

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

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020



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MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

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

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, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

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, 2021 and 2020, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 24, 2021

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---------------|---------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 279,747 | \$ 578,584 |
| Promises to Give, Net (Note 5) | 3,079,072 | 3,992,004 |
| Other Assets | 25,787 | 24,384 |
| Investments (Notes 3 and 4) | 80,058,655 | 60,406,907 |
| Split-Interest Agreements: | | |
| Assets Held in Charitable Trusts | 695,302 | 1,080,939 |
| Beneficial Interest in Trusts | 591,465 | 491,010 |
| Property Held for Investment | 945,134 | 1,003,934 |
| | \$ 85,675,162 | \$ 67,577,762 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable | \$ 169,878 | \$ 223,252 |
| Liabilities under Split-Interest Agreements | 358,476 | 662,620 |
| | 528,354 | 885,872 |
| NET ASSETS | | |
| Without Donor Restrictions | 3,196,251 | 2,993,091 |
| With Donor Restrictions (Note 6 and 7) | 81,950,557 | 63,698,799 |
| Total Net Assets | 85,146,808 | 66,691,890 |
| Total Liabilities and Net Assets | \$ 85,675,162 | \$ 67,577,762 |

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| REVENUE, SUPPORT, AND GAINS | | | |
| Contributions | \$ 3,299,177 | \$ 5,923,864 | \$ 9,223,041 |
| Gifts In-Kind | - | 334,899 | 334,899 |
| Noncash Support from the University | 1,665,374 | - | 1,665,374 |
| Investment Income, Net | 238,592 | 16,742,260 | 16,980,852 |
| Change in Carrying Value of Split-Interest Agreements | - | 65,058 | 65,058 |
| Support Services Income | 8,344 | - | 8,344 |
| Miscellaneous Revenue | 74,449 | - | 74,449 |
| Subtotal | 5,285,936 | 23,066,081 | 28,352,017 |
| Net Assets Released from Restrictions | 4,814,323 | (4,814,323) | - |
| Total Revenue, Support, and Gains | 10,100,259 | 18,251,758 | 28,352,017 |
| EXPENSES | | | |
| Program Services Expense: | | | |
| Distribution for Educational Services | 4,242,668 | - | 4,242,668 |
| Supporting Services Expense: | | | |
| Fundraising - Promotion and Development | 4,999,643 | - | 4,999,643 |
| General and Administrative | 654,788 | - | 654,788 |
| Total Supporting Services Expenses | 5,654,431 | - | 5,654,431 |
| Total Expenses | 9,897,099 | - | 9,897,099 |
| CHANGE IN NET ASSETS | 203,160 | 18,251,758 | 18,454,918 |
| Net Assets - Beginning of Year | 2,993,091 | 63,698,799 | 66,691,890 |
| NET ASSETS - END OF YEAR | \$ 3,196,251 | \$ 81,950,557 | \$ 85,146,808 |

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| REVENUE, SUPPORT, AND GAINS | | | |
| Contributions | \$ 545,875 | \$ 3,908,228 | \$ 4,454,103 |
| Gifts In-Kind | 180 | 583,322 | 583,502 |
| Noncash Support from the University | 1,821,384 | - | 1,821,384 |
| Investment Income, Net | (36,713) | 201,848 | 165,135 |
| Change in Carrying Value of Split-Interest Agreements | - | 222,826 | 222,826 |
| Support Services Income | 9,973 | - | 9,973 |
| Miscellaneous Revenue | 86,010 | - | 86,010 |
| Subtotal | 2,426,709 | 4,916,224 | 7,342,933 |
| Net Assets Released from Restrictions | 5,302,272 | (5,302,272) | - |
| Total Revenue, Support, and Gains | 7,728,981 | (386,048) | 7,342,933 |
| EXPENSES | | | |
| Program Services Expense: | | | |
| Distribution for Educational Services | 4,353,489 | - | 4,353,489 |
| Supporting Services Expense: | | | |
| Fundraising - Promotion and Development | 2,091,693 | - | 2,091,693 |
| General and Administrative | 867,442 | - | 867,442 |
| Total Supporting Services Expenses | 2,959,135 | - | 2,959,135 |
| Total Expenses | 7,312,624 | - | 7,312,624 |
| CHANGE IN NET ASSETS | 416,357 | (386,048) | 30,309 |
| Net Assets - Beginning of Year | 2,576,734 | 64,084,847 | 66,661,581 |
| NET ASSETS - END OF YEAR | \$ 2,993,091 | \$ 63,698,799 | \$ 66,691,890 |

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | | | |
|---|---------------------|---------------------------|---------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total |
| Grants - Distributions for Educational Services | \$ 2,778,514 | \$ - | \$ - | \$ 2,778,514 |
| Donated Goods and Services for University Use | 334,899 | - | - | 334,899 |
| Salaries and Benefits | 782,650 | 126,408 | 1,266,064 | 2,175,122 |
| Professional Fees and Contract Services | - | 35,550 | - | 35,550 |
| Supplies and Office Expenses | 130,092 | 270,468 | - | 400,560 |
| Travel, Conferences, and Meetings | 63,524 | 48,345 | 144,920 | 256,789 |
| Occupancy | - | 7,688 | 70,511 | 78,199 |
| Information Technology | 11,832 | 55,800 | 136,535 | 204,167 |
| Insurance | - | 16,410 | - | 16,410 |
| Marketing and Promotion | 7,759 | - | 1,440 | 9,199 |
| Bad Debt Expense | - | - | 3,127,058 | 3,127,058 |
| Memberships | 15,374 | 6,245 | - | 21,619 |
| Other | 118,024 | 87,874 | 253,115 | 459,013 |
| | <u>\$ 4,242,668</u> | <u>\$ 654,788</u> | <u>\$ 4,999,643</u> | <u>\$ 9,897,099</u> |
| Total Functional Expenses | | | | |

| | 2020 | | | |
|---|---------------------|---------------------------|---------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total |
| Grants - Distributions for Educational Services | \$ 2,373,788 | \$ - | \$ - | \$ 2,373,788 |
| Donated Goods and Services for University Use | 583,502 | - | - | 583,502 |
| Salaries and Benefits | 778,073 | 213,188 | 1,302,079 | 2,293,340 |
| Professional Fees and Contract Services | - | 30,867 | - | 30,867 |
| Supplies and Office Expenses | 150,949 | 284,640 | - | 435,589 |
| Travel, Conferences, and Meetings | 247,840 | 118,205 | 175,524 | 541,569 |
| Occupancy | 4,902 | 16,848 | 66,225 | 87,975 |
| Information Technology | 64,797 | 83,502 | 138,986 | 287,285 |
| Insurance | - | 15,141 | - | 15,141 |
| Marketing and Promotion | 6,657 | - | 3,101 | 9,758 |
| Bad Debt Expense | - | - | 233,705 | 233,705 |
| Memberships | 15,668 | 4,873 | - | 20,541 |
| Other | 127,313 | 100,178 | 172,073 | 399,564 |
| | <u>\$ 4,353,489</u> | <u>\$ 867,442</u> | <u>\$ 2,091,693</u> | <u>\$ 7,312,624</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, 2021 AND 2020

| | 2021 | 2020 |
|---|---------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 18,454,918 | \$ 30,309 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: | | |
| Net Realized and Unrealized Gains (Losses) on Investments | (16,910,093) | 1,005,473 |
| Changes in Carrying Value of Split-Interest Agreements | 23,598 | (140,010) |
| Impairment of Property Held for Investment | 58,800 | - |
| Contributions Restricted for Long-Term Investment | (6,312,625) | (1,057,358) |
| Changes in Operating Assets and Liabilities: | | |
| Promises to Give | 2,494,841 | (191,784) |
| Other Assets | (1,403) | 27,288 |
| Accounts Payable | (53,374) | (14,805) |
| Net Cash Used by Operating Activities | (2,245,338) | (340,887) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (91,348,243) | (8,956,163) |
| Proceeds from Sale of Investments | 88,606,588 | 8,323,107 |
| Net Cash Used by Investing Activities | (2,741,655) | (633,056) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Contributions Restricted for Long-Term Investment | 4,730,716 | 1,484,731 |
| Payments to Beneficiaries of Split-Interest Agreements | (42,560) | (80,495) |
| Net Cash Provided by Financing Activities | 4,688,156 | 1,404,236 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (298,837) | 430,293 |
| Cash and Cash Equivalents - Beginning of Year | 578,584 | 148,291 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 279,747 | \$ 578,584 |

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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. As of June 30, 2021, there was a \$25,000 loan between the Minnesota State University, Mankato Foundation, Inc. and Maverick Philanthropic Properties, LLC. The loan has 0% interest and matures on April 30, 2026. There is no collateral on the loan. This loan is eliminated in consolidation. There were no intercompany accounts or transactions during the year ended June 30, 2020. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Foundation."

Maverick Philanthropic Properties, LLC (LLC) was formed during the year ended June 30, 2014. During the year ended June 30, 2020, \$945,134 of property owned by the Foundation was transferred to the LLC. Going forward any donations or purchases of property, plant, and equipment will be transacted through the LLC.

Lime Valley Wetlands, LLC was formed during the year ended June 30, 2021. The entity holds land which is valued at \$-0- on the consolidated statement of financial position.

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 (FDIC) 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, 2021 and 2020, the allowance was \$183,822 and \$303,304, respectively.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021 and 2020.

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. An impairment loss of \$58,800 and \$-0- was recognized for the years ended June 30, 2021 and 2020.

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 statement 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, 2021 AND 2020

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 substantially met.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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. 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 \$1,665,374 and \$1,821,384 for the years ended June 30, 2021 and 2020, respectively. See Note 8 for further detail on the noncash support from the University. The Foundation also had other gifts in-kind of \$334,899 and \$583,502 for the years ended June 30, 2021 and 2020, 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 statement 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, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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.

Change in Accounting Principle

Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU removes and modifies disclosure requirements retrospectively for non-public entities. The ASU is effective for fiscal years beginning after December 15, 2019 with early adoption permitted.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation. The reclassification had no effect on the change in net assets or total net assets as previously reported.

Subsequent Events

The Foundation has evaluated subsequent events through September 24, 2021, 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.

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.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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:

| | 2021 | 2020 |
|---|--------------|--------------|
| Financial Assets at Year-End: | | |
| Cash and Cash Equivalents | \$ 279,747 | \$ 578,584 |
| Promises to Give, Net | 3,079,072 | 3,992,004 |
| Investments | 80,058,655 | 60,406,907 |
| Total Financial Assets | 83,417,474 | 64,977,495 |
| Less: Amounts Not Available to be Used Within One Year: | | |
| Promises to Give - for Restricted Gifts Due | | |
| Within One Year | (958,095) | (914,824) |
| Promises to Give - Due After One Year, Net | (2,120,977) | (3,062,141) |
| Amounts Held for Donor-Restricted Endowment Funds | (71,003,525) | (52,153,651) |
| Amounts Held for Scholarships, Departmental and | | |
| Other Restrictions | (6,934,098) | (6,734,134) |
| Financial Assets Available to Meet General | | |
| Expenditures Within One Year | \$ 2,400,779 | \$ 2,112,745 |

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|
| U.S. Equities and Equity Funds | \$ 2,033,173 | \$ 609,415 |
| International Equity Funds | 1,950,555 | - |
| Fixed Income | 1,640,474 | 546 |
| Equity Exchange Traded Funds | 3,571,886 | 51,087,222 |
| Life Insurance Contracts | 219,971 | 169,435 |
| Investments Measured at NAV or its Equivalent | 68,530,334 | 7,325,692 |
| Cash and Short-Term Investments | 2,112,262 | 1,214,597 |
| Total | <u>\$ 80,058,655</u> | <u>\$ 60,406,907</u> |

NOTE 4 FAIR VALUE MEASUREMENTS

The Foundation allows 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.

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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, 2021:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---------------------|-------------|-------------------|----------------------|
| Assets Held in Charitable Trusts: | | | | |
| Common Stock: | | | | |
| Other | \$ 10,836 | \$ - | \$ - | \$ 10,836 |
| Mutual Funds: | | | | |
| Equity | 358,132 | - | - | 358,132 |
| Real Estate | 13,144 | - | - | 13,144 |
| Fixed Income | 248,504 | - | - | 248,504 |
| Money Market | 52,595 | - | - | 52,595 |
| Other | 12,091 | - | - | 12,091 |
| Total Mutual Funds | <u>684,466</u> | <u>-</u> | <u>-</u> | <u>684,466</u> |
| Total Assets Held in Charitable Trusts | 695,302 | - | - | 695,302 |
| Beneficial Interest in Trusts | - | - | 591,465 | 591,465 |
| Total Split-Interest Agreements | <u>\$ 695,302</u> | <u>\$ -</u> | <u>\$ 591,465</u> | <u>\$ 1,286,767</u> |
| Investments: | | | | |
| U.S. Equities and Equity Funds | \$ 2,033,173 | \$ - | \$ - | 2,033,173 |
| International Equity Funds | 1,950,555 | - | - | 1,950,555 |
| Fixed Income | 1,640,474 | - | - | 1,640,474 |
| Equity Exchange Traded Funds | 3,571,886 | - | - | 3,571,886 |
| Subtotal | <u>\$ 9,196,088</u> | <u>\$ -</u> | <u>\$ -</u> | <u>9,196,088</u> |
| Life Insurance Contracts | | | | 219,971 |
| Investments Measured at Net Asset Value or its Equivalent | | | | 68,530,334 |
| Cash and Short-Term Investments | | | | <u>2,112,262</u> |
| Total | | | | <u>\$ 80,058,655</u> |

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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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, 2020:

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------------|-------------|-------------------|----------------------|
| Assets Held in Charitable Trusts: | | | | |
| Common Stock: | | | | |
| Other | \$ 9,309 | \$ - | \$ - | \$ 9,309 |
| Mutual Funds: | | | | |
| Equity | 612,697 | - | - | 612,697 |
| Real Estate | 37,363 | - | - | 37,363 |
| Fixed Income | 345,420 | - | - | 345,420 |
| Money Market | 65,294 | - | - | 65,294 |
| Other | 10,856 | - | - | 10,856 |
| Total Mutual Funds | <u>1,071,630</u> | <u>-</u> | <u>-</u> | <u>1,071,630</u> |
| Total Assets Held in Charitable Trusts | <u>1,080,939</u> | <u>-</u> | <u>-</u> | <u>1,080,939</u> |
| Beneficial Interest in Trusts | - | - | 491,010 | 491,010 |
| Total Split-Interest Agreements | <u>\$ 1,080,939</u> | <u>\$ -</u> | <u>\$ 491,010</u> | <u>\$ 1,571,949</u> |
| Investments: | | | | |
| U.S. Equities and Equity Funds | \$ 609,415 | \$ - | \$ - | 609,415 |
| International Equity Funds | - | - | - | - |
| Fixed Income | 546 | - | - | 546 |
| Equity Exchange Traded Funds | 51,087,222 | - | - | 51,087,222 |
| Subtotal | <u>\$ 51,697,183</u> | <u>\$ -</u> | <u>\$ -</u> | <u>51,697,183</u> |
| Life Insurance Contracts | | | | 169,435 |
| Investments Measured at Net Asset Value or its Equivalent | | | | 7,325,692 |
| Cash and Short-Term Investments | | | | 1,214,597 |
| Total | | | | <u>\$ 60,406,907</u> |

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

| Instrument | Fair Value | | Principal Valuation Technique | Unobservable Inputs |
|-------------------------------|------------|------------|-------------------------------|-------------------------|
| | 2021 | 2020 | | |
| Beneficial Interest in Trusts | \$ 591,465 | \$ 491,010 | 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, 2020 | Contributions | Change in Value ¹ | Ending Balance at June 30, 2021 |
| Beneficial Interest in Trusts | <u>\$ 491,010</u> | <u>\$ -</u> | <u>\$ 100,455</u> | <u>\$ 591,465</u> |
| | Beginning Balance at July 1, 2019 | Contributions | Change in Value ¹ | Ending Balance at June 30, 2020 |
| Beneficial Interest in Trusts | <u>\$ 280,561</u> | <u>\$ 213,723</u> | <u>\$ (3,274)</u> | <u>\$ 491,010</u> |

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:

| | Net Asset Value | Unfunded Commitments | Redemption Frequency | Redemptions Notice Period |
|-------------------------|----------------------|----------------------|----------------------|---------------------------|
| June 30, 2021 | | | | |
| U.S. Equity | \$ 18,227,761 | \$ - | Daily to Quarterly | 5-60 Days |
| Emerging Markets | 5,002,019 | - | Monthly | 30 Days |
| International Equity | 18,522,926 | - | Daily to Monthly | 5-60 Days |
| Real Assets | 2,301,455 | - | Daily to Monthly | 5 Days |
| Fixed Income | 11,942,924 | - | Daily | 5-10 Days |
| Diversifying Strategies | 6,659,698 | - | Semi-Annually | 95 Days |
| Private Equity | 4,650,117 | 4,937,934 | (1) | (1) |
| Hedge Fund | 1,223,434 | - | Semi-Annually | 90 Days |
| Total | <u>\$ 68,530,334</u> | <u>\$ 4,937,934</u> | | |
| June 30, 2020 | | | | |
| Private Equity | \$ 2,987,691 | \$ 1,649,111 | (1) | (1) |
| Hedge Fund | 4,338,001 | - | Quarterly | 60 Days |
| Total | <u>\$ 7,325,692</u> | <u>\$ 1,649,111</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.

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

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

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.

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:

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Receivable in Less than One Year | \$ 958,095 | \$ 929,863 |
| Receivable in One to Five Years | 2,555,304 | 1,986,386 |
| Receivable in More than Five Years | 86,000 | 3,120,000 |
| Total | <u>3,599,399</u> | <u>6,036,249</u> |
| Less: Discount to Net Present Value at a Rate of 5.5% | 336,505 | 1,740,941 |
| Less: Allowance for Uncollectible Pledges | 183,822 | 303,304 |
| Net Promises to Give | <u>\$ 3,079,072</u> | <u>\$ 3,992,004</u> |

Unconditional promises to give include two donor's balance which approximated 55% for the year ended June 30, 2021. Unconditional promises to give include one donor's balance which approximated 70% for the year ended June 30, 2020.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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NOTE 6 ENDOWMENTS

The Foundation's endowment consists of approximately 425 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 accounting principles generally accepted in the United States of America, 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.

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, 2021 and 2020, 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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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NOTE 6 ENDOWMENTS (CONTINUED)

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

| | 2021 | | |
|----------------------------------|-------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Donor-Restricted Endowment Funds | \$ - | \$ 71,003,525 | \$ 71,003,525 |
| Board-Designated Endowment Funds | 960,574 | - | 960,574 |
| Total | \$ 960,574 | \$ 71,003,525 | \$ 71,964,099 |
| | 2020 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Donor Restricted Endowment Funds | \$ - | \$ 52,153,651 | \$ 52,153,651 |
| Board-Designated Endowment Funds | 727,484 | - | 727,484 |
| Total | \$ 727,484 | \$ 52,153,651 | \$ 52,881,135 |

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, 2021 there were no funds with deficiencies. As of June 30, 2020, funds with original gift values of \$15,419,603 and fair values of \$14,579,799, and deficiencies of \$839,804 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, 2021 and 2020 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.

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NOTE 6 ENDOWMENTS (CONTINUED)

Investment and Spending Policies (Continued)

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.

Changes in Endowment Net Assets

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

| | 2021 | | |
|--|-------------------------------|----------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Net Assets - Beginning of Year | \$ 727,484 | \$ 52,153,651 | \$ 52,881,135 |
| Investment Return: | | | |
| Net Investment Return | 238,592 | 16,742,260 | 16,980,852 |
| Contributions | - | 4,730,716 | 4,730,716 |
| Board Approved Transfer | (4,361) | - | (4,361) |
| Appropriation of Endowment Assets | | | |
| Pursuant to Spending Rate Policy | - | (1,914,243) | (1,914,243) |
| Appropriation for Admin Fees | (1,141) | (708,859) | (710,000) |
| Endowment Net Assets - End of Year | <u>\$ 960,574</u> | <u>\$ 71,003,525</u> | <u>\$ 71,964,099</u> |
| | | | |
| | 2020 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Net Assets - Beginning of Year | \$ 1,249,826 | \$ 53,113,155 | \$ 54,362,981 |
| Investment Return: | | | |
| Net Investment Return | (36,713) | 201,848 | 165,135 |
| Contributions | 45,552 | 1,659,827 | 1,705,379 |
| Board Approved Transfer | (520,000) | - | (520,000) |
| Appropriation of Endowment Assets | | | |
| Pursuant to Spending Rate Policy | (750) | (2,021,610) | (2,022,360) |
| Appropriation for Admin Fees | (10,431) | (799,569) | (810,000) |
| Endowment Net Assets - End of Year | <u>\$ 727,484</u> | <u>\$ 52,153,651</u> | <u>\$ 52,881,135</u> |

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NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------------|-----------------------------|
| Subject to Expenditure for Specified Purpose: | | |
| Life Insurance Contracts | \$ 219,971 | \$ 169,435 |
| Amounts Held for Scholarships, Departmental and Other Restrictions | 6,934,098 | 6,734,134 |
| Promises to Give, the Proceeds from Which have been Restricted by Donors for Various Educational Programs and Departments | <u>390,658</u> | <u>482,322</u> |
| Total | <u>7,544,727</u> | <u>7,385,891</u> |
| Subject to the Passage of Time: | | |
| Beneficial Interest in Trusts | 249,427 | 206,144 |
| Assets Held in Charitable Trusts | 266,467 | 208,770 |
| Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due | <u>746,906</u> | <u>710,681</u> |
| Total | <u>1,262,800</u> | <u>1,125,595</u> |
| Endowments: | | |
| Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity | 51,987,106 | 47,114,302 |
| Subject to NFP Endowment Spending Policy and Appropriation | <u>19,016,419</u> | <u>5,039,349</u> |
| Total Endowments | <u>71,003,525</u> | <u>52,153,651</u> |
| Not Subject to Spending Policy or Appropriation: | | |
| Beneficial Interest in Trusts | 342,038 | 284,866 |
| Assets Held in Charitable Trusts | 70,359 | 209,549 |
| Promises to Give | <u>1,727,108</u> | <u>2,539,247</u> |
| Total | <u>2,139,505</u> | <u>3,033,662</u> |
| Total Net Assets with Donor Restrictions | <u><u>\$ 81,950,557</u></u> | <u><u>\$ 63,698,799</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.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
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NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended June 30, 2021 and 2020, the following University expenditures on behalf of the Foundation were identified:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|---------------------|---------------------|
| Salaries and Benefits | \$ 1,285,834 | \$ 1,392,407 |
| Occupancy | 78,198 | 78,198 |
| Travel, Conferences, and Meetings | 159,813 | 199,776 |
| Other | 141,529 | 151,003 |
| Total | <u>\$ 1,665,374</u> | <u>\$ 1,821,384</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 \$-0- outstanding on the line of credit as of June 30, 2021.

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