University of Colorado Foundation

Consolidated Financial Report

June 30, 2019

Contents

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Independent Auditor's Report

To the Board of Directors
University of Colorado Foundation

We have audited the accompanying consolidated financial statements of the University of Colorado Foundation (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2019 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University of Colorado Foundation as of June 30, 2019 and the results of its operations, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 5, the consolidated financial statements include certain investments whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by fund managers and partnership general partners. The investments are valued at approximately $1,009,300,000 (57 percent of net assets) at June 30, 2019. Additionally, there is approximately $283,110,000 in unfunded future commitments related to these investments.

As discussed in Note 2, the Foundation adopted the provisions under Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit-Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit-Entities,* as of July 1, 2018 and applied it retrospectively to all years presented.

Our opinion is not modified with respect to these matters.

To the Board of Directors
University of Colorado Foundation

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of the University of Colorado Foundation as of June 30, 2018 were audited by EKS&H LLLP, whose report dated October 25, 2018 expressed an unqualified opinion on those statements.

Plante & Moran, PLLC

October 24, 2019

Consolidated Statement of Financial Position

June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents (Note 2)	$ 9,271,572	$ 29,860,831
Contributions receivable - Net (Note 4)	42,510,876	28,853,127
Other assets	589,862	723,668
Total current assets	52,372,310	59,437,626
Investments (Note 6)	2,021,978,643	1,847,549,273
Contributions Receivable - Net (Note 4)	121,856,148	151,080,448
Property and Equipment - Net (Note 9)	1,333,423	1,434,853
Assets Held Under Split-interest Agreements (Notes 5 and 8)	40,659,964	42,573,159
Beneficial Interest in Charitable Trusts Held by Others (Notes 5 and 8)	9,096,298	8,406,228
Total noncurrent assets	2,194,924,476	2,051,043,961
Total assets	**$ 2,247,296,786**	**$ 2,110,481,587**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 306,961	$ 390,347
Accounts payable and accrued liabilities - University	9,853,744	4,831,892
Liabilities under split-interest agreements (Note 8)	2,670,812	2,619,384
Custodial funds (Notes 2 and 10)	17,750,660	16,659,795
Total current liabilities	30,582,177	24,501,418
Funds Held in Trust for Others	2,370,053	2,292,780
Liabilities Under Split-interest Agreements - Net current portion (Note 8)	20,489,293	20,318,507
Custodial Funds - Net current portion (Notes 2 and 10)	438,074,201	418,291,910
Total liabilities	491,515,724	465,404,615
Net Assets (Notes 7, 12 and 13)		
Without donor restrictions:		
Undesignated	31,817,135	21,477,801
Board designated	29,250,500	46,880,417
Total without donor restrictions	61,067,635	68,358,218
With donor restrictions	1,694,713,427	1,576,718,754
Total net assets	1,755,781,062	1,645,076,972
Total liabilities and net assets	**$ 2,247,296,786**	**$ 2,110,481,587**

See notes to consolidated financial statements.

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions (Note 2)	$ 43,164	$ 196,305,725	$ 196,348,889	$ 7,242	$ 233,150,465	$ 233,157,707
Advancement support assessment (Notes 2, 7 and 18)	20,821,175	(15,885,545)	4,935,630	17,396,482	(13,855,157)	3,541,325
Net investment return (Notes 2 and 6)	20,530,109	76,712,673	97,242,782	20,928,164	107,569,327	128,497,491
Change in value of split-interest agreements	(81,567)	186,167	104,600	(1,595)	1,092,352	1,090,757
Other revenue	12,881	350,981	363,862	20,258	624,373	644,631
Transfers from the University (Note 2)	-	2,590,374	2,590,374	-	15,455,029	15,455,029
Other changes in net assets	(296,734)	296,734	-	(2,291,535)	2,291,535	-
Net assets released from restrictions (Notes 2, 7, 12 and 13)	142,562,436	(142,562,436)	-	164,041,810	(164,041,810)	-
Total revenue, gains, and other support revenue	183,591,464	117,994,673	301,586,137	200,100,826	182,286,114	382,386,940
Distributions and Expenses						
Transfers to the University	160,759,306	-	160,759,306	166,738,960	-	166,738,960
Support services:						
Advancement support to the University (Notes 2 and 18)	24,842,160	-	24,842,160	21,579,000	-	21,579,000
Administrative (Note 14)	5,280,581	-	5,280,581	4,904,898	-	4,904,898
Total support services	30,122,741	-	30,122,741	26,483,898	-	26,483,898
Total distributions and expenses	190,882,047	-	190,882,047	193,222,858	-	193,222,858
(Decrease) Increase in Net Assets	(7,290,583)	117,994,673	110,704,090	6,877,968	182,286,114	189,164,082
Net Assets - Beginning of year	68,358,218	1,576,718,754	1,645,076,972	61,480,250	1,394,432,640	1,455,912,890
Net Assets - End of year	**$ 61,067,635**	**$ 1,694,713,427**	**$ 1,755,781,062**	**$ 68,358,218**	**$ 1,576,718,754**	**$ 1,645,076,972**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 110,704,090	$ 189,164,082
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	123,214	147,774
Net realized and unrealized gains	(91,029,256)	(124,047,709)
Change in beneficial interest in charitable trusts held by others	(690,070)	(389,853)
Contributions restricted for long-term investment	(70,558,278)	(47,508,402)
Change in value of split-interest agreements	1,189,145	(1,090,757)
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Contributions receivable - Net	15,566,551	(57,005,514)
Other assets	133,806	(184,148)
Accounts payable and accrued expenses	4,938,466	(8,553,250)
Custodial funds	20,873,156	39,488,817
Funds held in trust for others	77,273	178,075
Net cash and cash equivalents used in operating activities	(8,671,903)	(9,800,885)
Cash Flows from Investing Activities		
Purchase of property and equipment	(21,784)	-
Purchase of investments	(87,704,338)	(70,966,597)
Sale of investments	4,304,224	36,565,383
Net contributions under split-interest agreements	3,759,987	3,408,449
Net cash and cash equivalents used in investing activities	(79,661,911)	(30,992,765)
Cash Flows from Financing Activities		
Contributions restricted for long-term investment	70,558,278	47,508,402
Payments on split-interest agreement obligations	(2,813,723)	(2,866,872)
Net cash and cash equivalents provided by financing activities	67,744,555	44,641,530
Net (Decrease) Increase in Cash and Cash Equivalents	(20,589,259)	3,847,880
Cash and Cash Equivalents - Beginning of year	29,860,831	26,012,951
Cash and Cash Equivalents - End of year	**$ 9,271,572**	**$ 29,860,831**

See notes to consolidated financial statements.

Note 1 - Nature of Business

The University of Colorado Foundation (the "Foundation") is the financial portal for philanthropic giving to the University of Colorado (the "University"). Private support for the University, given to the Foundation for the benefit of the University, enables the University to transform lives through education, research, clinical care, and community engagement. The Foundation focuses its efforts on donor stewardship through customer service and assurance in gift acceptance, administration, and reporting and on prudent investment management. The University directs and executes front-line fundraising operations and strategy.

The Foundation is a 501(c)(3) charitable organization incorporated in 1967. The Foundation is governed by a board of directors and operates with a staff of approximately 25 employees. The Foundation has been authorized by the Board of Regents of the University to receive, hold, invest, and transfer funds for the benefit of the University. The Foundation performs the following:

- Receives, accepts, and processes gifts and bequests for the University's benefit
- Establishes and accounts for current funds, endowed funds, and split-interest agreements
- Administers and distributes gift funds to university programs, ensuring that donor intent is honored
- Stewards gift assets by prudently managing and investing gift funds

Note 2 - Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the University of Colorado Foundation and The University of Colorado UK Foundation Limited (UCUK) because the University of Colorado Foundation has both control of and an economic interest in UCUK. All significant intercompany balances and transactions have been eliminated in consolidation. Collectively, these consolidated entities are hereinafter referred to as the "Foundation" unless otherwise noted.

UCUK, a charitable company limited by shares, was formed under the laws of England and Wales and incorporated on February 25, 2010. The Foundation is the sole shareholder. UCUK's purpose is to advance and promote education for the public benefit, in particular for any educational and charitable purposes connected with the University, its affiliates, and its past and present students and staff. UCUK owns property in London for the use of the University's faculty and graduate students conducting scholarly research in the United Kingdom. UCUK's net assets at June 30, 2019 and 2018 were $1,179,587 and $1,227,034, respectively.

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 and/or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets with donor restrictions unless specifically unrestricted by the donor.

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

As of July 1, 2018 and retrospectively applied to all periods presented, the Foundation adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit-Entities*. This standard requires net assets to be classified into two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. In addition, the underwater portion of donor-restricted endowments is now reported as net assets with donor restrictions. This standard also requires changes in the way certain information is aggregated and reported by the Foundation, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general. As a result of the adoption of this standard, net assets of $970,306,257 and $606,412,497 previously reported as temporarily restricted net assets and permanently restricted net assets, respectively, are now presented as net assets with donor restriction as of June 30, 2018. Under the new standard, the Foundation has elected to omit disclosures about liquidity and availability of resources for periods prior to the period of adoption.

Upcoming Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Foundation's year beginning on July 1, 2021 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption.

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 Equivalents

For the purpose of the consolidated statement of cash flows, the Foundation considers all unrestricted cash and highly liquid investments with an initial maturity of three months or less and that are not held as components of the Foundation's investment portfolio to be cash equivalents.

Note 2 - Significant Accounting Policies (Continued)

Financial Instrument Risk

Potential concentrations of credit risk include cash and cash equivalents, investments, and contributions receivable. The Foundation places temporary cash and money market accounts with creditworthy, high-quality financial institutions. A significant portion of the funds is not insured by the FDIC or a related entity. Investments are made primarily in investment managers engaged by the Foundation's outsourced chief investment officer (OCIO), which has been delegated discretion of manager selection by the investment policy committee (IPC) of the board of directors. Investments are regularly monitored by the OCIO, with oversight by management and the IPC. Although the market values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Foundation. Collection risk associated with contributions receivable is limited due to the large number of contributors comprising the Foundation's contributor base and historical high-collectibility experience.

Contributions and Contributions Receivable

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, 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 receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

Donated Services and Assets

Donated marketable securities are recorded at the average of the high and low price per share on the date of receipt. Other noncash donations, including land, buildings, and equipment, are recorded as contributions at their estimated fair values at the date of donation.

Investments

The Foundation records investment purchases at cost or, when contributed to the Foundation, at the fair values of the investment assets received at the date of contribution. The majority of investments are held in a long-term investment pool (LTIP) and a short-term investment pool (STIP), both of which are managed by the Foundation's OCIO.

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at their fair values on the consolidated statement of financial position. The fair values of alternative investments not publicly traded on national security exchanges represent the Foundation's pro rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers, subject to review, evaluation, and adjustment by the OCIO and management of the Foundation. Because of inherent uncertainties in the valuation of alternative investments, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed. Included in the investment portfolio are real estate and note receivable assets. These assets are stated at cost and present value.

Note 2 - Significant Accounting Policies (Continued)

Net investment return reported on the consolidated statement of activities and changes in net assets consists of the Foundation's distributive share of interest and dividends and realized and unrealized capital gains and losses generated from the Foundation's investments, less investment and custodial fees and the OCIO's fees. Restricted gains and investment income are generally reported as increases to net investment return with donor restrictions.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred. Expenditures for major replacements and betterments in excess of $5,000 are capitalized.

	Depreciable Life - Years
Furniture and fixtures	3 - 7
Leasehold improvements	5 - 30

Custodial Funds

The Foundation holds and invests certain endowment and other funds in the LTIP in trust on behalf of the University. The Foundation also holds funds on behalf of separate nonprofit corporations.

Transfers from the University

The University periodically sends the Foundation certain funds approved to be added to Foundation endowments and invested in the LTIP. The amounts received by the Foundation were $109,918 and $3,244,853 in years ended June 30, 2019 and 2018, respectively. The University also has authority from the Board of Regents to convert custodial endowments to foundation endowments when doing so enhances operational efficiencies or allows for stronger donor stewardship. The total custodial endowments converted were $2,480,456 and $12,210,176 in years ended June 30, 2019 and 2018, respectively.

Support Services

The Foundation's general operations are supported through two main income sources: an advancement support assessment on endowment balances and the earnings on certain invested assets. The majority of this income is transferred to the University to support fundraising operations on each of the University's campuses and the central office of advancement and is shown on the consolidated statement of activities and changes in net assets as advancement support to the University. Administrative expenses represent the general operating costs of the Foundation.

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). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of June 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that, would require recognition of a liability or disclosure in the financial statements. The Foundation is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 2 - Significant Accounting Policies (Continued)

Income from activities not directly related to each entity's tax-exempt purpose is subject to taxation as unrelated business taxable income. During fiscal years 2019 and 2018, the unrelated business income tax liability was insignificant.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 24, 2019, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

Financial assets available for current obligations are as follows for the year ended June 30, 2019:

Total assets	$ 2,247,296,786
Less fixed and nonfinancial assets	(51,679,547)
Financial assets	2,195,617,239
Less those unavailable for general expenditures within one year due to:	
Contractual or donor-imposed restrictions:	
Endowment assets	(1,222,002,223)
Custodial funds	(455,824,861)
Restricted by donor with time or purpose restrictions	(453,385,437)
Investments held in annuity trust	(4,469,698)
Board designations:	
Quasi-endowment funds	(18,502,193)
Designated for university programs	(10,748,307)
Financial assets available to meet cash needs for general expenditures within one year	$ 30,684,520

The Foundation receives, holds, and invests contributions that are almost entirely restricted by donors to support specific purposes at the University. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those obligations to its donors and the University. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation has two investment pools: the LTIP and the STIP. The STIP policy allocation goal is 50 percent in the LTIP, 40 percent in fixed income, and 10 percent in cash. The STIP consists primarily of donor-restricted current expendable gifts and endowment distributions that are held by the Foundation until called by the University. In addition, the Foundation's operating cash and reserves are part of the STIP. Endowments are generally invested in the LTIP and life income arrangements are invested in separate mutual funds. Investment gains/losses on the STIP increase/decrease the financial assets available for general expenditure. The Foundation's finance/operations committee regularly reviews this balance and recommends a reserve amount to the board of directors. Balances above any reserve are periodically made available for university priorities.

The Foundation's operating budget is funded primarily from an assessment on endowments and a distribution from the STIP. The Foundation also maintains a board-designated endowment invested in the LTIP to support its operations. While only the distributions are currently used, the entire balance could be liquidated if necessary. The balance of this board-designated endowment as of June 30, 2019 is $16,494,910.

In the event of an unanticipated liquidity need, the Foundation also maintains a $10 million line of credit that could be utilized (see Note 11).

Note 4 - Contributions Receivable

Contributions receivable, net of allowance for uncollectibles and unamortized discount, are summarized as follows:

	2019	2018
Gross contributions receivable before unamortized discount	$ 180,046,903	$ 197,474,427
Less allowance for uncollectible contributions	(10,514,775)	(10,051,830)
Less allowance for net present value discount	(5,165,104)	(7,489,022)
Net contributions receivable	$ 164,367,024	$ 179,933,575
Amounts due in:		
Less than one year	$ 65,588,835	$ 53,378,721
One to five years	94,549,523	118,346,793
More than five years	4,228,666	8,208,061
Total	$ 164,367,024	$ 179,933,575

Contributions receivable are recorded at estimated fair value based on the present value of future cash flows, adjusted for uncollectible amounts. Discount rates used by the Foundation to determine the net present value of contributions receivable are based on the duration over which payments are received and are commensurate with United States Treasury zero-coupon bond rates for the same period. Discount rates used for outstanding contributions receivable range from 0.15 to 2.97 percent.

Contributions receivable related to long-term purposes, such as for an endowment, are classified as noncurrent assets due to the long-term nature of the underlying purpose.

Note 5 - 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.

The following tables present information about the Foundation’s assets measured at fair value on a recurring basis at June 30, 2019 and 2018 and the valuation techniques used by the Foundation to determine those fair values.

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 whereby 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.

Note 5 - Fair Value Measurements (Continued)

As required by GAAP, the Foundation uses net asset value (NAV) per share or its equivalent (practical expedient), such as member units or an ownership interest in partners' capital, to estimate the fair value of an alternative investment and requires additional fair value disclosures for the Foundation's alternative investments.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carried at Net Asset Value	Balance at June 30, 2019
Assets					
Investments held at fair value:					
Cash and cash equivalents	$ 22,438,120	$ -	$ -	$ -	$ 22,438,120
Domestic equities	329,638,788	-	45,900,000	77,623,272	453,162,060
International equities	404,196,904	-	-	143,701,147	547,898,051
Fixed income	180,952,325	26,231,905	-	28,100,966	235,285,196
Alternative:					
Real estate	-	-	-	67,269,334	67,269,334
Private equity	-	-	-	319,688,225	319,688,225
Absolute return	-	-	-	227,838,710	227,838,710
Venture capital	-	-	526,828	129,985,592	130,512,420
Commodities	-	-	-	15,066,375	15,066,375
Other	-	521,561	223,524	-	745,085
Total investments held at fair value	937,226,137	26,753,466	46,650,352	1,009,273,621	2,019,903,576
Assets held under split-interest agreements:					
Cash and cash equivalents	1,332,062	-	-	-	1,332,062
Domestic equities	17,148,019	-	-	-	17,148,019
International equities	10,515,645	-	-	-	10,515,645
Fixed income	10,099,238	-	-	-	10,099,238
Total assets held under split-interest agreements	39,094,964	-	-	-	39,094,964
Beneficial interest in charitable trusts held by others	-	-	9,096,298	-	9,096,298
Total assets	$ 976,321,101	$ 26,753,466	$ 55,746,650	$ 1,009,273,621	$ 2,068,094,838

Note 5 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2018				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carried at Net Asset Value	Balance at June 30, 2018
Assets					
Investments at fair value:					
Cash and cash equivalents	$ 13,960,909	$ -	$ -	$ -	$ 13,960,909
Domestic equities	289,969,755	-	50,400,000	69,844,000	410,213,755
International equities	334,672,295	-	-	150,292,282	484,964,577
Fixed income	140,875,711	24,846,157	-	32,183,704	197,905,572
Alternative:					
Real estate	-	-	-	73,673,010	73,673,010
Private equity	-	-	-	297,737,009	297,737,009
Absolute return	-	-	-	257,316,421	257,316,421
Venture capital	-	-	436,828	96,315,911	96,752,739
Commodities	1,199	-	-	12,237,714	12,238,913
Other	-	487,778	223,523	-	711,301
Total investments at fair value	779,479,869	25,333,935	51,060,351	989,600,051	1,845,474,206
Assets held under split-interest agreements:					
Cash and cash equivalents	810,491	-	-	-	810,491
Domestic equities	17,665,076	-	-	-	17,665,076
International equities	10,234,302	-	-	-	10,234,302
Fixed income	10,533,290	-	-	-	10,533,290
Total assets held under split-interest agreements	39,243,159	-	-	-	39,243,159
Beneficial interest in charitable trusts held by others	-	-	8,406,228	-	8,406,228
Total assets	$ 818,723,028	$ 25,333,935	$ 59,466,579	$ 989,600,051	$ 1,893,123,593

In addition to the total investments at fair value, the Foundation holds investment assets at cost or present value at June 30, 2019 and 2018 totaling $2,075,067 each year. In addition to total assets held under split-interest agreements at fair value, the Foundation has $1,565,000 and $3,330,000 of real estate held at the appraised value at the date of donation at June 30, 2019 and 2018, respectively.

Note 5 - Fair Value Measurements (Continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2019 and 2018 are as follows:

	Investments	Beneficial Interest in Charitable Trusts Held by Others
Balance at July 1, 2018	$ 51,060,351	$ 8,406,228
Purchases	1,590,001	805,000
Total unrealized losses	(4,500,000)	(114,930)
Transfers out of Level 3	(1,500,000)	-
Balance at June 30, 2019	$ 46,650,352	$ 9,096,298

	Investments	Beneficial Interest in Charitable Trusts Held by Others
Balance at July 1, 2017	$ 44,656,385	$ 8,016,375
Purchases	242,813	-
Dividend income	1,350,000	-
Total unrealized gains	6,161,153	389,853
Transfers out of Level 3	(1,350,000)	-
Balance at June 30, 2018	$ 51,060,351	$ 8,406,228

Net unrealized (losses) gains of $(3,809,930) and $6,585,987 are included in net investment return on the accompanying consolidated statement of activities and changes in net assets, which are attributable to Level 3 investments held at June 30, 2019 and 2018, respectively.

Investments in certain entities that calculate NAV per share are as follows:

Fund Description	Unfunded Commitments June 30, 2019	Fair Value June 30, 2019	Fair Value June 30, 2018	Redemption Frequency	Redemption Notice Period
Domestic equities	$ -	$ 77,623,272	$ 69,844,000	Quarterly	90 days
International equities	-	143,701,147	150,292,282	Quarterly	30 to 45 days
Fixed income	-	28,100,966	32,183,704	Varies	45 to 60 days
Real estate	61,422,841	67,269,334	73,673,010	None	N/A
Private equity	136,285,204	319,688,225	297,737,009	None	N/A
Absolute return	6,315,757	227,838,710	257,316,421	Varies	45 to 90 days
Venture capital	67,835,973	129,985,592	96,315,911	None	N/A
Commodities	11,250,145	15,066,375	12,237,714	None	N/A
Ending balance	$ 283,109,920	$ 1,009,273,621	$ 989,600,051		

As of June 30, 2019, the fair values of these investments have been provided by the underlying general partner.

Domestic equities include publicly traded 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 U.S. and non-U.S. markets.

Note 5 - Fair Value Measurements (Continued)

International equities primarily include equities and equity-related securities, including securities of emerging and frontier markets, which are listed or traded on recognized exchanges. Some funds may also employ nonequity investments, including fixed-income securities, futures, spot and forward currency contracts, repurchase and reverse repurchase agreements, over-the-counter options, other derivatives, and exchange-traded funds.

Fixed income includes a diversified portfolio of fixed-income securities, including bonds, bank loans, and securitized assets. Some funds may utilize derivative instruments, including futures, swaps, forwards, and options for both hedging and investment purposes.

Real estate includes private equity funds that focus on real estate assets primarily located in the U.S. These investments are not redeemable. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The term of each of these investments ranges from 1 to 10 years.

Private equity funds focus on buyout, growth equity, and/or distressed debt. These investments are not readily redeemable, but a secondary market does exist. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The terms of these investments range from 1 to 12 years.

Absolute return are funds that seek to generate returns through the implementation of specialized strategies that have historically exhibited a low correlation to the broad equity markets. These managers may employ strategies such as long/short hedged equity or credit, distressed debt, merger arbitrage, litigation, direct lending, or event-driven strategies, among others, and the allocation to these strategies may vary over time. As of June 30, 2019, all of the investments in this category are subject to certain lock-up restrictions, which may limit the amount of capital eligible for redemption for certain time periods.

Venture capital includes private equity funds that focus on venture capital. These investments are not readily redeemable, but a secondary market does exist in some cases. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The term of these investments ranges from 0.5 to 12 years.

Commodities may consist of investments related to food products, energy, metals, and other natural resources. These investments are not readily redeemable. Instead, the nature of these investments relies on interest income and principal repayment from loans made to agricultural firms based in North America. The loans are fully collateralized by the underlying agricultural product or commodity. The term of the investment is generally three to five years.

Note 6 - Investments

The Foundation has entered into an investment advisory agreement with a third party to provide investment management services as an OCIO. The Foundation may terminate this arrangement at any time provided it gives 90 days' written notice. The OCIO has investment discretion within the framework of the Foundation's investment policy statement (IPS). The IPS was drafted by and is reviewed annually by the Foundation's IPC and approved by the board of directors. The Foundation's management and IPC meet regularly with the OCIO to discuss asset class allocations and to review the LTIP's performance over 1-, 3-, 5-, 7-, and 10-year time horizons. All investment management fees, including the OCIO's, are netted in the investment returns.

The Foundation's investments include privately and publicly held investments and are structured to provide the financial resources needed to meet the Foundation's charitable objectives. They include a variety of investment products, such as commingled mutual funds and trusts, foreign-domiciled hedge funds, and limited partnerships. Marketable and private alternative investments are exposed to various risks that may cause the reported value of the Foundation's investments to fluctuate from period to period and could result in material changes to the net assets of the Foundation. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions, and the state and perceived direction of the economy. The values of bond investments and other fixed-income securities fluctuate in response to changing interest rates, creditworthiness of issuers, and overall economic policies that impact market conditions. Investments in private equity and real estate funds can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction.

Certain investment managers selected by the OCIO are permitted to use investment strategies and techniques designed to achieve higher investment returns with volatility that may be either higher or lower than traditional strategies but exhibit lower correlations to major market indices and other asset classes. Strategies and techniques, such as the use of leverage, futures and forward contracts, option agreements, and other derivative instruments, create special risks and could increase the impact of adverse security price movements on the Foundation's investment portfolio. Certain investments contain liquidity restrictions ranging from less than one month to more than one year.

Many of the investments held in the portfolio have management cost components that may or may not be discretely reported and that can vary depending on the timing of capital investments, lifecycle of the fund, accounting methodology followed by the fund, flows of investments and redemptions within the accounting period, and the degree to which a manager charges an incentive fee. Discrete investment management fees, as well as OCIO and custodial services expenses, are generally paid through the investments held in the LTIP and STIP and are included in the following net investment return tables.

The details of the Foundation’s investments at June 30 are as follows:

	2019	2018
Cash and cash equivalents	$ 22,438,120	$ 13,960,909
Equities:		
Domestic	453,162,060	410,213,755
International	547,898,051	484,964,577
Fixed income	235,285,194	197,905,572
Alternative:		
Real estate	69,264,400	75,668,076
Private equity	319,688,225	297,737,009
Absolute return	227,838,710	257,316,421
Venture capital	130,512,420	96,752,739
Commodities	15,066,377	12,238,913
Other	825,086	791,302
Total	$ 2,021,978,643	$ 1,847,549,273

Note 7 - Endowments

The Foundation's endowments consist of over 2,800 individual donor-restricted pure or quasi endowments. Donor-restricted pure endowment funds are permanent charitable funds whose principal is treated in accordance with a defined spending policy or that must be preserved in perpetuity as a condition imposed by the donor. Donor-restricted quasi-endowment funds are those purpose-restricted gifts that are generally intended to be maintained in perpetuity; however, under specific circumstances defined by the donor, the principal may be invaded fully to meet the defined purpose. The Foundation also has certain funds without donor restrictions that have been designated by the Foundation's board of directors to function as endowments.

Interpretation of Relevant Law

The Foundation is subject to the Colorado state adopted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation's board of directors has interpreted UPMIFA as requiring preservation of the fair value of the original gift plus any subsequent gifts (historical gift value) to a donor-restricted pure endowment fund absent any donor stipulations to the contrary. The remaining portion of the fund may be appropriated for expenditure 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 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

Total managed endowments at the Foundation were $1,452,722,282 and $1,360,520,982 at June 30, 2019 and 2018, respectively. Included in these totals are custodial endowments (see Notes 2 and 10) totaling $212,217,866 and $210,202,443 at June 30, 2019 and 2018, respectively. Foundation endowments consist of various individual funds established for a variety of purposes.

The composition and changes of endowments (net of custodial endowments) by type of fund as of June 30, 2019 consisted of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 18,502,193	$ -	$ 18,502,193
Donor-restricted quasi-endowment funds	-	380,200,128	380,200,128
Donor-restricted pure endowment funds:			
Accumulated investment gains	-	234,388,775	234,388,775
Amount required by donor to be held in perpetuity by donor	-	607,413,320	607,413,320
Total	$ 18,502,193	$ 1,222,002,223	$ 1,240,504,416

Note 7 - Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 18,448,510	$ 1,131,870,029	$ 1,150,318,539
Investment return - Net	1,136,496	76,586,937	77,723,433
Contributions	28,800	63,050,017	63,078,817
Appropriation of endowment assets for expenditure	(908,202)	(55,672,420)	(56,580,622)
Other changes	(203,411)	6,167,660	5,964,249
Endowment net assets - End of year	$ 18,502,193	$ 1,222,002,223	$ 1,240,504,416

The composition and changes of endowments (net of custodial endowments) by type of fund as of June 30, 2018 consisted of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 18,448,510	$ -	$ 18,448,510
Donor-restricted quasi-endowment funds	-	361,001,431	361,001,431
Donor-restricted pure endowment funds:			
Accumulated investment gains	-	217,996,769	217,996,769
Amount required by donor to be held in perpetuity by donor	-	552,871,829	552,871,829
Total	$ 18,448,510	$ 1,131,870,029	$ 1,150,318,539

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 17,429,763	$ 1,002,705,631	$ 1,020,135,394
Investment return - Net	1,890,458	107,541,969	109,432,427
Contributions	12,000	54,556,247	54,568,247
Appropriation of endowment assets for expenditure	(864,344)	(49,923,852)	(50,788,196)
Other changes	(19,367)	16,990,034	16,970,667
Endowment net assets - End of year	$ 18,448,510	$ 1,131,870,029	$ 1,150,318,539

Funds with Deficiencies (Underwater Endowment Funds)

From time to time, as a result of investment losses and board-authorized distributions, the fair value of certain endowments may fall below the historical gift value of a donor-restricted pure endowment. The Foundation's board of directors has determined that the distributions must be suspended if a fund's fair market value falls below 90 percent of its historical gift value. As of June 30, 2019 and 2018, there were no funds with such deficiencies.

Note 7 - Endowments (Continued)

Return Objectives and Risk Parameters

Nearly all endowments are invested in the LTIP. The Foundation has adopted an investment policy for the LTIP with an objective to provide a steady (and increasing) stream of funding to programs supported by the endowments while seeking to maintain the real (inflation-adjusted) purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce an average annual total return in excess of a policy benchmark, net of investment management expenses, over a rolling five-year period. The policy benchmark is a blend of 80 percent MSCI All Country World Index and 20 percent Barclays Capital U.S. Aggregate Bond Index.

The risk objective is to attain a risk level (as measured by standard deviation over a rolling five-year period) at or below the policy benchmark. The LTIP is willing to have meaningful levels of illiquid assets within the overall portfolio in order to enhance the returns necessary to achieve investment goals and objectives.

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). 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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation's endowment spending policy, as approved by the board of directors, has three components: (1) a distribution formula and timing, (2) rules relating to the suspension of distributions in certain situations when an endowment's value declines, and (3) an advancement support assessment formula. The policy is intended to be consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional growth through investment returns.

The Foundation annually appropriates for distribution an amount equal to 4 percent of the endowment's trailing 36-month average market value.

The Foundation's policy is to suspend distributions on any pure endowment if the endowment's fair market value is less than 90 percent of its historic gift value.

Endowment funds incur an annual assessment to support advancement operations. The amount of the assessment will be equal to 1.5 percent of the fund's principal account as of December 31 for the year preceding the assessment. The proceeds from this advancement support assessment are used to support advancement services at the University, as discussed in Note 2.

Note 8 - Split-interest Agreements

GAAP requires the recording of all unconditional, irrevocable split-interest agreements under which the Foundation is entitled to receive a benefit. With the exception of charitable gift annuities, split-interest agreements are carried out through the formation of charitable trusts, the trustees of which may be either the Foundation or third parties, such as commercial banks. A summary of the Foundation's split-interest agreements follows.

For the years ended June 30, 2019 and 2018, $3,052,997 and $300,979, respectively, was included in contributions revenue relating to new split-interest agreements.

Note 8 - Split-interest Agreements (Continued)

Charitable Trusts Held by the Foundation

Charitable Remainder Trusts

The Foundation is the trustee and remainder beneficiary of approximately 80 charitable remainder trusts and, as trustee, is required to make annual distributions to the specified life income beneficiaries. Charitable remainder trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the trusts' terms and/or designated beneficiaries' lifetimes, respectively. At the end of the trusts' terms, the remaining assets are available for the Foundation's use. Certain trusts specify that payments to the beneficiaries are limited to total trust income. Other trusts require that the Foundation make fixed payments or payments based on a fixed percentage of the fair value of the trusts' assets. At the end of the trusts' terms, the remaining assets are available for the Foundation's use.

In the case of a charitable remainder annuity trust, the distribution is a fixed amount, whereas, in the case of a charitable remainder unitrust, the distribution is computed at a fixed percentage of the fair value of the trust's assets at rates ranging from 5 to 10 percent.

On the date each trust was established, the Foundation recorded a contribution equal to the difference between the fair value of the assets placed in trust and the amount of the estimated present value of the distributions to be made to the life income beneficiaries over the terms of the trusts, discounted at the then-current applicable federal rate. After recording the initial contribution, the Foundation has been making the stipulated annual distributions, recording investment gains and losses on the assets held in the trusts, and amortizing the discounts to present value. On any given date, the Foundation's remainder interest is represented by the difference between the fair value of the assets held by the trust and the present value of the estimated remaining distributions to be made to the life income beneficiaries.

Charitable Lead Trusts

The Foundation is the trustee and beneficiary of two charitable lead trusts. The trusts are designed to make periodic payments to the Foundation for a fixed period of years, after which the trusts terminate and the assets pass to the designated individuals.

On the date the trusts were established, the Foundation recorded a contribution equal to the present value of the distributions to be made to the Foundation over the term of the trusts, using an estimated discount rate of 3 percent.

Life Interest in Real Estate

The Foundation is the beneficiary of two real estate gifts subject to retained life estates. These gifts are of a remainder interest in a personal residence where an individual irrevocably transfers title to the Foundation with a retained right to the use of the property for a term that is specified in the life estate agreement. At the conclusion of the measuring term, all rights in the property are transferred to the Foundation, and it is used in accordance with the applicable gift instrument.

At the inception of real estate gifts subject to a retained life estate, the Foundation recorded a contribution equal to the fair value of the property less the estimated discounted present value of the use interest. The Foundation records the amortization of the life estate interest, initially recorded as deferred revenue, based upon the life expectancy of the youngest donor or other applicable term.

Note 8 - Split-interest Agreements (Continued)

Pooled Life Income Fund

The Foundation manages a pooled life income fund whereby the contributions of many donors may be combined for investment purposes. Each donor receives actual investment earnings in proportion to his or her ownership interest in the fund. At the time of the donor's death, the value of the donor's ownership interest is assigned to the Foundation. On the date each pooled life income fund account was established, the Foundation recorded a contribution equal to the fair value of the assets received discounted for a term equal to the life expectancy of the donor at a rate mandated by the IRS based on the average of the monthly IRS discount rate over the past three calendar years.

Total split-interest agreements associated with trusts administered by the Foundation are as follows:

	2019	2018
Assets held in charitable remainder trusts	$ 36,300,417	$ 36,339,322
Assets held in charitable lead trusts	2,632,008	2,737,771
Assets held in life interest in real estate	1,565,000	3,330,000
Assets held in pooled life income fund	162,539	166,066
Total	40,659,964	42,573,159
Less associated liabilities	(20,307,686)	(20,403,550)
Less associated deferred revenue	(364,336)	(1,067,026)
Net present value of trust assets administered by the Foundation	$ 19,987,942	$ 21,102,583

Charitable Trusts Held by Others

Charitable Remainder Trusts

The Foundation is the remainder beneficiary of various charitable remainder trusts held by others. Charitable remainder trusts provide for the payment of distributions to the donor or other designated beneficiaries over the donor's or other designated beneficiaries' lifetimes. At the end of the trusts' terms, the remaining assets are available for the Foundation's use. At the inception of each trust, the Foundation recorded a contribution equal to the estimated discounted present value of the distribution expected to be received upon the termination of each trust. Thereafter, the Foundation has been recording adjustments to that estimate based on changes in the fair value of trust assets, changes in actuarial assumptions, and amortization of the discount to net present value.

The net present value of the Foundation's beneficial interest in these trusts is as follows:

	2019	2018
Gross value of beneficial interests	$ 20,293,205	$ 20,896,432
Less unamortized discount	(11,997,910)	(12,637,090)
Net present value of beneficial interests	$ 8,295,295	$ 8,259,342

Perpetual Trusts

Perpetual trusts provide for the distribution of the net income of the trusts to the Foundation; however, the Foundation will never receive the assets of the trusts. At June 30, 2019 and 2018, the fair value of assets held in perpetual trusts for the benefit of the Foundation was $801,003 and $146,886, respectively.

Note 8 - Split-interest Agreements (Continued)

Charitable Gift Annuities

The Foundation had approximately 60 charitable gift annuity contracts outstanding at June 30, 2019. These contracts require the Foundation to make fixed payments to the beneficiaries over their lifetimes. Under a charitable gift annuity contract, the assets received by the Foundation are immediately available for use by the Foundation and, as such, are not held in trust separately from other investments of the Foundation. The obligation to make periodic disbursements to the beneficiaries becomes a general obligation of the Foundation. On the date each charitable gift annuity was established, the Foundation recorded a contribution equal to the difference between the amount transferred from the donor and the present value of the future cash flows expected to be paid to the specified beneficiaries using a discount rate equal to the then-current applicable federal rate

The Foundation had a liability for charitable gift annuities of $2,488,083 and $1,467,315 as of June 30, 2019 and 2018, respectively.

Note 9 - Property and Equipment

Property and equipment are summarized as follows:

	2019	2018
Land, building, and improvements	$ 2,289,441	$ 2,289,441
Furniture and fixtures	343,727	343,727
Equipment, software, and other	2,812,773	2,790,989
Total cost	5,445,941	5,424,157
Accumulated depreciation	4,112,518	3,989,304
Net property and equipment	$ 1,333,423	$ 1,434,853

Note 10 - Custodial Funds

Custodial funds held at June 30, 2019 consisted of the following:

	University of Colorado	Other Nonprofits	Total
Endowment	$ 207,987,796	$ 4,230,070	$ 212,217,866
Nonendowed	239,843,278	3,763,717	243,606,995
Total	$ 447,831,074	$ 7,993,787	$ 455,824,861

Custodial funds held at June 30, 2018 consisted of the following:

	University of Colorado	Other Nonprofits	Total
Endowment	$ 206,142,569	$ 4,059,874	$ 210,202,443
Nonendowed	222,166,756	2,582,506	224,749,262
Total	$ 428,309,325	$ 6,642,380	$ 434,951,705

Note 11 - Line of Credit

The Foundation has a $10 million unsecured revolving line of credit with a bank, which matures on June 1, 2020. The interest rate on draws will be at the daily one-month LIBOR in effect from time to time plus 1.5 percent. The line of credit contains annual loan covenants. No amounts were outstanding at June 30, 2019 or 2018.

Note 12 - Net Assets

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

	2019	2018
Undesignated	$ 31,817,135	$ 21,477,801
Board designated:		
University of Colorado Boulder - Student Mental Health Services and Research	-	10,000,000
University of Colorado Colorado Springs - Engineering Building Renovations	6,000,000	6,000,000
University of Colorado Boulder - Biofrontiers Institute - Operating	841,000	3,044,972
University of Colorado Boulder - Biofrontiers Institute - Capital - Academic Wing	-	2,243,000
University of Colorado Anschutz Medical Campus - Advancement Startup Funds	850,000	1,700,000
University of Colorado System Central Advancement - Capacity Building	883,887	1,300,500
University of Colorado Anschutz Medical Campus - Gates Center for Regenerative Medicine	1,200,000	1,200,000
University of Colorado Colorado Springs - General	555,245	840,926
University of Colorado Colorado Springs - Alumni Engagement	-	802,280
University of Colorado Denver - Facilities Plan Implementation	-	500,000
University of Colorado Denver - City Center Project	-	450,000
University of Colorado Denver - Jake Jabs Center	318,175	318,175
University of Colorado Denver - Deming Center	95,071	95,071
Board-designated endowment to support advancement and Foundation operations	16,494,910	16,354,139
Board-designated funds held for Boulder Alumni Association	1,148,313	1,181,296
Board designation - Undesignated bequests	863,899	850,058
Total board designated	29,250,500	46,880,417
Total net assets without donor restrictions	$ 61,067,635	$ 68,358,218

Note 12 - Net Assets (Continued)

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2019:

	Academic Support	Athletics	Capital Projects	Chairs, Professorships, and Other Faculty Support	Public Service, Library, and Other Support	Research	Scholarships	Total
Endowments:								
Subject to endowment spending policy and appropriation:								
Pure	$ 86,211,343	$ 1,117,866	$ 440,342	$ 432,165,658	$ 39,156,226	$ 41,524,196	$ 254,427,440	$ 855,043,071
Quasi	127,406,370	1,194,345	10,326,268	82,934,630	25,557,349	35,872,921	83,667,268	366,959,151
Subject to expenditure for specified purpose	94,295,056	2,176,498	34,189,705	12,479,596	13,119,216	43,986,570	18,382,018	218,628,659
Endowment distributions	14,478,219	38,296	1,543,891	20,473,593	3,577,046	4,790,917	14,636,511	59,538,473
Subject to passage of time and/or purpose:								
Life income arrangements	6,147,129	51,217	755,267	5,329,343	6,405,106	2,623,628	7,685,772	28,997,462
Promises to give:								
Endowment - Pure	26,928,893	262,298	-	16,929,060	47,344	1,553,743	5,210,067	50,931,405
Endowment - Quasi	7,619,388	37,481	-	1,483,401	25,520	145,500	147,433	9,458,723
Endowment distribution funds	22,915	8,861	-	596,101	-	-	279,305	907,182
Current expendable	42,648,696	2,879,689	15,471,981	5,362,712	3,764,475	26,246,731	6,695,430	103,069,714
Not subject to spending policy or appropriation - UCUK	-	-	-	-	1,179,587	-	-	1,179,587
Total net assets with donor restrictions	$ 405,758,009	$ 7,766,551	$ 62,727,454	$ 577,754,094	$ 92,831,869	$ 156,744,206	$ 391,131,244	$ 1,694,713,427

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2018:

	Academic Support	Athletics	Capital Projects	Chairs, Professorships, and Other Faculty Support	Public Service, Library, and Other Support	Research	Scholarships	Total
Endowments:								
Subject to endowment spending policy and appropriation:								
Pure	$ 70,567,604	$ 719,607	$ 433,844	$ 399,294,091	$ 38,307,559	$ 38,972,836	$ 236,632,160	$ 784,927,701
Quasi	114,958,588	1,690,647	10,211,774	79,187,765	24,574,552	35,032,894	81,286,107	346,942,327
Subject to expenditure for specified purpose	57,574,538	1,803,051	36,800,381	13,662,448	14,755,462	35,498,633	16,270,211	176,364,724
Endowment distributions	13,007,074	8,900	1,298,710	19,549,763	3,527,401	4,809,655	16,328,231	58,529,734
Subject to passage of time and/or purpose:								
Life income arrangements	5,891,960	10,849	252,125	5,679,821	6,900,322	2,590,324	7,468,257	28,793,658
Promises to give:								
Endowment - Pure	2,818,900	81,370	-	20,513,054	71,383	1,851,749	5,550,795	30,887,251
Endowment - Quasi	9,374,012	46,349	-	254,792	35,574	289,545	150,159	10,150,431
Endowment distribution funds	46,104	-	-	546,812	-	970	232,139	826,025
Current expendable	73,337,073	1,593,590	16,490,922	4,709,272	5,435,133	27,389,275	9,114,604	138,069,869
Not subject to spending policy or appropriation - UCUK	-	-	-	-	1,227,034	-	-	1,227,034
Total net assets with donor restrictions	$ 347,575,853	$ 5,954,363	$ 65,487,756	$ 543,397,818	$ 94,834,420	$ 146,435,881	$ 373,032,663	$ 1,576,718,754

Note 13 - Net Assets Released from Purpose Restrictions

Net assets released from purpose restrictions are composed of the following:

	2019	2018
Academic support	$ 42,042,259	$ 55,985,677
Athletics	2,648,988	5,444,776
Capital projects	16,423,925	23,795,117
Chairs, professorships, and other faculty support	19,093,345	18,490,293
Public service, library, and other support	12,302,782	15,027,171
Research	24,441,863	21,548,771
Scholarships	25,609,274	23,750,005
Total	$ 142,562,436	$ 164,041,810

Note 14 - Functional Expenses

The Foundation's administrative expenses are composed of the following:

	2019	2018
Administrative:		
Salaries and wages	$ 2,632,726	$ 2,530,323
Retirement plan contributions	142,681	139,214
Health and welfare benefits	312,542	293,472
Payroll taxes	162,088	167,451
Legal	163,385	167,306
Accounting	138,050	114,727
Contracted services	137,696	140,518
Printing	26,602	17,165
Office expenses	273,770	346,800
Information technology	410,178	375,784
Occupancy	232,716	166,355
Travel	28,728	16,573
Professional development	15,658	25,233
Depreciation	123,214	147,774
Donor stewardship	300,471	155,159
Insurance	97,105	78,382
Subscriptions	29,254	7,338
Other	53,717	15,324
Total	$ 5,280,581	$ 4,904,898

Note 15 - Operating Leases

The Foundation is obligated under operating leases primarily for office space and equipment, expiring at various dates through 2024. The leases require the Foundation to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $218,144 and $152,643 for 2019 and 2018, respectively.

Note 15 - Operating Leases (Continued)

Future minimum annual commitments under these operating leases are as follows:

Years Ending June 30	Amount
2020	$ 223,028
2021	162,113
2022	49,085
2023	1,805
2024	1,805
Total	$ 437,836

Note 16 - Employee Retirement Plan

The Foundation sponsors a 401(k) plan for the benefit of its employees. Under the 401(k) plan, the Foundation matches employee contributions up to 6 percent of the employee's salary. For the years ended June 30, 2019 and 2018, the Foundation's matching contributions were $142,681 and $139,964, respectively.

Note 17 - Contingencies

Guarantees

The Foundation assists the University by guaranteeing a limited number of primary residence loans through a local federal credit union for qualified university full-time tenured and tenure-track faculty members under a program called the Faculty Housing Assistance Program (FHAP). The Foundation guarantees up to $80,000 for each qualified loan. As of June 30, 2019, the Foundation guaranteed 103 FHAP loans totaling $6,125,682. As a condition of the guarantees made by the Foundation, the sponsoring institution has required the Foundation to maintain a designated cash balance of approximately $250,000. This balance is included in other assets.

Legal

The Foundation has been involved in various claims and other legal proceedings that arise from time to time in the ordinary course of business. The Foundation does not believe such matters will have a material adverse effect on its financial position, changes in net assets, or cash flows.

Note 18 - Related Party Transactions

The following is a description of transactions between the Foundation and related parties:

The Foundation holds and invests custodial endowments and University treasury funds in the LTIP. In 2018, the Foundation assessed 1 percent on the fair market value of these funds. In 2019, the Foundation assessed 1.5 percent on the University's endowments to align with the policy described in Note 7. The Foundation collected approximately $4,900,000 and $3,500,000 from the University for the years ended June 30, 2019 and 2018, respectively.

As discussed in Note 2, the Foundation transferred these funds to the University to support the budget for the CU Advancement on each of the University's campuses and the central office of advancement. These transferred funds are included on the consolidated statement of activities and changes in net assets as advancement support to the University and totaled $24,842,160 and $21,579,000 during the years ended June 30, 2019 and 2018, respectively.