Community Foundation of the Gunnison Valley

Financial Statements

December 31, 2025 and 2024

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Montoya, P.C.

Certified Public Accountants

Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

Independent Auditor's Report

Board of Directors
Community Foundation of the Gunnison Valley

Opinion

We have audited the accompanying financial statements of the Community Foundation of the Gunnison Valley (the Foundation), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 Auditor's 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 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 financial statements in accordance with GAAP, 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, which 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.

Auditor's 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 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. 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.

475 Lincoln Street, Suite 200 • Denver, CO 80203
Phone 303-534-5953 • Fax 303-892-7776 • Website kcmdenver.cpa

Board of Directors
Community Foundation of the Gunnison Valley

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 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, which 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.

Kundinger, Corder & Montoya, P.C.

July 30, 2026

Community Foundation of the Gunnison Valley
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 383,544	833,328
Investments (note 3)	21,285,874	17,012,274
Restricted cash	16,737	56,100
Contributions receivable	35,000	–
Prepaid expenses	1,000	1,000
Note receivable (note 5)	72,500	–
Real estate held for sale (note 4)	132,400	132,400
Operating lease right of use asset (note 6)	25,607	50,059
Total assets	$ 21,952,662	18,085,161
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	$ 74,447	35,812
Refundable advance	–	73,697
Agency obligations	3,731,566	1,277,972
Operating lease liability (note 6)	29,357	57,559
Total liabilities	3,835,370	1,445,040
Net assets (notes 7 and 8)		
Without donor restrictions		
Undesignated	1,128,193	1,001,576
Board designated	1,590,321	1,483,654
Total without donor restrictions	2,718,514	2,485,230
With donor restrictions	15,398,778	14,154,891
Total net assets	18,117,292	16,640,121
Commitment (note 9)		
Total liabilities and net assets	$ 21,952,662	18,085,161

Community Foundation of the Gunnison Valley
Statement of Activities
Year Ended December 31, 2025

	Without donor restrictions	With donor restrictions	Total
Revenue and Support			
Contributions and grants			
Foundations, corporations, and individuals	$ 419,424	778,818	1,198,242
Government grants	–	73,697	73,697
In-kind contributions	1,520	204	1,724
Investment return	212,898	1,661,616	1,874,514
Other income	22,109	9,416	31,525
Net assets released from restrictions (note 7)	1,279,864	(1,279,864)	–
Total revenue and support	1,935,815	1,243,887	3,179,702
Expenses			
Program services	1,275,200	–	1,275,200
Supporting services			
Management and general	356,948	–	356,948
Fundraising	70,383	–	70,383
Total supporting services	427,331	–	427,331
Total expenses	1,702,531	–	1,702,531
Change in net assets	233,284	1,243,887	1,477,171
Net assets at beginning of year	2,485,230	14,154,891	16,640,121
Net assets at end of year	$ 2,718,514	15,398,778	18,117,292

See the accompanying notes to the financial statements.

Community Foundation of the Gunnison Valley
Statement of Activities
Year Ended December 31, 2024

	Without donor restrictions	With donor restrictions	Total
Revenue and Support			
Contributions and grants			
Foundations, corporations, and individuals	$ 152,850	2,274,009	2,426,859
Government grants	14,850	2,143,879	2,158,729
In-kind contributions	8,584	204	8,788
Investment return	211,824	1,533,361	1,745,185
Other income	7,709	–	7,709
Net assets released from restrictions (note 7)	3,277,000	(3,277,000)	–
Total revenue and support	3,672,817	2,674,453	6,347,270
Expenses			
Program services	3,039,957	–	3,039,957
Supporting services			
Management and general	336,951	–	336,951
Fundraising	57,840	–	57,840
Total supporting services	394,791	–	394,791
Total expenses	3,434,748	–	3,434,748
Change in net assets	238,069	2,674,453	2,912,522
Net assets at beginning of year	2,247,161	11,480,438	13,727,599
Net assets at end of year	$ 2,485,230	14,154,891	16,640,121

See the accompanying notes to the financial statements.

Community Foundation of the Gunnison Valley
Statement of Functional Expenses
Year Ended December 31, 2025

	Program services	Supporting services: Management and general	Supporting services: Fund-raising	Supporting services: Total supporting services	Total
Grants to organizations	$ 1,021,933	–	–	–	1,021,933
Scholarships	17,500	–	–	–	17,500
Salaries, payroll taxes, and benefits	80,747	210,422	40,572	250,994	331,741
Office expenses	8,904	22,747	4,028	26,775	35,679
Contract labor	7,782	27,198	4,096	31,294	39,076
Professional fees	17,895	46,367	8,765	55,132	73,027
Program expense	101,899	–	–	–	101,899
Information technology	6,098	16,391	3,098	19,489	25,587
Insurance	1,817	5,058	956	6,014	7,831
Occupancy	8,258	22,991	4,346	27,337	35,595
Donor development	–	–	3,431	3,431	3,431
Other	2,367	5,774	1,091	6,865	9,232
Total expenses	$ 1,275,200	356,948	70,383	427,331	1,702,531

See the accompanying notes to the financial statements.

Community Foundation of the Gunnison Valley
Statement of Functional Expenses
Year Ended December 31, 2024

	Program services	Supporting services: Management and general	Supporting services: Fund-raising	Supporting services: Total supporting services	Total
Support to beneficiaries	$ 2,062,818	–	–	–	2,062,818
Grants to organizations	726,920	–	–	–	726,920
Scholarships	15,000	–	–	–	15,000
Salaries, payroll taxes, and benefits	86,151	189,001	29,610	218,611	304,762
Office expenses	23,082	30,367	4,882	35,249	58,331
Contract labor	38,182	50,234	8,076	58,310	96,492
Professional fees	15,875	20,886	3,358	24,244	40,119
Program expense	36,614	–	–	–	36,614
Information technology	13,671	17,986	2,892	20,878	34,549
Insurance	2,986	3,928	632	4,560	7,546
Occupancy	14,022	18,449	2,966	21,415	35,437
Other	4,636	6,100	5,424	11,524	16,160
Total functional expenses	$ 3,039,957	336,951	57,840	394,791	3,434,748

See the accompanying notes to the financial statements.

Community Foundation of the Gunnison Valley
Statements of Cash Flows
December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 1,477,171	2,912,522
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for endowment	(43,184)	(529,297)
Net realized and unrealized gain on investments	(1,513,575)	(1,491,524)
Investment return on endowment assets	(628,216)	(140,459)
Operating lease asset and liability noncash expense	(3,750)	(3,750)
Changes in operating assets and liabilities		
Contribution receivable	(35,000)	–
Accounts payable and accrued liabilities	38,635	(20,155)
Refundable advance	(73,697)	73,697
Agency obligations	2,453,594	141,894
Net cash provided by operating activities	1,671,978	942,928
Cash flows from investing activities		
Net purchases of investments	(2,760,025)	(1,154,349)
Issuance of note receivable	(96,408)	–
Loan principal repayments	23,908	19,757
Net cash used in investing activities	(2,832,525)	(1,134,592)
Cash flows from financing activities		
Contributions restricted for endowment	43,184	529,297
Investment return on endowment assets	628,216	140,459
Net cash provided by financing activities	671,400	669,756
Net increase (decrease) in cash, cash equivalents, and restricted cash	(489,147)	478,092
Cash, cash equivalents, and restricted cash at beginning of year	889,428	411,336
Cash, cash equivalents, and restricted cash at end of year	$ 400,281	889,428
Supplemental disclosure of noncash investing and financing activity		
Operating lease asset and liability noncash expense	$ (3,750)	(3,750)
Reconciliation of cash, cash equivalents, and restricted cash at end of year		
Cash and cash equivalents	$ 383,544	833,328
Restricted cash	16,737	56,100
	$ 400,281	889,428

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

Gunnison Area Foundation (the Foundation) was incorporated in July 1997, as a not-for-profit corporation in the State of Colorado. In 2004, the name was changed to the Gunnison Area Community Foundation. In 2007, the Foundation changed its name to "Community Foundation of the Gunnison Valley". The Foundation was organized for the purpose of providing a permanent entity to manage resources to help build community for the benefit of all residents of the Gunnison Watershed. The Foundation combines charitable giving by individuals and groups to meet area needs that are not possible or are more difficult to achieve without united effort of many community members. The Foundation's support comes from business and individual donor contributions and investment return.

(b) Basis of Accounting

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

(c) 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.

(d) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with original maturities of three months or less and which are not held as part of the investment portfolio to be cash equivalents.

(e) Concentrations

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, investments, and restricted cash. The Foundation places its cash and cash equivalents and restricted cash with creditworthy, high-quality financial institutions. The funds in these bank accounts may, at times, exceed the amounts insured by the Federal Deposit Insurance Corporation (FDIC). Management does not believe that the Foundation is exposed to any significant credit risk with respect to cash. Investments are under the guidance of the Foundation's investment committee and independent advisors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Foundation believes that the investment policy is prudent for the long-term welfare of the Foundation.

(1) Summary of Significant Accounting Policies, Continued

(f) Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position. Fair value is more fully described in note 1(g).

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. The value 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. Alternative investments are not publicly traded on national security market exchanges, are generally illiquid, and may be valued differently should readily available markets exist for such investments. The market values for alternative investments represents the pro-rata interest in the net assets of the investment and is based on financial information determined and reported by the investment manager. Management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable.

It is the Foundation's policy to sell contributed publicly traded securities upon receipt. In cases where the security contains restrictions, the security is liquidated as soon as possible. Occasionally, the Foundation receives noncash donations, such as real estate, which do not have readily determinable market values. Donations of such investments are reported at fair value, estimated based upon evaluation of individual assets and sales of comparable assets.

Investment return consists of the Foundation's distributive share of interest, dividends, and capital gains and losses generated from investments. Realized gains and losses attributable to the Foundation's investments are 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.

(g) Fair Value Measurements

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 (GAAP) 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). 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.

(1) Summary of Significant Accounting Policies, Continued

(g) Fair Value Measurements, Continued

The Foundation groups assets 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 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability, and;
- Inputs that are derived principally from or corroborated by other observable market data.

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.

(h) Revenue Recognition

Contributions and Grants

Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Payments received in advance of the conditions being met are recorded as refundable advances in the statements of financial position.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence 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 a 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. Contributions and grants 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. The Foundation uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on past collection experience and management's analysis of specific promises made. Contributions and grants receivable are charged to the allowance in the year they are deemed uncollectible. As of December 31, 2025 and 2024, respectively, contributions receivable totaled $35,000 and $0.

(1) Summary of Significant Accounting Policies, Continued

(h) Revenue Recognition, Continued

In-Kind Contributions
In-kind contributions are recorded as contributions and corresponding expenses at their estimated values on the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Many individuals volunteer their time and perform a variety of tasks that assist the Foundation in its programs and general operations; however, the value of this contributed time is not reflected in the accompanying financial statements as it does not meet the criteria for recognition.

(i) Agency Endowments and Other Funds Held on Behalf of Others

Agency endowments and other funds held on behalf of others represent assets held by the Foundation that are for the benefit of the transferring entity. These funds are accounted for as a liability by the Foundation and appear in the statements of financial position as "Agency Obligations". Accounting for receipts in which the donor specifies itself or an affiliate as a beneficiary conforms to the *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* accounting standard.

(j) Grants

Program grants are recorded as an expense and liability when approved by the Board of Directors and/or grant committees in accordance with the Foundation's approval process.

(k) 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 that benefit both its program objectives as well as supporting services (i.e., fundraising and management and general activities). Directly identifiable costs are charged to program or supporting services when the expense is incurred. Indirect expenses, including salaries, office expenses, contract labor, and professional fees, are allocated based on each employee's estimate of time spent on program services, management and general, and fundraising. The allocation methodologies are applied consistently from year to year.

(l) Estimates

The preparation of financial statements in conformity 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 reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(1) Summary of Significant Accounting Policies, Continued

(m) Income Taxes

The Foundation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable deduction. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business taxable income. There was no unrelated business taxable income during the years ended December 31, 2025 and 2024, respectively.

The Foundation follows *Accounting for Uncertainty in Income Taxes* accounting standard which requires the Foundation to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The Foundation believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are significant to the financial statements. The Foundation's tax returns for the previous three years are subject to examination by the IRS.

(n) Stewardship Agreements

The Foundation has entered into stewardship agreements for which the Foundation charges a fee ranging from 0.5% to 3.0% to collect and disburse money in relation to these agreements. The Foundation carries amounts not spent at year-end as net assets with donor restrictions.

(o) Subsequent Events

The Foundation has evaluated subsequent events through July 30, 2026, the date the financial statements were available to be issued.

(p) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or the change in net assets.

(2) Availability and Liquidity of Financial Assets

The following represent the Foundation's financial assets as of December 31:

	2025	2024
Financial assets at year-end		
Cash and cash equivalents	$ 383,544	833,328
Investments	21,285,874	17,012,274
Restricted cash	16,737	28,091
Receivables expected to be collected in one year	103,864	–
Total financial assets	21,790,019	17,901,702
Less amounts unavailable for general expenditures within one year due to contractual restrictions		
Agency obligations	3,731,566	1,277,972
Board designated net assets	1,590,321	1,483,654
Donor restricted endowments	9,633,066	8,956,166
	14,954,953	11,717,792
Financial assets available for general expenditures within one year	$ 6,835,066	6,183,910

The Foundation considers net assets with donor restrictions that will be met within one year to be available for general expenditure; therefore, only the donor-restricted investments held in perpetuity are excluded from amounts available for general use. The Foundation's goal is generally to maintain financial assets sufficient to meet 180 days of operating expenses.

(3) Investments

The Foundation's investment assets are dedicated to providing the financial resources needed to meet the Foundation's charitable objectives.

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of December 31, 2025:

	Fair Value	Assets Measured at NAV (a)	Level 1	Level 2	Level 3
Cash and money market	$ 513,584	–	513,584	–	–
Fixed income					
Corporate bonds	1,613,877	–	–	1,613,877	–
Municipal bonds	3,397,410	–	–	3,397,410	–
US Treasury bond	250,071	–	–	250,071	–
Common stock	9,418,613	–	9,418,613	–	–
Mutual funds	2,012,659	–	2,012,659	–	–
Exchange traded funds	3,923,604	–	3,923,604	–	–
Certificate of deposit	100,007	–	–	100,007	–
Alternative investment	56,049	56,049	–	–	–
	$ 21,285,874	56,049	15,868,460	5,361,365	–

(3) Investments, Continued

The following table summarizes the valuation of the Foundation's investments by the fair value hierarchy levels as of December 31, 2024:

	Fair Value	Assets Measured at NAV (a)	Level 1	Level 2	Level 3
Cash and money market	$ 1,063,833	–	1,063,833	–	–
Fixed income					
Corporate bonds	1,058,843	–	–	1,058,843	–
Municipal bonds	3,099,672	–	–	3,099,672	–
Common stock	5,845,384	–	5,845,384	–	–
Exchange traded funds	5,443,568	–	5,443,568	–	–
Certificate of deposit	449,925	–	–	449,925	–
Alternative investment	51,049	51,049	–	–	–
	$ 17,012,274	51,049	12,082,785	4,608,440	–

(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 the above table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Level 1 investments have been valued using a market approach. Level 2 investments are valued using quoted prices for similar assets and market-based inputs such as yield curves and credit spreads, as provided by third-party pricing services. Alternative investments are valued at net asset value per share (or its equivalent) as permitted under the practical expedient rule. There were no changes to valuation techniques during the current year.

The following table summarizes the significant information related to investments valued at net asset value per share (or its equivalent) as of December 31:

	Fair Value 2025	Fair Value 2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Alternative investment (a)	$ 56,049	51,049	n/a	n/a	n/a

(a) On August 1, 2013, the Foundation originally invested $40,000 in Gunnison River Partnership, LLC ("GRP"), a Colorado limited liability company formed in April 2012. GRP's business purpose is to make debt and/or equity investments in privately held enterprises in the greater Gunnison Valley of Colorado. Additional GRP shares have been donated to the Foundation since the original investment was made, and in 2024, $40,000 in shares were withdrawn by the Foundation upon board approval. The fair value of this investment has been estimated using the net asset value as reported by the partnership.

(4) Real Estate

In 2008, the Foundation received assets—including multiple parcels of real estate—from the William B. Endner Trust. These assets were transferred with the understanding that the Foundation would establish the William B. Endner Fund, a donor-advised endowment fund, with the proceeds received from the sale of those assets.

Four parcels were sold during 2008 and 2009, with additional sales occurring in 2016. As of December 31, 2025 and 2024, four remaining parcels are classified as real estate held for sale, with a carrying value of $132,400. The property is recorded at its donated value, which the Foundation believes approximates fair value.

The Foundation continues to explore opportunities for sale.

(5) Note Receivable

On January 31, 2025, the Foundation made an operations loan to Gunnison Council for the Arts, Inc. (d/b/a Gunnison Arts Center), a Colorado not-for-profit organization, in the original amount of $96,408. The loan is carried as a note receivable and bears interest at 4.16% per annum, compounded monthly. Interest-only payments of $334 per month are due on the fifth day of each month beginning March 5, 2025, through February 5, 2026, after which monthly principal payments of $1,325 plus accrued interest are due through the scheduled final payment on February 5, 2033, or until the loan is paid in full.

The loan is secured by a deed of trust on the borrower's real property located at 102 South Main Street, Gunnison, Colorado, and by a security interest in substantially all of the borrower's personal property and an assignment of rents from the property.

At December 31, 2025, the outstanding principal balance of the loan was $72,500 ($0 at December 31, 2024), and the Foundation recognized interest income of $3,150 for the year ended December 31, 2025 ($0 for 2024). No allowance for credit losses has been recorded on this note receivable based on management's assessment of the borrower's credit quality, collateral securing the loan, and other relevant factors.

(6) Operating Lease Right-of-Use Asset and Operating Lease Liability

The Foundation has an operating lease agreement for office facilities in Gunnison, Colorado (the Lease). The lease has a 12-month term but is renewable on substantially similar terms for three additional 12-month periods. The Foundation currently anticipates utilizing all available renewals. The Foundation includes in the determination of right-of-use asset and lease liability the value of renewable options.

The weighted-average term and discount rate for the operating lease outstanding as of December 31, 2025 are as follows:

Weighted-average term (months)	24
Weighted-average discount rate	3.5%

(6) Operating Lease Right-of-Use Asset and Operating Lease Liability, Continued

Future payments due under the operating lease are as follows for the years ending December 31:

Total undiscounted cash flows due in 2026	$ 30,000
Impact of present value discount	(643)
Operating lease liability	$ 29,357

(7) Net Assets

Net assets without donor restrictions
Board designated net assets are reported as net assets without donor restrictions in the accompanying financial statements. Board designated net assets consist of the following at December 31:

	2025	2024
Grantmaking endowment fund	$ 1,343,734	1,258,753
Nonprofit leadership endowment fund	80,671	71,096
Grants fund	127,625	116,460
Creative Community fund	21,685	20,830
Emergency fund	16,606	16,515
Total board designated net assets	$ 1,590,321	1,483,654

The board designated endowments funds are subject to the endowment spending policy as described in note 8.

Net assets with donor restrictions
Donor-restricted net assets consisted of the following at December 31:

	2025	2024
Purpose restricted gifts	$ 5,695,712	5,198,725
Time restricted gifts	70,000	–
Donor restricted endowments	9,633,066	8,956,166
Total net assets with donor restrictions	$ 15,398,778	14,154,891

Net assets released from donor restrictions totaled $3,277,000 and $1,279,864 during 2025 and 2024, respectively, as a result of satisfying the related restrictions.

(8) Endowments

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation's board of directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as nets assets with donor restrictions: (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the donor gift instrument. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purpose of the Foundation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

The Foundation's endowment funds consist of the following at December 31, 2025:

	Without donor restrictions	With donor restrictions	Total endowments
Board-designated endowments	$ 1,424,405	–	1,424,405
Donor-restricted endowments	–	9,633,066	9,633,066
Total endowment net assets	$ 1,424,405	9,633,066	11,057,471

The Foundation's endowment funds consist of the following at December 31, 2024:

	Without donor restrictions	With donor restrictions	Total endowments
Board-designated endowments	$ 1,329,849	–	1,329,849
Donor-restricted endowments	–	8,956,166	8,956,166
Total endowment net assets	$ 1,329,849	8,956,166	10,286,015

Following are the changes in the endowment net assets:

	Without donor restrictions	With donor restrictions	Total endowments
Endowment net assets, December 31, 2023	$ 1,226,269	7,802,954	9,029,223
Contributions	20,510	529,297	549,807
Investment return	160,245	1,046,058	1,206,303
Appropriations	(77,175)	(422,143)	(499,318)
Endowment net assets, December 31, 2024	1,329,849	8,956,166	10,286,015
Contributions	11,969	43,184	55,153
Investment return	160,153	1,083,646	1,243,799
Net asset transfers	–	5,500	5,500
Appropriations	(77,566)	(455,430)	(532,996)
Endowment net assets, December 31, 2025	$ 1,424,405	9,633,066	11,057,471

(8) Endowments, Continued

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the amount of the original gift. As of December 31, 2025 and 2024, none of the Foundation's endowment funds were deficient.

Return Objectives and Strategies for Achieving Objectives
The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, endowment assets are invested in a manner that is intended to maximize return, minimize risk, and minimize expenses.

To satisfy its long-term objectives, the Foundation relies on 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 objectives within prudent risk constraints.

Spending Policy
Under the total return method, distributions consist of net investment income and may include a portion of the cumulative realized gains and unrealized gains. The spending rate will be determined annually by the Investment Committee and ratified by the Board based on the trailing 12 quarters of investment results for permanent funds and may vary between 0-6%, sometimes more, annually of total permanent fund assets net of investment costs and management fees, provided that permanent funds principal, as adjusted for inflation, is not invaded.

Annual Review and Policy Changes
The Investment Committee shall review the provisions of the policy on an annual basis and report to the Board any recommended changes for the Board's consideration.

(9) Retirement Plan

The Foundation offers a SIMPLE IRA to eligible full-time employees. Participants may contribute any amount up to the maximum allowable amount. The Foundation makes discretionary matching contributions. Matching contributions totaled $8,572 and $6,757 for the years ended December 31, 2025 and 2024, respectively.