COLORADO VENTURE CAPITAL AUTHORITY

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024



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COLORADO VENTURE CAPITAL AUTHORITY
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

INDEPENDENT AUDITORS' REPORT	**1**
MANAGEMENT'S DISCUSSION AND ANALYSIS	**4**
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	**12**
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	**13**
STATEMENTS OF CASH FLOWS	**14**
NOTES TO FINANCIAL STATEMENTS	**15**
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	**33**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Venture Capital Authority
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Colorado Venture Capital Authority (the Authority), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2025 and 2024, and the changes in financial position, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Authority'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 Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
July 22, 2026

Management's Discussion and Analysis

Our discussion and analysis of Colorado Venture Capital Authority's (the Authority or VCA) financial performance provides an overview of the Authority's financial activities for the fiscal years ended December 31, 2025 and 2024. Please read it in conjunction with the Authority's financial statements.

Relationship of the Authority to the Funds

The Authority's responsibility is limited to the selection (and limited oversight) of High Country Venture II, LLC, Greater Colorado Venture Capital GP, LLC, FirstMile Partners 2020, LLC, Greater Colorado Venture Fund II GP, LLC, New Community Transformation Fund – Denver GP, LLC, Avesta Colorado Fund I GP, LLC, Colorado ONE GP, LLC, and FirstMile Partners 2024, LLC (collectively, the Managers) to serve as the general partners of Colorado Fund II, L.P. (Fund II), Greater Colorado Venture Fund I, L.P. (Fund III), FirstMile VCA 2020, L.P. (Fund IV), Greater Colorado Venture Fund II, L.P. (Fund V), NCTF – Colorado Parallel Fund I, L.P. (Fund VI), Avesta Colorado Fund I, L.P. (Fund VII), Colorado ONE Fund, L.P. (Fund VIII), and FirstMile VCA 2024, L.P. (Fund IX) (collectively, the Funds), respectively. The Authority reviews the activities and progress of the Funds in relation to the VCA Statute on an ongoing basis. On behalf of the Authority, the Colorado Office of Economic Development & International Trade reviews the geographical designation of portfolio company investments under the VCA Statute and may recommend to the Authority disqualification of an investment based on a failure to meet the requirements of the VCA Statute. However, in compliance with the VCA Statute and other applicable laws and, as is customary for an investor in a private equity fund, the Managers (and not the Authority) as general partner of the Funds has the sole power and authority to call capital for and select, oversee, and sell all Fund investments, pursuant to the terms of the Funds' limited partnership agreements.

Relationship of Authority to Portfolio Companies

In December 2018, Colorado Fund I, L.P. (Fund I), was closed and the four active remaining investments were transferred to VCA. In December 2024, Colorado Fund II, L.P. (Fund II) was closed and the five active remaining investments were transferred to the VCA.

Financial Highlights

The Authority uses investment fund accounting terminology, whereby Operating Revenues include exchange transactions, manager application fees (in those years when the Authority has invited applications for new managers), and both realized and unrealized gains and losses from investments of the Funds. Operating Expenses are the administrative expenses of the Authority.

In accordance with generally accepted accounting principles (GAAP), the Funds have primarily valued the investments held by the Funds based on the most recent arm's length transactions (Transactions) in the securities of those portfolio companies but retain the right to proactively write investments down based on the Manager's business judgment. In the absence of recent Transactions, the manager may use a third-party valuation of a portfolio security. Securities of publicly traded companies, in the event the Funds hold them, will be valued at their year-end closing bid price. For the years ended December 31, 2025 and 2024, in accordance with GAAP, a market approach using Transactions and a blended valuation approach using multiplies of revenues and expected cash flows were used as the primary valuation methods. As a result of the changes in the Funds' individual investment valuations, operating revenues (losses) were ($150,058) for the year ended December 31, 2025 and ($10,924,905) for the year ended December 31, 2024. Please note that portfolio company names have not been disclosed because of the nondisclosure requirements that the Funds maintain with their portfolio companies.

Financial Highlights (Continued)

Individual Company Transactions Resulting in Valuation Changes in total – Fund III

VCA is allocated approximately a 75-76% portion of the Fund III cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company 1	3,424,401	Contribution in 2025 and increase in blended valuation
Company 5	250,004	Contribution in 2025 and increase in blended valuation
Company 6	(168,650)	Decrease based on blended valuation
Company 8	(87,498)	Decrease based on blended valuation
Company 16	4,272	Increase based on blended valuation
Company 24	171,628	Conversion in 2025 and increase in blended valuation
Company 26	226,399	Contribution in 2025 and increase in blended valuation
Company 29	(225,000)	Decrease based on blended valuation
Company 30	(75,000)	Decrease based on blended valuation
Company 31	(37,501)	Decrease based on blended valuation

Individual Company Transactions Resulting in Valuation Changes in total – Fund IV

VCA is allocated approximately a 98-99% portion of the Fund IV cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company a	(115,000)	Decrease based on blended valuation
Company b	(400,000)	Decrease based on blended valuation
Company e	14,182	Increase based on blended valuation
Company h	(170,000)	Sold during 2025
Company j	345,000	Contribution in 2025 and increase in blended valuation
Company m	634,839	Increase based on blended valuation
Company o	(399,998)	Decrease based on blended valuation
Company q	210,555	Contribution in 2025 and increase in blended valuation
Company r	49,878	Increase based on blended valuation
Company s	(112,289)	Decrease based on blended valuation
Company u	75,000	Increase based on blended valuation

Financial Highlights (Continued)

Individual Company Transactions Resulting in Valuation Changes in total – Fund V

VCA is allocated approximately a 46-47% portion of the Fund V cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company A	(375,000)	Decrease based on blended valuation
Company C	(500,000)	Sold during 2025
Company D	841,480	Contribution in 2025 and increase in blended valuation
Company F	47,111	Increase based on blended valuation
Company L	1,505,600	Increase based on blended valuation
Company N	(500,001)	Decrease based on blended valuation
Company O	250,000	Contribution in 2025
Company P	250,000	Contribution in 2025
Company Q	250,000	Contribution in 2025
Company R	750,000	Contribution in 2025
Company S	250,000	Contribution in 2025
Company T	250,000	Contribution in 2025
Company U	729,166	Contribution in 2025 and increase in blended valuation
Company V	250,000	Contribution in 2025

Individual Company Transactions Resulting in Valuation Changes in total – Fund VI

VCA is allocated approximately a 99% portion of the Fund VI cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company a	(62,250)	Written down to $0 in 2025
Company b	(642,714)	Written down to $0 in 2025
Company c	(103,920)	Written down to $0 in 2025
Company d	(102,650)	Written down to $0 in 2025
Company e	(85,749)	Written down to $0 in 2025

Individual Company Transactions Resulting in Valuation Changes in total – Fund VII

VCA is allocated approximately a 50% portion of the Fund VII cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company 1	25,000	Contribution in 2025

Financial Highlights (Continued)

Individual Company Transactions Resulting in Valuation Changes in total – Fund VIII

VCA is allocated approximately a 57-58% portion of the Fund VIII cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company B	500,000	Contribution in 2025
Company C	1,687,551	Contribution in 2025 and increase in blended valuation
Company D	3,400,000	Contribution in 2025
Company E	2,000,000	Contribution in 2025
Company F	750,000	Contribution in 2025

Individual Company Transactions Resulting in Valuation Changes in total – Fund IX

VCA is allocated approximately a 57-58% portion of the Fund IX cumulative net income based on its prorated share, net of management and other fees and expenses, and management carry.

	Valuation Change	Basis for Valuation Change
Company 2	140,625	Contribution in 2025
Company 3	375,000	Contribution in 2025
Company 4	375,000	Contribution in 2025

The Authority's net position increased $1,844,607 in 2025, compared to a decrease of $3,858,305 in 2024. Nonoperating revenues, comprised of interest income and SSBCI, totaled $4,032,597 in 2025 and $9,144,699 in 2024. The Authority's operating expenses were $516,691 in 2025 and $522,368 in 2024.

The table below presents each Fund's capital called for investments during 2025, compared with total investments in 2024, as well as the Authority's proportionate share of capital contributions for Fund's investments in 2025.

Fund	Called Capital for Investments 2025	Total Investments 2024	Authority's Proportionate Share 2025
Fund II	$ -	$ -	$ -
Fund III	600,000	475,000	455,064
Fund IV	141,259	1,193,489	139,846
Fund V	3,500,000	1,248,994	1,625,792
Fund VI	-	799,480	-
Fund VII	25,000	400,000	12,500
Fund VIII	9,900,000	2,750,000	4,950,000
Fund IX	890,000	250,000	854,400

Financial Highlights (Continued)

The following table summarizes the Authority's capital account balance by Fund as of December 31, 2025, including cumulative contributions, expenses, gains, losses, and distributions, as well as cumulative management fees and reimbursable expenses incurred since each Fund's inception.

Fund	Capital Account Balance	Cumulative Fees & Expenses Since Inception	Inception Date
Fund II	$ -	$ 4,069,089	January 2010
Fund III	9,078,544	3,960,552	July 2018
Fund IV	7,105,791	1,349,255	February 2021
Fund V	4,928,084	1,009,480	October 2022
Fund VI	-	119,015	October 2022
Fund VII	262,500	217,000	February 2023
Fund VIII	5,905,846	1,025,000	June 2023
Fund IX	1,169,053	183,140	December 2024

The following table summarizes the Authority's capital account balance by Fund as of December 31, 2024, including cumulative contributions, expenses, gains, losses, and distributions, as well as cumulative management fees and reimbursable expenses incurred since each Fund's inception.

Fund	Capital Account Balance	Cumulative Fees & Expenses Since Inception	Inception Date
Fund II	$ -	$ 4,069,089	January 2010
Fund III	7,390,665	$ 3,857,918	July 2018
Fund IV	7,117,423	$ 1,174,101	February 2021
Fund V	3,064,466	$ 698,548	October 2022
Fund VI	955,884	$ 119,015	October 2022
Fund VII	250,000	$ 127,000	February 2023
Fund VIII	1,568,194	$ 600,000	June 2023
Fund IX	448,410	$ 90,015	December 2024

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) the financial statements and 2) notes to the financial statements that provide enhanced disclosure of certain information in the financial statements.

The statements of net position present a snapshot of the Authority's finances. The statements of net position also provide an overview of the Authority's capital structure, including assets. The statements of revenues, expenses, and changes in net position provide details on the results of the Authority's operations over a specified period of time and report whether such results have a positive or negative impact on the statements of net position. The statements of cash flows report cash receipts, cash disbursements, and net changes in cash resulting from operating, investing, and noncapital financing activities. These statements provide answers about where cash comes from, how cash was used, and what the changes in cash balances were during the year.

Overview of Financial Statements (Continued)

The Authority was established by the Colorado legislature to provide funding for seed and early-stage investments in Colorado businesses, in conjunction with meeting other related legislative requirements. The Authority meets this objective by entering into limited partnership agreements, such as with the Managers of Fund III, Fund IV, Fund V, Fund VI, Fund VII, Fund VIII, Fund IX, and other similar arrangements that may be entered into by the Authority. One of the most important questions asked about the Authority's finances for each individual fund is, "Is the Authority in a position to financially meet its obligations under the Fund limited partnership agreement?"

The statements of net position and the statements of revenues, expenses, and changes in net position report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the applicable year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and changes in it. The Authority's net position (the difference between assets and liabilities) is one way to measure the Authority's financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

The Authority's operating results include net unrealized and realized gains and losses from its investments in the Funds. The following table summarizes these amounts by Fund for 2025 and 2024, with additional detail provided under the section titled "Financial Highlights."

Fund	2025 Net Unrealized/Realized Gains (Losses)	2024 Net Unrealized/Realized Gains (Losses)
Fund II	$ (24,574)	$ (6,964,664)
Fund III	1,449,381	(1,497,139)
Fund IV	(326,631)	(779,160)
Fund V	(73,104)	(786,261)
Fund VI	(955,884)	(380,669)
Fund VII	(90,000)	(90,000)
Fund VIII	97,636	(545,407)
Fund IX	(226,882)	118,395
Total	**(150,058)**	**(10,924,905)**

Condensed Financial Information

	Years Ended December 31,		
	2025	2024	2023
Assets			
Total Current Assets	$ 57,064,163	$ 46,381,018	$ 42,351,315
Total Noncurrent Assets	31,243,079	25,109,544	32,976,147
Total Assets	$ 88,307,242	$ 71,490,562	$ 75,327,462
Liabilities and Net Position			
Total Liabilities	$ 14,998,544	$ 26,471	$ 5,066
Total Net Position	73,308,698	71,464,091	75,322,396
Total Liabilities and Net Position	$ 88,307,242	$ 71,490,562	$ 75,327,462

Revenues, Expenses, and Changes in Net Position	Years Ended December 31,		
	2025	2024	2023
Total Operating Losses	$ (1,671,299)	$ (12,480,636)	$ (1,912,822)
Total Operating Expenses	(516,691)	(522,368)	(439,853)
Operating Losses	(2,187,990)	(13,003,004)	(2,352,675)
Total Nonoperating Revenues	4,032,597	9,144,699	9,516,854
Change in Net Position	1,844,607	(3,858,305)	7,164,179
Net Position - Beginning of Year	71,464,091	75,322,396	68,158,217
Net Position - End of Year	$ 73,308,698	$ 71,464,091	$ 75,322,396

Financial Analysis

The significant difference in the change of the Authority's net position when comparing fiscal year 2025 to fiscal year 2024 was primarily a result of (i) smaller net unrealized and realized losses on investments for the remaining Funds during 2025 compared to 2024, and (ii) a decrease in nonoperating revenues due to a reduction in the State Small Business Credit Initiative (SSBCI) grant funding recognized in 2025 compared to 2024.

As of December 31, 2025, the Authority's net position consists primarily of deposits held with the Colorado State Treasury and the remaining investments in Fund III, Fund IV, Fund V, Fund VI, Fund VII, Fund VIII, Fund IX, and portfolio companies.

Financial Analysis (Continued)

The Authority contributed $29,610,156, in excess of 100%, of its total funding commitment to Fund II as of December 31, 2025. The Authority's total funding commitment was $25,374,260. Fund II was dissolved as of December 31, 2024. The Authority contributed $12,039,130 to Fund III as of December 31, 2025. The Authority has contributed $8,880,000 to Fund IV as of December 31, 2025. The Authority has contributed $6,172,475 to Fund V as of December 31, 2025. The Authority has contributed $1,564,286 to Fund VI as of December 31, 2025. The Authority has contributed $524,500 to Fund VII as of December 31, 2025. The Authority has contributed $7,675,000 to Fund VIII as of December 31, 2025. The Authority has contributed $1,277,540 to Fund IX as of December 31, 2025.

The Authority has no plans to take on material liabilities, except liabilities of a short-term nature incurred during the normal course of its operations.

The Authority experienced net losses in operating revenues of $1,671,299 in 2025 and $12,480,636 in 2024, all of which were associated with the Authority's percentage share of the Funds' and portfolio investments' net gain or loss. Authority operating revenues are generally expected to be dependent on the results of the investments made by the Funds and any future similar arrangements entered into by the Authority. There are inherent risks associated with investing in seed and early-stage companies that may impact future operating revenues. The Authority's 2025 and 2024 operating expenses were within the required cash amounts that the Authority had estimated would be needed to be available to cover such expenses. The Authority plans to continue covering its operating expenses from its cash for the foreseeable future.

Budget

The Authority's budgeted final expenses were $660,167 for 2025 compared to actual expenses of $516,691, and for 2024, budgeted final expenses were $579,302 compared to actual expenses of $522,368. The Authority had budgeted in 2024 and 2025 for anticipated expenses regarding a possible request for proposal and costs associated with negotiating and investing in a new fund.

Risk Factors

The longer-term view and future results of the Authority's finances will be impacted (positively or negatively) by the results of the investments made by the Managers in Funds III, IV, V, VI, VII, VIII, and IX and any other similar arrangements entered into by the Authority. It is anticipated that such investments will generally be high-risk, and the results of such investments may not be known for an extended period of time.

Contacting the Authority

This financial report is designed to provide citizens and taxpayers with a general overview of the Authority's financial position and to demonstrate the Authority's accountability for the funds received. If you have questions about this report or need additional financial information, please contact the Venture Capital Authority, c/o Jeff Kraft, Director, Business Funding and Incentives, or Sonya Guram, Deputy Director, Business Funding & Incentives, at the Colorado Office of Economic Development and International Trade, at 1600 Broadway, Suite 2500, Denver, Colorado 80202.

COLORADO VENTURE CAPITAL AUTHORITY
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	$ 1,162,257	$ 909,802
Deposits Held with Colorado State Treasury	55,729,335	36,936,875
Distribution Receivable from Colorado Fund II, L.P.	-	800,008
State Small Business Credit Initiative (SSBCI) Receivable	-	7,556,743
Accrued Interest Receivable	155,659	105,695
Prepaid Items	16,912	71,895
Total Current Assets	57,064,163	46,381,018
NONCURRENT ASSETS		
Investment in Greater Colorado Venture Fund I, L.P.	9,078,544	7,390,665
Investment in FirstMile VCA 2020, L.P.	7,105,791	7,117,423
Investment in Greater Colorado Venture Fund II, L.P.	4,928,084	3,064,466
Investment in NCTF - Colorado Parallel Fund I, L.P.	-	955,884
Investment in Avesta Colorado Fund I, L.P.	262,500	250,000
Investment in Colorado ONE Fund, L.P.	5,905,846	1,568,194
Investment in FirstMile VCA 2024, L.P.	1,169,053	448,410
Investment in Portfolio Companies	2,793,261	4,314,502
Total Noncurrent Assets	31,243,079	25,109,544
Total Assets	$ 88,307,242	$ 71,490,562
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts Payable	$ 25,228	$ 21,408
Unearned Revenue	14,968,257	-
Other Liabilities	5,059	5,063
Total Liabilities	14,998,544	26,471
NET POSITION		
Unrestricted	73,308,698	71,464,091
Total Liabilities and Net Position	$ 88,307,242	$ 71,490,562

See accompanying Notes to Financial Statements.

COLORADO VENTURE CAPITAL AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES (LOSSES)		
Unrealized/Realized Loss on Investment in Funds	$ (150,058)	$ (10,924,905)
Unrealized/Realized Loss on Investment in Portfolio Companies	(1,521,241)	(1,555,731)
Total Operating Losses	(1,671,299)	(12,480,636)
OPERATING EXPENSES		
Professional Fees	491,527	477,803
Insurance	16,644	31,682
Other Expenses	8,520	12,883
Total Operating Expenses	516,691	522,368
OPERATING LOSS	(2,187,990)	(13,003,004)
NONOPERATING REVENUES		
Interest Income	1,557,597	1,587,956
State Small Business Credit Initiative (SSBCI)	2,475,000	7,556,743
Total Nonoperating Income	4,032,597	9,144,699
CHANGE IN NET POSITION	1,844,607	(3,858,305)
Net Position - Beginning of Year	71,464,091	75,322,396
NET POSITION - END OF YEAR	$ 73,308,698	$ 71,464,091

See accompanying Notes to Financial Statements.

COLORADO VENTURE CAPITAL AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to Vendors	$ (457,889)	$ (572,858)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in Funds	(9,234,447)	(6,604,393)
Distributions Received from Funds	2,229,618	5,467,128
Investments in Portfolio Companies	-	(4,276,776)
Interest Income	1,507,633	1,482,261
Net Cash Used by Investing Activities	(5,497,196)	(3,931,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
State Small Business Credit Initiative (SSBCI) Grant Received	25,000,000	-
NET CHANGE IN CASH AND DEPOSITS	19,044,915	(4,504,638)
Cash and Deposits - Beginning of Year	37,846,677	42,351,315
CASH AND DEPOSITS - END OF YEAR	$ 56,891,592	$ 37,846,677
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (2,187,990)	$ (13,003,004)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
(Gain) Loss on Investment in Funds	150,058	10,924,905
(Gain) Loss on Investment in Portfolio Companies	1,521,241	1,555,731
Effect of Changes in Assets and Liabilities:		
Prepaid Items	54,983	(71,895)
Accounts Payable	3,820	21,408
Other Current Liabilities	(1)	(3)
Net Cash Used by Operating Activities	$ (457,889)	$ (572,858)
NONCASH FINANCING ACTIVITIES		
Transfer of Investments from Colorado Fund II, L.P.	$ -	$ 4,276,776

See accompanying Notes to Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Colorado Venture Capital Authority (the Authority) is a special purpose authority of the state of Colorado. Formed in 2004, the Authority was created by Colorado Senate Bill 04-106 to provide funding for seed and early-stage investments in Colorado businesses. The Authority was allocated $50,000,000 in premium tax credits, which were subsequently sold to insurance companies. With the proceeds received from the sale of the premium tax credits in 2005, the Authority entered into a limited partnership agreement forming Colorado Fund I, L.P. (Fund I), whereby the Authority committed to provide up to $21,766,408 to Fund I for investment in businesses meeting the Authority's criteria, as defined, over the term of Fund I (as amended through June 2018). In 2018, the term of Fund I expired and HCV and the limited partners of Fund I believed it to be in the best interest of the Partnership and Partners to dissolve the partnership. Fund I was dissolved as of December 13, 2018 and all investments were distributed to the partners in December 2018 with the remaining assets liquidated in 2019.

In 2010, the Authority entered into a limited partnership agreement forming Colorado Fund II, L.P. (Fund II), whereby the Authority has committed to provide up to $25,374,260 to Fund II for investment in businesses meeting the Authority's criteria, as defined, over the term of Fund II. In March 2020, the Authority's board of directors passed a motion to consent to the extension of the term of Fund II by four years to December 31, 2023. In April 2024, the Authority's board of directors passed a motion to consent to the extension of the term of Fund II until December 31, 2024. The Authority selected High Country Venture, LLC and High Country Venture II, LLC (collectively, HCV) to serve as General Partner of both Fund I and Fund II. The Authority was a limited partner of Fund I and Fund II along with an affiliate of HCV. Initial investments in portfolio companies typically represent seed and early-stage capital investments in businesses in the life sciences, information technology, agrotechnology, medical device, and retail sectors. In 2024, the term of Fund II expired and HCV and the limited partners of Fund II believed it to be in the best interest of the Partnership and Partners to dissolve the partnership. Fund II was dissolved as of December 31, 2024, and all investments were distributed to the partners in December 2024, with remaining cash received in 2025.

On April 12, 2018, the Authority entered into a limited partnership agreement with Greater Colorado Venture Fund GP, LLC, a Colorado limited liability company. The name of the partnership is Greater Colorado Venture Fund I, L.P. (Fund III). The term of Fund III is 10 years, unless terminated sooner or extended in accordance with the limited partnership agreement (GVCF Agreement). The Authority's capital commitment for investments in rural business meeting the Authority's criteria as defined in the GCVF Agreement over the term of the fund (through July 2028, unless otherwise terminated) is $13,300,000. The investment size of Fund III's total investment in portfolio companies generally ranges from $100,000 to $350,000. As of December 31, 2025, the limited partners of Fund III had contributed for the purchase of securities in portfolio companies approximately $15,681,000, or 90%, of their total funding commitments of $17,448,500 to Fund III.

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

As part of the dissolution of Fund I in December 2018, the Authority received approximately $4,513,000 of in-kind assets transferred to them from HCV. The investments transferred to the Authority consist primarily of the assets that were previously invested in Fund I before the dissolution.

On February 26, 2021, the Authority entered into a limited partnership agreement with FirstMile Partners 2020, LLC (FirstMile), a Delaware limited liability company. The name of the partnership is FirstMile VCA 2020, L.P. (Fund IV). The Authority committed to provide up to $9,000,000 to Fund IV for investment in businesses meeting the Authority's criteria, as defined, over the term of Fund IV (through February 2031, unless otherwise earlier terminated or extended). As of December 31, 2025, the limited partners of Fund IV had contributed for the purchase of securities in portfolio companies approximately $8,880,000, or 99%, of their total funding commitments of $9,000,000 to Fund IV.

On October 5, 2022, the Authority entered into a limited partnership agreement with Greater Colorado Venture Fund II GP, LLC (GCVF II), a Colorado limited liability company. The name of the partnership is Greater Colorado Venture Fund II, L.P. (Fund V). The Authority's capital commitment for investments in rural business meeting the Authority's criteria and SSBCI criteria as defined in the Agreement over the term of the fund (through October 2032, unless otherwise terminated) is $11,075,000. On April 28, 2023, the Authority entered into an amended agreement with Fund V to increase their capital commitment from $11,075,000 to $12,500,000 in Fund V. The capital commitment for all limited partners is $26,775,000. As of December 31, 2025, the limited partners of Fund V had contributed for the purchase of securities in portfolio companies approximately $13,222,000, or 49%, of their total funding commitments of $26,775,000 to Fund V.

On October 7, 2022, the Authority entered into a limited partnership agreement with New Community Transformation Fund – Denver GP, LLC (NCTF), a Delaware limited liability company. The name of the partnership is NCTF – Colorado Parallel I, LP (Fund VI). The Authority's capital commitment for investments in qualified businesses meeting the Authority's criteria and SSBCI criteria as defined in the Agreement over the term of the fund (through October 2032, unless otherwise terminated) is $5,000,000. As of December 31, 2023, the Authority's capital commitment was limited to $7,100,000 based on a provision in the limited partnership agreement requiring matching capital commitments of private capital. On May 8, 2023, the Authority entered into an amended agreement with Fund VI, to increase their capital commitment from $3,100,000 to $5,100,000 in Fund VI. On June 13, 2023, the Authority entered into another amended agreement to increase their capital commitment from $5,100,000 to $7,100,000. As of December 31, 2025, the limited partners of Fund VI had contributed for the purchase of securities in portfolio companies approximately $1,564,000, or 22%, of their total funding commitments of $7,100,000 to Fund VI.

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

On February 2, 2023, the Authority entered into a limited partnership agreement with Avesta Colorado Fund I, LLC, a Delaware limited liability company. The name of the partnership is Avesta Colorado Fund I, L.P. (Fund VII). The Authority committed to provide up to $3,600,000 to Fund VII for investment in businesses meeting the Authority's criteria, as defined, over the term of Fund VII (through February 2033, unless otherwise earlier terminated or extended). As of December 31, 2025, the limited partners of Fund VII had contributed for the purchase of securities in portfolio companies approximately $996,000, or 14%, of their total funding commitments of $7,100,000 to Fund VII.

On June 21, 2023, the Authority entered into a limited partnership agreement with Colorado ONE GP, LLC, a Delaware limited liability company. The name of the partnership is Colorado ONE Fund, L.P. (Fund VIII). The Authority committed to provide up to $17,000,000 to Fund VIII for investment in business meeting the Authority's criteria, as defined, over the term of Fund VIII (through June 2033, unless otherwise earlier terminated or extended). As of December 31, 2025, the limited partners of Fund VIII had contributed for the purchase of securities in portfolio companies approximately $13,143,000, or 45%, of their total funding commitments of $29,000,000 to Fund VIII.

On December 13, 2024, the Authority entered into a limited partnership agreement with FirstMile Partners 2024, LLC, a Delaware limited liability company. The name of the partnership is FirstMile VCA 2024, L.P. (Fund IX). The Authority committed to provide up to $7,500,000 to Fund IX for investment in business meeting the Authority's criteria, as defined, over the term of Fund IX (through December 2034, unless otherwise earlier terminated or extended). On September 4, 2025, the Authority entered into an amended agreement with Fund IX, to increase their capital commitment from $7,500,000 to $8,625,000 in Fund IX. On December 12, 2025, the Authority entered into another amended agreement to increase their capital commitment from $8,625,000 to $10,800,000. As of December 31, 2025, the limited partners of Fund IX had contributed for the purchase of securities in portfolio companies approximately $1,278,000, or 12%, of their total funding commitments of $10,800,000 to Fund IX.

As part of the dissolution of Fund II in December 2024, the Authority received approximately $4,277,000 of in-kind assets transferred to them from HCV. The investments transferred to the Authority consist primarily of the assets that were previously invested in Fund II before the dissolution.

Pursuant to C.R.S. Section 24-46-202, there are nine appointed members serving on the board of directors, of whom five are appointed by the Governor, two appointed by the President of the Senate, and two appointed by the Speaker of the House of Representatives. Each member shall serve until a successor has been appointed and qualified. Any member shall be eligible for reappointment. The board of directors, with the cooperation of the Office of Economic Development, is responsible for overseeing the activities and progress of the Funds in relation to the specified requirements set forth by the VCA statute.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the Authority's powers are related to those operated in a manner similar to a private corporation where net income and capital maintenance are appropriate determinations of accountability.

The more significant accounting policies of the Authority are described as follows:

Basis of Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units accounted for as a proprietary fund. The accompanying financial statements are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity.

GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The Authority is not financially accountable for any other organization. The state of Colorado has determined that the Authority is not a component unit of the state.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

As described in Note 1, the Authority is a limited partner in Fund III, Fund IV, Fund V, Fund VI, Fund VII, Fund VIII, and Fund IX (collectively, the Funds). While the Funds own capital investments in qualified businesses, the Authority owns an interest in the Funds rather than an interest in each underlying investment. Therefore, the Authority accounts for its investments based on the aggregate value of its ownership interests in the Funds. The Authority records its investments in the Funds at fair market value, which is determined based on the performance of the Funds' underlying investments net of operating and nonoperating expenses. The Authority records its investments in portfolio companies at fair market value, which is determined based on various valuation methods (see Note 4).

The investments, in general, are exposed to various risks, such as interest rate, credit, overall market volatility risks, and that the businesses may fail. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near-term and that such changes could materially affect investment balances and the amounts reported in the financial statements.

Additionally, because of the inherent uncertainty of investment valuation where a ready market does not exist, as in the case of the Authority's investment in the Funds, estimated values may differ from the values that would have been used had a ready market existed, and the difference could be material.

Unrealized and realized gains and losses on investments are recorded in the accompanying statements of revenues, expenses, and changes in net position.

Investment in the Funds – Profit and Loss Allocations

Income or losses of the Funds are in accordance with the limited partnership agreements.

Fund II was dissolved as of December 31, 2024 and final distributions were in 2025.

The table below reflects the Authority's investment in each Fund, cumulative capital contributions, cumulative allocable net unrealized gains/(losses), and the cumulative distributions as of December 31, 2025 and 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in the Funds – Profit and Loss Allocations (Continued)

Fund	Year	Investment Balance	Cumulative Capital Contributions	Cumulative Allocable Net Unrealized Gains/(Losses)	Cumulative Distributions
Fund II	2025	$ -	$ 29,610,156	$ (15,109,772)	$ (14,500,384)
	2024	-	29,610,156	(15,085,198)	(14,524,958)
Fund III	2025	9,078,544	12,039,130	4,068,465	(7,029,051)
	2024	7,390,665	11,481,432	2,619,084	(6,709,851)
Fund IV	2025	7,105,791	8,880,000	(1,774,209)	-
	2024	7,117,423	8,565,000	(1,447,577)	-
Fund V	2025	4,928,084	6,172,475	(1,244,391)	-
	2024	3,064,466	4,235,753	(1,171,287)	-
Fund VI	2025	-	1,564,286	(1,564,286)	-
	2024	955,884	1,564,286	(608,402)	-
Fund VII	2025	262,500	524,500	(262,000)	-
	2024	250,000	422,000	(172,000)	-
Fund VIII	2025	5,905,846	7,675,000	(634,170)	(1,134,984)
	2024	1,568,194	2,300,000	(731,806)	-
Fund IX	2025	1,169,053	1,277,540	(108,487)	-
	2024	448,410	330,015	118,395	-

Net Position

When both restricted (externally or legislatively imposed restrictions) and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted, as they are needed. All of the Authority's net position is unrestricted and is available for use in general operations.

Operating Revenues and Expenses

The Authority distinguishes between operating revenues and expenses, and nonoperating items in the statements of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from exchange transactions consisting of gains and losses from the Authority's investments. Operating expenses represent the administrative expenses of the Authority. Expenses paid in advance but not yet incurred are reflected as prepaid expenses and will be recognized in the applicable period.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonoperating Revenues and Receivables

Nonoperating revenues result from nonexchange transactions or ancillary activities. The Authority's primary source of nonoperating revenue was derived from SSBCI grant funding. Receivables are shown net of allowances, if any. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay.

Budgets

Budgets are prepared in accordance with the requirements of Colorado Revised Statutes and, accordingly, include "anticipated income and other means of financing proposed expenditures," and expenditures include, in addition to those shown in the operating statements, capital expenditures. Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. The resolution appropriates the level of budget control by total expenditures. Appropriations lapse at year-end. The Authority's final budgeted expenses for the years ended December 31, 2025 and 2024 were $660,167 and $579,302, respectively.

Income Taxes

The Authority was formed as an enterprise fund of the state of Colorado. In the opinion of management and the Authority's counsel, the Authority is not subject to income taxes.

Use of Estimates in Preparation of Financial Statements

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

NOTE 3 CASH AND DEPOSITS

Colorado statutes govern the Authority's deposits of cash. The Colorado Public Deposit Protection Act (PDPA) requires that all units of a government deposit cash in eligible depositories; eligibility is determined by state regulators. Amounts in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2025 and 2024, the Authority had cash deposits with financial institutions with bank balances of $1,162,257 and $909,802, respectively. The Authority's cash accounts at times may exceed the amounts insured by the Federal Depository Insurance Corporation (FDIC). The Authority has not experienced any losses in these accounts. The Authority believes it is not exposed to any significant credit risk on cash.

The Authority deposits cash in excess of amounts required to be invested in the Funds under the terms of the partnership agreements with the Colorado State Treasury (State Treasury). Monies deposited in the State Treasury are invested until the cash is needed. The State Treasury pools these deposits and invests them in securities authorized by state statute and acts as a bank for all state agencies (the Pool). As of December 31, 2025 and 2024, the Authority had deposits held by the State Treasury of $55,729,335 and $36,936,875, respectively. Of the deposits held by the State Treasury as of December 31, 2025 and 2024, $34,632,946 and $16,055,605, respectively, are SSBCI funds.

At December 31, 2025 and 2024, the fair value of the deposits held by the State Treasury was not reasonably available without undue cost and effort; however, management believes that the fair values of the deposits would not be significantly different than the carrying values. On the basis of the Authority's participation in the Pool, the Authority reports interest income as an increase or decrease in cash for its share of the State Treasury's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool.

At December 31, 2025 and 2024, full credit quality and interest risk reporting was not reasonably available without undue cost and effort to the Authority. However, management believes that the credit quality and interest risk reporting would not be significantly different than the reporting made by the State Treasury as of the most recently available fiscal year ends of June 30, 2025 and 2024. Additional information on investments of the Pool may be obtained in the State's Annual Comprehensive Financial Report for the year ended June 30, 2025.

NOTE 3 CASH AND DEPOSITS (CONTINUED)

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies that assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government. Based on these parameters, as of the end of the most recent fiscal years for the State Treasury of June 30, 2025 and 2024, approximately 83.8% and 81.0%, respectively, of investments of the Pool are subject to credit quality risk reporting.

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. In addition to statutory limitations on the types of investments, the State Treasurer's investment policy mitigates interest rate risk through the use of maturity limits set to meet the needs of the individual fund if the Treasurer is investing for a specific fund rather than the Pool. The Treasurer actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs of the participating funds.

The Treasurer further limits investment risk by setting a minimum/maximum range for the percentage of investments subject to interest rate risk and by laddering maturities and credit ratings. The weighted-average maturity of investments in the Pool is shown in the following table as of the end of the most recent fiscal years for the State Treasury, June 30, 2025 and 2024.

	2025		2024	
Investment Type	Weighted-Average Maturity (in Years)	Percent of the Treasury Pool	Weighted-Average Maturity (in Years)	Percent of the Treasury Pool
Commercial Paper	3.000	31.0 %	2.000	26.0 %
U.S. Treasury Bills/Notes/Bonds	8.000	16.7	7.093	20.2
U.S. Agency Securities	4.000	3.1	3.000	5.6
Asset-Backed Securities	3.000	0.7	2.000	2.3
Corporate Bonds	8.000	23.1	9.000	25.4
Municipal Bonds	9.000	1.4	10.000	1.2
Mortgage-Backed Securities	9.000	23.6	10.000	18.4
Other	9.000	0.4	7.000	0.9

None of the investments in the Pool are subject to custodial credit, foreign currency, or concentration of credit risk.

NOTE 4 FAIR VALUE OF INVESTMENTS

The Authority categorizes fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a proxy are not classified in the fair value hierarchy.

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

While the Funds own capital investments in qualified businesses, the Authority owns an interest in the Funds rather than an interest in each underlying investment. Therefore, the Authority accounts for its investments based on the aggregate value of its ownership interests in each Fund. The Funds are reported at fair value based upon the NAV of the Authority's ownership interest in partners' capital, as provided by each respective fund manager. See Note 1 for a summary of the Funds' investment strategies. Based on the valuation policies and procedures provided by GCVF I, FirstMile 2020, GCVF II, NCTF, Avesta, Colorado ONE, and FirstMile 2024, all investments contained in the Funds are valued in accordance with the authoritative guidance on fair value measurements and disclosures.

As described in Note 1, the Authority's investments are comprised of seven investments in limited partnerships, the Funds. The value of the Authority's investments in the Funds totaled $28,449,818 and $20,795,042 as of December 31, 2025 and 2024, respectively. The Funds do not have stated credit ratings and collectively comprise approximately 32% and 29% of the total assets of the Authority as of December 31, 2025 and 2024, respectively, and 30% and 88% of the Authority's operating loss for 2025 and 2024, respectively.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

The following is a summary of the Authority's investments measured at NAV as of December 31:

	2025			
Investments	Total Investment	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment in Fund II	$ -	$ -	Not Eligible	N/A
Investment in Fund III	9,078,544	1,260,870	Not Eligible	N/A
Investment in Fund IV	7,105,791	120,000	Not Eligible	N/A
Investment in Fund V	4,928,084	6,327,525	Not Eligible	N/A
Investment in Fund VI	-	5,535,714	Not Eligible	N/A
Investment in Fund VII	262,500	3,075,500	Not Eligible	N/A
Investment in Fund VIII	5,905,846	9,325,000	Not Eligible	N/A
Investment in Fund IX	1,169,053	9,522,460	Not Eligible	N/A
Total Investments	$ 28,449,818	$ 35,167,069		

	2024			
Investments	Total Investment	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment in Fund II	$ -	$ -	Not Eligible	N/A
Investment in Fund III	7,390,665	1,818,568	Not Eligible	N/A
Investment in Fund IV	7,117,423	435,000	Not Eligible	N/A
Investment in Fund V	3,064,466	8,264,247	Not Eligible	N/A
Investment in Fund VI	955,884	5,535,714	Not Eligible	N/A
Investment in Fund VII	250,000	3,178,000	Not Eligible	N/A
Investment in Fund VIII	1,568,194	14,700,000	Not Eligible	N/A
Investment in Fund IX	448,410	7,169,985	Not Eligible	N/A
Total Investments	$ 20,795,042	$ 41,101,514		

Valuation of Portfolio Companies

In December 2018, Fund I was dissolved as described in Note 1. The Authority entered into a Management Services Agreement (MSA) with HCV, an affiliate of the General Partner of Fund I, that provides for the management by HCV of the in-kind assets distributed to the Partners of Fund I pursuant to the liquidation and dissolution agreement of Fund I until such time that all of the in-kind assets have been liquidated or otherwise disposed of or converted into cash. As of December 31, 2018, the Authority received approximately $4,513,000 of in-kind assets transferred to them from HCV as part of the dissolution of Fund I. The Authority categorizes these assets as Investments in Portfolio Companies (Portfolio Companies) on the statements of net position. The Authority and HCV are not registered with the Securities and Exchange Commission as an investment company. The investments of the portfolio companies consist primarily of the assets that were previously invested in Fund I before the dissolution.

In December 2024, Fund II was dissolved as described in Note 1. As of December 31, 2024, the Authority received approximately $4,276,776 of in-kind assets transferred to them from HCV as part of the dissolution of Fund II. The Authority categorizes these assets as Investments in Portfolio Companies (Portfolio Companies) on the statements of net position. The Authority and HCV are not registered with the Securities and Exchange Commission as an investment company. The investments of the portfolio companies consist primarily of the assets that were previously invested in Fund II before the dissolution.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Valuation of Portfolio Companies (Continued)

The investments of the Portfolio Companies are reported in the statements of net position at fair value as prescribed by GASB. Unrealized gains and losses are reflected in the statements of revenues, expenses, and changes in net position.

Due to the dissolution of Fund II as of December 31, 2024, there was a change in valuation technique from 2024 to 2025. After the dissolution of Fund II, the portfolio companies were no longer valued by a third-party, HCV.

The portfolio companies as of December 31, 2024 were valued by HCV, using a variety of methodologies such as reviews of subsequent financing rounds, discounted cash flow analyses, cash flow multiples analyses, reviews of market comparable sales or metrics, and reviews of third-party appraisals. When determining fair value, HCV used valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by HCV to determine fair value were considered to be market or income approaches. The market approach included valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. When possible, HCV generally used the market approach to value its investments in private operating companies. Private operating companies may consist of common stock, preferred stock, and debt of privately-owned portfolio companies. The transaction price, excluding transaction costs, is typically the best estimate of fair value at acquisition. At each subsequent measurement date, HCV reviewed the valuation of each investment and records adjustments as necessary to reflect the expected exit value of the investment under current market conditions. Ongoing reviews by HCV are based on an assessment of the type of investment, the stage in the life cycle of the portfolio company, and trends in the performance of each portfolio company as of the measurement date. HCV valued private operating companies using an income approach or a market approach. In certain instances, HCV may use multiple valuation approaches for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results. The decision to use a valuation approach will depend on the investment type and the information available. When applying valuation techniques used to determine fair value, HCV assumes a reasonable period of time for estimating cash flows and considers the financial condition and operating results of the portfolio company, the nature of the investment, restrictions on marketability, market conditions, and other factors.

After the dissolution of Fund II and effective for the year ending December 31, 2025, the portfolio companies are no longer valued by HCV. There is one portfolio company that is publicly traded. For the remaining portfolio companies, management applies a market or income approach to estimate the exit price. The inputs used in the valuation include each company’s most recent third-party (409A) valuation and audited financial statements. As a 409A valuation is prepared for other purposes, management evaluates and, where necessary, adjusts these inputs to reflect the estimated exit value of each portfolio company under market conditions existing at the measurement date.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Valuation of Portfolio Companies (Continued)

When determining the fair value of investments, management exercises significant judgement and uses the best information available as of the measurement date. Due to the inherent uncertainty of valuations, the fair values reflected in the financial statements as of the measurement date may differ from (1) values that would have been used had a readily available market existed for those investments and (2) the values that may ultimately be realized.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

However, the determination of what constitutes "observable" requires significant judgment. For the valuations as of December 31, 2024, HCV considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the General Partner's perceived risk of that investment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

There is one portfolio company classified within Level 1 as it is publicly traded. The remaining portfolio company investments have been classified within Level 3 as they have unobservable inputs and are traded infrequently or not at all. Within Level 3, the use of the market approach generally consists of using comparable market transactions. The selection of appropriate valuation techniques may be affected by the availability of relevant inputs as well as the relative reliability of the inputs.

In some cases, one valuation technique may provide the best indication of fair value while in other circumstances, multiple valuation techniques may be appropriate. The results of the application of the various techniques may not be equally representative of fair value, due to factors such as assumptions made in the valuation.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Valuation of Portfolio Companies (Continued)

For the valuation of portfolio companies on December 31, 2024, in some situations, HCV may determine it appropriate to evaluate and weigh the results, as appropriate, to develop a range of possible values and determine fair value based on the most representative point within the range. The inputs used by HCV in estimating the value of Level 3 investments include the unadjusted original transaction price, recent transactions in the same or similar instruments, completed or pending third-party transactions in the underlying investment or comparable issuers, subsequent rounds of financing, recapitalizations and other transactions across the capital structure, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows. The fair value measurement of Level 3 investments does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by HCV due to the lack of observable inputs may significantly impact the resulting fair value and therefore, the Authority's results of operations.

For the valuation of portfolio companies on December 31, 2025, the inputs used by the Authority in estimating the value of Level 3 investments include the company's most recent third-party (409A) valuation and the company's audited financial statements. Assumptions used by the Authority due to the lack of observable inputs may significantly impact the resulting fair value and therefore, the Authority's results of operations.

The carrying amounts of the Fund's financial instruments, including cash and other assets, approximate fair value as of December 31, 2025 and 2024, because of the relatively short maturity of these instruments.

The following table sets forth by level, within the fair value hierarchy, the Authority's investment assets measured on a recurring basis at fair value as of December 31:

	2025			
	Level 1	Level 2	Level 3	Total
Common Stock	$ 1,463,155	$ -	$ 51,210	$ 1,514,365
Preferred Stock	-	-	1,278,896	1,278,896
Total	$ 1,463,155	$ -	$ 1,330,106	$ 2,793,261

	2024			
	Level 1	Level 2	Level 3	Total
Common Stock	$ 1,029,239	$ -	$ 58,525	$ 1,087,764
Preferred Stock	-	-	3,226,738	3,226,738
Total	$ 1,029,239	$ -	$ 3,285,263	$ 4,314,502

The Level 3 investments held by the Authority have been valued as of December 31, 2025 and 2024, using unadjusted inputs and third-party transactions.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Valuation of Portfolio Companies (Continued)

The valuation methodologies involve a significant degree of judgment. The estimated values do not necessarily represent the amounts that may ultimately be realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Realized gains or losses are recorded upon disposition of investments calculated based upon the difference between the proceeds and the cost basis determined using the specific identification method. All other changes in the valuation of portfolio investments are included as changes in unrealized appreciation or depreciation in the statement of operations. For the year ended December 31, 2025, related to the portfolio companies, the authority recorded (i) $-0- realized loss on investments, (ii) $1,521,241 unrealized depreciation for its investments, and (iii) $-0- capital distributions. For the year ended December 31, 2024, related to the portfolio companies, the authority recorded (i) $1,555,731 realized loss on investments, (ii) $-0- unrealized depreciation for its investments, and (iii) $-0- capital distributions.

The Authority's investment portfolio is exposed to various risks as of December 31, 2025 and 2024, as follows:

Credit and Concentration of Credit Risks – The Authority invests solely in the Funds in accordance with the partnership agreements for the Funds and legislation passed by the Colorado General Assembly.

Interest Rate Risk – Amounts in excess of those required to fund capital contributions under the terms of the Funds' partnership agreement are held as bank deposits in a FDIC insured financial institution and with the Colorado State Treasury.

The Authority's investment portfolio is not exposed to custodial credit or foreign currency risks.

NOTE 5 RELATED PARTY TRANSACTIONS

The Limited Partnership Agreements (the Agreements) entered into with the Funds require an annual management fee to be paid to GCVF I, FirstMile 2020, GCVF II, NCTF, Avesta, Colorado ONE, and FirstMile 2024 for services provided and reimbursement for expenses, as defined in the Agreements.

The terms of the Agreements require Fund III to pay an annual management fee to GCVF for managing and operating the fund and further requires that Fund III pay or reimburse GCVF for certain reimbursable expenses. Pursuant to the Agreement, the management fee and reimbursable expenses paid by Fund III are capped annually at 2.0% of total capital commitments of the limited partners.

NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)

The terms of the Agreements require Fund IV to pay the management fee in advance on a quarterly basis for services rendered. The management fee is 0.625% per quarter of aggregate capital commitments of all limited partners. After December 31, 2024, the percentage will be reduced by 0.5% annually until the management fee is at 1% annually.

The terms of the Agreements require Fund V to pay the management fee in advance on a quarterly basis for services rendered. Pursuant to the Agreement, the management fee and reimbursable expenses paid by Fund V are capped annually at 2.5% of total capital commitments of the limited partners.

The terms of the Agreements require Fund VI to pay the management fee in advance on a quarterly basis for services rendered. The management fee is 0.625% per quarter of aggregate capital commitments of all limited partners.

The terms of the Agreements require Fund VII to pay the management fee in advance on a quarterly basis for services rendered. The management fee is 0.625% per quarter of aggregate capital commitments of all limited partners.

The terms of the Agreements require Fund VIII to pay the management fee in advance on a quarterly basis for services rendered. The management fee is 0.625% per quarter of aggregate capital commitments of all limited partners.

The terms of the Agreements require Fund IX to pay the management fee in advance on a quarterly basis for services rendered. The management fee is 0.625% per quarter of aggregate capital commitments of all limited partners.

For the year ended December 31, 2024, the Authority made capital contributions to Fund II for management fees and reimbursable expenses of $55,507. Fund II closed in December 2024, and no contributions were made in 2025.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund III for management fees and reimbursable expenses of $102,634 and $308,799, respectively.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund IV for management fees and reimbursable expenses of $175,154 and $168,446, respectively.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund V for management fees and reimbursable expenses of $310,932 and $312,926, respectively.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund VI for management fees and reimbursable expenses of $-0- and $-0-, respectively.

NOTE 5 RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund VII for management fees and reimbursable expenses of $90,000 and $90,000, respectively.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund VIII for management fees and reimbursable expenses of $425,000 and $425,000, respectively.

For the years ended December 31, 2025 and 2024, the Authority made capital contributions to Fund IX for management fees and reimbursable expenses of $93,125 and $90,015, respectively.

NOTE 6 STATE SMALL BUSINESS CREDIT INITIATIVE GRANT

In October 2022, the Authority entered into a grant agreement with the state of Colorado. The grant agreement allocates a portion of Colorado's State Small Business Credit Initiative (SSBCI) allocation from the U.S. Treasury to the Authority. The funds are a pass-through of federal funds through the Colorado Economic Development Commission to the Authority and are treated as a recoverable grant. During 2022, the Authority received $19,477,276 as the first of three tranches. According to the terms of the grant, in the case of venture capital programs, expenditure and revenue recognition occurs when a limited partnership agreement or similar contract that commits SSBCI capital to a fund manager and compliance with U.S. Treasury requirements. The Authority met the requirements for the second tranche to be released during 2024. Funds were not received during 2024 but were obligated at year-end.

In May 2025, the grant agreement was amended to increase the current agreement maximum amount to $44,477,276, which includes the first and second tranches of SSBCI funding. During 2025, the Authority received $25,000,000 as the second of three tranches. The receipt of Tranche two satisfied amounts previously obligated as of December 31, 2024 and provided additional funding available for eligible SSBCI commitments under the amended grant agreement. As of and for the years ended December 31, 2025 and 2024, respectively, the Authority obligated and recognized SSBCI revenue of $2,475,000 and $7,556,743, based on alignment with SSBCI criteria and execution of partnership agreements with Fund V, VI, VII, VIII, and IX. Unearned revenue as of December 31, 2025 is $14,968,257. These amounts will be recognized as revenue in future periods as qualifying commitments are made.

NOTE 7 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; or acts of God. The Authority maintains commercial insurance for all risks of loss. There have been no claims in the past three fiscal years and, accordingly, there were no settled claims that would have exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations, which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes a significant portion of its operations qualify for this exclusion.

The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate fiscal year spending limits and qualification as an enterprise, may require judicial interpretation.

NOTE 9 SUBSEQUENT EVENTS

On February 12, 2026, the Authority entered into a limited partnership agreement with Mines Venture Fund GP II, LLC, a Delaware limited liability company. The name of the partnership is Mines Venture Fund II, L.P. (Fund X). The Authority committed to provide up to $6,000,000 to Fund X for investment in business meeting the Authority's criteria, as defined, over the term of Fund X (through February 2036, unless otherwise earlier terminated or extended).

On March 6, 2026, a Certificate of Cancellation was filed with the State of Delaware for NCTF – Colorado Parallel Fund I, L.P. (Fund VI). The certificate provides that the cancellation became effective on March 9, 2026. The Authority's investment in Fund VI was fully written down as of December 31, 2025.

On June 18, 2026, the Authority entered into a limited partnership agreement with Unmet Frontier Fund VCA I, L.P., a Delaware limited liability company. The name of the partnership is Unmet Frontier Fund I GP, LLC, (Fund XI). The Authority committed to provide up to $8,000,000 to Fund XI for investment in business meeting the Authority's criteria, as defined, over the term of Fund XI (through June 2037, unless otherwise earlier terminated or extended).

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Colorado Venture Capital Authority
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Colorado Venture Capital Authority (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
July 22, 2026



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