Montclair State University Foundation, Inc.

(A Component Unit of
Montclair State University)

Financial Statements
And Independent Auditor's Report

CohnReznick

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

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CohnReznick

Independent Auditors' Report

To the Board of Trustees
Montclair State University Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Montclair State University Foundation, Inc. (the "Foundation") a component unit of Montclair State University, which comprise the statement of financial position as of June 30, 2025, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the Foundation for the year ended June 30, 2024, were audited by another auditor, who expressed an unmodified opinion on those statements on December 20, 2024.

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 available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CohnReznick LLP

New York, New York
December 2, 2025

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash	$ 1,601,727	$ 2,656,874
Unconditional promises to give, net	8,373,880	7,876,589
Investments, at fair value	157,850,817	124,578,893
Prepaid expenses and other assets, net	69,337	33,416
Beneficial interest in trusts, split-interest agreements and beneficial interest in life insurance	275,393	415,874
	$ 168,171,154	$ 135,561,646
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 4,993,611	$ 3,467,249
Net assets		
Without donor restrictions	30,056,123	21,887,879
With donor restrictions	133,121,420	110,206,518
Total net assets	163,177,543	132,094,397
	$ 168,171,154	$ 135,561,646

See Notes to Financial Statements.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statement of Activities
Year Ended June 30, 2025

		With donor restrictions			
	Without donor restrictions	Program restricted	Endowment funds	Total	Total
REVENUES, GAINS AND OTHER SUPPORT					
Contributions, net	$ 3,164,985	$ 15,999,541	$ 11,497,065	$ 27,496,606	$ 30,661,591
Special events, net of expenses	3,725	285,303	-	285,303	289,028
In-kind contributions	26,000	-	-	-	26,000
Non-cash contributions	12,000	71,767	-	71,767	83,767
Investment income, net	7,616,531	6,656,982	-	6,656,982	14,273,513
Change in value of beneficial interest in trusts, split-interest agreements and beneficial interest in life insurance	-	(107,643)	13,700	(93,943)	(93,943)
Net assets released from restrictions	11,630,880	(11,630,880)	-	(11,630,880)	-
Total revenues, gains and other support	22,454,121	11,275,070	11,510,765	22,785,835	45,239,956
EXPENSES					
Program services	11,717,271	-	-	-	11,717,271
Institutional support	668,664	-	-	-	668,664
Management and general	4,253,514	-	-	-	4,253,514
Total expenses	16,639,449	-	-	-	16,639,449
Reclassifications	(129,067)	(1,091)	130,158	129,067	-
Change in net assets	5,685,605	11,273,979	11,640,923	22,914,902	28,600,507
NET ASSETS					
Beginning of year	21,887,879	48,694,247	61,512,271	110,206,518	132,094,397
Services received from personnel of an affiliate	2,482,639	-	-	-	2,482,639
End of year	$ 30,056,123	$ 59,968,226	$ 73,153,194	$ 133,121,420	$ 163,177,543

See Notes to Financial Statements.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statement of Activities
Year Ended June 30, 2024

	Without Donor restrictions	With donor restrictions: Program restricted	With donor restrictions: Endowment funds	With donor restrictions: Total	Total
REVENUES, GAINS AND OTHER SUPPORT					
Contributions, net	$ 308,472	$ 5,129,405	$ 6,562,572	$ 11,691,977	$ 12,000,449
Special events, net of expenses	6,315	182,403	500	182,903	189,218
In-kind contributions	22,400	-	-	-	22,400
Non-cash contributions	-	26,115	-	26,115	26,115
Other support	35	123,639	10,786	134,425	134,460
Investment income, net	9,463,429	3,843,851	-	3,843,851	13,307,280
Change in value of beneficial interest in trusts, split-interest agreements and beneficial interest in life insurance	-	(33,760)	17,619	(16,141)	(16,141)
Net assets released from restrictions	7,186,895	(7,186,895)	-	(7,186,895)	-
Total revenues, gains and other support	16,987,546	2,084,758	6,591,477	8,676,235	25,663,781
EXPENSES					
Program services	7,251,809	-	-	-	7,251,809
Institutional support	330,979	-	-	-	330,979
Management and general	4,090,220	-	-	-	4,090,220
Total expenses	11,673,008	-	-	-	11,673,008
Reclassifications	(5,000)	33,748	(28,748)	5,000	-
Change in net assets	5,309,538	2,118,506	6,562,729	8,681,235	13,990,773
NET ASSETS					
Beginning of year	13,758,336	46,575,741	54,949,542	101,525,283	115,283,619
Services received from personnel of an affiliate	2,820,005	-	-	-	2,820,005
End of year	$ 21,887,879	$ 48,694,247	$ 61,512,271	$ 110,206,518	$ 132,094,397

See Notes to Financial Statements.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statement of Functional Expenses
Year Ended June 30, 2025

	Program services				Institutional support			Management and general			
	Program general	Capital	Scholarship	Total	Program	Fundraising	Total	Administrative	In-kind expenses - fundraising	Total	Total
Grants and other assistance	$ 8,161,567	$ -	$ -	$ 8,161,567	$ 311,114	$ -	$ 311,114	$ -	$ -	$ -	$ 8,472,681
Salaries and fringe benefits	-	-	-	-	-	-	-	806,154	2,482,639	3,288,793	3,288,793
Events and outside services	175,854	-	-	175,854	-	-	-	-	-	-	175,854
Travel	28,925	-	-	28,925	-	-	-	-	-	-	28,925
Classroom and instructional supplies	51,307	-	-	51,307	-	-	-	-	-	-	51,307
Scholarships, Stipends, Honorariums and Awards	367,571	-	2,553,855	2,921,426	-	-	-	-	-	-	2,921,426
Equipment and other capital funding	369,177	-	-	369,177	12,000	-	12,000	-	-	-	381,177
Insurance	2,026	-	-	2,026	-	-	-	20,056	-	20,056	22,082
Professional fees	-	-	-	-	-	-	-	98,702	-	98,702	98,702
Development support	-	-	-	-	-	345,550	345,550	-	-	-	345,550
Occupancy	-	-	-	-	-	-	-	-	26,000	26,000	26,000
Bad debt expense	-	-	-	-	-	-	-	406,245	-	406,245	406,245
Computer expense	-	-	-	-	-	-	-	241,603	-	241,603	241,603
Office expense	-	-	-	-	-	-	-	36,523	-	36,523	36,523
Other	6,989	-	-	6,989	-	-	-	135,592	-	135,592	142,581
Total expenses	$ 9,163,416	$ -	$ 2,553,855	$ 11,717,271	$ 323,114	$ 345,550	$ 668,664	$ 1,744,875	$ 2,508,639	$ 4,253,514	$ 16,639,449

See Notes to Financial Statements.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statement of Functional Expenses
Year Ended June 30, 2024

	Program services				Institutional support			Management and general			
	Program general	Capital	Scholarship	Total	Program	Fundraising	Total	Administrative	In-kind expenses - fundraising	Total	Total
Grants and other assistance	$ 4,083,268	$ -	$ -	$ 4,083,268	$ 125,000	$ -	$ 125,000	$ -	$ -	$ -	$ 4,208,268
Salaries and fringe benefits	-	-	-	-	-	-	-	540,620	2,820,005	3,360,625	3,360,625
Events and outside services	153,869	-	-	153,869	-	-	-	-	-	-	153,869
Travel	29,292	-	-	29,292	-	-	-	-	-	-	29,292
Classroom and instructional supplies	61,550	-	-	61,550	-	-	-	-	-	-	61,550
Scholarships, Stipends,							-				
Honorariums and Awards	344,667	-	2,343,257	2,687,924	-	-	-	-	-	-	2,687,924
Equipment and other capital funding	204,605	19,540	-	224,145	-	-	-	-	-	-	224,145
Insurance	2,009	-	-	2,009	-	-	-	50,999	-	50,999	53,008
Professional fees	660	-	-	660	-	-	-	114,728	-	114,728	115,388
Development support	-	-	-	-	-	205,979	205,979	-	-	-	205,979
Occupancy	-	-	-	-	-	-	-	-	22,400	22,400	22,400
Bad debt expense	-	-	-	-	-	-	-	257,354	-	257,354	257,354
Computer expense	-	-	-	-	-	-	-	216,751	-	216,751	216,751
Office expense	-	-	-	-	-	-	-	7,982	-	7,982	7,982
Other	9,092	-	-	9,092	-	-	-	59,381	-	59,381	68,473
Total expenses	$ 4,889,012	$ 19,540	$ 2,343,257	$ 7,251,809	$ 125,000	$ 205,979	$ 330,979	$ 1,247,815	$ 2,842,405	$ 4,090,220	$ 11,673,008

See Notes to Financial Statements.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 31,083,146	$ 16,810,778
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions with donor restrictions held as endowments	(11,497,065)	(6,562,572)
Discounts on promises to give	(161,067)	79,563
Allowance for doubtful accounts	4,643	(63,112)
Net unrealized and realized gain on investments	(11,889,014)	(11,432,380)
Beneficial interest in trust, spilt-interest agreements and benefical interest in life insurance	140,481	16,141
Change in operating assets and liabilities		
Unconditional promises to give	(340,867)	2,025,392
Prepaid expenses and other assets	(35,921)	35,882
Accounts payable and accrued expenses	1,526,362	(251,695)
Net cash provided by operating activities	8,830,698	657,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of long-term investments	(34,722,402)	(17,320,303)
Proceeds from sale of long-term investments	13,339,492	10,633,980
Net cash used in investing activities	(21,382,910)	(6,686,323)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions with donor restrictions held as endowments	11,497,065	6,562,572
Net cash provided by financing activities	11,497,065	6,562,572
Net (decrease) increase in cash	(1,055,147)	534,246
CASH		
Beginning of year	2,656,874	2,122,628
End of year	$ 1,601,727	$ 2,656,874
SUPPLEMENTAL CASH FLOW INFORMATION		
Noncash investing and financing activities		
Gifts of property, equipment and other non-cash items	$ 83,767	$ 26,115
Transfers of property, equipment and artwork to Montclair State University	$ 83,767	$ 26,115

See Notes to Financial Statements.

1. Nature of Organization

The Montclair State University Foundation, Inc. (the "Foundation") is a non-profit 501(c)(3) corporation organized under the provisions of Title 15A of the New Jersey Nonprofit Corporation Act. The Foundation was established primarily for the purposes of encouraging and supporting the development of Montclair State University (the "University") through fundraising activities which include, but are not limited to, extending the educational and cultural influence of the University, adding to its cultural programs and facilities, and improving the opportunity for advanced study and research by the faculty and the student body. The Foundation's Board of Trustees oversees the use of funds raised by the Foundation.

The Foundation is considered a component unit of the University for financial reporting purposes, as its purpose for operations is entirely or almost entirely for the direct benefit of the University. Accordingly, the Foundation's financial statements are discretely presented in the University's basic financial statements. The Foundation's Board of Trustees is separate from the University's Board of Trustees.

2. Significant Accounting Policies

Basis of Accounting

The Foundation's financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), whereby revenues are recognized when earned and expenses are recorded when incurred.

Use of Estimates

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

Estimates which are significant to the Foundation include:

- **Scholarship expense:** The University awards scholarships which are funded by the Foundation to students based on each student's anticipated enrollment status at the time of the award. Scholarship expense is recorded at the time the award is made. If a student's enrollment status changes, the amount of that individual's scholarship will be reduced accordingly and will be reflected as a scholarship modification, which is a decrease to scholarship expense.

- **Other estimates:** The Foundation relies on estimates in recording allowances and discounts applied towards unconditional promises to give, in the valuation of investments, the valuation of non-cash assets it retains and in the net present valuation techniques applied to split-interest agreements.

Management periodically evaluates all of the estimates used in the preparation of the Foundation's financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates are made prospectively based on such periodic evaluations.

Net Asset Presentation

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- ***Without donor restrictions*** – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.

- ***With donor restrictions*** – net assets subject to donor-imposed stipulations that will be met by actions of the Foundation and/or by the passage of time or net assets to be maintained permanently by the Foundation. Generally, the donors of permanently endowed assets permit the Foundation to use all or part of the income earned on related investments for general or donor-specified purposes.

  The Foundation maintains quasi-endowed funds which have been established by its Board of Trustees to be retained and invested for specified purposes. Certain quasi-endowments have been classified as a component of without donor restrictions net assets since they were created by designation of the Foundation's Board of Trustees from unrestricted donations. Other quasi-endowments have been classified as with donor restrictions net assets since they were created by designation of the Foundation's Board of Trustees from temporarily restricted resources and the restrictions have not yet been satisfied. These restrictions may include, but not be limited to, the receipt of a gift in an amount which is in excess of the Foundation's current needs.

Unconditional Promises to Give

Contributions are recognized when a donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in "without donor restrictions" net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases to net assets as "with donor restrictions" and are internally classified as temporarily or permanently restricted net assets depending on the nature of the restriction. Unconditional promises to give are recorded at net present value, reduced for any uncollectible amounts. Management determines the allowance for doubtful promises based on a variety of considerations including the historical experience applied to an aging of promises, current facts and circumstances concerning collectability, and other factors.

Conditional Promises to Give

Conditional promises to give are those that include a barrier that must be overcome and either a right of return of assets received by the Foundation or a right of release of the donor's obligation to transfer assets to the Foundation. Conditional promises to give are not recognized as contributions until such time as the conditions upon which they depend are substantially met or explicitly waived by the donor. Proceeds received from conditional contributions are recorded as deferred revenue until such time that the conditional barriers to revenue recognition have been overcome. Conditional promises to give not recorded in the financial statements as of June 30, 2025 and 2024 were $5,000,000 and $0, respectively.

Investments

The following applies to the Foundation's investments which are managed pursuant to a Board of Trustees approved Investment Policy Statement:

- **Valuation:** Investments are carried at fair value. The fair value of alternative investments has been estimated using the Net Asset Value ("NAV") as reported by the management of the respective alternative investment funds.

- **Investment Income:** Unrealized gains and losses are reported in the statements of activities as a part of investment income. Interest and dividends from investments are recorded as investment income when earned. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the change in net assets.

- **Investment Income Allocations:** The Foundation maintains investment accounts for its endowments, including quasi-endowments, under the pooled unitization method. Realized and unrealized gains and losses from securities in the investment accounts are allocated quarterly to the individual endowment funds based on the relationship of the market value of each endowment fund to the total market value of the investment accounts, as adjusted for additions to or deductions from those accounts.

Fair Value of Financial Instruments

The Foundation follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The following is a description of the valuation methodologies used for assets measured at fair value by the Foundation.

- **Investments in Equity Funds, Fixed Income Securities, and Money Market Funds:** All investments in passively managed equity, as well as all fixed income and money market funds have been valued at the closing price reported in an active market in which the investments are traded.

  Investments in actively managed equity funds consist of a blend of investments which have been classified as Level 1 or Level 2. Level 1 investments have been valued at the closing price reported in an active market in which the investments are traded. Level 2 investments consist of unlisted equity securities which if market quotations are available, are valued at the last sale price on the valuation date, or if no sale occurs, at the last bid price for long positions or the last ask price for short positions. Securities traded on certain foreign securities exchanges are valued daily at fair value determined by an independent fair value service retained by the Fund, if available. The independent fair value service takes into account multiple factors including, but not limited to, movements in the securities markets, certain depositary receipts, futures contracts and foreign currency exchange rates that have occurred subsequent to the close of the foreign securities exchange.

- **Tactical Tilt Fund:** The Foundation has allocated a portion of its investment portfolio to an open ended mutual fund ("the Fund") with daily liquidity which is designed to manage opportunities and risks on a current basis. The Fund invests in a variety of vehicles including but not limited to cash, currency forwards, commodities and U.S./International Equities. The investment has been valued at the closing prices reported in an active market in which the respective investments within the Fund are traded.

- **Investments in Hedge Funds:** The Foundation invests in hedge funds as a component of its investment policy statement and related asset allocation strategy. For equity hedges, managers participating in the hedge fund have the ability to shift investments based on overarching strategy, including from small to large capitalization stocks and from a net long position to a net short position. The Foundation's investments in hedge positions have been estimated based on the capital account balance for each underlying fund manager and related investment, using the profit/loss for each investment, fund expenses (including incentive fees) and capital activity (including investor subscriptions and redemptions) during a reporting period to determine value. U.S. GAAP guidance provides for the use of NAV as a "*Practical Expedient*" for estimating fair value of alternative investments.

- **Investment in Private Equity Real Estate:** The Foundation maintains an investment in one private equity real estate position. Valuation is based on NAV as a "*Practical Expedient*".

- **Investments in Private Equity:** The Foundation maintains investments in private equity positions which invest in the primary and secondary markets. Valuations are based on NAV as a "*Practical Expedient*" for estimating fair value of alternative investments.

- **Investment in Private Credit:** The Foundation maintains investments in two private credit positions. Valuations are based on NAV as a "*Practical Expedient*" for estimating fair value of alternative investments.

- **Beneficial Interest in Trust:** Valuation is based on the underlying assets held in the trust, which consists of cash equivalents, equity mutual funds, fixed income securities and alternative strategy positions values at closing prices reported in an active market in which the investments are traded or NAV; as applicable.

- **Split-interest Arrangements and Beneficial Interest in Life Insurance:** An unobservable input based on the present value of the expected income from the assets calculated based on life expectancy tables.

The value by input level of the Foundation's investments have been included in Note 7 to the financial statements.

Beneficial Interests in Trusts

The Foundation recognizes beneficial interests in trusts as contribution income upon receipt based on the fair value of the underlying trust assets. Subsequent to initial contribution recognition, changes in fair value of the underlying trust assets are recognized separately in the statements of activities of the Foundation.

Split-Interest Agreements

The Foundation's split-interest agreements with donors consist of irrevocable charitable remainder trusts for which the Foundation is the beneficiary. Contribution revenue is recognized at the date a trust has been established with an initial valuation based on the expected present value of the Foundation's interest in a trust's assets. Present value computations consider, among other factors, appropriate interest rates and estimated donor mortality which are assessed annually for reasonableness. Subsequent to initial valuation, changes are recognized separately in the statements of activities of the Foundation.

Beneficial Interest in Life Insurance

The Foundation recognizes contribution revenue from donations received in the form of life insurance policies in which the Foundation is the owner and beneficiary. These policies are recorded at their cash surrender value and subsequent changes in value are reported separately in the statements of activities of the Foundation.

Revenue Recognition

The revenue recognition policies of the Foundation are as follows:

- **Contributions:** Contributions are recorded as with or without donor restrictions, depending on the existence or nature of relevant stipulations by donors regarding use of funds received.

- **Event revenue:** Event revenue is recognized when the event occurs. Amounts received in a current reporting period for an event which will occur subsequent to year end are recognized as deferred revenues. Revenues are shown net of costs of direct benefits to donors.

- **Non-cash donations:** The Foundation receives non-cash donations in the form of artwork, property, and equipment from various donors. These donations are generally transferred to the University in accordance with the terms of a gift agreement. In instances where the Foundation retains an interest in the donated asset, the Foundation evaluates the carrying value for impairment based on facts and circumstances including fair market appraisals and future sale of the assets, or its components, at amounts equal to or greater than their recorded value.

Contributed Nonfinancial Assets

Amounts are recognized in the statements of activities if those services create or enhance nonfinancial assets or require skills, are provided by individuals possessing those skills and would typically be purchased if not provided by donation. The Foundation recognizes a contribution and an expense for contributed nonfinancial assets to the Foundation based on the fair value of the services provided.

Fundraising Expenses

The Foundation's fundraising activities include expenses for the operation of the Annual Fund, as well as for major giving, donor relations, and special events and totaled $370,822 and $227,585, respectively, for the years ended June 30, 2025 and 2024. Fundraising expenses associated with special events totaled $25,272 and $21,606, respectively, for the years ended June 30, 2025 and 2024. Expenses associated with other development initiatives totaled $345,550 and $205,979, respectively, for the years ended June 30, 2025 and 2024 and were included as institutional support.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of functional expenses. Functional expenses are presented based on the natural classification detail of expenses by function. The Foundation records expenses in its general ledger accounting system according to program and supporting services classifications based upon the function benefited.

Income Taxes

The Foundation is a not-for-profit organization incorporated under the applicable laws of the State of New Jersey and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure to the financial statements. The Foundation's federal and state income tax returns prior to fiscal year 2022 are closed and management continually evaluates expiring statues of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If applicable, the Foundation will recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position. There were no interest or penalties paid for the years ended June 30, 2025 and 2024.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 2, 2025.

Reclassifications

For the years ended June 30, 2025 and 2024, reclassifications were primarily made for funds which have been re-purposed as permanent endowments pursuant to changes made to previous gift agreements as designated by respective donors and as a result of the return to principal of unspent investment earnings pursuant to the terms of existing donor agreements.

Certain amounts in the prior period financial statements have been reclassed to conform to the current period presentation. These reclassification had no effect on the previously reported changes in net assets or net assets.

3. Unconditional Promises to Give

Unconditional promises to give, net, consisted of the following at June 30:

	2025	2024
Total unconditional promises to give	$ 9,154,941	$ 8,814,074
Unamortized discount	(444,532)	(605,599)
Allowance for doubtful accounts	(336,529)	(331,886)
Unconditional promises to give, net	$ 8,373,880	$ 7,876,589

Promises to give will be received, depending on the timing of the donor's pledge commitment, from within one year to five years. Significant contributions due in more than one year are reflected at the present value of estimated future cash flows using discount rates ranging from 3.75% to 3.98% and 4.44% to 5.10%, respectively, for the years ended June 30, 2025 and 2024. The discount is amortized and included in support over the life of the pledge.

Promises to give are due to be collected in the following periods:

	2025	2024
Less than one year	$ 4,014,354	$ 3,631,335
One to five years	4,547,587	3,859,473
More than five years	593,000	1,323,266
	9,154,941	8,814,074
Unamortized discount	(444,532)	(605,599)
Allowance for doubtful accounts	(336,529)	(331,886)
Unconditional promises to give, net	$ 8,373,880	$ 7,876,589

4. Investments

Investments consisted of the following at June 30:

	2025	2024
Money market funds	$ 3,365,995	$ 2,711,536
Fixed income	40,291,401	32,809,009
Equities	79,248,996	58,618,305
Tactical Tilt fund	6,085,096	4,812,659
Hedge funds	7,913,571	6,033,718
Private equity	15,705,955	14,318,062
Private credit	4,831,410	4,851,003
Private equity real estate	408,393	424,601
Total investments	$ 157,850,817	$ 124,578,893

At June 30, 2025, the Foundation has committed to fifteen (15) private equity investments and six (6) private credit investments. At June 30, 2025, total commitments to the private equity investments have been summarized as follows:

	Total commitments	Unfunded commitments
Private equity	$ 23,900,000	$13,813,235
Private credit	10,500,000	6,666,899
	$ 34,400,000	$20,480,134

The Foundation's investments include equity and fixed income positions invested through a Student Advised Investment Fund ("SAIF") which is managed by students of the University under defined policies and procedures. The SAIF was organized as a single member limited liability company (LLC) in which the Foundation is the sole member. At June 30, 2025 and 2024, investments at fair value approximated $740,581 and $660,643, respectively.

5. Fair Value Measurements

The fair value of investments at June 30, and their fair value level hierarchy are as follows for those investments subject to categorization within the hierarchy:

	2025					
Description	Level 1	Level 2	Level 3	Total reported on the fair value hierarchy	Net asset value	Total
Investments:						
Equity securities: (a)	$ 66,744,091	$ 12,504,904	$ -	$ 79,248,995	$ -	$ 79,248,995
Fixed income securities: (a)	11,844,481	28,446,920	-	40,291,401	-	40,291,401
Hedge funds: (b)	-	-	-	-	7,913,571	7,913,571
Other investments:						
Tactical tilt fund (a)	6,085,096	-	-	6,085,096	-	6,085,096
Private equity at net asset value (b)	-	-	-	-	16,114,348	16,114,348
Private credit at net asset value (b)	-	-	-	-	4,831,410	4,831,410
Money market funds (a)	3,365,995	-	-	3,365,995	-	3,365,995
Total other investments	9,451,091	-	-	9,451,091	20,945,759	30,396,850
Total investments	$ 88,039,663	$ 40,951,824	$ -	$ 128,991,487	$ 28,859,330	$ 157,850,817
Other:						
Beneficial interest in trusts	$ -	$ -	$ 275,393	$ 275,393	$ -	$ 275,393
						$ 158,126,210

Description	2024					
	Level 1	Level 2	Level 3	Total reported on the fair value hierarchy	Net asset value	Total
Investments:						
Equity securities: (a)	$ 46,409,862	$ 12,208,443	$ -	$ 58,618,305	$ -	$ 58,618,305
Fixed income securities: (a)	9,329,006	23,480,003	-	32,809,009	-	32,809,009
Hedge funds: (b)	-	-	-	-	6,033,718	6,033,718
Other investments:						
Tactical tilt fund (a)	4,812,659	-	-	4,812,659	-	4,812,659
Private equity at net asset value (b)	-	-	-	-	14,742,663	14,742,663
Private credit at net asset value (b)	-	-	-	-	4,851,003	4,851,003
Money market funds (a)	2,711,536	-	-	2,711,536	-	2,711,536
Total other investments	7,524,195	-	-	7,524,195	19,593,666	27,117,861
Total investments	$ 63,263,063	$ 35,688,446	$ -	$ 98,951,509	$ 25,627,384	$ 124,578,893
Other:						
Beneficial interest in trusts	$ -	$ -	$ 261,693	$ 261,693	$ -	$ 261,693
Spilt-interest agreements	-	-	46,538	46,538	-	46,538
Beneficial interest in life insurance	-	-	107,643	107,643	-	107,643
Total other	$ -	$ -	$ 415,874	$ 415,874	$ -	$ 415,874
						$ 124,994,767

(a) On the basis of its analysis of the nature, characteristics and risks of the investments, the Foundation has determined that presentation by sub-asset class is appropriate.

(b) In accordance with current accounting standards, certain investments that are measured at fair value using the net asset value per share ("NAV") (or its equivalent) "*Practical Expedient*" have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following is a reconciliation of the beginning and ending balances for Level 3 investments during the years ended June 30:

	2025	2024
Beginning balance	$ 415,874	$ 432,015
Pledges received	-	-
Interests in trusts and split-interest agreements received	-	-
Change in value of beneficial interest in trusts, spilt-interest agreements and beneficial interest in life insurance	(140,481)	(16,141)
Receipt of split-interest beneficial interest	-	-
Liquidation proceeds received from beneficial interest in trust	-	-
Ending balance	$ 275,393	$ 415,874

The following table below summarizes liquidity arrangements for investments valued at NAV using the "*Practical Expedient*" investments at June 30, 2025:

	2025			
	See Note	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds	A	$ 7,913,571	Quarterly	91 days
Private equity	B	16,114,348	Not currently eligible, 10 year lock-up's	N/A
Private credit	B	4,831,410	Not currently eligible, 10 year lock-up's	N/A
Total liquidity		$28,859,330		

	2024			
	See Note	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Hedge funds	A	$ 6,033,718	Quarterly	91 days
Private equity real estate	B	424,601	Not currently eligible, 10 year lock-up's	N/A
Private equity	B	14,318,061	Not currently eligible, 10 year lock-up's	N/A
Private credit	B	4,851,003	Not currently eligible, 10 year lock-up's	N/A
Total liquidity		$25,627,384		

Note A: The investment consists of fund managers that employ a variety of investment strategies with varying net/gross exposure levels. The fair values of the investments in this category are those reported by the fund administrators at June 30, 2025. Liquidity terms are provided.

Note B: The Foundation invests in Primary Private Equity, Secondary Private Equity, Private Credit, and Private Equity Real Estate asset classes. Of the Primary Private Equity investments, the Foundation is committed to one fund that is exclusively Environmental, Social and Governance ("ESG") focused. Each fund consists of various fund managers designed to minimize risk by spreading investments strategies across various industries and segments. While each investment has fund managers in various geographies, the primary concentrations are in the United States and, to a lesser extent, Europe. The overarching strategies of each of the aforementioned asset classes are as follows:

- ***Private Equity:*** The Private Equity Manager funds are a series of annual private equity offerings, designed to allow clients to allocate to private equity in a consistent, flexible, and transparent manner that leverages compelling strategies and quality managers. Investments primarily include buyouts in the large and middle market space, and venture capital; across a wide array of industries such as information technology, healthcare, financial, energy, consumer discretionary, and industrials, among others. The Vintage funds seek to source opportunities from around the world, acquiring and structuring portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real asset and venture capital strategies.

- ***ESG Primary Private Equity:*** The Imprint Thematic Opportunities Fund focuses on making primary commitments across specialist impact venture, growth equity, and buyout funds investing in environmental and social sustainability themes. The Funds mandate is to take advantage of thematic growth opportunities associated with de-carbonization of the global economy and technology enabled innovations in healthcare, financial services, and education.

- ***Private Credit:*** Private Credit Managers are multi-manager vehicles designed to provide clients with exposure to private credit via commitments to underlying funds with credit mandates that range from yield to capital appreciation-oriented strategies. The underlying portfolio's primarily target direct lending, loan portfolios and structured credit, and opportunistic distressed credit.

- **Private Equity Real Estate**: The Foundation has a commitment in one private equity real estate fund designated to primarily invest in opportunistic investments in multi-family, office, active adult, self-storage, and student housing related real estate.

6. Net Assets

Net assets consist of the following at June 30:

	2025	2024
Without Donor Restrictions		
Undesignated general operating	$ 22,022,222	$ 19,553,233
Board designated	8,033,901	2,334,646
Total Without donor restrictions	30,056,123	21,887,879
With Donor Restrictions		
Program restricted:		
Program funds	11,500,476	9,451,063
Scholarship funds	47,039,173	37,805,138
Capital funds	1,428,577	1,438,046
	59,968,226	48,694,247
Permanent endowment funds	73,153,194	61,512,271
Total With donor restrictions	133,121,420	110,206,518
Total net assets	$ 163,177,543	$ 132,094,397

Reclassifications between net assets are made to comply with donor-imposed restrictions and for transferring funds based on the changes in classifications.

7. Endowments

The Foundation currently manages various donor restricted and board designated endowment funds which support Montclair State University. Donor restricted (held in perpetuity) funds are managed based on the explicit directions of the donor. Board designated endowments are used to report resources that the Board of Trustees, rather than the donor, has determined are to be retained and managed similar to an endowment.

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted in New Jersey does not establish a level below which an endowment fund may not fall. Instead, UPMIFA requires that endowment fund investment and spending policies be designed with the aim of preserving that amount of each endowment fund which is prudent for the uses, benefits, purposes and duration for which each endowment fund was established. The Foundation has classified as donor with restrictions net assets the following: (a) the original value of gifts donated to its endowment funds, (b) the original value of subsequent gifts to such endowment funds, and (c) accumulations to such endowment funds made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of a donor-restricted endowment fund is classified within with donor restricted net assets until those amounts are appropriated for expenditure by the Foundation through the Board of Trustee's approval of the annual budget, which is inclusive of the amount withdrawn from its endowment funds pursuant to the Foundation's spending policy. The Board has determined that, absent donor stipulations to the contrary, the provisions of State law do not impose either a restriction on the income or capital appreciation derived from the original gift and/or additional gifts.

Unless otherwise specified by the donor, the Board of Trustees utilized a spending rate of 4.25% for the years ended June 30, 2025 and 2024 to determine distributions from the endowment. In most cases, a required minimum balance for each endowment must be achieved before a distribution can be made.

Montclair State University Foundation, Inc.
(A Component Unit of Montclair State University)

Notes to Financial Statements
June 30, 2025 and 2024

The following is a reconciliation of the activity in the Endowment funds:

	Year Ended June 30, 2025				
		With donor restrictions			
	Quasi endowment without donor restrictions	Quasi endowment with donor restrictions (Note 2)	Program restricted	Permanent endowment funds	Total
Endowment net assets at June 30, 2024	$ 2,334,646	$ 29,175,135	$ 7,108,314	$ 61,512,271	$ 100,130,366
Investment return, net	2,865,353	-	6,656,982	-	9,522,335
Contributions and pledge collections	2,924,149	102,203	5,557,915	11,510,765	20,095,032
Appropriation of endowment assets for expenditures	(86,391)	(958,674)	(2,162,918)	-	(3,207,983)
Transfers of other net assets	(3,856)	80,526	(43,906)	130,158	162,922
Endowment net assets at June 30, 2025	$ 8,033,901	$ 28,399,190	$ 17,116,387	$ 73,153,194	$ 126,702,672
Reconciliation to net assets:					
Unrestricted funds					22,022,222
Other temporarily restricted gifts					14,452,649
					$ 163,177,543

	Year Ended June 30, 2024				
		With donor restrictions			
	Quasi endowment without donor restrictions	Quasi endowment with donor restrictions (Note 2)	Program restricted	Permanent endowment funds	Total
Endowment net assets at June 30, 2023	$ 1,912,608	$ 26,192,090	$ 6,487,753	$ 54,949,542	$ 89,541,993
Investment return, net	79,550	988,044	2,921,756	-	3,989,350
Contributions and pledge collections	408,401	193,966	-	6,591,477	7,193,844
Appropriation of endowment assets for expenditures	(60,913)	(326,054)	(2,357,701)	-	(2,744,668)
Transfers to other net assets	(5,000)	2,127,089	56,506	(28,748)	2,149,847
Endowment net assets at June 30, 2024	$ 2,334,646	$ 29,175,135	$ 7,108,314	$ 61,512,271	$ 100,130,366
Reconciliation to net assets:					
Unrestricted funds					19,553,233
Other temporarily restricted gifts					12,410,798
Total net assets					$ 132,094,397

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor or the New Jersey UPMIFA requires the Foundation to retain as a fund in perpetual duration. The Foundation currently does not have any underwater endowment funds at June 30, 2025 and 2024.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs, while seeking to maintain the purchasing power of the endowment funds. The Foundation's primary investment objectives are to (i) invest its endowment principal to achieve growth of both principal value and income over time sufficient to preserve and/or increase the real (inflation adjusted) purchasing power of the assets and (ii) to provide a stable source of perpetual financial support.

Strategies Employed for Achieving Objectives

The Foundation's investment policy is approved by its investment committee which was established by the Foundation's Board of Trustees. 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.

8. Liquidity and Availability

The Foundation regularly monitors the availability of resources required to meet its operating needs and contractual commitments, while also striving to maximize its investment portfolio to meet short term spending needs while also preserving inter-generational equity. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities. The Foundation has various sources of liquidity available, including cash and cash equivalents, investments and pledge receivables.

As of June 30, 2025 and 2024, the Foundation's financial assets were designated as follows:

	2025	2024
Cash	$ 1,601,727	$ 2,656,874
Operating investments	28,347,294	20,997,045
Unconditional promises to give	5,200	35,342
Payout on board designated endowments	1,363,787	1,067,594
Payout on donor-restricted endowments	3,230,781	2,855,807
	$ 34,548,789	$ 27,612,662

In addition to financial assets to meet general expenditures over the next 12 months, the Foundation anticipates that sufficient revenue will be generated and collected to cover general expenditures not covered by donor-restricted sources.

9. Major Contributions

For the year ended June 30, 2025, six (6) pledge balances outstanding amounted to approximately 78% of total unconditional promises to give at June 30, 2025.

For the year ended June 30, 2024, a donation from one (1) donor comprised approximately 46% of total contributions. Four (4) pledge balances outstanding amounted to approximately 69% of total unconditional promises to give at June 30, 2024.

10. Related Party Transactions

The Foundation makes payments to the University for scholarships, grants and reimbursement of certain expenditures including staff salaries and fringe benefits. Payments by the Foundation to the University were approximately $12.5 million and $7.8 million for the years ended June 30, 2025 and 2024, respectively. Amounts due to the University included in accounts payable and accrued expenses at June 30, 2025 and 2024 and were approximately $4.4 million and $3.2 million, respectively.

The University contributed a significant amount of time to the Foundations general and administrative services at cost. Services include development costs in connection with fundraising for the benefit of the Foundation, an allocated percentage of management salaries for the oversight of the Foundation's operations. These services are considered to be services from personnel of an affiliate and are recorded as net asset transfers on the statements of activities and salaries in the statements of functional expenses. The services are for compensation associated with Development personnel who are paid directly by the University and for which associated costs are not subject to reimbursement by the Foundation. The recording of Development personnel costs has been made based on the respective individuals' roles in fundraising for which the Foundation is the direct beneficiary. For the years ended June 30, 2025 and 2024, services received amounted to $2,482,639 and $2,820,005, respectively.

To conduct its operations, the Foundation occupies space leased by the University which it uses in the operation of its administrative functions under a lease arrangement with an independent entity. Rent expense has been recognized based on the square footage occupied and the rental rate plus common area costs paid by the University under its lease agreement. The total in-kind contribution revenue and expense recognized in the statements of activities for the years ended June 30, 2025 and 2024 was $26,000 and $22,400, respectively.

The Foundation entered into an agreement with the University to be the recipient of the institutional funds held and owned by the University as a result of the merger of Bloomfield College into the University effective July 1, 2023. During 2025, the University contributed and transferred its entire right, title and interest to the Foundation. During 2025, the Foundation received $19,026,373 from the University in connection with this agreement. The Foundation will utilize the funds to support the University, including Bloomfield College of Montclair State University through scholarships and other expenditures consistent with past practices. The Foundation acting through its investment committee integrated the funds into its investment portfolio as part of its overall portfolio.

11. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to a concentration of credit risk consist primarily of cash and cash equivalents. Management reduces the exposure to cash and cash equivalents credit risk by placing cash balances with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

CohnReznick