
University of Wyoming Foundation

Financial Report
June 30, 2024

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Independent Auditor's Report

To the Board of Directors
University of Wyoming Foundation

Opinion

We have audited the financial statements of University of Wyoming Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2024 and 2023 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

Emphasis of Matters

As described in Note 4 to the financial statements, the June 30, 2024 and 2023 financial statements include certain investments valued at approximately \$403,000,000 (66 percent of net assets) and \$368,000,000 (65 percent of net assets) as of June 30, 2024 and 2023, respectively, whose fair values are not based on readily determinable fair values. Management recognizes the fair value of these investments based on information provided by the fund managers or general partners.

As described in Note 2 to the financial statements, during the year ended June 30, 2024, the Foundation adopted new accounting guidance for valuing crypto assets.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Directors
University of Wyoming Foundation

Auditor's Responsibilities for the Audits of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

October 21, 2024

Statement of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,456,705	\$ 1,158,962
Investments (Note 4)	870,730,839	816,250,393
Bitcoin	24,135,294	7,184,310
Equity method investments	27,081,118	15,127,117
Receivables - Net:		
Contributions receivable (Note 7)	23,402,131	21,222,588
Other accounts receivable	269,348	185,406
Prepaid expenses and other assets	251,419	73,419
Contributed assets held for sale	421,600	1,677,000
Property and equipment - Net (Note 8)	32,418,416	33,509,978
	<u>\$ 980,166,870</u>	<u>\$ 896,389,173</u>
Total assets		
Liabilities and Net Assets		
Liabilities		
Accounts payable (Note 9)	\$ 6,613,937	\$ 4,985,132
Amounts held for others (Note 10)	348,967,018	318,097,374
Split-interest agreements payable (Note 11)	4,739,763	4,628,049
Accrued and other liabilities	516,493	464,507
Grand Avenue Property note payable (Note 12)	4,750,424	4,976,904
	<u>365,587,635</u>	<u>333,151,966</u>
Total liabilities		
Net Assets (Note 13)		
Without donor restrictions:		
Undesignated	40,978,168	30,387,873
Board designated	43,348,484	52,665,169
	<u>84,326,652</u>	<u>83,053,042</u>
Total without donor restrictions		
With donor restrictions	530,252,583	480,184,165
	<u>614,579,235</u>	<u>563,237,207</u>
Total net assets		
	<u>\$ 980,166,870</u>	<u>\$ 896,389,173</u>
Total liabilities and net assets		

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions and state match	\$ 17,152,068	\$ 34,738,255	\$ 51,890,323	\$ 22,480,559	\$ 37,429,724	\$ 59,910,283
Less contributions to accounts held for others (Note 10)	(16,523,637)	-	(16,523,637)	(22,474,901)	-	(22,474,901)
Contributions of nonfinancial assets	-	42,500	42,500	-	1,485,000	1,485,000
University of Wyoming	910,978	-	910,978	1,917,212	-	1,917,212
Assessments	9,610,934	(9,603,978)	6,956	8,965,971	(8,958,256)	7,715
Return from equity method investments	4,943,719	5,658,295	10,602,014	-	-	-
Gain from remeasurement of bitcoin	5,729,154	6,557,259	12,286,413	-	-	-
Net investment return	26,152,321	30,389,997	56,542,318	11,851,142	24,322,729	36,173,871
Less net investment return on amounts held for others (Note 10)	(25,629,200)	-	(25,629,200)	(9,916,327)	-	(9,916,327)
Change in cash surrender value of life insurance policies	-	79,612	79,612	-	(10,174)	(10,174)
Change in value of split-interest agreements	-	374,692	374,692	-	148,704	148,704
Other revenue	1,058,997	4,606,016	5,665,013	944,239	2,025,886	2,970,125
Net assets released from restrictions	27,438,801	(27,438,801)	-	27,522,835	(27,522,835)	-
Total revenue, gains, and other support	50,844,135	45,403,847	96,247,982	41,290,730	28,920,778	70,211,508
Expenses						
Program services:						
Program expenses	42,592,054	-	42,592,054	35,779,546	-	35,779,546
Less distributions made from amounts held for others (Note 10)	(11,277,251)	-	(11,277,251)	(7,651,314)	-	(7,651,314)
Total program services	31,314,803	-	31,314,803	28,128,232	-	28,128,232
Support services:						
Fundraising	8,992,050	-	8,992,050	7,853,637	-	7,853,637
Management and general	9,485,702	-	9,485,702	6,914,475	-	6,914,475
Total expenses	49,792,555	-	49,792,555	42,896,344	-	42,896,344
Change in Net Assets	1,051,580	45,403,847	46,455,427	(1,605,614)	28,920,778	27,315,164
Net Assets - Beginning of year - As previously reported	83,053,042	480,184,165	563,237,207	84,658,656	451,263,387	535,922,043
Cumulative Effect of Change in Accounting	222,030	4,664,571	4,886,601	-	-	-
Net Assets - Beginning of year - As restated	83,275,072	484,848,736	568,123,808	84,658,656	451,263,387	535,922,043
Net Assets - End of year	\$ 84,326,652	\$ 530,252,583	\$ 614,579,235	\$ 83,053,042	\$ 480,184,165	\$ 563,237,207

University of Wyoming Foundation

Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Fundraising	Management and General	Total
Distributions to University of Wyoming	\$ 42,001,813	\$ -	\$ -	\$ 42,001,813
Less distributions made from amounts held for others	(11,277,251)	-	-	(11,277,251)
University of Wyoming support	412,916	-	-	412,916
University of Wyoming president support	120,825	-	-	120,825
University of Wyoming Alumni Association support	56,500	-	-	56,500
Salaries	-	4,444,517	3,698,036	8,142,553
Employee benefits	-	1,967,551	1,572,035	3,539,586
Equipment and data processing	-	687,237	745,508	1,432,745
Building maintenance	-	-	864,238	864,238
Printing and duplication	-	431,517	32,687	464,204
Investment counsel fees	-	-	315,029	315,029
Travel and entertainment	-	488,410	190,250	678,660
Interest	-	-	146,210	146,210
Insurance	-	-	276,343	276,343
Contractual services	-	801,072	95,617	896,689
Professional development	-	122,969	75,203	198,172
Supplies	-	2,032	23,699	25,731
Moving and recruiting expenses	-	-	99,974	99,974
Legal fees	-	-	46,932	46,932
Depreciation	-	-	1,303,941	1,303,941
Taxes	-	46,745	-	46,745
Total functional expenses	\$ 31,314,803	\$ 8,992,050	\$ 9,485,702	\$ 49,792,555

University of Wyoming Foundation

Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services	Fundraising	Management and General	Total
Distributions to University of Wyoming	\$ 35,174,149	\$ -	\$ -	\$ 35,174,149
Less distributions made from amounts held for others	(7,651,314)	-	-	(7,651,314)
University of Wyoming support	426,250	-	-	426,250
University of Wyoming president support	179,147	-	-	179,147
Salaries	-	3,895,836	2,158,907	6,054,743
Employee benefits	-	1,655,839	1,029,160	2,684,999
Equipment and data processing	-	1,100,443	596,409	1,696,852
Building maintenance	-	-	226,622	226,622
Printing and duplication	-	386,718	25,676	412,394
Investment counsel fees	-	-	338,167	338,167
Travel and entertainment	-	416,423	141,405	557,828
Interest	-	-	158,821	158,821
Insurance	-	-	174,125	174,125
Contractual services	-	307,942	678,007	985,949
Professional development	-	86,901	54,699	141,600
Directors meeting expenses	-	-	1,485	1,485
Supplies	-	3,535	23,149	26,684
Moving and recruiting expenses	-	-	74,446	74,446
Legal fees	-	-	18,883	18,883
Depreciation	-	-	1,214,514	1,214,514
Total functional expenses	\$ 28,128,232	\$ 7,853,637	\$ 6,914,475	\$ 42,896,344

Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 46,455,427	\$ 27,315,164
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	1,303,941	1,214,514
Change in value of charitable remainder trusts	(374,692)	(148,704)
Contributions of nonfinancial assets	(42,500)	(1,485,000)
Net investment return	(52,235,824)	(26,257,544)
Contributions for long-term purposes	(15,177,553)	(20,374,000)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Contributions receivable	(2,445,249)	736,064
Other accounts receivable	(83,942)	(67,013)
Prepaid expenses and other assets	(178,000)	(73,419)
Accounts payable	1,628,805	1,149,908
Amounts held for others	5,240,444	14,823,200
Accrued and other liabilities	51,986	17,181
Split-interest agreements payable	486,406	(193,490)
Net cash and cash equivalents used in operating activities	(15,370,751)	(3,343,139)
Cash Flows from Investing Activities		
Purchase of property and equipment	(704,292)	(1,685,711)
Proceeds from disposition of property and equipment	1,789,813	-
Purchases of investments	(1,519,854,140)	(716,607,175)
Proceeds from sales and maturities of investments	1,520,572,321	716,175,896
Investment in equity method investee	(15,677,034)	-
Distributions from equity method investee	14,325,047	-
Net cash and cash equivalents provided by (used in) investing activities	451,715	(2,116,990)
Cash Flows from Financing Activities		
Payments on line of credit	-	(679,173)
Payments on notes payable	(226,480)	(219,794)
Contributions collected for long-term purposes	15,443,259	6,440,036
Net cash and cash equivalents provided by financing activities	15,216,779	5,541,069
Net Increase in Cash and Cash Equivalents	297,743	80,940
Cash and Cash Equivalents - Beginning of year	1,158,962	1,078,022
Cash and Cash Equivalents - End of year	\$ 1,456,705	\$ 1,158,962
Supplemental Cash Flow Information - Cash paid for interest	\$ 146,210	\$ 162,260
Significant Noncash Transactions - Transfer of property and equipment from investments	\$ -	\$ 7,006,521

Note 1 - Nature of Business

University of Wyoming Foundation (the "Foundation") is an independent not-for-profit organization established for the purpose of obtaining contributions for the benefit of the University of Wyoming (the "University") and management of the related investments in accordance with donor directions. The Foundation and the University of Wyoming Institutional Advancement Office cooperate significantly and utilize common staff in performing the fundraising activities and management of investments. Accordingly, the Foundation's financial statements present the shared budget expenditures and recognize as support the University of Wyoming's contribution to the shared budget.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP).

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all depository bank account balances, other than those held as part of the investment portfolio and subject to the investment policy, to be cash and cash equivalents. At times, the Foundation may hold cash and cash equivalents in excess of FDIC insurance coverage.

Investments and Equity Method Investments

The Foundation records investment purchases initially at cost or, when donated to the Foundation, at fair value at the date of donation. The majority of investments are held in the short-term or long-term investment pools (endowment pool). Both investment pools are managed at the direction of the chief investment officer and the investment committee of the Foundation's board of directors.

Note 2 - Significant Accounting Policies (Continued)

Other entities affiliated with the University, including the Cowboy Joe Club, various departments of the University of Wyoming, and the University's endowments, participate with the Foundation where certain assets are pooled for investment purposes. The Foundation manages the assets of the pool and maintains separate accounts for each participant. Investment income, gains, losses, and expenses of the pool are allocated to each participant based on their unit interest in the pool, consistent with the practice described below for endowments. These portions of the investment pools managed on behalf of others are included in the investment asset balances presented, as well as a liability for amounts due to others, on the statement of financial position. The investment returns (losses) and other activity affecting these amounts managed on behalf of others are excluded from total revenue or expenses on the statement of activities and changes in net assets, as these transactions do not increase or decrease the net assets of the Foundation.

Investments in limited liability companies in which the Foundation has more than a minor interest (more than 20 percent) is accounted for using the equity method. Under the equity method, the investment is carried at cost, adjusted for the Foundation's proportionate share of undistributed earnings or losses. Impairment losses, if any, due to a decline in the value of the investment that would be other than temporary will be recognized when incurred. No impairment losses were recognized for 2024 and 2023.

Investments in equity securities with readily determinable fair values and investments in debt securities are reported at fair value, with unrealized gains and losses included in earnings.

Investments in equity securities without a readily determinable fair value are recorded at cost and adjusted for any observable changes in price. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. No impairment losses were recognized for 2024 and 2023.

Included in the investment portfolio are real estate and note receivable assets managed under the investment policy. These assets are stated at cost and present value, respectively, subject to impairment. No impairment losses were recognized for 2024 and 2023.

The alternative investments, composed primarily of hedge funds and limited partnerships, which are not readily marketable, are measured at fair value, valued at net asset value per share as the practical expedient. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Endowed funds use an investment pool approach, under which each restricted purpose endowment has a specific unit interest based on its capital contributions to the pool. Income earned in the pool is allocated monthly to unrestricted funds for general operations and to the individual endowments in proportion to the unit interests as of the end of the month. Gains and losses from the sale of pooled investments and unrealized gains and losses on investments held are allocated in the same manner.

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

As of July 1, 2023, the Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2023-08, *Intangibles - Goodwill and Other - Crypto Assets*. The ASU outlines criteria to analyze against assets held and, if met, allows the Foundation to subsequently measure those assets at fair value with changes recognized in change in net assets each reporting period. The ASU also requires the assets carrying value and annual gain from remeasurement of the assets to be separately presented on the statement of financial position and statement of activities and changes in net assets. Additional disclosures are also required disclosing the type of assets valued at fair value, the cost and number of units held, a rollforward of asset activity, and disclosures around any sales restrictions. The Foundation adopted the new standard using the modified retrospective method effective July 1, 2023. Modified retrospective adoption requires a cumulative-effect adjustment to the opening balance of net assets as of the beginning of the annual reporting period in which an entity adopts the ASU. Prior periods have not been adjusted. A cumulative-effect adjustment in net assets was recorded for \$4,886,601.

Bitcoin

The Foundation's investment pool includes Bitcoin assets and the Foundation considers these assets to be investments, and they are managed under the investment policy. Prior to July 1, 2023, the Bitcoin assets were initially valued at cost and subject to impairment on an ongoing basis if impairment indicators were present, consistent with the accounting for indefinite-lived intangibles. Effective July 1, 2023, Bitcoin assets meeting certain criteria are recognized at cost and subsequently measured at fair value. Change in value of the Bitcoin assets are presented separately on the statement of activities and changes in net assets.

Investments Risk and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the financial statements.

Property and Equipment

The Foundation capitalizes major expenditures for property and equipment, which are recorded at cost or, if donated, at fair value at the time of donation.

Gifts of long-lived assets, if any, such as land, buildings, or equipment, are reported as support without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets must be maintained. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Note 2 - Significant Accounting Policies (Continued)

Straight-line depreciation methods are used for computing depreciation. Assets are depreciated over their estimated useful lives, as outlined in the table below.

	Depreciable Life - Years
Buildings	35-39
Vehicles	5
Furniture, fixtures, and other	5-15
Computers, equipment, and software	5-15
Digital asset mining equipment	3
Right-of-use operating lease assets	5

Costs of maintenance and repairs are charged to expense when incurred.

Split-interest Agreements

The Foundation is a remainder beneficiary of several charitable gift annuity and charitable remainder unitrusts. Required distributions to other beneficiaries range from 4.5 percent to 9.5 percent of gift or market value, as defined by each agreement. The discount rates used to calculate the present value range from 4.2 percent to 5.6 percent.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. Contributions without donor-imposed restrictions are reported as contributions without donor restrictions.

During the fiscal year ended June 30, 2023, total recognized contributed nonfinancial assets consisted of one gift of real property. The gift had donor-imposed restrictions, with the intention of monetizing and the proceeds to be provided for the use of the College of Agriculture, Life Sciences, and Natural Resources. The contributed real property was monetized as soon as possible in accordance with the Foundation's policy. In valuing the donated real property, the Foundation relied on a third-party appraisal that was completed at the time of gift acceptance. It is the Foundation's policy for contributed nonfinancial assets, especially real property, to be sold as soon as possible. There were no significant contributions of nonfinancial assets during fiscal year ended June 30, 2024.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated to the various functions based on either the underlying purpose of the expense or allocated based on the percentage of time employees spend on each function for those that can be attributable to more than one function, such as salaries and benefits. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

June 30, 2024 and 2023

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 21, 2024, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of June 30 reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2024	2023
Cash and cash equivalents	\$ 1,456,705	\$ 1,158,962
Investments, equity method investments, and Bitcoin	921,947,251	838,561,820
Contributions receivable	23,402,131	21,222,588
Other receivables	269,348	185,406
Financial assets - At year end	947,075,435	861,128,776
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose and time restrictions	61,584,293	54,072,827
Subject to appropriation and satisfaction of donor restrictions related to endowment	468,668,290	426,111,338
Amounts held for others	348,967,018	318,097,374
Split-interest agreements payable	4,739,763	4,628,049
Board designations	11,951,680	22,967,264
Financial assets available to meet cash needs for general expenditures within one year	\$ 51,164,391	\$ 35,251,924

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various short-term investments.

The Foundation also realizes there could be unanticipated liquidity needs.

The Foundation's endowment funds consist of donor-restricted endowments and board-designated endowments of \$480,619,970 and \$449,078,602 and custodial endowment corpus totaling \$325,030,952 and \$298,089,425 at June 30, 2024 and 2023, respectively. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 14, the board-designated endowment has a spending rate based on December market values and based on the prior year's distribution. A total of \$131,194 of appropriations from the board-designated endowment will be available within the next 12 months. Although the Foundation does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available (see Note 4 for disclosures about investments).

Note 4 - Investments and Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Investments that are measured at fair value using net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified into the fair value hierarchy below, but are shown in a separate column beside those assets that are classified into the hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the statement of financial position. Those investments that are measured at NAV require additional disclosures regarding the liquidity and redemption conditions around the investments, which are presented later in this note.

Investments for Which it was Not Practicable to Estimate Fair Value

The Foundation holds certain investments that are considered for accounting treatment under GAAP as investments in equity securities without readily determinable fair values under ASC 321. Under this accounting treatment, the securities are recorded initially at cost and adjusted for any observable changes in price. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. The Foundation must reassess at each reporting period whether these equity securities continue to qualify for this treatment due to a lack of a readily determinable fair value. If a fair value becomes readily available or if the Foundation makes an election to measure these securities at fair value despite the impracticalities, the securities must be measured at fair value from that point forward.

The Foundation holds a number of equity interests related to startup companies. Certain equity interests required no cash to be paid for these equity interests, as they were obtained as consideration in exchange for the use of university facilities and personnel, as well as licensing considerations. The investments are held on behalf of, and in trust for, the University. It was not practicable to estimate the fair value of these equity interests. The investments as of June 30, 2024 and 2023 have not incurred any downward or upward adjustments in value in either of the years then ended or cumulatively since the investments were placed, as no observable price changes for identical or similar investments of the same issuer have occurred, and no impairment indicators have become present. Accordingly, no unrealized gains or losses have been recognized on these investments without readily determinable fair values.

June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurements (Continued)

The Foundation holds a separate equity interest where cash was paid for the equity interest in the startup company. Original cost of the investment is approximately \$7,000,000 as of June 30, 2024 and 2023. Subsequent to payment for the equity interests, there were observable transactions that allowed the Foundation to adjust the cost up to approximately \$20,000,000 as of June 30, 2024 and 2023, which is included in investments on the statement of financial position. The investments as of June 30, 2024 and 2023 have not incurred any downward or upward adjustments in value in either of the years then ended, as no observable price changes for identical or similar investments of the same issuer have occurred and no impairment indicators have become present. Accordingly, no unrealized gains or losses have been recognized on these investments without readily determinable fair values.

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurements (Continued)

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Foundation to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Balance at June 30, 2024
Investments					
Fixed income:					
Cash and equivalents subject to investment policy	\$ 32,267,788	\$ 62,764,238	\$ -	\$ -	\$ 95,032,026
Mutual funds	514,655	-	-	-	514,655
Investment-grade bonds	540,150	10,855,666	-	-	11,395,816
Opportunistic credit	-	-	-	67,429,774	67,429,774
Total fixed income	33,322,593	73,619,904	-	67,429,774	174,372,271
Equity:					
U.S. large- and mid-cap equity	18,224,985	-	-	148,440,175	166,665,160
Exchange-traded funds	9,042,657	-	-	-	9,042,657
Developed foreign equity	28,342,692	-	-	-	28,342,692
Emerging markets equity	32,024,504	-	-	-	32,024,504
Common stock	28,561,325	-	-	-	28,561,325
Total equity	116,196,163	-	-	148,440,175	264,636,338
Hedge funds:					
Event driven	-	-	5,384	175,598	180,982
U.S. investment-grade fixed income	-	-	-	26,650,881	26,650,881
Fixed income	-	-	-	5,000,000	5,000,000
Long-short equity	-	-	-	1,995,698	1,995,698
Multistrategy	-	-	158,732	-	158,732
Total hedge funds	-	-	164,116	33,822,177	33,986,293
Private equity:					
Buyout	-	-	-	147,453,400	147,453,400
Private debt	-	-	-	34,137,314	34,137,314
Venture capital	-	-	2,969,964	99,898,711	102,868,675
Real assets	-	-	-	3,612,280	3,612,280
Lower middle market	-	-	-	2,278,707	2,278,707
Total private equity	-	-	2,969,964	287,380,412	290,350,376
Real assets:					
Infrastructure	-	-	-	14,136,360	14,136,360
Natural resources	-	-	-	27,251,787	27,251,787
Real estate	-	-	-	37,323,561	37,323,561
Total real assets	-	-	-	78,711,708	78,711,708
Total investments	\$ 149,518,756	\$ 73,619,904	\$ 3,134,080	\$ 615,784,246	\$ 842,056,986
Bitcoin	\$ 24,135,294	\$ -	\$ -	\$ -	\$ 24,135,294

In addition to the investments carried at fair value as of June 30, 2024, the Foundation holds investment assets without readily determinable fair values of \$25,454,640 and digital assets accounted for as indefinite-lived intangibles of \$3,219,213, making total investments \$870,730,839.

June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Balance at June 30, 2023
Assets					
Fixed income:					
Cash and equivalents subject to investment policy	\$ 30,627,326	\$ 39,417,563	\$ -	\$ -	\$ 70,044,889
Mutual funds	2,709,285	-	-	-	2,709,285
Investment-grade bonds	511,981	6,864,988	-	56,753,468	64,130,437
Opportunistic credit	-	-	-	36,039,000	36,039,000
Total fixed income	33,848,592	46,282,551	-	92,792,468	172,923,611
Equity:					
U.S. large- and mid-cap equity	26,496,640	-	-	130,201,929	156,698,569
Exchange-traded funds	6,113,899	-	-	-	6,113,899
U.S. small-cap equity	-	-	-	14,267,869	14,267,869
Developed foreign equity	25,433,782	-	-	-	25,433,782
Emerging markets equity	26,496,853	-	-	24,014,456	50,511,309
Total equity	84,541,174	-	-	168,484,254	253,025,428
Hedge funds:					
Event driven	-	-	5,142	232,434	237,576
U.S. investment-grade fixed income	-	-	-	23,589,224	23,589,224
Global macro	-	-	-	4,046,565	4,046,565
Long-short equity	-	-	-	3,114,231	3,114,231
Multistrategy	-	-	198,213	-	198,213
Total hedge funds	-	-	203,355	30,982,454	31,185,809
Private equity:					
Buyout	-	-	-	154,457,084	154,457,084
Private debt	-	-	-	8,408,700	8,408,700
Venture capital	-	-	-	94,907,743	94,907,743
Real assets	-	-	-	345,073	345,073
Lower middle market	-	-	-	929,268	929,268
Total private equity	-	-	-	259,047,868	259,047,868
Real assets:					
Infrastructure	-	-	-	13,864,549	13,864,549
Natural resources	-	-	-	25,781,795	25,781,795
Real estate	-	-	-	38,526,870	38,526,870
Total real assets	-	-	-	78,173,214	78,173,214
Total assets	\$ 118,389,766	\$ 46,282,551	\$ 203,355	\$ 629,480,258	\$ 794,355,930

In addition to the investments carried at fair value as of June 30, 2023, the Foundation holds investment assets without readily determinable fair values of \$21,110,310 and digital assets accounted for as indefinite-lived intangibles of \$784,153, making total investments \$816,250,393.

June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurements (Continued)

Certain investments were reclassified from Level 3 to assets without determinable fair values of \$20,423,911 as of June 30, 2023 for consistency with the presentation of the investments as of June 30, 2024. The change is not a result of change in valuation techniques, liquidity, or underlying assets of the investments, and there was no change in the valuation of the investments themselves.

The fair values of fixed-income cash equivalents and investment-grade bonds at June 30, 2024 and 2023 were determined primarily based on Level 2 inputs. The Foundation estimates the fair value of these investments using quoted market prices and other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve, as well as other relevant economic measures, and are primarily Level 2 inputs.

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2024	June 30, 2023		June 30, 2024	
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Fixed income:					
Investment-grade bonds (a)	\$ -	\$ 56,753,468	\$ -	Daily Quarterly and Annual	N/A
Opportunistic credit (b)	67,429,774	36,039,000	-	Annual	30-90 days
Equity: (c)					
U.S. small-cap equity	-	14,267,869	-	Quarterly Daily and monthly	60-90 days
U.S. large- and mid-cap equity	148,440,175	130,201,929	-	monthly	1 day
Emerging markets equity	-	24,014,456	-	Daily	3 days
Hedge funds:					
Event driven (d)	175,598	232,434	-	Quarterly	65 days
U.S. investment-grade fixed income (e)	26,650,881	23,589,224	-	Varies	45-60 days
Global macro (f)	-	4,046,565	-	Varies	90 days
Fixed income	5,000,000	-	-	Quarterly	90 days
Long-short equity (g)	1,995,698	3,114,231	-	Monthly	30 days
Private equity: (h)					
Buyout	147,453,400	154,457,084	29,007,496	None	N/A
Private debt	34,137,314	8,408,700	40,948,019	None	N/A
Venture capital	99,898,711	94,907,743	20,227,185	None	N/A
Real assets	3,612,280	345,073	2,912,500	None	N/A
Lower middle market	2,278,707	929,268	7,902,961	None	N/A
Real assets: (i)					
Infrastructure	14,136,360	13,864,549	2,189,906	None	N/A
Natural resources	27,251,787	25,781,795	4,288,438	None	N/A
Real estate	37,323,561	38,526,870	16,087,467	None	N/A
Total	<u>\$ 615,784,246</u>	<u>\$ 629,480,258</u>	<u>\$ 123,563,972</u>		

As of June 30, 2024 and 2023, the net asset values of these investments have been provided by the underlying general partner or fund manager.

June 30, 2024 and 2023

Note 4 - Investments and Fair Value Measurements (Continued)

(a) The investment-grade bond class includes investments through debt in special purpose acquisition companies, which are publicly traded companies created for the purpose of acquiring or merging with an existing company looking to go public without going through an initial public offering.

(b) The opportunistic credit fund class includes investments in privately originated and privately negotiated investments, predominantly direct lending to U.S. companies through first lien senior secured and unitranche loans and second lien, unsecured, subordinated, or mezzanine loans and structured credit, as well as broadly syndicated loans and other debt and equity securities. The opportunistic credit fund class may also invest in publicly traded securities of large corporate issuers.

(c) The equity fund class includes investments in small-cap, mid-cap, and emerging market companies through acquisition of common stock. Investments include publicly traded U.S. and non-U.S. stocks; an investment in a privately held bank holding company; and a fund that may invest in vehicles, including equity-related, hybrid, and credit securities that are traded publicly and privately in the U.S. and non-U.S. markets.

(d) The event-driven hedge funds class includes investments in hedge funds that focus on a range of events. These events include activist, distressed - noncontrol, long-short credit, long-short equity, and merger (risk) arbitrage. These funds have limited transparency to underlying securities. The fair values of the investments in this class have been estimated using net asset value per share of the investments. The term for these investments ranges from 60 to 90 days.

(e) The fixed-income hedge fund class includes hedge funds that tend to focus on mispricing within credit instruments. The investments have limited transparency to underlying securities. The investments are valued using significant unobservable inputs. The fair values of the investments in this class have been estimated using net asset value per share of the investments. The term for these investments ranges from 60 to 90 days.

(f) The global macro hedge fund class includes investments in hedge funds that focus on macroeconomic conditions, speculating on the direct effect of interest rates, currencies, precious metals, commodities, and indices, often utilizing various degrees of leverage. The fair values of the investments in this class have been estimated using net asset value per share of the investments. The term of these investments ranges from 30 to 90 days.

(g) The long-short equity hedge fund class includes investments in hedge funds that invest both long and short, primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The investments contain exposure in the U.S. market but will also take advantage of investment opportunities in Europe, Asia, and emerging markets. The fair values of the investments in this class have been estimated using net asset value per share of the investments. As of June 30, 2024, all of the lock-up periods have expired for these investments. However, some of the investments have terms that make full liquidity unavailable at the Foundation's report date.

(h) The private equity funds class includes several private equity funds that employ buyout, private distressed debt, or venture capital strategies. These investments are not readily redeemable, but a secondary market does exist to provide the potential for early liquidation. The nature of these investments is that distributions are anticipated to be received through liquidation of the underlying assets of the fund and final distributions to the investors. The terms of these investments are 5 to 12 years. The fair values of the investments in this class have been estimated using net asset value of the Foundation's ownership interest in partners' capital.

(i) The real assets funds class includes several funds that focus on infrastructure, natural resources, and real estate that invest in primarily in assets in the U.S. These investments are not readily redeemable, but a secondary market does exist to provide the potential for early liquidation. The nature of these investments is that distributions are anticipated to be received through liquidation of the underlying assets of the fund and final distributions to the investors. The terms of these investments are 5 to 12 years. The fair values of the investments in this class have been estimated using net asset value of the Foundation's ownership interest in partners' capital.

June 30, 2024 and 2023

Note 5 - Investments Using the Equity Method

Investments accounted for using the equity method consist of the following at June 30, including percentage of total units held:

	Percent Owned	
	2024	2023
Real estate investments:		
Thrive Creekside UW, LLC	67.00 %	90.00 %
Northern Preferred Investors, LLC	56.78	56.78
Central Park Townhomes Preferred Investors, LLC	51.85	51.85
HH 170 UW, LLC - The Laramie	90.00	90.00
Mountain View Village, LLC	60.00	-
EB UW, LLC, Emberwood Apartments	84.50	-
307 S Walton Blvd Co-Investor I, LLC	69.30	-
3400 E Walnut Industrial Investor, LLC	24.10	-
4800 Chichester Industrial Investor, LLC	23.90	-
13636 N Columbia Industrial Investor	24.12	-

Note 6 - Bitcoin

The Foundation holds 389.91 units of Bitcoin as of June 30, 2024 and 2023. As of June 30, 2024, the Bitcoin had a fair value of \$24,135,294 with a cost basis of \$12,000,000 based on cash paid to acquire those units. An average cost of the Bitcoin is used in determining gains and losses. There are no sale restrictions of the Bitcoin. Below is a summary of the Bitcoin activity for the year ended June 30, 2024:

Beginning balance - June 30, 2023	\$ 7,184,310
Impact of adoption of ASU 2023-08	4,664,571
Gain from remeasurement	<u>12,286,413</u>
Ending balance - June 30, 2024	<u>\$ 24,135,294</u>

Note 7 - Contributions Receivable

Contributions receivable represent promises to give that have been made by donors but have not yet been received by the Foundation. Contributions that will not be received in subsequent years have been discounted using an estimated rate of return, which could be earned if such contributions had been made in the current year.

Total contributions receivable as of June 30 were as follows:

	2024	2023
Gross promises to give before unamortized discount	\$ 25,035,087	\$ 22,577,984
Less allowance for uncollectible contributions	(566,109)	(514,788)
Less allowance for net present value discount	<u>(1,066,847)</u>	<u>(840,608)</u>
Net contributions receivable	<u>\$ 23,402,131</u>	<u>\$ 21,222,588</u>
Amounts due in:		
Less than one year	\$ 14,121,840	\$ 12,598,781
One to five years	9,926,009	8,690,250
More than five years	<u>987,238</u>	<u>1,288,953</u>
Total	<u>\$ 25,035,087</u>	<u>\$ 22,577,984</u>

As of June 30, 2024 and 2023, there were no donor concentrations in contributions receivable. A discount rate of 4.36 percent and 3.81 percent as of June 30, 2024 and 2023, respectively, has been used in estimating the net present value of cash flows.

June 30, 2024 and 2023

Note 8 - Property and Equipment

Property and equipment are summarized as follows:

	2024	2023
Land	\$ 3,525,995	\$ 3,525,995
Land improvements	32,388	-
Buildings - Marian H. Rochelle Gateway Center	30,252,337	30,187,695
Buildings - Misc. Grand Avenue properties	3,500,000	3,500,000
Furniture, fixtures, and other	5,116,379	5,222,227
Vehicles	15,897	15,897
Computers, equipment, and software	1,096,837	1,154,832
Digital asset mining equipment	1,719,558	1,719,558
Leasehold improvements	11,899	11,899
Right-of-use operating lease assets	52,639	94,263
Total cost	45,323,929	45,432,366
Accumulated depreciation	(12,905,513)	(11,922,388)
Net property and equipment	<u>\$ 32,418,416</u>	<u>\$ 33,509,978</u>

Depreciation expense for 2024 and 2023 was \$1,303,941 and \$1,214,514, respectively.

Note 9 - Accounts Payable

The current year accounts payable balance includes amounts owed to various departments and colleges of the University of Wyoming. All payables are expected to be paid within one year. As part of the efforts to comply with GASB No. 39 reporting in the current year, the University recorded a receivable for these amounts. These amounts are immaterial to both 2024 and 2023.

Note 10 - Amounts Held for Others

The Foundation acts as an investment manager for certain assets for the University of Wyoming, the Cowboy Joe Club, and various departments of the University of Wyoming. The investments held on the behalf of others are as follows:

	2024	2023
Cowboy Joe Club	\$ 6,284,118	\$ 1,105,257
UW - State match	179,258,783	166,689,467
UW - Endowments	163,424,117	150,302,650
Total	<u>\$ 348,967,018</u>	<u>\$ 318,097,374</u>

Note 10 - Amounts Held for Others (Continued)

	Cowboy Joe Club	UW - State Match	UW - Endowments	Total
Activity for the Year Ended				
June 30, 2023				
July 1, 2022 balance	\$ 1,459,353	\$ 163,817,479	\$ 128,081,015	\$ 293,357,847
Additions	1,454	2,887,769	19,962,938	22,852,161
Transfers to UW	(13,559)	(5,399,786)	(2,237,969)	(7,651,314)
Investment return	35,392	5,384,005	4,496,930	9,916,327
Fees	(123)	-	(264)	(387)
Other	(377,260)	-	-	(377,260)
	<u>1,105,257</u>	<u>166,689,467</u>	<u>150,302,650</u>	<u>318,097,374</u>
June 30, 2023 balance	<u>1,105,257</u>	<u>166,689,467</u>	<u>150,302,650</u>	<u>318,097,374</u>
Activity for the Year Ended				
June 30, 2024				
July 1, 2023 balance	1,105,257	166,689,467	150,302,650	318,097,374
Additions	5,011,813	5,071,809	6,440,015	16,523,637
Transfers to UW	(48,815)	(5,854,993)	(5,373,443)	(11,277,251)
Investment return	215,867	13,362,035	11,646,722	25,224,624
Fees	(4)	-	(5,938)	(5,942)
Other	-	(9,535)	414,111	404,576
	<u>6,284,118</u>	<u>179,258,783</u>	<u>163,424,117</u>	<u>348,967,018</u>
June 30, 2024 balance	<u>\$ 6,284,118</u>	<u>\$ 179,258,783</u>	<u>\$ 163,424,117</u>	<u>\$ 348,967,018</u>

Note 11 - Split-interest Agreements

The Foundation is party to split-interest agreements with certain donors. These agreements include contracts entered into with certain donors from which the Foundation benefits. Under the agreements the donor has contributed funds to be held in trust, with the Foundation as the charitable beneficiary.

Under charitable remainder trusts, as a condition of the trust, the Foundation is required to pay an amount determined as a percentage of the market value of the trust assets each year to the donor(s) or another designated beneficiary until their death. Under charitable gift annuity arrangements, the Foundation is required to pay a fixed distribution of trust assets each year to the donor or another designated beneficiary until their death.

Obligations under the split-interest agreements represent the present value of future payments required be paid to the donors or other beneficiaries under the agreements. These obligations total \$4,739,763 and \$4,628,049 at June 30, 2024 and 2023, respectively.

Upon the death of the beneficiaries, the remaining funds become the property of the Foundation. The fair values of the assets related to these agreements total \$9,577,337 and \$8,836,210 at June 30, 2024 and 2023, respectively, and are included in investments.

Note 12 - Notes Payable and Lines of Credit

On June 16, 2020, the Foundation purchased property located on Grand Avenue in Laramie, Wyoming, adjacent to the Marian H. Rochelle Gateway Center. The Foundation signed a promissory note as part of this purchase for \$5,600,000 with Sheaffer Place, LLC, with an interest rate of 3 percent, to be paid in 240 equal principal and interest payments beginning on August 1, 2020 until July 1, 2040. The purpose of the purchase is to hold said property until the University of Wyoming is ready to integrate the property into its master plan and make it a contiguous part of the overall university campus. In the meantime, the Foundation is renting the property to generate returns on the investment.

Note 12 - Notes Payable and Lines of Credit (Continued)

These obligations are scheduled to mature as follows:

Years Ending	Amount
2025	\$ 233,368
2026	240,466
2027	247,781
2028	255,317
2029	263,083
Thereafter	<u>3,510,409</u>
Total	<u>\$ 4,750,424</u>

Note 13 - Net Assets

Net assets without donor restrictions consist of the following as of June 30:

	2024	2023
Board-designated net assets:		
Endowment (Note 14)	\$ 11,951,680	\$ 22,967,264
Invested in property and equipment - Net of debt	<u>31,396,804</u>	<u>29,697,905</u>
Total board-designated net assets	43,348,484	52,665,169
Undesignated net assets	<u>40,978,168</u>	<u>30,387,873</u>
Total unrestricted net assets	<u>\$ 84,326,652</u>	<u>\$ 83,053,042</u>

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2024	2023
Subject to expenditures for specified purposes to benefit the University	\$ 61,584,293	\$ 54,072,827
Subject to the Foundation's spending policy and appropriation from the endowment (Note 14)	<u>468,668,290</u>	<u>426,111,338</u>
Total	<u>\$ 530,252,583</u>	<u>\$ 480,184,165</u>

Note 14 - Donor-restricted and Board-designated Endowments

Total managed endowments at the Foundation were \$778,878,622 and \$741,489,354 at June 30, 2024 and 2023, respectively. Included in these totals were custodial endowments totaling \$325,030,952 and \$298,089,425 at June 30, 2024 and 2023, respectively.

The managed endowments at June 30, 2024 and 2023 consisted of 1,813 and 1,774 funds, respectively, established for a variety of purposes. The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. 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.

Note 14 - Donor-restricted and Board-designated Endowments (Continued)

Interpretation of Relevant Law

The Foundation is subject to the State of Wyoming's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with 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 purpose of the Foundation 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
- The investment policies of the Foundation

	Endowment Net Asset Composition by Type of Fund as of June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 11,951,680	\$ -	\$ 11,951,680
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	326,100,284	326,100,284
Accumulated investment gains	-	142,568,006	142,568,006
Total	<u>\$ 11,951,680</u>	<u>\$ 468,668,290</u>	<u>\$ 480,619,970</u>

Notes to Financial Statements

June 30, 2024 and 2023

Note 14 - Donor-restricted and Board-designated Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 22,967,264	\$ 426,111,338	\$ 449,078,602
Cumulative effect of change in accounting	-	4,664,571	4,664,571
Investment return (loss):			
Investment income	811,457	48,348,606	49,160,063
Manager and administrative fees	(109,958)	(5,743,056)	(5,853,014)
Assessments	-	(9,806,013)	(9,806,013)
Total investment return	701,499	32,799,537	33,501,036
Contributions	-	15,963,685	15,963,685
Appropriation of endowment assets for expenditure	-	(10,870,841)	(10,870,841)
Release of designation	(11,717,083)	-	(11,717,083)
Endowment net assets - End of year	<u>\$ 11,951,680</u>	<u>\$ 468,668,290</u>	<u>\$ 480,619,970</u>
Endowment Net Asset Composition by Type of Fund as of June 30, 2023			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 22,967,264	\$ -	\$ 22,967,264
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	308,704,704	308,704,704
Accumulated investment gains	-	117,406,634	117,406,634
Total	<u>\$ 22,967,264</u>	<u>\$ 426,111,338</u>	<u>\$ 449,078,602</u>
Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 25,204,592	\$ 412,809,456	\$ 438,014,048
Investment return:			
Investment income	750,421	26,652,954	27,403,375
Manager and administrative fees	(126,079)	(2,330,225)	(2,456,304)
Assessments	-	(8,640,043)	(8,640,043)
Total investment return	624,342	15,682,686	16,307,028
Contributions	5,658	10,953,058	10,958,716
Appropriation of endowment assets for expenditure	(2,867,328)	(13,333,862)	(16,201,190)
Endowment net assets - End of year	<u>\$ 22,967,264</u>	<u>\$ 426,111,338</u>	<u>\$ 449,078,602</u>

June 30, 2024 and 2023

Note 14 - Donor-restricted and Board-designated Endowments (Continued)

Underwater Endowment 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. Effective February 2023, if the fair value of an endowment falls below 80 percent of the fund's original gift value, expenditures will be suspended from the fund until the fund's fair market value equals or exceeds 80 percent of the original gift value. Deficiencies of this nature exist in 45 donor-restricted endowment funds, which together have an original gift value of \$9,070,934, a current fair value of \$8,704,327, and a deficiency of \$366,607 as of June 30, 2024. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of directors.

As of June 30, 2023, deficiencies of this nature existed in 136 donor-restricted endowment funds, which together had an original gift value of \$25,476,018, a current fair value of \$24,116,718, and a deficiency of \$1,359,300.

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 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 that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve a return of 7 percent, net of inflation and investment expenses. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark, as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). With consultation from its investment consultant, the Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The Foundation's governing board meets at least once quarterly and more often, if needed, to discuss investment matters to ensure the best possible return, consistent with the preservation of principal, is achieved.

Expenditure Policy and How the Investment Objectives Relate to Payout Policy

The Foundation's board has adopted a expenditure policy that makes funds available for appropriation based on a calculation that uses 40 percent spending rate based the December market value and 60 percent based on the prior year distribution, with an inflationary adjustment. The effective spending rate of the December market value was 4.0 percent as of June 30, 2024 and 2023, respectively. The effective inflationary rate was 4.0 percent as of June 30, 2024 and 2023. In establishing this policy, the Foundation considered the long-term expected rate of return on its endowment. Accordingly, over the long term, the Foundation expects the current expenditure policy to allow its endowment to grow.

Note 15 - Related Party Transactions

The Foundation is a strategic partner of the University of Wyoming and transacts with the University during the ordinary course of business. Transactions with the University and other related parties controlled by the University include all transactions related to amounts held for others (see Note 10) and all program services expenses shown on the statement of activities and changes in net assets.