University of Colorado Foundation

Financial Report

June 30, 2026

University of Colorado Foundation

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Independent Auditor's Report

To the Board of Directors
University of Colorado Foundation

Opinion

We have audited the accompanying financial statements of the University of Colorado Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2026 and 2025 and the related statements of activities and changes in net assets 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 University of Colorado Foundation as of June 30, 2026 and 2025 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note 6 to the financial statements, the financial statements include certain investments, whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on monthly or quarterly statements provided by fund managers and partnership general partners. The investments are valued at approximately $2,380,000,000 and $2,100,000,000 (70 and 73 percent, respectively, of total net assets) at June 30, 2026 and 2025, respectively.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

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To the Board of Directors
University of Colorado Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Plante & Moran, PLLC

October 12, 2026

University of Colorado Foundation

Statement of Financial Position

June 30, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash and cash equivalents	$ 107,494,797	$ 159,101,757
Contributions receivable - Net of allowance and discount (Note 4)	61,355,061	59,498,092
Other assets	898,809	440,462
Total current assets	169,748,667	219,040,311
Investments (Notes 5 and 6)	3,801,377,481	3,202,903,395
Contributions Receivable - Net of current portion, allowance, and discount (Note 4)	117,281,250	82,867,124
Property and Equipment - Net (Note 7)	6,775,307	4,662,170
Assets Held Under Split-interest Agreements (Notes 6 and 9)	28,607,396	26,757,314
Beneficial Interest in Charitable Trusts Held by Others (Notes 6 and 9)	23,521,289	13,469,396
Total assets	**$ 4,147,311,390**	**$ 3,549,699,710**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 433,260	$ 471,723
Accounts payable and accrued liabilities - University	9,038,979	7,961,937
Liabilities under split-interest agreements (Note 9)	2,313,501	2,226,706
Custodial funds (Note 10)	14,630,583	18,175,413
Total current liabilities	26,416,323	28,835,779
Liabilities Under Split-interest Agreements (Note 9)	15,177,099	14,941,089
Funds Held in Trust for Others (Note 9)	2,528,488	2,276,064
Custodial Funds - Net of current portion (Note 10)	730,482,793	634,742,001
Total liabilities	774,604,703	680,794,933
Net Assets (Notes 11 and 12)		
Without donor restrictions:		
Undesignated	65,039,007	52,129,660
Board designated	57,210,350	30,318,309
Total without donor restrictions	122,249,357	82,447,969
With donor restrictions	3,250,457,330	2,786,456,808
Total net assets	3,372,706,687	2,868,904,777
Total liabilities and net assets	**$ 4,147,311,390**	**$ 3,549,699,710**

See notes to financial statements.

University of Colorado Foundation

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions	$ 77,980	$ 316,871,689	$ 316,949,669	$ 176,432	$ 301,637,194	$ 301,813,626
Advancement support assessment (Note 16)	35,626,423	(28,201,250)	7,425,173	33,448,135	(26,345,239)	7,102,896
Investment return - Net	62,788,282	422,334,349	485,122,631	38,777,269	207,755,657	246,532,926
Change in value of split-interest agreements (Note 9)	-	3,593,230	3,593,230	-	3,592,235	3,592,235
Other revenue	1,228,525	492,723	1,721,248	329,404	564,360	893,764
Transfers from the University	-	2,394,935	2,394,935	-	738,401	738,401
Other changes in net assets	(228,529)	228,529	-	470,686	(470,686)	-
Net assets released from restrictions (Note 12)	250,632,254	(250,632,254)	-	226,414,399	(226,414,399)	-
Total revenue, gains, and other support	350,124,935	467,081,951	817,206,886	299,616,325	261,057,523	560,673,848
Distributions and Expenses						
Transfers to the University	263,748,804	-	263,748,804	230,728,441	-	230,728,441
Support services:						
Advancement support to the University (Note 16)	39,934,279	-	39,934,279	38,398,615	-	38,398,615
Administrative (Note 14)	6,640,464	-	6,640,464	6,094,974	-	6,094,974
Total support services	46,574,743	-	46,574,743	44,493,589	-	44,493,589
Total distributions and expenses	310,323,547	-	310,323,547	275,222,030	-	275,222,030
Change in Net Assets - Before other items	39,801,388	467,081,951	506,883,339	24,394,295	261,057,523	285,451,818
Other Items - Bad debt expense - Uncollectible contributions receivable (Note 4)	-	(3,081,429)	(3,081,429)	-	(7,785,993)	(7,785,993)
Change in Net Assets	39,801,388	464,000,522	503,801,910	24,394,295	253,271,530	277,665,825
Net Assets - Beginning of year	82,447,969	2,786,456,808	2,868,904,777	58,053,674	2,533,185,278	2,591,238,952
Net Assets - End of year	**$ 122,249,357**	**$ 3,250,457,330**	**$ 3,372,706,687**	**$ 82,447,969**	**$ 2,786,456,808**	**$ 2,868,904,777**

See notes to financial statements.

University of Colorado Foundation

Statement of Cash Flows

Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities		
Change in net assets	$ 503,801,910	$ 277,665,825
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	169,347	116,982
Realized and unrealized gains - Net	(501,380,333)	(199,591,369)
Change in beneficial interest in charitable trusts held by others	(10,051,893)	(1,100,153)
Contributions restricted for long-term investments	(74,973,665)	(81,168,183)
Change in value of split-interest agreements	(3,670,454)	(1,804,860)
Bad debt expense	3,081,429	7,785,993
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Contributions receivable - Net	(23,324,960)	(7,776,721)
Other assets	(458,347)	721,364
Accounts payable and accrued expenses	1,038,579	(5,072,422)
Custodial funds	(31,721,210)	(16,065,402)
Funds held in trust for others	252,424	(436,752)
Net cash and cash equivalents used in operating activities	(137,237,173)	(26,725,698)
Cash Flows from Investing Activities		
Purchase of property and equipment	(3,345,191)	(3,715,807)
Proceeds from disposition of property and equipment	1,062,706	-
Purchase of investments	(2,130,414,358)	(1,303,539,524)
Sale of investments	2,157,237,778	1,322,290,948
Net cash and cash equivalents provided by investing activities	24,540,935	15,035,617
Cash Flows from Financing Activities		
Contributions received for long-term investment	58,946,101	81,168,183
Proceeds from split-interest agreement obligations	554,481	3,987,480
Distributions from closeout of charitable remainder and lead trusts	1,588,696	1,564,176
Net cash and cash equivalents provided by financing activities	61,089,278	86,719,839
Net Change in Cash and Cash Equivalents	(51,606,960)	75,029,758
Cash and Cash Equivalents - Beginning of year	159,101,757	84,071,999
Cash and Cash Equivalents - End of year	**$ 107,494,797**	**$ 159,101,757**

See notes to financial statements.

Note 1 - Nature of Business

The University of Colorado Foundation (the “Foundation”) was founded in 1967 by a group of dedicated alumni and community leaders who sought to raise and invest private support for the University of Colorado (the “University”) to augment its other revenue streams. The Foundation is a legally separate 501(c)(3) charitable organization that is governed by a board of directors and operates with a staff of approximately 23 employees.

The Foundation has been authorized by the board of regents of the University to serve as the financial portal for philanthropic giving to and for the benefit of the University. Private support given to the Foundation for the benefit of the University enables the University to transform lives through education, research, clinical care, and community engagement.

The Foundation focuses its efforts on donor stewardship through customer service and assurance in gift acceptance, processing, and administration. The Foundation administers and allocates gift funds in a manner consistent with the purposes established by donors and distributes dollars from its managed funds to support a wide variety of programs and activities throughout the university system and on its four campuses.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Cash Equivalents

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

Contributions and Contributions Receivable

Unconditional promises to give cash and other assets to the Foundation are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the contributions are received are reported as contributions without donor restrictions in the accompanying financial statements. Contributions resulting from split-interest agreements, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipients under the contract.

Contributions of marketable securities are recorded at the estimated fair value as of the date of the gift. It is the Foundation’s practice to determine appropriate disposition of such gifts of securities at the time of receipt.

Note 2 - Significant Accounting Policies (Continued)

The Foundation reports gifts of property and equipment and other noncash receipts as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports the expiration of donor restrictions when the assets are placed in service.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

Investments

Investments are recorded at fair value. Fair value is determined as more fully described in Note 6. The majority of investments are held in a long-term investment pool (LTIP) and a short-term investment pool (STIP), both of which are managed by the Foundation's outsourced chief investment officer (OCIO).

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.

Alternative investments include real estate funds, private equity funds, commingled equity funds, absolute return funds, venture capital funds, investments in partnerships, and investments in limited liability and other investment companies. The fair values for alternative investments represent the Foundation's pro rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers, subject to review, evaluation, and adjustment by the OCIO and management of the Foundation. Alternative investments are not publicly traded on national security market exchanges, are generally illiquid, and may be valued differently than if readily available markets existed for such investments. Because of inherent uncertainties of the valuation of alternative investments, the reported fair values of such investments may differ significantly from realized values. Included in the investment portfolio are real estate and note receivable assets. These assets are stated at cost and present value, respectively.

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

Concentrations of Credit Risk

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

Note 2 - Significant Accounting Policies (Continued)

As of June 30, 2026, one LTIP investment, SpaceX, represented 8.2 percent of the total LTIP value. See Note 5 for disclosures around SpaceX activity.

Property and Equipment

Property and equipment held by the Foundation valued in excess of $10,000 are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives, which range from 3 to 30 years. The cost of leasehold improvements is amortized over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Custodial Funds

The Foundation holds and invests certain endowment and other funds in the LTIP in trust on behalf of the University. These funds are accounted for as a liability by the Foundation.

Transfers from the University

The University periodically sends the Foundation certain funds approved to be added to foundation endowments and invested in the LTIP. The Foundation received $2,394,935 and $738,401 in the years ended June 30, 2026 and 2025, respectively. The University also has authority from the board of regents to convert custodial endowments to foundation endowments when doing so enhances operational efficiencies or allows for stronger donor stewardship. There were no conversions of custodial endowments during the years ended June 30, 2026 and 2025.

Classification of Net Assets

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

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

Board-designated net assets are net assets without donor restrictions designated based on actions taken by the board of directors, which can be altered or revoked at a future time by 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 and/or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

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

Support Services

The Foundation generates revenue from three primary sources: an assessment on endowed funds in the LTIP, a distribution from the Foundation’s STIP, and a distribution from a board-designated quasi endowment. The majority of this income is transferred to the University to support fundraising operations on each of the University's campuses and the central office of advancement and is shown on the statement of activities and changes in net assets as advancement support to the University. Administrative expenses represent the general operating costs of the Foundation.

Income Taxes

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

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 12, 2026, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

Financial assets available for current obligations are as follows as of June 30:

	2026	2025
Total assets	$ 4,147,311,390	$ 3,549,699,710
Less fixed and nonfinancial assets	(59,802,801)	(45,329,342)
Financial assets	4,087,508,589	3,504,370,368
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Endowment assets	2,553,592,464	2,176,767,639
Custodial funds	745,115,179	652,917,414
Restricted by donor with time or purpose restrictions	664,929,474	609,689,169
Investments held in annuity trust	9,432,308	8,686,683
Board designations:		
Quasi-endowment funds	27,613,663	24,179,049
Designated for university programs	29,660,011	6,139,260
Financial assets available to meet cash needs for general expenditures within one year	$ 57,165,490	$ 25,991,154

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

The Foundation has two investment pools: the LTIP and the STIP. The STIP policy allocation goal is 50 percent in the LTIP, 40 percent in fixed income, and 10 percent in cash. The STIP consists primarily of donor-restricted current expendable gifts and endowment distributions that are held by the Foundation until called by the University. In addition, the Foundation's operating cash and reserves are part of the STIP. Endowments are generally invested in the LTIP, and life income arrangements are invested in separate mutual funds. Investment gains or losses on the STIP increase or decrease the financial assets available for general expenditure. The Foundation is generally allocated an annual assessment fee for advancement support of approximately 1.5 percent on endowment funds held, which is transferred to the Foundation’s undesignated net assets throughout the year. The Foundation's finance/operations committee regularly reviews this balance and recommends a reserve amount to the board of directors. Balances above any reserve are periodically made available for university priorities.

Note 3 - Liquidity and Availability of Resources (Continued)

The Foundation's board of directors occasionally designates funds for long-term giving to the University from the Foundation's net assets without donor restrictions. These designations are often for long-term capital projects, for which funds are disbursed to the University in future periods. As a result, board-designated net assets can exceed the undesignated net assets on hand. Although these funds are intended to be used for the purpose designated by the board, they could be undesignated for liquidity purposes if necessary. Additionally, as described in Note 2, the Foundation generates certain revenue from the distributions of a quasi endowment from within the board-designated quasi endowment. While distributions from only this quasi endowment are currently being used, the entire balance could be liquidated if necessary. The balance of this board-designated quasi endowment as of June 30, 2026 and 2025 is $24,456,026 and $21,519,083, respectively.

The Foundation has committed lines of credit in the amount of $30,000,000 at June 30, 2026, which it could draw upon if needed, as further described in Note 8.

Note 4 - Contributions Receivable

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

	2026	2025
Gross contributions receivable	$ 200,294,991	$ 158,345,156
Allowance for uncollectible contributions	(10,979,405)	(8,592,699)
Allowance for net present value discount	(10,679,275)	(7,387,241)
Contributions receivable - Net	$ 178,636,311	$ 142,365,216
Amounts due in:		
Less than one year	$ 74,014,630	$ 59,498,092
One to five years	125,199,228	96,685,231
More than five years	1,081,133	2,161,833
Total	$ 200,294,991	$ 158,345,156

Contributions receivable are recorded at estimated fair value based on the present value of future cash flows, adjusted for uncollectible amounts. Discount rates used by the Foundation to determine the net present value of contributions receivable are based on the duration over which payments are received and are commensurate with United States Treasury zero coupon bond rates for the same period. Discount rates used for outstanding contributions receivable range from 0.11 to 5.40 percent.

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

Note 5 - Investments

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

Note 5 - Investments (Continued)

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

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

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

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

	2026	2025
Cash and cash equivalents	$ 293,199,253	$ 47,155,858
Mutual funds:		
Domestic	123,200,996	140,370,825
International	307,528,200	226,932,240
Fixed income	4,026,298	3,587,022
Equity securities:		
Domestic	117,238,051	288,444,411
International	123,517,979	89,955,749
Exchange-traded fund	53,109,094	8,541,413
Fixed income securities	400,458,002	286,299,871
Alternative:		
Real estate	152,118,530	139,427,390
Private equity	864,314,097	635,911,861
Commingled equity funds	288,847,128	596,427,954
Absolute return	325,525,179	321,794,890
Venture capital	652,051,754	371,791,015
Commodities	95,049,176	44,726,449
Other	1,193,744	1,536,447
Total	$ 3,801,377,481	$ 3,202,903,395

As of June 30, 2026, the Foundation's long-term investment pool held significant indirect investments in SpaceX through multiple investment managers with an aggregate fair value of approximately $289 million, representing 8.2 percent of the LTIP. See Note 2 for concentrations risk.

Note 5 - Investments (Continued)

During the year ended June 30, 2026, SpaceX completed an initial public offering and became publicly traded. Certain shares attributable to the Foundation's indirect investments remain subject to contractual lockup restrictions that limit the timing and volume of shares that may be sold. As a result of the concentration of the LTIP's investment in SpaceX, changes in the market price of SpaceX shares could have significant effect on the fair value of the LTIP. The value of these investments may also be subject to increased volatility associated with market conditions, investor sentiment, and the expiration of applicable lockup restrictions, which could lead to higher trading activity and short-term price fluctuations.

Note 6 - Fair Value Measurements

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

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

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

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

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

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

Note 6 - Fair Value Measurements (Continued)

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2026 and 2025 and the valuation techniques used by the Foundation to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2026				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carried at NAV	Balance at June 30, 2026
Assets					
Investments held at fair value and net asset value:					
Mutual funds:					
Domestic equities	$ 123,200,996	$ -	$ -	$ -	$ 123,200,996
International equities	307,528,200	-	-	-	307,528,200
Fixed income	4,026,298	-	-	-	4,026,298
Equity securities:					
Domestic	117,238,051	-	-	-	117,238,051
International	123,517,979	-	-	-	123,517,979
Exchange-traded fund	53,109,094	-	-	-	53,109,094
Fixed-income securities	113,592,321	286,865,681	-	-	400,458,002
Alternatives:					
Real estate	-	-	-	151,745,980	151,745,980
Private equity	-	-	-	864,314,097	864,314,097
Commingled equity funds	-	-	-	288,847,128	288,847,128
Absolute return	-	-	-	325,525,179	325,525,179
Venture capital	-	-	1,129,453	650,922,301	652,051,754
Commodities	-	-	-	95,049,176	95,049,176
Other	-	724,266	244,477	-	968,743
Total investments held at fair value and net asset value	842,212,939	287,589,947	1,373,930	2,376,403,861	3,507,580,677
Assets held under split-interest agreements:					
Domestic equities	10,321,220	-	-	-	10,321,220
International equities	6,938,869	-	-	-	6,938,869
Real estate	3,469,946	-	-	-	3,469,946
Fixed income	7,877,361	-	-	-	7,877,361
Total assets held under split-interest agreements	28,607,396	-	-	-	28,607,396
Beneficial interest in charitable trusts held by others	-	-	23,521,289	-	23,521,289
Total assets	$ 870,820,335	$ 287,589,947	$ 24,895,219	$ 2,376,403,861	$ 3,559,709,362

Note 6 - Fair Value Measurements (Continued)

Money market funds and cash equivalents and certain investments held at cost or present value are not subject to fair value disclosures and, therefore, are not included in the table above. As of June 30, 2026, the Foundation held money market funds and cash equivalents in the amount of $293,199,253, certain investments held at cost or present value of $597,551, and cash and cash equivalents under split-interest arrangements of $250,917.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carried at NAV	Balance at June 30, 2025
Assets					
Investments held at fair value and net asset value:					
Mutual funds:					
Domestic equities	$ 140,370,825	$ -	$ -	$ -	$ 140,370,825
International equities	226,932,240	-	-	-	226,932,240
Fixed income	3,587,022	-	-	-	3,587,022
Equity securities:					
Domestic	238,944,411	-	49,500,000	-	288,444,411
International	89,955,749	-	-	-	89,955,749
Exchange-traded fund	8,541,413	-	-	-	8,541,413
Fixed-income securities	64,366,786	221,933,085	-	-	286,299,871
Alternatives:					
Real estate	-	-	-	139,054,840	139,054,840
Private equity	-	-	-	635,911,861	635,911,861
Commingled equity funds	-	-	-	596,427,954	596,427,954
Absolute return	-	-	-	321,794,890	321,794,890
Venture capital	-	-	1,011,703	370,779,312	371,791,015
Commodities	-	-	-	44,726,449	44,726,449
Other	-	725,694	580,752	-	1,306,446
Total investments held at fair value and net asset value	777,165,380	222,658,779	51,092,455	2,104,228,372	3,155,144,986
Assets held under split-interest agreements:					
Domestic equities	9,939,826	-	-	-	9,939,826
International equities	7,008,500	-	-	-	7,008,500
Real estate	3,082,716	-	-	-	3,082,716
Fixed income	6,193,659	-	-	-	6,193,659
Total assets held under split-interest agreements	26,224,701	-	-	-	26,224,701
Beneficial interest in charitable trusts held by others	-	-	13,469,396	-	13,469,396
Total assets	$ 798,923,147	$ 222,658,779	$ 64,561,851	$ 2,108,695,306	$ 3,194,839,083

Certain investments at June 30, 2025 were reclassified from level 1 to NAV to align with the presentation of investments at June 30, 2026.

Note 6 - Fair Value Measurements (Continued)

Money market funds and cash equivalents and certain investments held at cost or present value are not subject to fair value disclosures and, therefore, are not included in the table above. As of June 30, 2025, the Foundation held money market funds and cash equivalents in the amount of $47,155,858, certain investments held at cost or present value of $602,551, and cash and cash equivalents under split-interest arrangements of $277,613. In addition to total assets held under split-interest agreements at fair value, the Foundation has $255,000 of real estate held at appraised value at the date of donation at June 30, 2025.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2026 and 2025 are as follows:

	Investments	Beneficial Interest in Charitable Trusts Held by Others
Balance - July 1, 2025	$ 51,092,455	$ 13,469,396
Total unrealized and realized (losses) gains	(218,525)	10,051,893
Transfers out of Level 3	(49,500,000)	-
Balance - June 30, 2026	$ 1,373,930	$ 23,521,289

	Investments	Beneficial Interest in Charitable Trusts Held by Others
Balance - July 1, 2024	$ 43,830,246	$ 12,369,243
Dividend income	1,740,000	-
Total unrealized and realized gains	7,262,209	1,100,153
Transfers out of Level 3	(1,740,000)	-
Balance - June 30, 2025	$ 51,092,455	$ 13,469,396

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

Fund Description	Unfunded Commitments June 30, 2026	Fair Value June 30, 2026	Fair Value June 30, 2025	Redemption Frequency	Redemption Notice Period
Real estate	$ 56,812,851	$ 151,745,980	$ 139,054,840	None	N/A
Private equity	240,136,590	864,314,097	631,444,927	None	N/A
Commingled equity funds	-	288,847,128	596,427,954	Varies	30 to 90 days
Absolute return	6,315,757	325,525,179	321,794,890	Varies	45 to 90 days
Venture capital	75,202,102	650,922,301	370,779,312	None	N/A
Commodities	40,114,980	95,049,176	44,726,449	None	N/A
Total	$ 418,582,280	$ 2,376,403,861	$ 2,104,228,372		

As of June 30, 2026, the fair values of these investments have been provided by the underlying general partner. Subsequent to June 30, 2026, the Foundation entered into commitments to fund additional investments of approximately $65,400,000.

Domestic equities include publicly traded U.S. stocks; an investment in a privately held bank holding company; and a fund that may invest in vehicles, including equity-related, hybrid, and credit securities that are publicly and privately traded in U.S. and non-U.S. markets.

Note 6 - Fair Value Measurements (Continued)

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

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

Real estate includes private equity funds that focus on real estate assets primarily located in the U.S. These investments are not redeemable. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The estimated timing of an investment liquidation is unknown at this time.

Private equity funds focus on buyout, growth equity, and/or distressed debt. These investments are not readily redeemable, but a secondary market does exist. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The estimated timing of an investment liquidation is unknown at this time.

Commingled equity funds include holdings in U.S. and non-U.S. publicly traded equities and equity-related securities that are listed or traded on recognized market exchanges. Liquidity terms vary by investment manager and typically have monthly or quarterly redemption periods.

Absolute return includes funds that seek to generate returns through the implementation of specialized strategies that have historically exhibited a low correlation to the broad equity markets. These managers may employ strategies, such as long/short hedged equity or credit, distressed debt, merger arbitrage, litigation, direct lending, or event-driven strategies, among others, and the allocation to these strategies may vary over time. As of June 30, 2026, all of the investments in this category are subject to certain lockup restrictions, which may limit the amount of capital eligible for redemption for certain time periods.

Venture capital includes private equity funds that focus on startup companies or companies earlier in their growth cycle. These investments are not readily redeemable, but a secondary market does exist in some cases. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The estimated timing of an investment liquidation is unknown at this time.

Commodities may consist of investments related to food products, energy, metals, and other natural resources. These investments are not readily redeemable. Instead, the nature of these investments relies on interest income and principal repayment from loans made to agricultural firms based in North America. The loans are fully collateralized by the underlying agricultural product or commodity. The estimated timing of an investment liquidation is unknown at this time.

Note 7 - Property and Equipment

Property and equipment are summarized as follows:

	2026	2025
Equipment, software, and other	$ 2,867,906	$ 2,867,906
Land, building, and improvements	8,098,546	6,040,039
Furniture and fixtures	608,332	384,355
Total cost	11,574,784	9,292,300
Accumulated depreciation	4,799,477	4,630,130
Property and equipment - Net	$ 6,775,307	$ 4,662,170

Note 8 - Line of Credit

Under a line of credit agreement with a bank entered into in April 2026, the Foundation has available borrowings of approximately $30,000,000. Interest is payable monthly at a rate of 0.75 percent above the daily simple SOFR (an effective rate of 3.68 percent at June 30, 2026). The line of credit is unsecured and matures on April 8, 2027. Under the agreement with the bank, the Foundation is subject to certain covenants, as discussed below. There is no balance outstanding on the line of credit as of June 30, 2026.

Under the line of credit agreement with the bank, the Foundation is subject to various financial covenants, including maintaining unrestricted cash and investments at least equal to total funded debt, measured annually. As of June 30, 2026, the Foundation is in compliance with all financial covenants.

Note 9 - Split-interest Agreements

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

For the years ended June 30, 2026 and 2025, $250,885 and $3,362,888, respectively, was included in contribution revenue relating to new split-interest agreements, which is included within the change in value of split-interest agreements on the statement of activities and changes in net assets.

Charitable Trusts Held by the Foundation

Charitable Remainder Trusts

The Foundation is the trustee and remainder beneficiary of approximately 60 charitable remainder trusts and, as trustee, is required to make annual distributions to the specified life income beneficiaries. Charitable remainder trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the trusts' terms or designated beneficiaries' lifetimes, respectively. At the end of the trusts' terms, the remaining assets are transferred to the Foundation to support the University, as directed by the grantor or donor.

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

Note 9 - Split-interest Agreements (Continued)

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

Charitable Lead Trusts

The Foundation did not hold any charitable lead trusts as of June 30, 2026 and 2025.

Charitable Gift Annuities

The Foundation had approximately 60 charitable gift annuity contracts outstanding at June 30, 2026. These contracts require the Foundation to make fixed payments to the beneficiaries over their lifetimes. Under a charitable gift annuity contract, the assets received by the Foundation are immediately available for use by the Foundation and, as such, are not held in trust separately from other investments of the Foundation. The obligation to make periodic disbursements to the beneficiaries becomes a general obligation of the Foundation. On the date each charitable gift annuity was established, the Foundation recorded a contribution equal to the difference between the amount transferred from the donor and the present value of the future cash flows expected to be paid to the specified beneficiaries using a discount rate equal to the then-current applicable federal rate.

The Foundation had a liability for charitable gift annuities of $4,535,388 and $4,808,271 as of June 30, 2026 and 2025, respectively.

Life Interest in Real Estate

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

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

Pooled Life Income Fund

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

Note 9 - Split-interest Agreements (Continued)

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

	2026	2025
Assets held in charitable remainder trusts	$ 28,524,413	$ 26,419,216
Assets held in life interest in real estate	-	255,000
Assets held in pooled life income fund	82,983	83,098
Total	28,607,396	26,757,314
Less associated liabilities	(12,747,250)	(12,329,250)
Less associated deferred revenue	-	(30,274)
Net present value of trust assets administered by the Foundation	$ 15,860,146	$ 14,397,790

Charitable Trusts Held by Others

Charitable Remainder Trusts

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

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

	2026	2025
Gross value of beneficial interests	$ 17,452,601	$ 14,795,626
Less unamortized discount	(6,256,718)	(6,369,499)
Net present value of beneficial interests	$ 11,195,883	$ 8,426,127

Perpetual Trusts

Perpetual trusts provide for the distribution of the net income of the trusts to the Foundation; however, the Foundation will never receive the assets of the trusts. At June 30, 2026 and 2025, the fair value of assets held in perpetual trusts for the benefit of the Foundation was $12,325,406 and $5,043,269, respectively.

Note 10 - Custodial Funds

Custodial funds held at June 30, 2026 consisted of the following:

	University of Colorado	Other Not-for-profits	Total
Endowment	$ 313,922,920	$ -	$ 313,922,920
Nonendowed	431,190,456	-	431,190,456
Custodial funds held	745,113,376	-	745,113,376
Accounts payable and accrued expenses - University	(156,331)	-	(156,331)
Total	$ 744,957,045	$ -	$ 744,957,045

Custodial funds held at June 30, 2025 consisted of the following:

	University of Colorado	Other Not-for-profits	Total
Endowment	$ 270,752,122	$ -	$ 270,752,122
Nonendowed	382,165,292	-	382,165,292
Custodial funds held	652,917,414	-	652,917,414
Accounts payable and accrued expenses - University	(218,415)	-	(218,415)
Total	$ 652,698,999	$ -	$ 652,698,999

Note 11 - Net Assets

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

	2026	2025
Undesignated	$ 65,039,007	$ 52,129,660
Board designated:		
University of Colorado Boulder - Campus renovations	7,200,000	-
University of Colorado Anschutz - Campus renovations	12,500,000	-
University of Colorado Anschutz - Advancement support	2,000,000	-
University of Colorado Denver - Advancement support and scholarships	3,000,000	-
University of Colorado System Advancement - Staff support	-	479,184
University of Colorado Colorado Springs - Biofrontiers and student outreach	3,118,288	177,087
University of Colorado Anschutz - Advancement staff support	-	2,049,895
University of Colorado Boulder - Advancement outreach and engagement	1,748,020	3,332,542
University of Colorado Denver - Venture capital investment pool	123,175	145,675
Board-designated endowment to support advancement and foundation operations	24,456,026	21,519,083
Board-designated funds held for Boulder Alumni Association	1,757,289	1,521,569
Board designation - Undesignated bequests	1,307,552	1,093,274
Total board designated	57,210,350	30,318,309
Total net assets without donor restrictions	$ 122,249,357	$ 82,447,969

Note 11 - Net Assets (Continued)

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2026:

	Academic Support	Athletics	Capital Projects	Chairs, Professorships, and Other Faculty Support	Public Service, Library, and Other Support	Research	Scholarships	Total
Endowments - Subject to endowment spending policy and appropriation:								
Pure	$ 238,522,480	$ 7,070,791	$ 2,949,421	$ 897,326,064	$ 31,598,771	$ 81,000,655	$ 606,329,941	$ 1,864,798,123
Quasi	121,746,144	2,986,883	25,033,259	179,722,054	83,834,968	91,367,074	184,103,959	688,794,341
Subject to expenditure for specified purpose	242,112,359	6,750,713	12,494,483	11,411,286	6,489,600	60,080,138	37,741,622	377,080,201
Endowment distributions	36,464,766	564,036	74,914	33,304,767	3,259,771	8,710,130	24,214,810	106,593,194
Subject to passage of time and/or purpose:								
Life income arrangements	17,787,645	79,464	962,053	3,674,789	565,615	6,154,287	5,331,306	34,555,159
Promises to give:								
Endowment - Pure	22,663,507	527,422	475,000	31,705,166	88,108	2,450,000	11,633,270	69,542,473
Endowment - Quasi	1,284,847	3,810	-	200,000	-	-	361,500	1,850,157
Endowment distribution funds	1,098,500	76,647	-	3,135,643	-	540,000	1,370,619	6,221,409
Current expendable	49,835,826	6,549,508	3,155,354	2,920,537	1,649,661	22,274,715	14,636,672	101,022,273
Total net assets with donor restrictions	$ 731,516,074	$ 24,609,274	$ 45,144,484	$ 1,163,400,306	$ 127,486,494	$ 272,576,999	$ 885,723,699	$ 3,250,457,330

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025:

	Academic Support	Athletics	Capital Projects	Chairs, Professorships, and Other Faculty Support	Public Service, Library, and Other Support	Research	Scholarships	Total
Endowments - Subject to endowment spending policy and appropriation:								
Pure	$ 226,514,369	$ 5,804,155	$ 1,648,131	$ 758,430,881	$ 26,727,883	$ 68,254,668	$ 506,111,770	$ 1,593,491,857
Quasi	106,500,464	2,311,537	19,279,338	150,683,386	71,749,333	75,349,498	157,402,226	583,275,782
Subject to expenditure for specified purpose	209,634,554	4,304,115	12,485,148	11,855,039	7,228,472	55,041,894	31,591,241	332,140,463
Endowment distributions	45,135,653	470,995	454,476	31,373,839	2,477,828	8,889,869	19,878,515	108,681,175
Subject to passage of time and/or purpose:								
Life income arrangements	13,573,353	68,408	836,936	3,380,567	438,973	3,624,999	4,579,079	26,502,315
Promises to give:								
Endowment - Pure	20,097,092	526,923	525,000	25,637,251	120,057	35,000	10,104,141	57,045,464
Endowment - Quasi	2,378,050	4,310	-	43	-	-	114,040	2,496,443
Endowment distribution funds	1,360,000	79,781	-	1,735,893	-	580,000	1,278,913	5,034,587
Current expendable	41,493,464	4,516,032	3,993,484	3,434,523	999,340	8,881,757	14,470,122	77,788,722
Total net assets with donor restrictions	$ 666,686,999	$ 18,086,256	$ 39,222,513	$ 986,531,422	$ 109,741,886	$ 220,657,685	$ 745,530,047	$ 2,786,456,808

Note 12 - Net Assets Released from Purpose Restrictions

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

	2026	2025
Academic support	$ 130,813,726	$ 101,930,467
Athletics	2,896,159	3,522,182
Capital projects	2,876,048	9,455,348
Chairs, professorships, and other faculty support	34,099,708	30,632,240
Public service, library, and other support	8,312,821	9,021,139
Research	27,833,033	28,616,426
Scholarships	43,800,759	43,236,597
Total	$ 250,632,254	$ 226,414,399

Note 13 - Donor-restricted and Board-designated Endowments

The Foundation's endowments consist of approximately 3,900 individual donor-restricted pure or quasi endowments. Donor-restricted pure endowment funds are permanent charitable funds whose principal is treated in accordance with a defined spending policy or that must be preserved in perpetuity as a condition imposed by the donor. Donor-restricted quasi-endowment funds are those purpose-restricted gifts that are generally intended to be maintained in perpetuity; however, under specific circumstances defined by the donor, the principal may be invaded fully to meet the defined purpose. The Foundation also has certain funds without donor restrictions that have been designated by the Foundation's board of directors to function as endowments.

Interpretation of Relevant Law

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

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Total managed endowments at the Foundation were $2,895,129,047 and $2,471,698,810 at June 30, 2026 and 2025, respectively. Included in these totals are custodial endowments (see Note 10) totaling $313,922,920 and $270,752,122 at June 30, 2026 and 2025, respectively. Foundation endowments consist of various individual funds established for a variety of purposes.

The composition and changes of endowments (net of custodial endowments) by type of fund as of June 30, 2026 consisted of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 27,613,663	$ -	$ 27,613,663
Donor-restricted quasi-endowment funds	-	688,794,341	688,794,341
Donor-restricted pure endowment funds:			
Donor-restricted pure endowment funds	-	1,062,334,850	1,062,334,850
Accumulated investment gains	-	802,463,273	802,463,273
Total	$ 27,613,663	$ 2,553,592,464	$ 2,581,206,127

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 24,179,049	$ 2,176,767,639	$ 2,200,946,688
Investment return - Net - Investment income	4,667,975	421,483,502	426,151,477
Contributions	77,801	58,946,101	59,023,902
Appropriation of endowment assets for expenditure	(875,204)	(76,831,937)	(77,707,141)
Other changes	(435,958)	(26,772,841)	(27,208,799)
Endowment net assets - End of year	$ 27,613,663	$ 2,553,592,464	$ 2,581,206,127

The composition and changes of endowments (net of custodial endowments) by type of fund as of June 30, 2025 consisted of the following:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 24,179,049	$ -	$ 24,179,049
Donor-restricted quasi-endowment funds	-	583,275,782	583,275,782
Donor-restricted pure endowment funds:			
Accumulated investment gains	-	581,794,854	581,794,854
Amount required by donor to be held in perpetuity	-	1,011,697,003	1,011,697,003
Total	$ 24,179,049	$ 2,176,767,639	$ 2,200,946,688

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 22,924,872	$ 1,963,938,272	$ 1,986,863,144
Investment return - Net	2,287,333	202,195,358	204,482,691
Contributions	176,196	103,610,363	103,786,559
Appropriation of endowment assets for expenditure	(1,115,033)	(94,516,298)	(95,631,331)
Other changes	(94,319)	1,539,944	1,445,625
Endowment net assets - End of year	$ 24,179,049	$ 2,176,767,639	$ 2,200,946,688

Funds with Deficiencies (Underwater Endowment Funds)

From time to time, as a result of investment losses and board-authorized distributions, the fair value of certain endowments may fall below the historical gift value of a donor-restricted pure endowment. The Foundation's board of directors has determined that the distributions must be suspended if a fund's fair market value falls below 90 percent of its historical gift value. In accordance with GAAP, deficiencies of this nature would be reported in net assets with donor restrictions. As of June 30, 2026 and 2025, there were no funds with deficiencies.

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

Return Objectives and Risk Parameters

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

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

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

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

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

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

Note 14 - Functional Expenses

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

	2026	2025
Administrative:		
Accounting	$ 242,913	$ 251,622
Contracted services	264,826	173,607
Depreciation and amortization	124,311	116,982
Donor stewardship	174,313	145,013
Dues and subscriptions	6,019	8,691
Health and other employee benefits	359,273	283,380
Information technology	363,533	325,924
Insurance	215,859	240,371
Legal	20,423	39,906
Occupancy	153,735	147,394
Office expenses	471,932	279,313
Other	11,591	218,390
Payroll taxes	254,315	244,098
Professional development	172,722	169,985
Retirement plan contributions	189,656	171,588
Salaries and wages	3,577,857	3,238,462
Travel	37,186	40,248
Total	$ 6,640,464	$ 6,094,974

Note 15 - Employee Retirement Plan

The Foundation sponsors a 401(k) plan for the benefit of its employees. Under the 401(k) plan, the Foundation matches employee contributions up to 6 percent of the employee's salary. For the years ended June 30, 2026 and 2025, the Foundation's matching contributions were $189,656 and $171,588, respectively.

Note 16 - Related Party Transactions

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

The Foundation holds and invests custodial endowments and treasury funds on behalf of the University in the LTIP. In 2026 and 2025, the Foundation assessed 1.5 percent on the University's custodial endowments and 1.0 percent on the University's treasury funds. These assessments are used to support advancement operations in alignment with the Foundation's endowment spending policy described in Note 13. The Foundation collected approximately $7,200,000 and $6,900,000 from the University for the years ended June 30, 2026 and 2025, respectively.

As discussed in Note 2, the Foundation transfers funds to the University to support the budget for the CU Advancement on each of the University's campuses and the central office of advancement. These transferred funds are included on the statement of activities and changes in net assets as advancement support to the University and totaled $39,934,279 and $38,398,615 during the years ended June 30, 2026 and 2025, respectively.

Note 17 - Contingencies

The Foundation assists the University by guaranteeing a limited number of primary residence loans through a local federal credit union for qualified university full-time tenured and tenure-track faculty members under a program called the Faculty Housing Assistance Program (FHAP). The Foundation guarantees up to $100,000 for each qualified loan. As of June 30, 2026 and 2025, the Foundation guaranteed 43 and 49 FHAP loans totaling $3,093,562 and $3,391,489, respectively.