
Total	<u>\$ 1,157,342</u>	<u>\$ 77,075,546</u>	<u>\$ 78,232,888</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 67,580,248	\$ 67,580,248
Board-Designated Endowment Funds	1,019,755	-	1,019,755
Total	<u>\$ 1,019,755</u>	<u>\$ 67,580,248</u>	<u>\$ 68,600,003</u>

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 ENDOWMENTS (CONTINUED)

Funds with Deficiencies (Underwater 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 Foundation to retain as a fund of perpetual duration. As of June 30, 2024, there were no funds with deficiencies. As of June 30, 2023, funds with original gift values of \$3,829,637 and fair values of \$3,626,332, and deficiencies of \$203,305 were reported in net assets with donor restrictions. These deficiencies, which the Foundation believes are temporary, resulted from unfavorable market fluctuations. The board of directors determined that continued appropriations during years ended June 30, 2024 and 2023 was prudent.

Investment and Spending Policies

The Foundation 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 to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds used for a particular purpose as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a blend of several asset classes with a bias toward equity and equity-like investments due to their higher long-term return expectations. The strategic asset allocation seeks to provide an expected total return aligned with the primary objective of the Portfolio, while avoiding undue risk concentrations in any single asset class or category, thus reducing risk at the overall portfolio level. The long-term objective of the Foundation is to earn a return sufficient to preserve the purchasing power of the Foundation for generations to come, as well as, to provide for current needs. As a result, the annualized return, over a 7- to 10-year investment horizon should at least equal the annual sum of the inflation, required spending, program fees, and expenses. Taking into account these factors, the Foundation expects its endowment funds to have a long-term expected return of approximately 7.2%. Actual returns in any given year will vary from this amount.

The Foundation's spending policy states that, in part, the distribution of income will be used to support the donor's stated objectives for the endowment. A percentage of the overall endowment balance, which will be determined by the board annually, shall be distributed to accounts in the following manner: A trailing 12-quarter average of all endowments will be determined as of June 30 of each year. The percentage determined by the board will be applied to the 12-quarter average to determine the total amount to be distributed to the donor's objective for all endowments. That total amount will then be distributed to the individual endowment purposes proportionately, based on the average balance in each endowment for the last four quarters. Each year the Foundation Investment Committee shall present the recommended percentage of distribution to the Foundation Board for approval no later than February of each year. The Foundation expects the current spending policy to allow its endowment to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets while providing support for the programs, along with additional real growth through new gifts and investment return.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets

Changes in endowment net assets for the years ended June 30 are as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 1,019,755	\$ 67,580,248	\$ 68,600,003
Investment Return:			
Net Investment Return	152,444	9,143,692	9,296,136
Contributions	-	3,056,316	3,056,316
Board Approved Transfer	33,958	328,132	362,090
Appropriation of Endowment Assets			
Pursuant to Spending Rate Policy	(37,726)	(2,313,931)	(2,351,657)
Appropriation for Admin Fees	(11,089)	(718,911)	(730,000)
Endowment Net Assets - End of Year	<u>\$ 1,157,342</u>	<u>\$ 77,075,546</u>	<u>\$ 78,232,888</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 888,595	\$ 61,277,090	\$ 62,165,685
Investment Return:			
Net Investment Return	137,881	7,394,379	7,532,260
Contributions	-	1,872,891	1,872,891
Board Approved Transfer	(757)	-	(757)
Appropriation of Endowment Assets			
Pursuant to Spending Rate Policy	(4,244)	(2,093,507)	(2,097,751)
Appropriation for Admin Fees	(1,720)	(870,605)	(872,325)
Endowment Net Assets - End of Year	<u>\$ 1,019,755</u>	<u>\$ 67,580,248</u>	<u>\$ 68,600,003</u>

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Life Insurance Contracts	\$ 239,261	\$ 204,519
Amounts Held for Scholarships, Departmental and Other Restrictions	10,122,489	9,197,530
Promises to Give, the Proceeds from Which have been Restricted by Donors for Various Educational Programs and Departments	<u>450,012</u>	<u>455,328</u>
Total	<u>10,811,762</u>	<u>9,857,377</u>
Subject to the Passage of Time:		
Beneficial Interest in Trusts	-	221,323
Assets Held in Charitable Trusts	253,530	190,901
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>6,718,731</u>	<u>2,250,617</u>
Total	<u>6,972,261</u>	<u>2,662,841</u>
Endowments:		
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity	58,724,534	55,742,825
Subject to NFP Endowment Spending Policy and Appropriation	<u>18,351,012</u>	<u>11,837,423</u>
Total Endowments	<u>77,075,546</u>	<u>67,580,248</u>
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trusts	309,246	294,022
Assets Held in Charitable Trusts	87,903	38,416
Promises to Give	<u>1,019,883</u>	<u>1,368,431</u>
Total	<u>1,417,032</u>	<u>1,700,869</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 96,276,601</u></u>	<u><u>\$ 81,801,335</u></u>

NOTE 8 RELATED PARTY TRANSACTIONS

The Foundation has an agreement with the University whereby the University has agreed to furnish space and provide services for the operations of the Foundation. In return, the Foundation has agreed to expend its revenues exclusively for the benefit of the University. There were no restrictions on the noncash support provided. The services were valued based on actual salaries based on the estimated amount of time that the individuals served the Foundation. It is also valued based on actual nonsalary costs.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended June 30, the following University expenditures on behalf of the Foundation were identified:

	<u>2024</u>	<u>2023</u>
Salaries and Benefits	\$ 1,484,377	\$ 1,313,772
Occupancy	82,936	80,541
Travel, Conferences, and Meetings	188,427	262,538
Other	190,027	168,702
Total	<u>\$ 1,945,767</u>	<u>\$ 1,825,553</u>

NOTE 9 LINE OF CREDIT

On April 30, 2021, Maverick Philanthropic Properties, LLC entered into a \$1,000,000 line of credit agreement with an interest rate of 2.25%. The line of credit expires on April 30, 2026. Minnesota State University, Mankato Foundation, Inc. is the guarantor on the line of credit. An investment account of the Minnesota State University, Mankato Foundation, Inc. serves as collateral on the line of credit. There was \$558,413 outstanding on the line of credit as of June 30, 2024 and 2023.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 GIFTS IN-KIND

For years ended June 30, contributed nonfinancial assets recognized within the consolidated statements of activities included:

<u>June 30, 2024</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique</u>
Software	\$ 5,490	Mechanical Engineering Department	Restricted for Department	Estimated fair value of software licenses
Equipment	40,000	Civil Engineering Program Campus Kitchen, Maverick Food Pantry, Athletics Department and the Hockey program	Restricted for Department	Estimated fair value of the equipment
Food and Beverages	59,683	Athletics Department, Campus Beautification, Hockey, Friends of the Library, Student Affairs, and KMSU Radio program	Restricted for Department	Estimated fair market value of the food and beverages
Supplies	46,425	General and Administrative, Strategic Partnerships, College of Business Center for Innovation and Entrepreneurship	Restricted for Department	Estimated fair market value for comparable supplies and promotional items
Building Lease	68,893		Restricted for Department	Estimated fair value of comparable office rentals in the Mankato, MN area.
Total	<u>\$ 220,491</u>			
<u>June 30, 2023</u>	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Technique</u>
Software	\$ 1,388,957	Electrical and Computer Engineering and Technology Department and EARTH Systems Lab Program	Restricted for Department	Estimated fair value of software licenses
Equipment	112,889	Information Technology Department - Esports, Athletics Department and Maverick Food Pantry	Restricted for Department	Estimated fair value of the equipment
Food and Beverages	110,441	Campus Kitchen and Maverick Food Pantry	Restricted for Department	Estimated fair market value of the food and beverages
Supplies	89,607	Athletics Department, Automotive & Manufacturing Engineering Technology Department, Music Department, Student Executive Team, Friends of the Library, and the College of Business	Restricted for Department	Estimated fair market value for comparable supplies and promotional items
Building Lease	74,460	General and Administrative, Strategic Partnerships, College of Business Center for Innovation and Entrepreneurship	Restricted for Department	Estimated fair value of comparable office rentals in the Mankato, MN area.
Books	395	Friends of the Library Program	Restricted for Department	Estimated fair market value for comparable books
Total	<u>\$ 1,776,749</u>			



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