

**MISSOURI WESTERN STATE UNIVERSITY  
FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Missouri Western State University Foundation, Inc.  
St. Joseph, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Missouri Western State University Foundation, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missouri Western State University Foundation, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missouri Western State University Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Western State University Foundation, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missouri Western State University Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Western State University Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



**CliftonLarsonAllen LLP**

Kansas City, Missouri  
September 28, 2023

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,284,971	\$ 2,311,486
Pledges Receivable, Net - Current Portion	694,420	146,437
Pledges Receivable, Net - Gifts-in-Kind	1,735	9,107
Notes Receivable, Net - Current Portion	3,741	8,094
Interest, Dividends, and Other Receivables	76,934	58,374
Prepaid Expenses	14,128	7,905
Total Current Assets	3,075,929	2,541,403
<b>INVESTMENTS</b>		
Investments	44,539,304	43,027,535
Mineral Rights	70,918	62,608
Cash Surrender Value of Life Insurance	567,651	551,948
Total Investments	45,177,873	43,642,091
<b>FIXED ASSETS</b>		
Artwork	98,808	98,808
Equipment, at Cost	22,140	19,698
Total Fixed Assets	120,948	118,506
Less: Accumulated Depreciation	17,831	16,799
Net Fixed Assets	103,117	101,707
<b>OTHER ASSETS</b>		
Pledges Receivable, Net	459,411	402,376
Notes Receivable, Net	-	3,653
Beneficial Interest in Perpetual Trusts	5,104,954	5,061,288
Other Equity Interests	1,106,818	1,106,818
Total Other Assets	6,671,183	6,574,135
Total Assets	\$ 55,028,102	\$ 52,859,336

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,287,871	\$ 792,912
Deferred Revenue	164,262	135,259
Total Current Liabilities	1,452,133	928,171
 <b>NET ASSETS</b>		
Without Donor Restrictions:		
General Operating	1,381,017	1,156,276
Board Designated	3,221,468	3,045,604
Total Without Donor Restrictions	4,602,485	4,201,880
With Donor Restrictions:		
Purpose Restrictions	19,692,537	18,595,247
Time Restrictions	324,758	339,039
Perpetual in Nature	28,956,189	28,794,999
Total With Donor Restrictions	48,973,484	47,729,285
Total Net Assets	53,575,969	51,931,165
Total Liabilities and Net Assets	\$ 55,028,102	\$ 52,859,336

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 390,007	\$ 1,775,728	\$ 2,165,735
In-Kind Contributions	-	190,477	190,477
Investment Income	439,336	3,394,325	3,833,661
Mineral Rights Royalties	13,110	-	13,110
Other Income	56,767	1,293,233	1,350,000
Change in Value of Beneficial Interest in Perpetual Trusts	-	43,666	43,666
Net Assets Released from Donor Restrictions:			
Satisfaction of Purpose Restrictions	5,453,230	(5,453,230)	-
Total Revenues, Gains, and Other Support	<u>6,352,450</u>	<u>1,244,199</u>	<u>7,596,649</u>
<b>EXPENSES</b>			
Program Services:			
Scholarships	984,772	-	984,772
Allocations	4,325,379	-	4,325,379
Total Program Services	<u>5,310,151</u>	<u>-</u>	<u>5,310,151</u>
Support Services:			
General and Administrative	459,966	-	459,966
Fundraising	181,728	-	181,728
Total Support Services	<u>641,694</u>	<u>-</u>	<u>641,694</u>
Total Expenses	<u>5,951,845</u>	<u>-</u>	<u>5,951,845</u>
<b>CHANGES IN NET ASSETS</b>	400,605	1,244,199	1,644,804
Net Assets - Beginning of Year	<u>4,201,880</u>	<u>47,729,285</u>	<u>51,931,165</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,602,485</u>	<u>\$ 48,973,484</u>	<u>\$ 53,575,969</u>

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 372,220	\$ 1,677,566	\$ 2,049,786
Legacies and Bequests	-	216	216
In-Kind Contributions	-	318,152	318,152
Investment Income	(1,377,912)	(5,087,356)	(6,465,268)
Mineral Rights Royalties	13,992	-	13,992
Other Income	19,500	1,206,080	1,225,580
Change in Value of Beneficial Interest in Perpetual Trusts	-	(963,576)	(963,576)
Net Assets Released from Donor Restrictions:			
Satisfaction of Purpose Restrictions	4,271,778	(4,271,778)	-
Total Revenues, Gains, and Other Support	3,299,578	(7,120,696)	(3,821,118)
<b>EXPENSES</b>			
Program Services:			
Scholarships	1,190,916	-	1,190,916
Allocations	3,040,908	-	3,040,908
Total Program Services	4,231,824	-	4,231,824
Support Services:			
General and Administrative	385,670	-	385,670
Fundraising	190,136	-	190,136
Total Support Services	575,806	-	575,806
Total Expenses	4,807,630	-	4,807,630
<b>CHANGES IN NET ASSETS</b>	(1,508,052)	(7,120,696)	(8,628,748)
Net Assets - Beginning of Year	5,709,932	54,849,981	60,559,913
<b>NET ASSETS - END OF YEAR</b>	\$ 4,201,880	\$ 47,729,285	\$ 51,931,165

See accompanying Notes to Financial Statements.



**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Program Services		Support Services		Total Expenses
	Scholarships	Allocations	General and Administrative	Fundraising	
Scholarships	\$ 984,772	\$ -	\$ -	\$ -	\$ 984,772
Allocations	-	4,325,379	-	-	4,325,379
Uncollectible Pledges	-	-	144,779	-	144,779
Depreciation	-	-	1,032	-	1,032
Fundraising Events	-	-	-	70,826	70,826
Office Expenses:					
Salaries and Benefits	-	-	196,789	107,710	304,499
Professional Development	-	-	3,001	-	3,001
Repairs and Maintenance	-	-	26,210	2,912	29,122
Office Expenses	-	-	3,569	-	3,569
Professional Fees	-	-	24,150	-	24,150
Occupancy	-	-	32,028	-	32,028
Travel	-	-	356	-	356
Insurance and Taxes	-	-	8,175	-	8,175
Duplicating and Postage	-	-	2,523	280	2,803
Utilities and Telephone	-	-	1,387	-	1,387
Dues and Subscriptions	-	-	146	-	146
Bank Service and Credit Card Fees	-	-	12,595	-	12,595
Conferences, Conventions, and Meetings	-	-	3,226	-	3,226
Total Expenses by Function	\$ 984,772	\$ 4,325,379	\$ 459,966	\$ 181,728	\$ 5,951,845

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	Program Services		Support Services		Total Expenses
	Scholarships	Allocations	General and Administrative	Fundraising	
Scholarships	\$ 1,190,916	\$ -	\$ -	\$ -	\$ 1,190,916
Allocations	-	3,040,908	-	-	3,040,908
Uncollectible Pledges	-	-	85,788	-	85,788
Depreciation	-	-	581	-	581
Fundraising Events	-	-	-	89,177	89,177
Office Expenses:					
Salaries and Benefits	-	-	180,755	98,115	278,870
Professional Development	-	-	1,949	-	1,949
Repairs and Maintenance	-	-	22,855	2,539	25,394
Office Expenses	-	-	4,320	-	4,320
Professional Fees	-	-	33,417	-	33,417
Occupancy	-	-	32,028	-	32,028
Travel	-	-	135	-	135
Insurance and Taxes	-	-	6,998	-	6,998
Duplicating and Postage	-	-	2,741	305	3,046
Utilities and Telephone	-	-	1,323	-	1,323
Dues and Subscriptions	-	-	75	-	75
Miscellaneous	-	-	755	-	755
Bank Service and Credit Card Fees	-	-	9,962	-	9,962
Conferences, Conventions, and Meetings	-	-	1,988	-	1,988
	<u>\$ 1,190,916</u>	<u>\$ 3,040,908</u>	<u>\$ 385,670</u>	<u>\$ 190,136</u>	<u>\$ 4,807,630</u>
Total Expenses by Function	<u>\$ 1,190,916</u>	<u>\$ 3,040,908</u>	<u>\$ 385,670</u>	<u>\$ 190,136</u>	<u>\$ 4,807,630</u>

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 1,644,804	\$ (8,628,748)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,032	581
Net Unrealized (Gain) Loss on Investments	(2,817,664)	11,174,341
Net Unrealized (Gains) Losses on Mineral Rights	(8,310)	(5,876)
Realized (Gains) Losses on Investments	82,056	(3,860,858)
Change in Cash Surrender Value of Life Insurance	(15,703)	(14,217)
Change in Value of Trusts	(43,666)	963,576
Contributions Restricted for Long-Term Purposes	(99,026)	(235,803)
Effects of Changes in Operating Assets and Liabilities:		
Pledges Receivable - Net	(597,646)	170,245
Notes Receivable Allowance	(613)	(406)
Interest, Dividends, and Other Receivables	(18,560)	1,868
Prepaid Expenses	(6,223)	15,062
Accounts Payable	494,959	614,595
Deferred Revenue	29,003	(14,373)
Net Cash Provided (Used) by Operating Activities	(1,355,557)	179,987
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Equipment	(2,442)	(2,298)
Proceeds from Notes Receivable	8,619	8,119
Purchases of Investments	(1,052,781)	(1,902,350)
Proceeds from Sale of Investments	2,276,620	1,531,129
Net Cash Provided (Used) by Investing Activities	1,230,016	(365,400)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Investment in Endowment	99,026	235,803
Net Cash Provided by Financing Activities	99,026	235,803
<b>NET INCREASE (DECREASE) IN CASH</b>	(26,515)	50,390
Cash - Beginning of Year	2,311,486	2,261,096
<b>CASH - END OF YEAR</b>	\$ 2,284,971	\$ 2,311,486

See accompanying Notes to Financial Statements.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Missouri Western State University Foundation, Inc. (the Foundation) is a nonprofit organization incorporated in the state of Missouri on December 19, 1968. The Foundation's principal activity is to support the mission of Missouri Western State University (the University), as stated in the University's mission statement. The Foundation receives, invests, maintains, and administers contributed resources; and otherwise acts to further the mission and goals of Missouri Western State University by directing acquired resources to serve the University and its students. Significant accounting policies followed by the Foundation are presented below.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated in the financial statements include: the allowance for uncollectible pledges and notes receivable; the discount for pledges to be received in future periods; the fair market value of mineral rights; the value of the other equity interests; and the asset values for trusts due in future years. Actual results could differ from those estimates.

**Descriptions of Programs**

The Foundation operates the following programs:

**Scholarships**

Scholarships represent financial assistance awarded to selected students, a majority of whom attend the University, based on certain academic criteria and financial need.

**Allocations**

Allocations represent support to the University faculty, staff, and students, physical plant improvements, and assistance to various departments of the University.

**Revenue Recognition**

Revenue is recognized when earned. The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Exchange transaction revenue from program services are recognized proportionately to when the service is provided or the rights of ownership transfers, thus, monies received before the program begins are classified as deferred revenues.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Unconditional promises to give are recorded as revenues or gains in the period received and as assets or a decrease of liabilities, depending on the form of the benefits received. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, and a right of return or release are no longer present, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, reclassifications are made from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Other Income**

*Membership Income*

Membership revenue is charged on an annual basis, determined on the fiscal year of the Foundation. The membership benefits include discounts on merchandise and ticket purchases. The performance obligations connected with these benefits are recognized over time as the benefits are delivered to members. The Foundation believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligations. Membership income of \$290,567 and \$245,513 was recognized for the year ended June 30, 2023 and 2022, respectively.

*Sponsorship Income*

Sponsorship income is primarily associated with sponsorship of fundraising events. Benefits include advertisement in program brochure published at the event as well as access to the event. Revenue is recognized upon completion of the event. Sponsorship income of \$231,737 and \$167,734 was recognized for the year ended June 30, 2023 and 2022, respectively.

*Advertising Income*

Advertising income is primarily associated with print or digital advertising in various publications. Revenue is recognized once the publication is distributed. Advertising income of \$352,734 and \$293,557 was recognized for the year ended June 30, 2023 and 2022, respectively.

**Gifts-In-Kind**

Gifts-in-kind consist of donated merchandise such as hotel rooms, food, cars, equipment for departments, and miscellaneous items used for assistance to the University. All such gifts are recorded at their estimated fair value at the date of the donation.

The Foundation recognizes the fair value of donated services that creates or enhances nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash**

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. These investments, which are generally money market accounts, are recorded at cost. Certain cash equivalents are considered to be an integral part of the Foundation's investment program and are, accordingly, recognized as a component of investments on the statements of financial position.

**Investments**

Investments include marketable equity securities, debt securities, hedge funds, mineral rights, money market funds and CDs. Investment specific money market funds and CDs are reported at cost, which approximates fair value. Investments in marketable equity securities, debt securities, hedge funds, mineral rights are carried at fair value, with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets without donor restrictions or net assets with donor restrictions based upon donor-imposed restrictions.

Investment income is reported in the statements of activities as without donor restriction or with donor restriction based upon donor-imposed restrictions.

**Pledges Receivable**

Pledges receivable are generally due within one to ten years and are stated at the pledged amount. The carrying amount of pledges receivable is reduced by the amount of a discount related to those pledges that are to be collected over a period longer than one year. Management has also established a valuation allowance that reflects management's best estimate of amounts that will not be collected, based on management's assessment of the collectability of specific donors' pledges and the aging of pledges receivable. All such pledges, or portions thereof deemed to be uncollectible, are written off to the allowance for uncollectible pledges.

**Cash Surrender Value of Life Insurance**

Various contributions are received specifically to be invested in life insurance policies covering selected students and patrons of Missouri Western State University. The Foundation is the owner and beneficiary of these policies. The annual increase in the cash surrender value of the policies is recorded as income with donor restriction. Any proceeds from these policies are restricted for use on physical plant maintenance and major capital improvements.

**Beneficial Interest in Perpetual Trusts**

The Foundation has a beneficial interest in various perpetual trusts. These consist of trusts created by independent donors for which the assets are not in the possession or control of the Foundation. The Foundation, along with other specified nonprofit organizations and individuals, is a beneficiary of these trusts. The income received by the Foundation from these trusts is included in contributions with donor restrictions on the statements of activities. The Foundation's beneficial interest in these trusts is recorded at the fair value of the underlying assets in the trusts and classified within perpetually restricted net assets.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fixed Assets**

Fixed assets consist of various office furniture, equipment, and artwork. These assets are depreciated using the straight-line method over their estimated useful lives, ranging from two to ten years. The Foundation's policy is to capitalize all items which have a unit cost greater than \$1,000.

Artwork is not depreciated as it has cultural, aesthetic, or historical value that is worth preserving perpetually, and the Foundation has the financial ability to protect and preserve the artwork, and is doing so.

**Impairment of Long-Lived Assets**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Leases**

The Foundation leases various equipment. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statements of financial position. Finance leases are included in fixed assets, other current liabilities, and other long-term liabilities on the statements of financial position. There were no ROU assets and liabilities at June 30, 2023 and 2022.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Foundation uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for 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 statements of position.

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.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Deferred Income**

Revenues from memberships and future special events are recognized in the fiscal year to which the memberships relate or the special events occur. Memberships for the upcoming fiscal year are reported as deferred revenue at June 30 of the current year.

**Functional Allocation of Expenses**

The costs of providing the Foundation's various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to formulas developed by management to, in its judgement, reflect actual costs and efforts expended on each program or supporting service. Functional expense allocations are estimated through employee time records based on actual hours spent working on the specific programs and various functional categories.

**Net Assets**

Financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowments.

*Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor- ) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.



**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes**

The Foundation is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not considered to be a private foundation. The Foundation follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements but did require enhanced disclosures about the entity's leasing activities.

The Foundation adopted the requirements of the guidance effective June 30th, 2023 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available.

The Foundation has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected the available practical expedient to use hindsight in determining the lease term.

In September 2020, FASB issued ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update increases the transparency of contributed nonfinancial assets for not-for-profit entities through enhancement to presentation and disclosure, including presentation of contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets.

This ASU was implemented for the year ended June 30, 2023 and has been applied on a retrospective basis through additional disclosures.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, investments, pledges receivable, notes receivable, and interest, dividend and other receivables.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Foundation's cash.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,284,971	\$ 2,311,486
Investments	44,539,304	43,027,535
Pledges Receivable, Net	694,420	146,437
Notes Receivable, Net	3,741	8,094
Interest, Dividends, and Other Receivables	<u>76,934</u>	<u>58,374</u>
Total Financial Assets	47,599,370	45,551,926
Contractual or Donor-Imposed Restrictions:		
Cash Restricted to Specific Uses	(3,022,836)	(3,324,738)
Restricted Investments	(39,535,565)	(38,072,540)
Pledges Restricted to Specific Uses	(675,406)	(133,011)
Notes Restricted to Specific Uses	(3,741)	(8,094)
Interest Receivable Restricted to Specific Uses	<u>(59,407)</u>	<u>(46,574)</u>
Total Restrictions Imposed	(43,296,955)	(41,584,957)
Board Designations:		
Operating Reserves and Endowments	<u>(3,221,468)</u>	<u>(3,045,604)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 1,080,947</u>	<u>\$ 921,365</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Although the Foundation does not intend to spend from the board-designated endowment, these amounts could be made available if necessary.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS**

In determining fair value, the Foundation uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

*Level 1* – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and

*Level 2* – Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

**Assets and Liabilities Measured on a Recurring Basis**

**Investments**

Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified as Level 1 or 2 of the valuation hierarchy, dependent upon the liquidity of their respective markets.

**Beneficial Interest in Perpetual Trust**

The fair value of beneficial interests in perpetual trusts was determined by calculating the Foundation's proportional share of the underlying assets held in trust, as determined by the trustee, and is classified as Level 3 within the valuation hierarchy.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Assets and Liabilities Measured on a Recurring Basis (Continued)**

Fair values of assets and liabilities measured on a recurring basis are as follows:

	June 30, 2023			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments:				
Common Stock and Equity				
Mutual Funds:				
Foreign	\$ 4,678,495	\$ 4,678,495	\$ -	\$ -
Energy Minerals	358,096	358,096	-	-
Technology Services	766,684	766,684	-	-
Finance	916,980	916,980	-	-
Electronic Technology	2,133,419	2,133,419	-	-
Consumer	1,317,601	1,317,601	-	-
Health Technology	582,111	582,111	-	-
Health Care	553,774	553,774	-	-
Domestic Equity	689,050	689,050	-	-
Utilities	224,055	224,055	-	-
Telecommunications	403,489	403,489	-	-
Industrials	392,643	392,643	-	-
Materials	81,057	81,057	-	-
All Other Common Stock	530,314	530,314	-	-
Equity Mutual Funds	11,307,937	11,307,937	-	-
U.S. Government Bonds and				
Fixed Income Mutual Funds:				
U.S. Government Issues	2,814,764	1,583,366	1,231,398	-
Corporate Issues	3,790,450	632,061	3,158,389	-
Foreign Issues	235,880	-	235,880	-
Taxable Municipal Issues	385,983	-	385,983	-
Fixed Income Mutual Funds	11,186,241	11,186,241	-	-
Alternative Funds	283,145	283,145	-	-
Total Investments	43,632,168	38,620,518	5,011,650	-
Beneficial Interest in				
Perpetual Trust	5,104,954	-	-	5,104,954
Total Assets	<u>\$ 48,737,122</u>	<u>\$ 38,620,518</u>	<u>\$ 5,011,650</u>	<u>\$ 5,104,954</u>

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Assets and Liabilities Measured on a Recurring Basis (Continued)**

	June 30, 2022			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments:				
Common Stock and Equity				
Mutual Funds:				
Foreign	\$ 5,321,242	\$ 5,321,242	\$ -	\$ -
Energy Minerals	332,897	332,897	-	-
Technology Services	620,153	620,153	-	-
Finance	1,007,304	1,007,304	-	-
Electronic Technology	1,439,943	1,439,943	-	-
Consumer	1,242,267	1,242,267	-	-
Health Technology	585,131	585,131	-	-
Health Care	591,386	591,386	-	-
Domestic Equity	934,163	934,163	-	-
Utilities	125,459	125,459	-	-
Telecommunications	376,932	376,932	-	-
Industrials	362,591	362,591	-	-
Materials	100,564	100,564	-	-
All Other Common Stock	388,419	388,419	-	-
Equity Mutual Funds	10,020,544	10,020,544	-	-
U.S. Government Bonds and				
Fixed Income Mutual Funds:				
U.S. Government Issues	725,676	703,418	22,258	-
Corporate Issues	3,161,834	872,269	2,289,565	-
Foreign Issues	146,184	-	146,184	-
Taxable Municipal Issues	760,673	-	760,673	-
Fixed Income Mutual Funds	11,321,193	11,321,193	-	-
	798,846	798,846	-	-
Total Investments	40,363,401	37,144,721	3,218,680	-
Beneficial Interest in				
Perpetual Trust	5,061,288	-	-	5,061,288
Total Assets	<u>\$ 45,424,689</u>	<u>\$ 37,144,721</u>	<u>\$ 3,218,680</u>	<u>\$ 5,061,288</u>

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Assets and Liabilities Measured on a Recurring Basis (Continued)**

The following is a reconciliation of the beginning and ending balance of assets and liabilities, measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30:

	Beneficial Interest in Perpetual Trusts
Balance - June 30, 2021	\$ 6,024,864
Change in Fair Market Value	(963,576)
Balance - June 30, 2022	5,061,288
Change in Fair Market Value	43,666
Balance - June 30, 2023	\$ 5,104,954

The following is a summary of market value technique for ending balances of assets and liabilities, measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30:

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2023	2022	Net Asset Valuation	Value of Underlying Assets
Beneficial Interest in Perpetual Trusts	\$ 5,104,954	\$ 5,061,288		

**NOTE 4 OTHER EQUITY INTERESTS**

During 2012, the Foundation purchased 45 Class A Units in a partnership that is carried at cost, defined as the lower of cost or fair market value. The carrying value of this equity interest totals \$450,000 at June 30, 2023 and 2022.

During 2013, the Foundation purchased a 7.69% ownership interest in a community based limited liability company. This investment is carried on the Foundation's books at cost, defined as the lower of cost or fair market value. The carrying value of this equity interest totals \$500,000 at June 30, 2023 and 2022.

During 2020, the Foundation purchased a 0.66% ownership interest in a limited liability company that is carried at cost, defined as the lower of cost or fair market value. The carrying value of this equity interest totals \$156,818 at June 30, 2023 and 2022.

These equity investments are reviewed for impairment on an annual basis. Management does not believe there is any impairment at June 30, 2023 or 2022.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 INVESTMENTS**

The following is a summary of investment securities at June 30:

	2023			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money Market Funds and CDs	\$ 907,136	\$ -	\$ -	\$ 907,136
Common Stock and Equity Mutual Funds	20,420,467	4,515,238	-	24,935,705
U.S. Government Bonds and Fixed Income Mutual Funds	20,027,710	-	(1,614,392)	18,413,318
Alternative Investments	283,898	-	(753)	283,145
Total	<u>\$ 41,639,211</u>	<u>\$ 4,515,238</u>	<u>\$ (1,615,145)</u>	<u>\$ 44,539,304</u>

  

	2022			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money Market Funds and CDs	\$ 2,664,134	\$ -	\$ -	\$ 2,664,134
Common Stock and Equity Mutual Funds	21,952,831	1,496,164	-	23,448,995
U.S. Government Bonds and Fixed Income Mutual Funds	17,494,980	-	(1,379,421)	16,115,559
Alternative Investments	833,161	-	(34,314)	798,847
Total	<u>\$ 42,945,106</u>	<u>\$ 1,496,164</u>	<u>\$ (1,413,735)</u>	<u>\$ 43,027,535</u>

Investment returns for the years ended June 30 consist of the following:

	2023	2022
Investment Income	\$ 1,231,978	\$ 1,000,629
Net Realized Gains	(82,056)	3,860,858
Net Unrealized Gains	2,817,664	(11,174,341)
Investment Expenses	(133,925)	(152,414)
Net Investment Returns	<u>\$ 3,833,661</u>	<u>\$ (6,465,268)</u>

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 PLEDGES RECEIVABLE**

Included in pledges receivable are the following unconditional promises to give at June 30:

	2023	2022
Pledges Receivable	\$ 1,287,268	\$ 666,923
Less: Allowance for Uncollectible Pledges	45,287	29,638
Less: Unamortized Discount	88,150	88,472
Net Pledges Receivable	1,153,831	548,813
Less: Pledges Receivable - Net, Current Portion	694,420	146,437
Pledges Receivable - Net, Long-Term	\$ 459,411	\$ 402,376
<u>Amounts Due in:</u>		
	<u>Amount</u>	
Less than One Year	\$ 739,707	
One to Five Years	148,825	
Six to Ten Years	2,664	
Thereafter	396,072	
Total	\$ 1,287,268	

Imputed discount rates of 0.65% and 1.41% were used in discounting long-term pledges receivable for 2023. Imputed discount rates of 0.87% and 2.06% were used in discounting long-term pledges for 2022.

The Foundation has been notified that it is designated as a beneficiary of numerous trusts. These gifts are revocable and are not recognized within the accompanying financial statements due to their conditional nature.

**NOTE 7 NOTES RECEIVABLE**

Notes receivable are primarily made up of loans to students attending medical school. The notes are to be repaid over six years beginning six months after completing residency, with an interest rate of 6%. Accounts outstanding longer than the contractual payment terms are considered past due. The Foundation writes off receivables as they become uncollectible. An allowance for doubtful accounts is established based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The balance was as follows at June 30:

	2023	2022
Notes Receivable	\$ 3,746	\$ 12,365
Allowance for Doubtful Accounts	(5)	(618)
Notes Receivable - Net	3,741	11,747
Less: Notes Receivable - Net, Current Portion	3,741	8,094
Notes Receivable - Net, Long-Term	\$ -	\$ 3,653

Total notes receivable past 90 days, or converted to nonaccrual status, at June 30, 2023 are not significant to the financial statements.



**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 8 BENEFICIAL INTEREST IN PERPETUAL TRUSTS**

The Foundation's beneficial interest in perpetual trusts held by third parties was valued at \$5,104,954 and \$5,061,288 at June 30, 2023 and 2022, respectively. No new trust agreements were received in 2023 or 2022. A gain in value of the beneficial interest in perpetual trusts of \$43,666 was recorded for the year ended June 30, 2023. A loss in value of the beneficial interest in perpetual trusts of \$(963,576) was recorded for the year ended June 30, 2022. Interest income received from these trusts was \$250,317 and \$230,175 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 9 MINERAL RIGHTS**

The Foundation has interests in oil and gas wells which were donated by an estate. The Foundation's cost basis in these assets was determined through appraisal at the date of the gift. Subsequently they are evaluated annually for impairment through the use of an industry standard formula based upon the average of historical royalty income times a factor of 8 in both 2023 and 2022. The factor was obtained from an applicable regional oil and mineral association in 2014, which management believes to be knowledgeable and a reasonable source for such input. This analysis resulted in appreciation to the value of this asset of \$8,310 and \$5,876 in 2023 and 2022, respectively. The carrying value of the oil and gas wells is recorded as \$70,918 and \$62,608 at June 30, 2023 and 2022, respectively.

**NOTE 10 NATURE AND AMOUNT OF NET ASSETS WITH DONOR RESTRICTIONS**

Purpose restricted net assets are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 9,021,460	\$ 8,034,151
Programmatic and Departmental Support	9,931,376	9,084,185
Special Programs	739,701	1,476,911
Total	<u>\$ 19,692,537</u>	<u>\$ 18,595,247</u>

Perpetually restricted net assets are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Scholarships	\$ 19,450,973	\$ 19,308,581
Academic Departments	8,095,561	8,083,675
Other	1,409,655	1,402,743
Total	<u>\$ 28,956,189</u>	<u>\$ 28,794,999</u>

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 BOARD DESIGNATED FUNDS**

Board designated net assets are available for the following purposes:

	2023	2022
Allocations	\$ 2,027,728	\$ 1,964,877
Scholarships	313,725	210,712
Endowed Bequests	880,015	870,015
Total	\$ 3,221,468	\$ 3,045,604

**NOTE 12 ENDOWMENTS**

The Foundation’s endowments consist of 204 funds established to support a variety of scholarships, programs, and departments at the University. Its endowments consist of both donor-restricted endowment funds and funds designated by the board of directors (the board) to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The board of the Foundation has interpreted Missouri’s enactment of the 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, absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies perpetually restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as perpetually restricted is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation’s board.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S & P 500 index while assuming a moderate level of investment risk.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Spending Policy**

The Foundation has a policy of appropriating for distribution each year 4% of the endowment fund's average balance using a five-year rolling average for program purposes. The Foundation policy also appropriates a 1.5% administrative fee based on the fiscal year-end endowment balance.

In establishing this policy, the Foundation considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Foundation expects the current spending policy will allow its endowment to retain the original corpus of the gift.

**Strategies Employed for Achieving Objectives**

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of June 30, 2023:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor Restricted:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 23,591,918	\$ 23,591,918
Accumulated Investment Gains	-	10,761,146	10,761,146
Quasi-Endowment Funds	1,487,827	816,714	2,304,541
Total Funds	<u>\$ 1,487,827</u>	<u>\$ 35,169,778</u>	<u>\$ 36,657,605</u>

Changes in endowment net assets for the fiscal year ended June 30, 2023:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ 1,281,932	\$ 33,474,255	\$ 34,756,187
Investment Return:			
Investment Income	99,722	737,563	837,285
Net Appreciation	337,627	2,439,494	2,777,121
Total	<u>437,349</u>	<u>3,177,057</u>	<u>3,614,406</u>
Contributions	10,000	162,545	172,545
Appropriation of Endowment Assets for Expenditure	<u>(241,454)</u>	<u>(1,644,079)</u>	<u>(1,885,533)</u>
Net Assets - End of Year	<u>\$ 1,487,827</u>	<u>\$ 35,169,778</u>	<u>\$ 36,657,605</u>

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Strategies Employed for Achieving Objectives (Continued)**

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor Restricted:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 23,453,807	\$ 23,453,807
Accumulated Investment Gains	-	8,965,907	8,965,907
Quasi-Endowment Funds	1,281,932	1,054,541	2,336,473
Total Funds	<u>\$ 1,281,932</u>	<u>\$ 33,474,255</u>	<u>\$ 34,756,187</u>

Changes in endowment net assets for the fiscal year ended June 30, 2022:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ 1,625,306	\$ 39,812,594	\$ 41,437,900
Investment Return:			
Investment Income (Loss)	(217,287)	1,012,602	795,315
Net Appreciation	<u>(188,554)</u>	<u>(6,040,570)</u>	<u>(6,229,124)</u>
Total	(405,841)	(5,027,968)	(5,433,809)
Contributions	62,467	144,830	207,297
Appropriation of Endowment Assets for Expenditure	<u>-</u>	<u>(1,455,201)</u>	<u>(1,455,201)</u>
Net Assets - End of Year	<u>\$ 1,281,932</u>	<u>\$ 33,474,255</u>	<u>\$ 34,756,187</u>

**NOTE 13 RELATED PARTIES**

During the years ended June 30, 2023 and 2022, the Foundation paid the University \$340,758 and \$316,677, respectively, for use of office space, telephones, postage, printing, publications, and a portion of the salaries of staff and students employed by the University. Included in accounts payable at June 30, 2023 and 2022 was \$1,305,655 and \$781,734, respectively, due to the University.

**MISSOURI WESTERN STATE UNIVERSITY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**Commitments**

As of June 30, 2023, the Foundation had committed \$2,065,645 of funds held with restriction for scholarships and various projects for next fiscal year. Additionally, the Foundation had committed \$831,000 for University allocations and \$516,169 for Foundation operations from funds held without restriction for the next fiscal year. These commitments are all contingent upon specific actions occurring by the University and Foundation and, accordingly, have not yet been recognized in the Foundation's financial statements.

**NOTE 15 CONCENTRATIONS OF RISK**

The Foundation maintains cash in commercial banks located in the United States. The balances on deposit are insured up to specified limits. Balances in excess of these limits totaled \$2,069,476 at June 30, 2023.

A majority of the Foundation's pledges are made by companies and individuals located in Northwest Missouri.

Approximately 71% of the Foundation's pledges receivable at June 30, 2023 were from two donors. Approximately 63% of the Foundation's pledges receivable at June 30, 2022 were from one donor. Approximately 26% of the Foundation's contributions at June 30, 2023 were from 1 donor. Approximately 35% of the Foundation's contributions at June 30, 2022 were from 3 donors.

**NOTE 16 SUBSEQUENT EVENTS**

Management evaluated subsequent events through September 28, 2023, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to September 28, 2023, that provided additional evidence about conditions that existed at June 30, 2023, have been recognized in the 2023 financial statements.



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