

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

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Minnesota State University, Mankato Foundation, Inc. and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minnesota State University, Mankato Foundation, Inc. and Subsidiaries as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually consolidated dually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 25, 2025

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 413,699	\$ 479,612
Promises to Give, Net (Note 5)	17,917,010	8,667,650
Other Assets	37,721	37,319
Investments (Notes 3 and 4)	105,215,064	89,483,730
Split-Interest Agreements:		
Assets Held in Charitable Trusts	631,830	599,396
Beneficial Interest in Trusts	326,294	309,246
Property Held for Sale	1,030,000	-
Property Held for Use	660,000	-
Property Held for Investment	1,503,547	1,503,547
Total Assets	\$ 127,735,165	\$ 101,080,500
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,029,507	\$ 84,305
Liabilities under Split-Interest Agreements	730,235	257,963
Line of Credit	558,413	558,413
Total Liabilities	2,318,155	900,681
NET ASSETS		
Without Donor Restrictions	5,767,330	3,903,218
With Donor Restrictions (Note 7 and 8)	119,649,680	96,276,601
Total Net Assets	125,417,010	100,179,819
Total Liabilities and Net Assets	\$ 127,735,165	\$ 101,080,500

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 6,254,975	\$ 15,821,635	\$ 22,076,610
Gifts In-Kind	-	4,072,384	4,072,384
Noncash Support from the University	481,441	-	481,441
Investment Income, Net	101,815	11,386,133	11,487,948
Change in Carrying Value of Split-Interest Agreements	(461,125)	57,123	(404,002)
Support Services Income	5,639	-	5,639
Miscellaneous Revenue	197,906	-	197,906
Subtotal	6,580,651	31,337,275	37,917,926
Net Assets Released from Restrictions	7,964,196	(7,964,196)	-
Total Revenue, Support, and Gains	14,544,847	23,373,079	37,917,926
EXPENSES			
Program Services Expense:			
Distribution for Educational Services	10,502,173	-	10,502,173
Supporting Services Expense:			
Fundraising - Promotion and Development	2,903,034	-	2,903,034
General and Administrative	782,074	-	782,074
Total Supporting Services Expenses	3,685,108	-	3,685,108
Total Expenses	14,187,281	-	14,187,281
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	357,566	23,373,079	23,730,645
Equity Transfer - Donated Services from University Affiliate	1,506,546	-	1,506,546
CHANGE IN NET ASSETS	1,864,112	23,373,079	25,237,191
Net Assets - Beginning of Year	3,903,218	96,276,601	100,179,819
NET ASSETS - END OF YEAR	\$ 5,767,330	\$ 119,649,680	\$ 125,417,010

See accompanying Notes to Consolidated Financial Statements.

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

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

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			
	Program Services	Management and General	Fundraising	Total
Grants - Distributions for Educational Services	\$ 3,975,875	\$ -	\$ -	\$ 3,975,875
Donated Goods and Services for University Use	4,072,384	-	-	4,072,384
Salaries and Benefits	799,923	128,602	1,592,202	2,520,727
Professional Fees and Contract Services	-	70,014	-	70,014
Supplies and Office Expenses	513,252	140,370	-	653,622
Travel, Conferences, and Meetings	288,743	154,469	190,113	633,325
Occupancy	500,628	12,322	78,139	591,089
Information Technology	49,685	80,577	155,079	285,341
Insurance	-	18,705	-	18,705
Marketing and Promotion	1,472	-	95	1,567
Bad Debt Expense	-	-	276,359	276,359
Memberships	19,052	48,530	-	67,582
Other	281,159	128,485	611,047	1,020,691
Total Functional Expenses	\$ 10,502,173	\$ 782,074	\$ 2,903,034	\$ 14,187,281

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

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 25,237,191	\$ 14,903,418
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Net Realized and Unrealized Gains on Investments	(10,552,544)	(8,527,120)
Changes in Carrying Value of Split-Interest Agreements	504,981	122,126
Contributions Restricted for Long-Term Investment	(3,760,226)	(2,177,534)
Contribution of Land	(1,690,000)	-
Bad Debt Expense	276,359	120,252
Changes in Operating Assets and Liabilities:		
Promises to Give	(10,742,491)	(5,225,667)
Other Assets	(402)	6,644
Accounts Payable	945,202	(181,475)
Net Cash Provided (Used) by Operating Activities	218,070	(959,356)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(25,376,180)	(20,716,663)
Proceeds from Sale of Investments	20,197,390	18,865,814
Net Cash Used by Investing Activities	(5,178,790)	(1,850,849)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Long-Term Investment	4,976,998	3,056,316
Payments to Beneficiaries of Split-Interest Agreements	(82,191)	(28,143)
Net Cash Provided by Financing Activities	4,894,807	3,028,173
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(65,913)	217,968
Cash and Cash Equivalents - Beginning of Year	479,612	261,644
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 413,699	\$ 479,612
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contributed Land	\$ 1,690,000	\$ -

See accompanying Notes to Consolidated Financial Statements.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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 Real Estate Foundation, Inc., and Maverick Philanthropic Properties, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. There was a \$110,000 and \$110,000 loan outstanding between the Minnesota State University, Mankato Foundation, Inc. and Maverick Philanthropic Properties, LLC as of June 30, 2025 and 2024, respectively. The loan has 0% interest and matures on April 30, 2026. There is no collateral on the loan. This loan is eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Foundation".

Maverick Real Estate Foundation, Inc. was formed during the year ended June 30, 2025. The purpose of this Real Estate Foundation is to receive real estate donations, to purchase and develop real estate, and to hold real estate for development all for the benefit of the University.

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

Cash and Cash Equivalents

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

Promises to Give

Contributions, including unconditional promises to give, are recognized as revenues on an accrual basis. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at rates of 5.5% based on when the contribution was made. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2025 and 2024, the allowance was \$475,877 and \$508,905, respectively.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024.

The Foundation reviews the carrying values of property held for investment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There was no impairment loss recognized for the years ended June 30, 2025 and 2024, respectively.

Property Held for Sale and for Use

On June 30, 2025 the Foundation accepted two land donations for a total of 160 acres of farmland. The 100 acre parcel will be sold, and the 60 acre parcel will be retained to support the School of Applied Agriculture, Food, and Natural Resources at the University. Subsequent to year-end, the 100 acre parcel was sold for \$1,030,000 on September 9, 2025.

Split-Interest Agreements

Assets Held in Charitable Trusts

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

Gift Annuity Agreements

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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split-Interest Agreements (Continued)

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.

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.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classification (Continued)

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

Contributions and Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions are reclassified to net assets without donor restriction upon expiration of the restriction. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Unconditional promises to give are recorded as received. Conditional promises to give are not included as support until such time as the conditions are met. Conditional promises to give outstanding as of June 30, 2025 and 2024 was \$8,000,000 and \$-0-

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

Gifts In-Kind and Noncash Support from the University

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America (U.S. GAAP). Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received. The Foundation had noncash support from the University of \$1,987,987 and \$1,945,767 for the years ended June 30, 2025 and 2024, respectively. See Note 8 for further detail on the noncash support from the University. The Foundation also had other gifts in-kind of \$4,072,384 and \$220,491 for the years ended June 30, 2025 and 2024, respectively. These gifts in-kind were primarily supplies used in program services expense – distribution for educational services.

Distributions for Educational Services

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

Functional Allocation of Expenses

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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Real Estate Foundation, Inc. and Maverick Philanthropic Properties, 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.

Estimates

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

Leases

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

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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

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

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 25, 2025, the date the 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.

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.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 413,699	\$ 479,612
Promises to Give, Net	17,917,010	8,667,650
Investments	105,215,064	89,483,730
Total Financial Assets	123,545,773	98,630,992
Less: Amounts Not Available to be Used Within One Year		
Promises to Give - for Restricted Gifts Due		
Within One Year	(3,947,686)	(2,872,825)
Promises to Give - Due After One Year, Net	(14,345,417)	(5,315,801)
Amounts Held for Donor-Restricted Endowment Funds	(89,497,319)	(77,075,546)
Amounts Held for Board-Designated Endowment Funds	(1,223,707)	(1,157,342)
Amounts Held for Scholarships, Departmental and		
Other Restrictions	(11,785,437)	(10,122,489)
Financial Assets Available to Meet General		
Expenditures Within One Year	\$ 2,746,207	\$ 2,086,989

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	2025	2024
U.S. Equities and Equity Funds	\$ 27,919,282	\$ 22,288,535
International Equity Funds	3,113,910	2,777,948
Fixed Income	1,032,431	1,080,769
Equity Exchange Traded Funds	8,049,537	6,125,049
Life Insurance Contracts at Cash Surrender Value	259,442	239,261
Investments Measured at NAV or its Equivalent	63,628,698	54,425,951
Cash and Short-Term Investments	1,211,764	2,546,217
Total	\$ 105,215,064	\$ 89,483,730

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

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

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

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

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

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

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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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:

	2025			Total
	Level 1	Level 2	Level 3	
Assets Held in Charitable Trusts:				
Mutual Funds:				
Equity	\$ 265,920	\$ -	\$ -	\$ 265,920
Fixed Income	104,194	-	-	104,194
Money Market	2,551	-	-	2,551
Other	259,165	-	-	259,165
Total Mutual Funds	631,830	-	-	631,830
Total Assets Held in Charitable Trusts	631,830	-	-	631,830
Beneficial Interest in Trusts	-	-	326,294	326,294
Total Split-Interest Agreements	\$ 631,830	\$ -	\$ 326,294	\$ 958,124
Investments:				
U.S. Equities and Equity Funds	\$ 27,919,282	\$ -	\$ -	\$ 27,919,282
International Equity Funds	3,113,910	-	-	3,113,910
Fixed Income	1,032,431	-	-	1,032,431
Equity Exchange Traded Funds	8,049,537	-	-	8,049,537
Subtotal	\$ 40,115,160	\$ -	\$ -	40,115,160
Life Insurance Contracts				259,442
Investments Measured at Net Asset Value or its Equivalent				63,628,698
Cash and Short-Term Investments				1,211,764
Total				\$ 105,215,064
	2024			Total
	Level 1	Level 2	Level 3	
Assets Held in Charitable Trusts:				
Mutual Funds:				
Equity	\$ 281,178	\$ -	\$ -	\$ 281,178
Fixed Income	103,520	-	-	103,520
Money Market	1,876	-	-	1,876
Other	212,822	-	-	212,822
Total Mutual Funds	599,396	-	-	599,396
Total Assets Held in Charitable Trusts	599,396	-	-	599,396
Beneficial Interest in Trusts	-	-	309,246	309,246
Total Split-Interest Agreements	\$ 599,396	\$ -	\$ 309,246	\$ 908,642
Investments:				
U.S. Equities and Equity Funds	\$ 22,288,535	\$ -	\$ -	\$ 22,288,535
International Equity Funds	2,777,948	-	-	2,777,948
Fixed Income	1,080,769	-	-	1,080,769
Equity Exchange Traded Funds	6,125,049	-	-	6,125,049
Subtotal	\$ 32,272,301	\$ -	\$ -	32,272,301
Life Insurance Contracts				239,261
Investments Measured at Net Asset Value or its Equivalent				54,425,951
Cash and Short-Term Investments				2,546,217
Total				\$ 89,483,730

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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
	2025	2024		
Beneficial Interest in Trusts	\$ 326,294	\$ 309,246	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, 2024	Contributions	Distributions	Change in Value	Ending Balance at June 30, 2025
	Beneficial Interest in Trusts	\$ 309,246	\$ -	\$ -	\$ 17,048

	Beginning Balance at July 1, 2023	Contributions	Distributions	Change in Value	Ending Balance at June 30, 2024
	Beneficial Interest in Trusts	\$ 515,345	\$ -	\$ (221,323)	\$ 15,224

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

June 30, 2025	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemptions Notice Period
Emerging Markets	\$ 6,016,399	\$ -	Monthly	30 Days
International Equity	13,452,616	-	Daily to Monthly	5-60 Days
Real Assets	214,778	1,940,000	Daily	5 Days
Fixed Income	11,131,147	-	Daily	5-10 Days
Diversifying Strategies	10,025,561	-	Semi-Annually	95 Days
Private Equity	10,606,410	8,161,431	(1)	(1)
Private Equity	10,416,273	-	monthly to annual	10-90 Days
Private Debt	558,089	511,211	Daily	5 Days
Hedge Fund	1,207,425	-	Semi-Annually	90 Days
Total	<u>\$ 63,628,698</u>	<u>\$ 10,612,642</u>		

June 30, 2024	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemptions Notice Period
Emerging Markets	\$ 5,067,046	\$ -	Monthly	30 Days
International Equity	17,421,969	-	Daily to Monthly	5-60 Days
International Equity	3,527,032	-	Rolling 24 month lock up	120 Days
Real Assets	958,030	165,400	Daily	5 Days
Fixed Income	9,905,762	-	Daily	5-10 Days
Diversifying Strategies	7,614,815	-	Semi-Annually	95 Days
Private Equity	8,295,879	7,834,492	(1)	(1)
Private Debt	303,338	725,000	Daily	5 Days
Hedge Fund	1,332,080	-	Semi-Annually	90 Days
Total	<u>\$ 54,425,951</u>	<u>\$ 8,724,892</u>		

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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

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

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

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.

Real Assets – These investments include public and private investments in assets/securities that typically have a higher correlation to inflation than traditional equities or fixed income. May include public or private real estate, natural resources, infrastructure, TIPS (Treasury Inflation Protected Securities) and/or commodities

Private Debt – This is a subset of fixed income, but with a similar illiquid, drawdown structure as private equity. Typical private debt strategies include senior lending, mezzanine (junior) debt and stressed/distressed debt investing.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 PROMISES TO GIVE

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

	<u>2025</u>	<u>2024</u>
Receivable in Less than One Year	\$ 3,571,593	\$ 3,351,849
Receivable in One to Five Years	16,298,330	6,472,482
Receivable in More than Five Years	<u>204,000</u>	<u>72,000</u>
Total	20,073,923	9,896,331
Less: Discount to Net Present Value at a Rate of 5.5%	1,681,036	719,776
Less: Allowance for Uncollectible Pledges	<u>475,877</u>	<u>508,905</u>
Net Promises to Give	<u>\$ 17,917,010</u>	<u>\$ 8,667,650</u>

Unconditional promises to give include two donor's balance which approximated 72% for the year ended June 30, 2025. Unconditional promises to give include one donor's balance which approximated 64% for the year ended June 30, 2024.

NOTE 6 CONCENTRATION

There were two donors that comprised approximately 54% of total contribution revenue for year ended June 30, 2025. There was no contribution revenue concentration for year ended June 30, 2024. There was two donors that comprised approximately 86% and 4 donors that comprised approximately 83% of total in-kind contributions for the years ended June 30, 2025 and 2024, respectively.

NOTE 7 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 U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 ENDOWMENTS (CONTINUED)

The Foundation's board of directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature as the following: (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment that is not perpetual in nature is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 89,497,319	\$ 89,497,319
Board-Designated Endowment Funds	1,223,707	-	1,223,707
Total	\$ 1,223,707	\$ 89,497,319	\$ 90,721,026
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 77,075,546	\$ 77,075,546
Board-Designated Endowment Funds	1,157,342	-	1,157,342
Total	\$ 1,157,342	\$ 77,075,546	\$ 78,232,888

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 ENDOWMENTS (CONTINUED)

Funds with Deficiencies (Underwater Funds)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of June 30, 2025, there were no funds with deficiencies. As of June 30, 2024, there were no funds with deficiencies. The board of directors determined that continued appropriations during years ended June 30, 2025 and 2024 was prudent.

Investment and Spending Policies

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

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

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 1,157,342	\$ 77,075,546	\$ 78,232,888
Investment Return:			
Net Investment Return	101,815	11,386,133	11,487,948
Contributions	200	4,976,998	4,977,198
Board Approved Transfer	18,307	(318,896)	(300,589)
Appropriation of Endowment Assets			
Pursuant to Spending Rate Policy	(36,529)	(2,448,215)	(2,484,744)
Appropriation for Admin Fees	(17,428)	(1,174,247)	(1,191,675)
Endowment Net Assets - End of Year	<u>\$ 1,223,707</u>	<u>\$ 89,497,319</u>	<u>\$ 90,721,026</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 1,019,755	\$ 67,580,248	\$ 68,600,003
Investment Return:			
Net Investment Return	152,444	9,143,692	9,296,136
Contributions	-	3,056,316	3,056,316
Board Approved Transfer	33,958	328,132	362,090
Appropriation of Endowment Assets			
Pursuant to Spending Rate Policy	(37,726)	(2,313,931)	(2,351,657)
Appropriation for Admin Fees	(11,089)	(718,911)	(730,000)
Endowment Net Assets - End of Year	<u>\$ 1,157,342</u>	<u>\$ 77,075,546</u>	<u>\$ 78,232,888</u>

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Subject to Expenditure for Specified Purpose:		
Life Insurance Contracts	\$ 259,442	\$ 239,261
Amounts Held for Scholarships, Departmental and Other Restrictions	11,650,945	10,122,489
Promises to Give, the Proceeds from Which have been Restricted by Donors for Various Educational Programs and Departments	368,766	450,012
Promises to Give, the Proceeds from Which have been Restricted by Donors for Future Capital Projects	8,784,524	-
Future Capital Projects	134,492	-
Total	21,198,169	10,811,762
Subject to the Passage of Time:		
Assets Held in Charitable Trusts	271,113	253,530
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	7,608,469	6,718,731
Total	7,879,582	6,972,261
Endowments:		
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity	63,653,356	58,724,534
Subject to NFP Endowment Spending Policy and Appropriation	25,843,963	18,351,012
Total Endowments	89,497,319	77,075,546
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trusts	326,294	309,246
Assets Held in Charitable Trusts	92,159	87,903
Promises to Give	656,157	1,019,883
Total	1,074,610	1,417,032
Total Net Assets with Donor Restrictions	\$ 119,649,680	\$ 96,276,601

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 RELATED PARTY TRANSACTIONS

The Foundation has an agreement with the University whereby the University has agreed to furnish space and provide services for the operations of the Foundation. In return, the Foundation has agreed to expend its revenues exclusively for the benefit of the University. There were no restrictions on the noncash support provided. The services were valued based on actual salaries based on the estimated amount of time that the individuals served the Foundation. It is also valued based on actual nonsalary costs. As of June 30, 2025 and 2024 \$621,478 and \$79,319 was owed to the University.

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

	2025	2024
Salaries and Benefits	\$ 1,506,546	\$ 1,484,377
Occupancy	85,432	82,936
Travel, Conferences, and Meetings	196,820	188,427
Other	199,189	190,027
Total	<u>\$ 1,987,987</u>	<u>\$ 1,945,767</u>

NOTE 10 LINE OF CREDIT

On April 30, 2021, Maverick Philanthropic Properties, LLC entered into a \$1,000,000 line of credit agreement with an interest rate of 2.25%. The line of credit expires on April 30, 2026. Minnesota State University, Mankato Foundation, Inc. is the guarantor on the line of credit. An investment account of the Minnesota State University, Mankato Foundation, Inc. serves as collateral on the line of credit. There was \$558,413 outstanding on the line of credit as of June 30, 2025 and 2024.

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 GIFTS IN-KIND

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

June 30, 2025	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Technique
Software	\$ 2,009,600	Software Engineering Program	No associated donor restrictions	The donor valued the software licenses at the estimated fair value.
Software	1,495,000	Automotive and Manufacturing Engineering Department	No associated donor restrictions	The donor valued the software licenses at the estimated fair value. Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Equipment	188,238	Engineering Center of Excellence	No associated donor restrictions	Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Equipment	37,104	College of Science, Engineering and Technology	No associated donor restrictions	Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Equipment	33,552	Automotive & Manufacturing Engineering Technology Department	No associated donor restrictions	Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Equipment	23,550	Athletics Department - Hockey	No associated donor restrictions	Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Equipment	15,162	College of Allied Health and Nursing	No associated donor restrictions	Company valued the donated equipment using the estimated fair value of the equipment at the time of the gift.
Food/Beverage	81,829	Campus Kitchen, Maverick Food Pantry, Student Affairs Swipe Hunger Program	No associated donor restrictions	The donors support our students through these programs, the donors provide reports that have an itemization of the donation including the estimated market value of the food and beverages.
Supplies	65,911	Athletics Operations, Campus Beautification, Hockey, Friends of the Library, Science Fair, Automotive & Manufacturing Engineering Technology Department, Campus Recreation/Sport Clubs/Intramurals, Society of Automotive Engineers, Music Department, Civil Engineering Program, College of Science, Engineering and Technology and the Creative Arts Department	No associated donor restrictions	The donors valued the promotional items and miscellaneous supplies at the estimated fair value at the time of the gift.
Building Lease	122,438	General and Administrative, Strategic Partnerships, College of Business Center for Innovation and Entrepreneurship	No associated donor restrictions	Kent was valued by using the estimated fair value of comparable office rentals in the Mankato, MN area.
Total	<u>\$ 4,072,384</u>			

MINNESOTA STATE UNIVERSITY, MANKATO FOUNDATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 GIFTS IN-KIND (CONTINUED)

June 30, 2024	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Technique
Software	\$ 5,490	Mechanical Engineering Department	Restricted for Department	Estimated fair value of software licenses
Equipment	40,000	Civil Engineering Program	Restricted for Department	Estimated fair value of the equipment
Food and Beverages	59,683	Campus Kitchen, Maverick Food Pantry, Athletics Department and the Hockey program	Restricted for Department	Estimated fair market value of the food and beverages
Supplies	46,425	Athletics Department, Campus Beautification, Hockey, Friends of the Library, Student Affairs, and KMSU Radio program	Restricted for Department	Estimated fair market value for comparable supplies and promotional items
Building Lease	68,893	General and Administrative, Strategic Partnerships, College of Business Center for Innovation and Entrepreneurship	Restricted for Department	Estimated fair value of comparable office rentals in the Mankato, MN area.
Total	<u>\$ 220,491</u>			



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