

PIKES PEAK COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024



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**PIKES PEAK COMMUNITY FOUNDATION
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YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Pikes Peak Community Foundation
Colorado Springs, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pikes Peak Community Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pikes Peak Community Foundation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

In performing an audit in accordance with GAAS, we:

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

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



CliftonLarsonAllen LLP

Denver, Colorado
May 22, 2025

**PIKES PEAK COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

Cash and Cash Equivalents	\$ 8,938,997
Investments	73,776,783
Investments in Limited Liability Companies	622,262
Notes Receivable, Net	433,521
Property and Equipment, Net	404,343
Other Assets	<u>400,865</u>
Total Assets	<u><u>\$ 84,576,771</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 945,493
Funds Held as Agency Endowments	7,335,362
Funds Held in Trust for Others	<u>4,255,102</u>
Total Liabilities	12,535,957

NET ASSETS

Without Donor Restrictions:	
Designated for Endowment	27,234,107
Undesignated	<u>44,806,707</u>
Total Without Donor Restrictions	72,040,814
With Donor Restrictions	
Total Net Assets	<u><u>72,040,814</u></u>
Total Liabilities and Net Assets	<u><u>\$ 84,576,771</u></u>

See accompanying Notes to Financial Statements.

**PIKES PEAK COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 6,218,486	\$ 55,452	\$ 6,273,938
Investment Income, Net	6,722,250	2,069	6,724,319
Program Income	45,755	-	45,755
Management Fee, Charged to Others	56,087	-	56,087
Income from Royalties	54,114	-	54,114
Net Assets Released from Restriction	391,090	(391,090)	-
Total Revenue	13,487,782	(333,569)	13,154,213
EXPENSES AND LOSSES			
Program Services:			
Philanthropic Services	10,566,011	-	10,566,011
Community Impact	1,006,111	-	1,006,111
Management and General	876,448	-	876,448
Total Expenses and Losses	12,448,570	-	12,448,570
CHANGE IN NET ASSETS	1,039,212	(333,569)	705,643
Net Assets - Beginning of Year	71,001,602	333,569	71,335,171
NET ASSETS - END OF YEAR	<u>\$ 72,040,814</u>	<u>\$ -</u>	<u>\$ 72,040,814</u>

See accompanying Notes to Financial Statements.

**PIKES PEAK COMMUNITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Services				
	Philanthropic Services	Community Impact	Total Program Services	Management and General	Total
Grants	\$ 10,154,716	\$ 455,983	\$ 10,610,699	\$ -	\$ 10,610,699
Payroll and Related	317,504	280,538	598,042	591,316	1,189,358
General and Administrative	47,919	50,692	98,611	125,291	223,902
Rent and Utilities	36,015	32,169	68,184	67,462	135,646
Nongrant Program Expenses	-	111,917	111,917	64,018	175,935
Legal and Professional	9,857	68,322	78,179	24,966	103,145
Depreciation	-	6,490	6,490	1,837	8,327
Loss on Disposal	-	-	-	1,558	1,558
Total Expenses by Function	<u>\$ 10,566,011</u>	<u>\$ 1,006,111</u>	<u>\$ 11,572,122</u>	<u>\$ 876,448</u>	<u>\$ 12,448,570</u>

See accompanying Notes to Financial Statements.

**PIKES PEAK COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 705,643
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities	
Depreciation Expense	8,327
Realized and Unrealized Investment Gain	(5,129,138)
Loss on Disposal of Fixed Asset	1,558
Donation of Property	(357,112)
Donation of Investments	(4,013,580)
Changes in Operating Assets and Liabilities:	
Notes Receivable, Net	15,918
Other Assets	(132,948)
Accounts Payable and Accrued Expenses	450,166
Net Cash Used by Operating Activities	<u>(8,451,166)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(19,472,408)
Proceeds from Sales of Investments	28,704,201
Purchases of Property and Equipment	(51,040)
Purchases of Investments in Limited Liability Companies	(36,837)
Net Cash Provided by Investing Activities	<u>9,143,916</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

692,750

Cash and Cash Equivalents - Beginning of Year

8,246,247

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 8,938,997

SIGNIFICANT NONCASH TRANSACTIONS

Donations of Property and Investments	<u><u>\$ 4,370,692</u></u>
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See accompanying Notes to Financial Statements.

PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pikes Peak Community Foundation (PPCF) is a Colorado nonprofit corporation. The mission of PPCF is to inspire a passionate community to forge an enduring legacy now and for future generations. Guided by its vision of a thriving, resilient, sustainable Pikes Peak Region with a vibrant quality of life for all, PPCF intends to become the community's shared endowment and the premiere hub for philanthropy.

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 (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

Revenue Recognition

The Foundation records unconditional contributions in accordance with the requirements of accounting principles generally accepted in the United States of America (U.S. GAAP) for nonprofit entities. The Foundation recognizes revenue for contributions (and grants considered to be contributions) based upon the presence or absence of donor-imposed conditions. For those contributions absent of donor-imposed conditions, revenues are recognized at the time the Foundation is notified of the contribution and that promise is verified, regardless of timing of cash receipt. For contributions with donor-imposed conditions – that is, those with a measurable performance or other barrier and a right of return or release – revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Nonfinancial Assets – In-Kind Contributions

A substantial number of board members have made significant contributions of their time to develop the Foundation's programs. The value of this contributed time is not reflected in the accompanying financial statements because the services do not require specialized skills.

Contributed nonfinancial assets consist of items and services donated for use by the Foundation. Contributed goods are recorded at fair value at the date of the donation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers cash, amounts due from banks, and highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents.

Investments

Investments are carried at fair value. Fair values for money market accounts, mutual funds, exchange traded funds, real estate investment trusts and common stock are determined principally through quoted market prices. Fair values for government obligations and corporate bonds are determined principally through pricing services. The Foundation also holds shares or units of alternative investment funds. For financial statement presentation purposes, an investment may be considered alternative if the investment does not meet the following four criteria: (1) it is registered with the Securities Exchange Commission (SEC), (2) it makes semiannual filings with the SEC, (3) it calculates a net asset value daily, and (4) purchase and redemption of shares may be done daily. Such alternative investment funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, funds may hold assets that require the estimate of fair values in the absence of readily determinable market values. The Foundation's investments in alternative investment funds are recorded at net asset value (NAV).

Realized and unrealized gains and losses are reflected in the statement of activities. Earnings on restricted investments are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the earnings are recognized. All other earnings on donor-restricted investments are recognized as an increase in net assets with donor restrictions according to the nature of the restrictions on the original gift. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Limited Liability Companies

The Foundation's investments in limited liability companies are accounted for under the equity method. Under the equity method of accounting investments are recorded at cost and are adjusted for the proportionate share of the undistributed earnings and losses.

Notes Receivable

The Foundation has made loans to nonprofit organizations at below-market interest rates. The repayment schedules and interest rates on the loans are varied. An allowance for credit losses related to notes receivable from nonprofit organization borrowers is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Foundation periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of \$50,000 are capitalized. Property and equipment, which consist of land, buildings and furniture and fixtures, are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to five years for furnishings and equipment and 40 years for buildings.

Funds Held as Agency Endowments

The Foundation has adopted accounting standards for transactions in which a community foundation accepts a contribution from a nonprofit organization and agrees to transfer those assets, the return on investment of those assets, or both, back to the nonprofit organization. The standards specifically require that if a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency funds. As of December 31, 2024, the Foundation held 17 agency funds with the balance of those funds totaling \$7,355,362. The Foundation maintains variance power and legal ownership of the agency endowment funds and they appear in the accompanying statement of financial position as funds held as agency endowments.

Funds Held in Trust for Others

The Foundation receives certain transfers of assets that are revocable or are not assets held for the benefit of the Foundation. These transfers are accounted for as a liability by the Foundation and appear in the accompanying statement of financial position as funds held in trust for others. At December 31, 2024, the balance of those funds totaled \$4,255,102.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Certain financial instruments potentially subject the Foundation to concentrations of credit risk. These financial instruments consist primarily of cash and investments.

Use of Estimates

Preparation of the Foundation's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The Foundation is a nonprofit corporation which is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies as a public charity for purposes of Charitable Contribution deduction. The Foundation believes that it does not have any uncertain tax positions that are material to the financial statements.

Subsequent Events

The Foundation has evaluated the impact of all subsequent events through May 22, 2025, which is the date that the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following table reflects the Foundation's financial assets as of December 31, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions, internal board designations, or donor restrictions.

Cash and Cash Equivalents	\$ 8,938,997
Investments	73,776,783
Notes Receivable, Net	<u>433,521</u>
Total Financial Assets	<u>83,149,301</u>
Less Amounts Unavailable for General Expenditures	
Within One Year, Due to:	
Funds Designated by Board as Endowment	27,234,107
Funds Held as Agency Endowments	7,335,362
Funds Held in Trust for Others	4,255,102
Illiquid Investments	622,262
Donor Restrictions	<u>-</u>
Total	<u>39,446,833</u>
Total Financial Assets Available to Management to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 43,702,468</u></u>

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

Contributions received by the Foundation are separated as Donor Advised Funds, Donor-Restricted Funds, Designated Funds, Field of Interest Funds or Undesignated Funds at the request of the donor.

Donor Advised Funds are available for grant disbursement generally based on donor recommendation. Designated Funds are generally used for a specific charitable organization as designated by the donor. Field of Interest Funds are available for grant disbursement within a charitable field of interest as approved by the Foundation's board of trustees. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Donor Restrictions are funds subject to donor-imposed restrictions that are either temporary or perpetual in nature.

The Foundation's liquidity management policy is to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Foundation's typical operating procedures to manage an emergency cash flow need is to liquidate investments. The Foundation manages its cash flow through regular (monthly) analysis of cash flows and budgeted expenses.

NOTE 3 NOTES RECEIVABLE

The foundation invests in projects that advance philanthropic purposes. These program-related investments are loans to nonprofit entities outstanding for up to six years bearing interest from 0% to 2%. These loans are treated as qualifying distributions for tax reporting purposes. Loans are recorded based on estimated value that is discounted utilizing an interest rate commensurate with the risk of individual loans. Discount rates range from 1.25% to 13.5%. As of December 31, 2024, the loans have a principal balance of \$1,170,466 and an unamortized discount of \$136,945.

Program related investments notes receivable are expected to be collected as follows:

<u>Year Ending Decmeber 31,</u>	<u>Amount</u>
2024	\$ 70,466
2025	-
2026	-
2027	1,100,000
Gross Notes Receivable	1,170,466
Less: Discount (13.5% and 5.5%, Respectively) on Receivable	(136,945)
Less: Allowance for Credit Loss	(600,000)
Net Notes Receivable	<u>\$ 433,521</u>

PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 NOTES RECEIVABLE (CONTINUED)

The nature of program related investments notes receivable consist of the following at December 31, 2024:

Programmatic Purpose	Number of Loans Outstanding	Weighted Average Loan Face Value	Weighted Average Loan Carrying Value
Philanthropic Services	1	\$ 400,000	\$ 273,572
Community Impact	2	170,466	159,949

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Foundation reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of alternative investment funds which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value as of December 31, 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Measured at Fair Value				
on a Recurring Basis:				
Investments:				
Common Stock:				
Domestic	\$ 6,566,033	\$ 6,566,033	\$ -	\$ -
International	2,362,985	2,362,985	-	-
Exchange-Traded Funds:				
Real Estate and Alternative	14,552	14,552	-	-
Domestic Equity	22,232,010	22,232,010	-	-
Domestic Fixed Income	3,471,860	3,471,860	-	-
Government Obligations	159,057	159,057	-	-
International Equity	3,217,913	3,217,913	-	-
International Fixed Income	270,294	270,294	-	-
Mutual Funds:				
Domestic Fixed Income	9,393,045	9,393,045	-	-
Domestic Equity	7,558,874	7,558,874	-	-
International Equity	6,151,711	6,151,711	-	-
Real Estate and Alternatives	1,020,548	1,020,548	-	-
International Fixed Income	1,422,203	1,422,203	-	-
Other	689,067	689,067	-	-
Real Estate Investment Trusts	235,935	235,935	-	-
Fixed Income:				
Corporate Bonds	1,860,763	-	1,860,763	-
Government Obligations	2,415,903	-	2,415,903	-
Total Investments				
Measured Using the				
Fair Value Hierarchy	69,042,753	<u>\$ 64,766,087</u>	<u>\$ 4,276,666</u>	<u>\$ -</u>
Private Equity Fund Measured at				
Net Asset Value Per Share (A)	2,639,030			
Investments in Privately-Held				
Companies (B)	2,095,000			
Total Investments	<u>\$ 73,776,783</u>			

PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at December 31:

2024	Number of Investments	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate/REITs	5	475,721	\$ -	Monthly to Quarterly	Three Days to 45 Days
Infrastructure	3	294,479	-	Quarterly	45 Days
Private Equity	4	1,283,457	-	None to Quarterly	None to 75 Days
Private Credit	5	585,373	1,225,625	Quarterly	45 Days
		<u>\$ 2,639,030</u>	<u>\$ 1,225,625</u>		

Real Estate/REITs— Funds invested in large, income-producing real estate assets such as multifamily housing and industrial properties, with smaller allocations to retail, office, and specialty sectors like data centers. These funds focus on stable, long-term investments in high-growth markets to generate consistent rental income and potential property appreciation. Distributions are made either monthly or quarterly and are primarily funded by net rental income, with additional return potential through long-term NAV growth.

Infrastructure – Funds invested in private and public infrastructure assets, focusing on large, income-generating holdings such as utilities, data infrastructure, midstream energy, and transportation assets. The largest investments are typically in regulated utilities (e.g., electricity and water), telecommunications towers and fiber networks, and energy infrastructure (like pipelines and storage), which provide stable, long-term cash flows. Smaller allocations may include social infrastructure (like hospitals or education facilities) and opportunistic investments in sectors like renewable energy or toll roads. Returns are generated through regular income distributions, funded by the steady cash flow from these long-term, contracted or regulated assets.

Private Equity Funds – Funds focused on growth in equity, buyout opportunities, or distressed debt. These investments are not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund. The terms of these investments range from three to seven years.

Private Credit – Funds invested in private credit, focusing on large, senior secured loans made to middle-market and upper-middle-market companies. Distributions are generated through interest income from the loans, which are often floating-rate and designed to provide consistent, high-yield monthly or quarterly payouts. Additional returns can come from loan repayments at a premium, capital appreciation, or equity upside when companies grow or exit through a sale or IPO.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment in Private Equity Fund Limited Partnership (A)

At December 31, 2024, the Foundation has invested \$200,000 in PV Ventures II, L.P. (the Partnership) and has no further commitments for additional investments. The Partnership has a term of 10 years which commenced on December 31, 2014, with provisions for two additional one-year period extensions at the sole discretion of the General Partner, and additional one-year period extensions at the consent of the majority in interest of the Limited Partners. The partnership does not have a redemption feature but may be dissolved prior to the termination date subject to certain conditions. The Partnership's primary investment focus is to pursue a venture capital strategy, generally through investments in seed and early-stage technology companies.

Investment in Privately-Held Companies (B)

Investment in a nonmarketable equity security consists of an investment in the stock of a private company for which there is no readily determinable market value and generally no observable equity transactions. During 2024, no upward or downward adjustments have been applied to the cost of the investment related to impairment or observable price changes.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024:

Buildings	\$ 408,152
Furniture and Equipment	11,917
Total	<u>420,069</u>
Less: Accumulated Depreciation	15,726
Property and Equipment, Net	<u>\$ 404,343</u>

NOTE 6 INVESTMENT IN LIMITED LIABILITY COMPANIES

During 2020, the Foundation purchased a 9% interest in 315 Collective, LLC which was formed to purchase a building in Colorado Springs, Colorado. This entity will lease office space to the Foundation and other organizations. During 2021, the Foundation contributed an additional \$200,000 in capital in the form of an investment. As of December 31, 2024, the investment is recorded at \$622,262.

315 F&B, LLC was a single-member LLC wholly owned by 315 Collective, LLC. During 2022, 315 F&B, LLC was reorganized as a stand-alone LLC, owned by the same ownership group of 315 Collective, LLC with the same respective ownership percentages.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 7 CHARITABLE TRUST SPLIT-INTEREST AGREEMENTS

The Foundation serves as trustee for a revocable charitable remainder trust for which the Foundation is currently listed as the beneficiary. The trust assets, which total \$1,131,241 at December 31, 2024 are included within investments and funds held in trust for others in the accompanying statement of financial position.

NOTE 8 ENDOWMENT FUNDS

The Foundation has no donor-restricted endowments due to its variance power. The Foundation's endowment consists of 37 individual funds established for a variety of purposes. These funds include funds established by donors for specified charitable purposes or nonprofit organizations. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The state of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation 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.

The Foundation classifies as board-designated net assets (a) the original value of gifts designated by the board as endowment, (b) the original value of subsequent gifts to the board-designated endowment and (c) accumulations of investment earnings and/or losses to the board-designated endowment in accordance with board designations. The Foundation considers all earnings and/or losses on board-designated endowments to accumulate in the board-designated endowment fund. 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 purposes of the Foundation and the 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

Changes in endowment net assets without donor restrictions for the year ended December 31, 2024 are as follows:

Endowment Net Assets - January 1, 2024	\$ 25,599,868
Reclassifications	
Investment Return, Net	2,774,132
Contributions	297,404
Distributions	(1,437,297)
Endowment Net Assets - December 31, 2024	<u><u>\$ 27,234,107</u></u>

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 8 ENDOWMENT FUNDS (CONTINUED)

Investment and Spending Policies

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. The Foundation's spending policy considers market returns for the previous twelve quarters along with inflation and investment fees and typically spends within 3% to 6% of the balance of the endowed funds. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

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 to achieve its long-term return objectives within prudent risk constraints.

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

The Foundation did not have any net assets with donor restrictions as of December 31, 2024.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024:

Satisfaction of Purpose Restrictions:	
RISE Power and Resiliency Fund	\$ 221,578
RISE Youth Advisory Council Fund	48,824
Catchafire Co-Funding Initiative	120,688
Total Net Assets Released from Donor Restrictions	<u>\$ 391,090</u>

NOTE 10 RELATED PARTIES

Certain board members are fund advisors of donor advised funds that are held with the Foundation. As of December 31, 2024, the value of these donor advised funds was \$2,908,959.

During the year ended December 31, 2024, the Foundation received contributions from organizations for which Foundation board members serve on the organizations' board of directors or are part of the executive staff totaling \$1,569,885.

**PIKES PEAK COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 11 CONCENTRATIONS

For the year ended December 31, 2024, approximately 24% of the Foundation's contribution revenue was received from one donor.

NOTE 12 FUNCTIONAL EXPENSES ALLOCATION METHODS

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Foundation. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated fully to the related programs include grants, nongrant program expenses and depreciation. The expenses that are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services include payroll and related taxes, rent and utilities, general and administrative, legal and professional.

