

# **Caring for Colorado Foundation**

**Consolidated Financial Statements and  
Supplementary Information**

**September 30, 2025 and 2024**

**(With Independent Auditor's Report Thereon)**



## **Independent Auditor's Report**

### **Board of Directors Caring for Colorado Foundation**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Caring for Colorado Foundation and its affiliate, the Caring for Colorado Centennial Fund, which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Caring for Colorado Foundation and its affiliate as of September 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### **Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for 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.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Board of Directors  
Caring for Colorado Foundation**

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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Caring for Colorado Foundation and its affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caring for Colorado Foundation and its affiliate'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.

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information included in pages 23-24 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Kundinger, Corder & Montoya, P.C.*

January 23, 2026

**Caring for Colorado Foundation**  
**Consolidated Statements of Financial Position**  
**September 30, 2025 and 2024**

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 483,069	209,557
Restricted cash and investment (note 4)	41,528	937,796
Grant receivable	—	25,000
Investments (note 3)	251,315,821	251,122,481
Program related investment (note 5)	250,001	239,047
Prepaid expenses and deposits	44,051	198,579
Furniture and equipment, net (note 6)	120,565	179,615
Operating lease right-of-use asset (note 7)	1,348,270	1,592,242
Total assets	\$ 253,603,305	254,504,317
<b>Liabilities and Net Assets</b>		
Grants payable, net of discount (note 8)	\$ 414,846	6,275,444
Accounts payable and accrued expenses	903,253	409,457
Operating lease liability (note 7)	1,348,270	1,592,242
Total liabilities	2,666,369	8,277,143
<b>Net Assets (note 9)</b>		
Without donor restrictions		
Undesignated	210,478,176	202,602,541
Board designated	12,146,998	16,111,044
Total without donor restrictions	222,625,174	218,713,585
With donor restrictions		
Total net assets	28,311,762	27,513,589
Total net assets	250,936,936	246,227,174
Commitments (notes 10 and 11)		
Total liabilities and net assets	\$ 253,603,305	254,504,317

See the accompanying notes to the consolidated financial statements.

**Caring for Colorado Foundation**  
**Consolidated Statement of Activities**  
**Year Ended September 30, 2025**

	Without donor restrictions	With donor restrictions	Total
<b>Revenue, gains and support</b>			
Grants and contributions	\$ 2,648	1,980,430	1,983,078
Interest and dividends, net	1,815,572	217,898	2,033,470
Realized and unrealized gains on investments, net	18,972,587	2,339,147	21,311,734
Net assets released from restrictions (note 9)	3,739,302	(3,739,302)	–
Total revenue, gains, and support	<u>24,530,109</u>	<u>798,173</u>	<u>25,328,282</u>
<b>Expenses</b>			
Program services			
Grantmaking expenses (note 8)	18,597,586	–	18,597,586
Total program service expenses	<u>18,597,586</u>	<u>–</u>	<u>18,597,586</u>
Supporting services			
Management and general expenses	1,947,882	–	1,947,882
Fundraising expenses	73,052	–	73,052
Total supporting services expenses	<u>2,020,934</u>	<u>–</u>	<u>2,020,934</u>
Total expenses	<u>20,618,520</u>	<u>–</u>	<u>20,618,520</u>
<b>Change in net assets</b>	3,911,589	798,173	4,709,762
<b>Net assets at beginning of year</b>	218,713,585	27,513,589	246,227,174
<b>Net assets at end of year</b>	<u>\$ 222,625,174</u>	<u>28,311,762</u>	<u>250,936,936</u>

See the accompanying notes to the consolidated financial statements.

**Caring for Colorado Foundation**  
**Consolidated Statement of Activities**  
**Year Ended September 30, 2024**

<b>Revenue, gains and support</b>	Without donor restrictions	With donor restrictions	Total
Grants and contributions	\$ —	1,936,824	1,936,824
Federal grants	1,278,331	—	1,278,331
Interest and dividends, net	1,770,108	217,338	1,987,446
Realized and unrealized gains on investments, net	30,882,755	3,692,742	34,575,497
Net assets released from restrictions (note 9)	2,676,354	(2,676,354)	—
Total revenue, gains, and support	<u>36,607,548</u>	<u>3,170,550</u>	<u>39,778,098</u>
<b>Expenses</b>			
Program services			
Grantmaking expenses (note 8)	16,127,533	—	16,127,533
Total program service expenses	<u>16,127,533</u>	<u>—</u>	<u>16,127,533</u>
Supporting services			
Management and general expenses	1,898,777	—	1,898,777
Fundraising expenses	43,996	—	43,996
Total supporting services expenses	<u>1,942,773</u>	<u>—</u>	<u>1,942,773</u>
Total expenses	<u>18,070,306</u>	<u>—</u>	<u>18,070,306</u>
<b>Change in net assets</b>	18,537,242	3,170,550	21,707,792
<b>Net assets at beginning of year</b>	<u>200,176,343</u>	<u>24,343,039</u>	<u>224,519,382</u>
<b>Net assets at end of year</b>	<u>\$ 218,713,585</u>	<u>27,513,589</u>	<u>246,227,174</u>

See the accompanying notes to the consolidated financial statements.

**Caring for Colorado Foundation**  
**Consolidated Statements of Functional Expenses**  
**Years Ended September 30, 2025 and 2024**

	Program Services		Supporting Services				Total	
	Grantmaking expenses		Management and general		Fundraising			
	2025	2024	2025	2024	2025	2024	2025	2024
Grants, net of refunds	\$ 14,559,814	12,998,419	–	–	–	–	14,559,814	12,998,419
Salaries	1,289,291	1,259,200	1,080,124	906,775	63,880	38,472	2,433,295	2,204,447
Program expenses	1,707,752	1,106,688	–	–	–	–	1,707,752	1,106,688
Benefits	298,376	193,980	264,851	279,555	3,746	2,074	566,973	475,609
Professional fees	124,891	74,294	101,443	64,708	–	–	226,334	139,002
Information technology	83,978	63,434	73,569	95,035	1,358	849	158,905	159,318
Rent	217,863	160,631	190,858	235,417	3,523	2,150	412,244	398,198
Payroll taxes	96,008	57,972	85,658	85,738	–	–	181,666	143,710
Office expenses	47,324	56,965	42,878	69,081	99	118	90,301	126,164
Travel, meetings and conferences	58,229	41,838	48,673	44,598	446	333	107,348	86,769
Depreciation	38,562	20,662	34,405	32,457	–	–	72,967	53,119
Communications	58,182	76,460	18,180	79,373	–	–	76,362	155,833
Other	17,316	16,990	7,243	6,040	–	–	24,559	23,030
<b>Total expenses</b>	<b>\$ 18,597,586</b>	<b>16,127,533</b>	<b>1,947,882</b>	<b>1,898,777</b>	<b>73,052</b>	<b>43,996</b>	<b>20,618,520</b>	<b>18,070,306</b>

See the accompanying notes to the consolidated financial statements.

**Caring for Colorado Foundation**  
**Consolidated Statements of Cash Flows**  
**Years Ended September 30, 2025 and 2024**

	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 4,709,762	21,707,792
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation	72,967	53,119
Amortization of discount on long-term grants	62,639	262,547
Net realized and unrealized gains on investments	(21,311,734)	(34,575,497)
Non-cash reversal of grants payable	(2,045,526)	-
Change in operating assets and liabilities:		
Grant receivable	25,000	(25,000)
Program related investment	(10,954)	(10,954)
Prepaid expenses and deposits	154,528	(168,112)
Grants payable	(3,877,711)	528,231
Accounts payable and accrued expenses	493,796	7,425
Refundable advance	-	(109,129)
Net cash used in operating activities	(21,727,233)	(12,329,578)
<b>Cash flows from investing activities</b>		
Purchases of investments	(51,650,292)	(72,190,726)
Sales of investments	72,768,686	84,139,791
Purchases of furniture and equipment	(13,917)	(5,489)
Net cash provided by investing activities	21,104,477	11,943,576
<b>Net change in cash, cash equivalents, and restricted cash</b>	(622,756)	(386,002)
<b>Cash, cash equivalents, and restricted cash, beginning of year</b>	1,147,353	1,533,355
<b>Cash, cash equivalents, and restricted cash, end of year</b>	\$ 524,597	1,147,353
<b>Reconciliation of cash, cash equivalents, and restricted cash at end of year</b>		
Cash and cash equivalents	\$ 483,069	209,557
Restricted cash and investments	41,528	937,796
Total cash, cash equivalents, and restricted cash	\$ 524,597	1,147,353

See the accompanying notes to the consolidated financial statements.

**Caring for Colorado Foundation**  
**Notes to Consolidated Financial Statements**  
**September 30, 2025 and 2024**

---

**(1) Summary of Significant Accounting Policies**

**(a) Organization**

The Caring for Colorado Foundation (the Foundation) is a 501(c)(4) not-for-profit organization. The mission of the Foundation is to create equity in health, well-being and opportunity for Colorado's young people and families utilizing funds received as a result of the conversion of Blue Cross and Blue Shield of Colorado and Blue Cross and Blue Shield of Nevada (BCBS) into a for-profit corporation. Pursuant to Colorado Revised Statute Section 10-16-324, the proceeds from the sale of BCBS to Anthem Insurance Company were transferred to the Foundation.

The Foundation is not a private foundation as defined by the IRS. However, the Foundation is required by its Articles of Incorporation to make distributions (as defined) each year in an amount equal to or greater than 5% of the aggregate fair market value of all assets. This calculated distribution can be adjusted by the board of directors if it determines that, because of the depressed condition of the market for investment securities in any one or more years, it would be ill-advised to make such distributions. The Foundation must provide written notification of changes to the Articles of Incorporation and bylaws to the Colorado Attorney General who will have 30 days from the date of such notification to object to the changes.

On December 6, 2018, the Foundation formed the Caring for Colorado Centennial Fund, dba CO Centennial Fund (the Fund), a subordinate 501(c)(3) tax exempt, charitable organization of which the Foundation is the sole corporate member and has the ability to appoint all board members. The Fund was formed for the purpose of accepting a \$20,000,000 grant that is donor restricted for The Sperry S. and Ella Graber Packard Fund for Pueblo; and for conducting other charitable activities that advance the health and well-being of Colorado residents.

**(b) Principles of Consolidation**

The consolidated financial statements include the accounts of the Foundation and the Fund, collectively referred to as "the Foundation". All intercompany balances and transactions have been eliminated in consolidation.

**(c) Basis of Accounting**

The accompanying consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### (1) Summary of Significant Accounting Policies, Continued

#### (d) Financial Statement Presentation

The Foundation is required to present information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

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

#### (e) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less, and which are not held as part of an investment portfolio, to be cash equivalents.

#### (f) Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of investment securities and cash and cash equivalents. At times, a significant portion of the cash and cash equivalents may exceed the amount insured by the FDIC or related institutions. The Foundation's investments are monitored by investment advisors who are engaged by the board of directors and are subject to the Foundation's investment policy. These investments are subject to the risk of fluctuations in market value but, in the opinion of management, the risk is appropriate in view of the amount and term of the investment funds.

#### (g) Investments and Fair Value Measurements

All investments are recorded at fair value in the statements of financial position. The Foundation's management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable. Investment return consists of the Foundation's distributive share of any interest, dividends, and capital gains and losses generated from the realized and unrealized gains or losses, generated from investments. Gains and losses attributed to the Foundation's investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### (1) Summary of Significant Accounting Policies, Continued

#### (g) Investments and Fair Value Measurements, Continued

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles in the U.S. establishes a fair value hierarchy that prioritizes investments based on the assumptions market participants would use when pricing an asset. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Assets are grouped at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2 and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Investments in marketable equity and fixed income securities with readily determinable market values are reported at fair value based on quoted prices in active markets. In addition, certain investments are reported using the "practical expedient" method. The practical expedient method allows net asset value per share or its equivalent to represent fair value for reporting purposes when the criteria for using this method are met. Investments valued using net asset value per share or its equivalent are not categorized within the hierarchy.

The carrying amount reported in the statements of financial position for cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

#### (h) Program Related Investment

The Foundation uses program related investments primarily for charitable purposes as a strategic tool to provide organizations access to capital to advance the Foundation's programmatic mission. Program related investments include a loan made at a .5% annual interest rate over four years. Loans are carried at the unpaid principal balance. Past due status is determined based on contractual terms. Loans are evaluated for collectibility if full principal or interest payments are not anticipated in accordance with contractual terms. If a loan is deemed uncollectible, it is charged to expense in the period it is deemed uncollectible. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### (1) Summary of Significant Accounting Policies, Continued

#### (i) Furniture and Equipment

Purchases of furniture, equipment and leasehold improvements in excess of \$5,000 are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which are generally 3-10 years.

#### (j) Leases

The Foundation has elected not to record on the statements of financial position a lease whose term is twelve months or less and does not include a purchase option that the Foundation is reasonably certain to exercise. The Foundation has elected to use the risk-free rate to determine the present value of the lease payments for purposes of calculating the right-of-use asset and lease liability. The lease requires the payment of CAM expenses which the Foundation has elected to expense. CAM expensed in the years ended September 30, 2025 and 2024 totaled \$137,147 and \$128,709, respectively. The estimated remaining obligation at September 30, 2025 is \$812,706.

#### (k) Grants Payable and Expense

Grant awards are recorded as expense by the Foundation when the awards are approved by the board of directors and the grant recipients have met the conditions of the grant award. Grants payable are reported at net realizable value if, at the time the promise is made, the Foundation expects to make payment in one year or less. Grants payable in more than one year are discounted to net present value.

#### (l) Revenue Recognition

##### Grants and Contributions

Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. Payments received in advance of conditions being met are recorded as a refundable advance.

Government grants are treated as contributions that are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. At September 30, 2025, there are no conditional contributions related to these grants outstanding.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### **(1) Summary of Significant Accounting Policies, Continued**

#### **(l) Revenue Recognition, Continued**

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year.

#### **(m) Estimates**

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

#### **(n) Functional Allocation of Expenses**

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. The Foundation incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Foundation also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

#### **(o) Income Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, contributions to the Fund qualify for the charitable contribution deduction. However, income from activities not directly related to the Foundation's or Fund's tax-exempt purpose is subject to taxation as unrelated business income.

Management is required to evaluate tax positions taken by the Foundation and the Fund and to recognize a tax liability (or asset) if the Foundation or the Fund have taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. The Foundation and the Fund believe that they have appropriate support for any tax positions taken and that none would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation and the Fund are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax returns are subject to examination by the IRS, generally for three years after they were filed.

#### **(p) Subsequent Events**

The Foundation has evaluated subsequent events through January 23, 2026, the date the financial statements were available to be issued.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

### (2) Liquidity and Availability of Financial Assets

General expenditures include administrative and general expenses, fundraising expenses and grant and private equity capital commitments expected to be paid in the subsequent year. The Foundation is committed to an annual spending policy of 4.75%. Sufficient liquidity is maintained within the investment program to provide for annual spending on grant making and the costs of operations. Annual operations are defined as activities occurring during the Foundation's fiscal year. The table below presents financial assets available for general expenditures within one year at September 30:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 483,069	209,557
Grants receivable	-	25,000
Investments	<u>251,315,821</u>	<u>251,122,481</u>
Total financial assets	<u>251,798,890</u>	<u>251,357,038</u>
Less amounts unavailable within one year due to:		
Donor-imposed purpose restrictions	(28,311,762)	(27,513,589)
Investments not convertible to cash within twelve months	(81,512,439)	(84,044,954)
Amounts unavailable without Board's approval:		
Board designated Opportunity Fund	<u>(12,146,998)</u>	<u>(16,111,044)</u>
Total amounts unavailable within one year	<u>(121,971,199)</u>	<u>(127,669,587)</u>
Total financial assets available for general expenditure within one year	\$ <u>129,827,691</u>	<u>123,687,451</u>

Amounts not available include certain alternative investments with redemption limitations as more fully described in note 3 and a board designated fund that is intended to fund special board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the funds could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions. See also note 9.

### (3) Investments

The Foundation's investment assets, which include private and publicly held investments, are dedicated to providing the financial resources needed to meet the Foundation's grant-making and other charitable objectives. The Foundation's investments are managed by independent professional investment management firms and are held in various investment structures such as commingled mutual funds and trusts, foreign domiciled hedge funds and limited partnerships.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

### (3) Investments, Continued

Marketable and private alternative investments are exposed to various risks that may cause the reported value of the Foundation's investment assets to fluctuate from period to period and result in a material change 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, business and industry market conditions and the general economic environment. The values of bond investments and other fixed income securities fluctuate in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions.

Certain investment managers retained by the Foundation are permitted to use various investment strategies and techniques that are designed to achieve higher investment returns with lower volatility and low 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.

At September 30, 2025, the Foundation had total unexpended commitments of approximately \$17 million for investments in the alternative investment class. The Foundation's commitments involve partnership investment structures which have limited liquidity features, fixed terms and commitment periods ranging from 1 to 5 years.

Investments are stated at fair value and consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Domestic equity funds	\$ 75,720,862	77,199,962
International equity funds	21,666,958	16,385,149
Absolute return funds	36,906,400	36,701,742
Fixed income funds	24,592,721	23,837,038
Hedged equity funds	25,830,289	30,474,185
Private equity funds	57,174,944	55,328,972
Real asset funds	2,131,603	2,124,426
Certificates of deposit	1,633,907	4,126,941
Money market funds	<u>5,658,137</u>	<u>4,944,066</u>
	<u>\$ 251,315,821</u>	<u>251,122,481</u>

## Caring for Colorado Foundation

### Notes to Consolidated Financial Statements, Continued

#### (3) Investments, Continued

The following table summarizes the Foundation's investments by the fair value hierarchy levels as of September 30, 2025:

	<u>Fair Value</u>	Assets Measured at <u>NAV (a)</u>	<u>Level 1</u>
Domestic equity funds	\$ 75,720,862	45,935,203	29,785,659
International equity funds	21,666,958	11,061,913	10,605,045
Absolute return funds	36,906,400	36,906,400	–
Fixed income funds	24,592,721	14,535,715	10,057,006
Hedged equity funds	25,830,289	25,830,289	–
Private equity funds	57,174,944	57,174,944	–
Real asset funds	2,131,603	2,131,603	–
Certificates of deposit	1,633,907	–	1,633,907
Money market funds	<u>5,658,137</u>	<u>–</u>	<u>5,658,137</u>
	<u>\$ 251,315,821</u>	<u>193,576,067</u>	<u>57,739,754</u>

The following table summarizes the Foundation's investments by the fair value hierarchy levels as of September 30, 2024:

	<u>Fair Value</u>	Assets Measured at <u>NAV (a)</u>	<u>Level 1</u>
Domestic equity funds	\$ 77,199,962	46,775,096	30,424,866
International equity funds	16,385,149	8,048,111	8,337,038
Absolute return funds	36,701,742	36,701,742	–
Fixed income funds	23,837,038	14,285,102	9,551,936
Hedged equity funds	30,474,185	30,474,185	–
Private equity funds	55,328,972	55,328,972	–
Real asset funds	2,124,426	2,124,426	–
Certificates of deposit	4,126,941	–	4,126,941
Money market funds	<u>4,944,066</u>	<u>–</u>	<u>4,944,066</u>
	<u>\$ 251,122,481</u>	<u>193,737,634</u>	<u>57,384,847</u>

- (a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in this column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position

Level 1 assets have been valued using a market approach. All other investments have been valued at net asset value per share, or its equivalent. There were no changes in the valuation techniques during the current year.

## Caring for Colorado Foundation

### Notes to Consolidated Financial Statements, Continued

#### (3) Investments, Continued

The following table summarizes the significant information related to investments measured at NAV, or its equivalent, as of September 30, 2025:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Absolute Return (a)	\$36,906,400	N/A	Monthly to annual	45 – 75 days for those funds with liquidity
Domestic Equity (b)	45,935,203	N/A	Monthly to quarterly	1 – 60 days
Hedged Equity (c)	25,830,289	N/A	Quarterly to every three years	45 – 60 days
Private Equity (d)	57,174,944	15,248,919	N/A	N/A
International Funds (e)	11,061,913	N/A	Monthly	30 days
Real Assets (f)	2,131,603	2,232,159	N/A	N/A
Fixed Income (g)	14,535,715	N/A	Any business day to monthly	2 – 30 days

(a) Approximately 67% of this portfolio is invested in two partnerships in which the Foundation is a limited partner. These partnerships invest in and sell short securities and instruments including investments in restructuring companies that are undergoing significant corporate events such as spin-offs, recapitalizations, and strategic realignments; credit investments such as bank debt and corporate bonds; merger arbitrage involving corporate takeovers; real estate investments, and other investments in securities or instruments that the General Managers believe are under- or overvalued or are likely to appreciate or depreciate. These partnership investments are subject to quarterly or annual redemption frequencies upon 45 to 65 day notice.

Another 32% of this portfolio consists of an investment in a passive foreign investment corporation whose investment strategy is to generate attractive risk-adjusted returns primarily by investing in stressed corporate debt, distressed corporate debt, deep value and special situation equities, and low loan-to-value middle market leveraged loans and high yield bonds. Redemptions may be made upon 75 days' notice.

About 1% of this portfolio is currently in the liquidation process. Liquidity of these funds is available only as the underlying investments are liquidated and the funds expenses are paid.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### (3) Investments, Continued

- (b) This category consists of investments in one domestic and one foreign partnership in which the Foundation is a limited partner. The domestic partnership holds long and short positions primarily in equity securities of companies within and outside of the S&P 500 Index. Derivative instruments, such as forward contracts, futures, options and swaps may be used to attempt to hedge existing long and short positions in order to maximize returns and reduce risks. This fund has a quarterly redemption frequency upon 60 days' notice.

The foreign partnership, which has an investment balance of \$3,130,131 at September 30, 2025, is organized as a feeder fund in which substantially all of its assets are invested in a master fund. The master fund has been established to pursue an investment strategy that focuses primarily on companies in the healthcare industry, including medical technologies, pharmaceuticals, biotechnology, life sciences, healthcare services and related industries. Quarterly redemptions are allowed upon at least 45 days' prior written notice and are limited to 25% of the net asset value of the partnership at the withdrawal date.

About 11% of the portfolio is invested in a passive investment corporation with an investment balance of \$9,701,698 at September 30, 2025. It manages a concentrated portfolio comprised of small cap growth companies, targeting investments in "compounders", which are defined as stocks with the potential to appreciate at a +20% CAGR over a 10-year period. Redemptions of all or a portion of the value are allowed upon 150 day notice, after the 36 month anniversary of issuance.

This portfolio also includes a collective trust fund with a fair value of \$7,743,012 at September 30, 2025. The collective trust fund seeks to generate long-term compounded returns with less volatility and risk of loss than the overall market by owning a concentrated portfolio of U.S. mid-cap equities. The fund generally offers monthly liquidity provided notification of withdrawal is received by the 22<sup>nd</sup> day of the preceding month.

- (c) The overall objective of this portfolio is to achieve maximum capital appreciation commensurate with reasonable risk. The portfolio is invested in hedge funds that pursue multiple strategies to diversify risk and reduce volatility by investing across all sectors and market capitalizations globally, including investments in equities and equity related instruments. The goal is to maintain a low net exposure and a low long/short ratio within every region and industry sector. Redemption frequency restrictions vary from quarterly to every three years upon 45 to 60 days' notice.
- (d) This category includes investments in limited domestic and foreign partnerships. Generally, these funds allocate capital across a variety of industries including illiquid special situation investments, diversified portfolios of venture capital partnerships, distressed and undervalued middle market companies, less liquid and/or longer-duration securities, equity-related securities and obligations of entities (i) formed to effect or that are the subject of leveraged buy-out transactions, (ii) that are being capitalized, or (iii) that require capital for operations or business expansion, and acquisition, holding, and distribution or other disposition of portfolio securities in companies that have primary business activities in the Asia Pacific Region. This category also includes a passive foreign investment corporation that seeks opportunities that have emerged as a result of dislocations and illiquidity in global capital markets with a specific focus on credit-related strategies.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

---

### (3) Investments, Continued

- (d) Also included in this category is a fund established primarily to make investments in structured residential asset-backed loans, specialty asset loans, corporate loans and other asset-backed loans in both the primary and secondary markets; and a secondaries fund that invests in operating companies and private funds via secondary and primary transactions.

In addition, this category includes a Delaware limited partnership that was formed to acquire a diversified portfolio of interests in established small and middle market U.S. buyout funds that are less than 50% invested through secondary market purchases. The funds in this category are subject to lockup periods that expire over the next 1 to 9 years. Certain of these lockup periods are subject to multiple one to three-year extensions.

Also there is an investment that, in addition to generating favorable risk-adjusted returns, aims to promote public welfare and community development in underserved communities by deploying at least 51% of its invested capital to borrowers located in and/or with a majority of operations in low- and moderate-income areas.

Another Delaware limited partnership in this category was formed to hold a portfolio of floating rate, first lien loans (largely directly originated by Blue Owl) with a target average loan to value ratio below 50%. The borrowers will largely be sponsor-backed companies in the middle and upper middle market. The fund will seek to generate an unlevered yield of at least of SOFR + 450 – 550 bps (and at least 10% total return with leverage).

Unfunded capital commitments to the private equity portfolio total \$15,248,919 and expire over the next one to five years.

- (e) This category consists of an investment in a foreign private company whose principal objective is investing in equity securities of non-U.S. domiciled issuers to take opportunistic advantage of market inefficiencies by trading securities with a shorter time horizon. Investments in securities of foreign companies involve special risks and considerations not typically associated with investing in U.S. companies. These funds have monthly or quarterly redemption frequencies upon 10 to 30 days' notice.
- (f) This category includes limited interests in five partnership funds. The principal objective of the portfolio is appreciation of capital primarily through investment in equity and equity-related securities of worldwide energy sector companies and investment vehicles that generally focus on investments in real estate assets or natural resources, and sometimes also hold publicly traded securities. All of the partnership investment funds are subject to lockup periods that expire over the next 1 to 3 years. The lockup periods are subject to up to 3 or 7 one-year extensions.

Unfunded capital commitments to the real assets portfolio total \$2,232,159 and expire over the next one to three years.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

### (3) Investments, Continued

(g) This category includes two investments. One is a Delaware LLC whose investment objective is to outperform the Barclays Aggregate Bond Index by utilizing a disciplined, bottom-up investment approach to seek inefficiently priced securities with strong fundamentals. This fund offers redemption on any business day with 2 days' notice. The second investment, with a value of \$5,310,738 at September 30, 2025, is in a foreign partnership whose investment objective is a multi-asset credit strategy that can allocate across a variety of credit markets. The fund will generally allocate to the firm's best ideas across high yield bonds, senior loans, structured credit, emerging markets debt, and convertible. Redemptions from this fund are allowed on a monthly basis with 30 days' notice.

### (4) Restricted Cash and Investments

At September 30, 2025 and 2024, amounts totaling \$41,528 and \$937,796, respectively, are donor-restricted for Centennial Fund projects.

### (5) Program Related Investment

In December 2021, the Foundation entered into a loan agreement with Rural Homes, LLC in the amount of \$250,000 and an interest rate of .5% per year. Interest is payable on December 30th of each year through the maturity date of December 30, 2025. The principal amount plus accrued interest on the outstanding balance is due in full on the maturity date. The purpose of the loan is to provide funding to support the construction of affordable housing sold to those living in the San Miguel, West Montrose, and Ouray counties, in particular households earning 60-120 percent of area median income. Interest received on the loan totaled \$1,250 for the years ended September 30, 2025 and 2024. Effective October 1, 2025, an amendment was signed that extends the due date to December 30, 2030.

### (6) Furniture and Equipment

Furniture and equipment consisted of the following at September 30:

	<u>2025</u>	<u>2024</u>
Office furniture	\$ 202,385	202,385
Equipment	149,903	144,536
Leasehold improvements	<u>73,251</u>	<u>73,251</u>
	425,539	420,172
Less accumulated depreciation	<u>(304,974)</u>	<u>(240,557)</u>
	<u>\$ 120,565</u>	<u>179,615</u>

### (7) Operating Lease Right-of-use Asset and Operating Lease Liability

The Foundation is obligated under operating leases for rental of office space and certain office equipment with remaining terms of 3 to 6 years. The Denver office and Pueblo office leases have variable lease payments that increase 3% and 2%, respectively, every twelve months. Rent expense, or lease costs, under the operating leases totaled \$284,071 and \$271,788 during the years ended September 30, 2025 and 2024.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

### (7) Operating Lease Right-of-use Asset and Operating Lease Liability, Continued

Weighted average term and discount rates for operating leases outstanding as of September 30, 2025 are as follows:

Weighted-average term (years)	4.92
Weighted-average discount rate	3.07%

Future payments due under operating leases as of September 30, 2025 are as follows:

Undiscounted cash flows due in:

2026	\$ 292,030
2027	274,363
2028	279,950
2029	283,585
2030	287,473
Thereafter	<u>24,192</u>
Total undiscounted cash flows	1,441,593
Impact of present value discount	<u>(93,323)</u>
Lease liability recognized	\$ <u>1,348,270</u>

### (8) Grants

Grants awarded by the Foundation are unconditional and are recorded as expense when approved by the board of directors. Grants expense of \$16,805,340 and \$12,998,419 for the years ended September 30, 2025 and 2024, respectively, consists of unconditional grants awarded during the year, net of grants returned or canceled. During the years ended September 30, 2025 and 2024, refunds of or modification to grants awarded in previous years totaled \$2,245,526 and \$0, respectively, for net grants expense of \$14,559,814 and \$12,998,419 in 2025 and 2024, respectively.

Grants payable at September 30, 2025 and 2024 were \$414,846 and \$6,275,444, respectively, and consist of the unpaid portion of unconditional grants awarded by the Foundation. At September 30, 2025, grants payable are all scheduled to be paid in 2026.

### (9) Net Assets

#### Designated Net Assets without Donor Restrictions

The Caring for Colorado Opportunity Fund (the Opportunity Fund) is a board-designated fund originally established in 2016 to provide rapid-response support for urgent needs and high-impact funding opportunities across Colorado communities.

Over the years, the Opportunity Fund has been used for a variety of purposes that advance the organization's mission. Most notably, in the year ended September 30, 2024, the Board approved a \$1,000,000 allocation as a 25<sup>th</sup>-anniversary gift to support development of the first Denver-metro-area affordable housing project designed specifically for American Indian and Alaska Native households.

# Caring for Colorado Foundation

## Notes to Consolidated Financial Statements, Continued

### (9) Net Assets, Continued

The Fund has also been used to expand support for the new statewide Youth Health and Well-Being funding opportunity, transition grants to long-term grantee partners who will no longer receive funding under the new strategic plan, and to advance initiatives administered through the Centennial Fund.

At September 30, 2025 and 2024, board designated net assets total \$12,146,998 and \$16,111,044, respectively.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
The Sperry S. and Ella Graber Packard Fund for Pueblo	\$ 28,311,762	27,090,526
Choose When	–	248,063
Blue Bear Collaborative	<u>–</u>	<u>175,000</u>
Total net assets with donor restrictions	\$ <u>28,311,762</u>	<u>27,513,589</u>

Net assets were released from restriction due to the satisfaction of the following purpose restrictions during the years ended September 30:

	<u>2025</u>	<u>2024</u>
Packard Foundation Fund for Pueblo	\$ 1,358,803	1,221,052
Colorado Collaborative for Reproductive Health Equity	1,675,000	1,227,500
Blue Bear Collaborative	345,000	–
Choose When	<u>360,499</u>	<u>227,802</u>
Total net assets released from restrictions	\$ <u>3,739,302</u>	<u>2,676,354</u>

### (10) Employee Retirement Plan

The Foundation provides a 401(k) plan for all eligible employees. After six months of employment, participants are eligible to contribute a fixed percentage of their earnings, not to exceed the annual limit set by the Internal Revenue Service. The Foundation matches 100% of the employee's contribution up to 7% of the employee's compensation. Employer contributions vest immediately. During the years ended September 30, 2025 and 2024, Foundation contributions totaled \$146,032 and \$117,626, respectively.

### (11) Related Party Transactions

It is not uncommon for members of the Foundation's board of directors to be associated with grantees either as board members or paid staff of these organizations. In these instances, the impacted board member discloses the conflict of interest and recuses him/herself from grant award deliberations.

# **Caring for Colorado Foundation**

## **Notes to Consolidated Financial Statements, Continued**

---

### **(11) Related Party Transactions, Continued**

The Fund's investments are pooled with the Foundation's and the books and records of the Fund are kept by Foundation staff. The Fund may determine its own spending policy, separate from the Foundation. For the years ended September 30, 2025 and 2024, the Foundation allocated expenses totaling \$1,199,430 and \$1,038,310, respectively, to the Fund for operational administrative expenses incurred by the Foundation on behalf of the Fund.

**Caring for Colorado Foundation**  
**Consolidating Statement of Financial Position**  
**September 30, 2025**

	Foundation	Centennial Fund	Eliminating	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 423,232	59,837	–	483,069
Restricted cash and investment	–	41,528	–	41,528
Accounts receivable	–	2,460,188	(2,460,188)	–
Investments	251,315,821	28,311,762	(28,311,762)	251,315,821
Program related investment	250,001	–	–	250,001
Prepaid expenses and deposits	44,051	–	–	44,051
Furniture and equipment, net	120,565	–	–	120,565
Operating lease right-of-use asset	1,348,270	–	–	1,348,270
Total assets	<u>\$ 253,501,940</u>	<u>30,873,315</u>	<u>(30,771,950)</u>	<u>253,603,305</u>
<b>Liabilities and Net Assets</b>				
Grants payable	\$ 49,620	365,226	–	414,846
Accounts payable and accrued expenses	2,916,103	447,338	(2,460,188)	903,253
Operating lease liability	1,348,270	–	–	1,348,270
Funds held in trust	28,311,762	–	(28,311,762)	–
Total liabilities	<u>32,625,755</u>	<u>812,564</u>	<u>(30,771,950)</u>	<u>2,666,369</u>
<b>Net Assets</b>				
Without donor restrictions				
Undesignated	208,729,187	–	1,748,989	210,478,176
Board designated	12,146,998	–	–	12,146,998
Total without donor restrictions	<u>220,876,185</u>	<u>–</u>	<u>1,748,989</u>	<u>222,625,174</u>
With donor restrictions				
Total net assets	<u>–</u>	<u>30,060,751</u>	<u>(1,748,989)</u>	<u>28,311,762</u>
Total net assets	<u>220,876,185</u>	<u>30,060,751</u>	<u>–</u>	<u>250,936,936</u>
Total liabilities and net assets	<u>\$ 253,501,940</u>	<u>30,873,315</u>	<u>(30,771,950)</u>	<u>253,603,305</u>

**Caring for Colorado Foundation**  
**Consolidating Statement of Activities**  
**Year Ended September 30, 2025**

	Without donor restrictions				With donor restrictions				Total
	Foundation	Centennial Fund	Eliminating	Total	Foundation	Centennial Fund	Eliminating	Total	
<b>Revenue, gains and support</b>									
Grants and contributions	\$ -	2,648	-	2,648	-	2,630,430	(650,000)	1,980,430	1,983,078
In-kind contributions	-	662,834	(662,834)	-	-	-	-	-	-
Interest and dividends, net	1,780,078	35,494	-	1,815,572	-	217,898	-	217,898	2,033,470
Net realized and unrealized gains on investments	18,972,587	-	-	18,972,587	-	2,339,147	-	2,339,147	21,311,734
Net assets released from restrictions	-	6,402,634	(2,663,332)	3,739,302	-	(6,402,634)	2,663,332	(3,739,302)	-
Total revenue, gains, and support	20,752,665	7,103,610	(3,326,166)	24,530,109	-	(1,215,159)	2,013,332	798,173	25,328,282
<b>Expenses</b>									
Program services									
Grantmaking expenses	13,488,436	6,421,984	(1,312,834)	18,597,586	-	-	-	-	18,597,586
Total program service expenses	13,488,436	6,421,984	(1,312,834)	18,597,586	-	-	-	-	18,597,586
Supporting services									
Management and general expenses	1,339,308	608,574	-	1,947,882	-	-	-	-	1,947,882
Fundraising expenses	-	73,052	-	73,052	-	-	-	-	73,052
Total supporting services expenses	1,339,308	681,626	-	2,020,934	-	-	-	-	2,020,934
Total expenses	14,827,744	7,103,610	(1,312,834)	20,618,520	-	-	-	-	20,618,520
<b>Change in net assets</b>	5,924,921	-	(2,013,332)	3,911,589	-	(1,215,159)	2,013,332	798,173	4,709,762
<b>Net assets at beginning of year</b>	214,951,264	-	3,762,321	218,713,585	-	31,275,910	(3,762,321)	27,513,589	246,227,174
<b>Net assets at end of year</b>	\$ 220,876,185	-	1,748,989	222,625,174	-	30,060,751	(1,748,989)	28,311,762	250,936,936