WIPFLI

Red Rocks Community College Foundation

Financial Statements

Years Ended June 30, 2026 and 2025

RED ROCKS COMMUNITY COLLEGE

WIPFLI

Independent Auditor's Report

Board of Directors
Red Rocks Community College Foundation
Lakewood, Colorado

Opinion

We have audited the accompanying financial statements of Red Rocks Community College Foundation (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Red Rocks Community College Foundation as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (''GAAP'').

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Red Rocks Community College Foundation's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Red Rocks Community College 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 Red Rocks Community College 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.

Wipfli LLP

Wipfli LLP

Denver, Colorado
September 28, 2026

“Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Red Rocks Community College Foundation
Statements of Financial Position

June 30,	2026	2025
Assets		
Cash and cash equivalents	$ 1,054,968	$ 1,066,453
Accounts receivable, other	246,305	160,855
Accrued interest receivable	-	213
Prepaid expenses	3,141	1,263
Investments	12,613,124	10,297,654
Art and donor recognition walls	6,597	6,597
Beneficial interest in charitable remainder unitrusts	147,533	122,322
Beneficial interest in life insurance, cash value	37,132	35,093
Total assets	$ 14,108,800	$ 11,690,450
Liabilities and Net Assets		
Liabilities:		
Accounts payable, trade	$ 61,738	$ 22,379
Accounts payable, related party	287,910	103,999
Deferred revenue	24,798	-
Total liabilities	374,446	126,378
Net assets:		
Without donor restrictions:		
Undesignated	2,922,415	2,722,347
Net investment in capital assets	6,597	6,597
With donor restrictions:		
Purpose restriction	2,749,597	3,001,204
Perpetual in nature	8,055,745	5,833,924
Total	13,734,354	11,564,072
Total liabilities and net assets	$ 14,108,800	$ 11,690,450

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Statement of Activities and Changes in Net Assets

Year ended June 30,	2026 Without Donor Restrictions	2026 With Donor Restrictions	2026 Total	2026 Percent of Total Revenue
Revenues:				
Contributions	$ 92,468	$ 2,618,849	$ 2,711,317	50.2%
Contributed non-financial assets	595,570	-	595,570	11.0
Ordinary income from interest, dividends, royalties and other	81,360	361,624	442,984	8.2
Net increase in investments	144,257	1,479,918	1,624,175	30.1
Change in value of beneficial interest in charitable remainder unitrusts	-	25,211	25,211	0.5
Net assets released from restrictions: Satisfaction of program restrictions	2,515,388	(2,515,388)	-	-
Total revenues	3,429,043	1,970,214	5,399,257	100.0
Expenses:				
Program	2,711,790	-	2,711,790	50.2
General and administrative	314,685	-	314,685	5.8
Fundraising	202,500	-	202,500	3.8
Total expenses	3,228,975	-	3,228,975	59.8
Changes in net assets from operations	200,068	1,970,214	2,170,282	40.2 %
Net assets, beginning of year	2,728,944	8,835,128	11,564,072	
Net assets, end of year	$ 2,929,012	$ 10,805,342	$ 13,734,354	

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Statement of Activities and Changes in Net Assets

Year ended June 30,	2025 Without Donor Restrictions	2025 With Donor Restrictions	2025 Total	2025 Percent of Total Revenue
Revenues:				
Contributions	$ 42,200	$ 1,268,041	$ 1,310,241	41.5 %
Contributed non-financial assets	439,600	-	439,600	13.9
Ordinary income from interest, dividends, royalties and other	178,964	236,312	415,276	13.2
Net increase in investments	358,724	624,262	982,986	31.1
Change in value of beneficial interest in charitable remainder unitrusts	-	9,355	9,355	0.3
Net assets released from restrictions: Satisfaction of program restrictions	1,209,283	(1,209,283)	-	-
Total revenues	2,228,771	928,687	3,157,458	100.0
Expenses:				
Program	1,386,602	-	1,386,602	43.9
General and administrative	249,396	-	249,396	7.9
Fundraising	105,275	-	105,275	3.3
Total expenses	1,741,273	-	1,741,273	55.1
Other expenses:				
Loss on disposal of art and donor recognition walls	11,161	-	11,161	0.4
Changes in net assets from operations	476,337	928,687	1,405,024	44.5 %
Net assets, beginning of year	2,252,607	7,906,441	10,159,048	
Net assets, end of year	$ 2,728,944	$ 8,835,128	$ 11,564,072	

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Statement of Functional Expenses

Year ended June 30,	2026 Program	General and Administrative	Fund-Raising	Total	Percentage of Total Revenue - $5,399,257	Percentage of Total Expenses
Consultants	$ -	$ 9,650	$ -	$ 9,650	0.2 %	0.3 %
Contract services	-	32,467	-	32,467	0.6	1.0
Fundraising expenses:						
Community support	-	-	17,869	17,869	0.3	0.6
Event expenses	-	-	9,979	9,979	0.2	0.3
Other	-	-	10,763	10,763	0.2	0.3
Grants and allocations	2,515,388	-	-	2,515,388	46.6	78.0
Insurance	-	1,098	-	1,098	-	-
Miscellaneous	24,711	32,034	16,475	73,220	1.4	2.3
Pension plan contributions	27,128	36,087	24,552	87,767	1.6	2.7
Salaries and benefits	133,169	188,539	114,957	436,665	8.1	13.4
Supplies	8,255	10,700	5,503	24,458	0.5	0.8
Taxes, payroll	2,270	2,983	1,822	7,075	0.1	0.2
Travel	869	1,127	580	2,576	-	0.1
	$ 2,711,790	$ 314,685	$ 202,500	$ 3,228,975	59.8 %	100.0 %
Percentage of Total Expenses	84.0 %	9.7 %	6.3 %	100.0 %		

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Statement of Functional Expenses

	2025					
Year ended June 30,	Program	General and Administrative	Fund-Raising	Total	Percentage of Total Revenue - $3,157,458	Percentage of Total Expenses
Consultants	$ -	$ 600	$ -	$ 600	- %	- %
Contract services	-	28,250	-	28,250	0.9	1.6
Dues and subscriptions	-	1,297	-	1,297	-	0.1
Fundraising expenses:						
Community support	-	-	13,650	13,650	0.4	0.8
Event expenses	-	-	1,565	1,565	-	0.1
Other	-	-	3,390	3,390	0.1	0.2
Grants and allocations	1,209,283	-	-	1,209,283	38.3	69.5
Insurance	-	3,201	-	3,201	0.1	0.2
Miscellaneous	22,502	23,909	9,845	56,256	1.8	3.2
Pension plan contributions	24,806	27,418	12,630	64,854	2.1	3.7
Salaries and benefits	121,202	154,849	60,132	336,183	10.7	19.3
Supplies	5,372	5,708	2,351	13,431	0.4	0.8
Taxes, payroll	1,765	2,388	981	5,134	0.2	0.3
Travel	1,672	1,776	731	4,179	0.1	0.2
	$ 1,386,602	$ 249,396	$ 105,275	$ 1,741,273	55.1 %	100.0 %
Percentage of Total Expenses	79.6 %	14.3 %	6.1 %	100.0 %		

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Statements of Cash Flows

Years Ended June 30,	2026	2025
Cash flows from operating activities:		
Changes in net assets	$ 2,170,282	$ 1,405,024
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized (gain) loss from:		
Investments	(1,622,136)	(981,141)
Beneficial interest in charitable remainder unitrusts	(25,211)	(9,355)
Beneficial interest in life insurance, cash value	(2,039)	(1,845)
Loss on disposal of art and donor recognition walls	-	11,161
Changes in operating assets and liabilities:		
Accounts receivable, other	(85,450)	(94,362)
Accrued interest receivable	213	34,528
Prepaid expenses	(1,878)	840
Accounts payable, trade	39,359	17,977
Accounts payable, related party	183,911	53,037
Deferred revenue	24,798	-
Net cash provided by operating activities	681,849	435,864
Cash flows from investing activities:		
Investment portfolio:		
Contributions	(296,354)	(206,386)
Reinvested earnings	(396,980)	(206,815)
Net cash used in investing activities	(693,334)	(413,201)
Net increase (decrease) in cash and cash equivalents	(11,485)	22,663
Cash and cash equivalents, beginning of year	1,066,453	1,043,790
Cash and cash equivalents, end of year	$ 1,054,968	$ 1,066,453

See accompanying notes to the financial statements

Red Rocks Community College Foundation
Notes to the Financial Statements

Note 1: Nature of Operations Summary of Significant Accounting Policies

Nature of operations

The Red Rocks Community College Foundation (the "Foundation") is a 501(c)(3) non-profit organization committed to providing opportunities, expanding access, and recognizing excellence in education. Financial barriers remain the leading reason individuals are unable to pursue higher education.

Established in 1991, the Foundation was founded with the vision of removing these barriers and ensuring that students of all income levels have access to higher education. Over the past three decades, generous supporters have contributed approximately $29,964,600 in total donations, an increase of approximately $2,736,600 over the prior year. These contributions have enabled the Foundation to award over $11,402,800 in scholarships (an increase of approximately $830,500 from the previous year) and more than $11,676,600 for other Red Rocks Community College (the "College") programs (an increase of $1,684,900 from the previous year). As a result, the Foundation has helped over 6,145 students, a year-over-year increase of 407, pursue and achieve their educational and personal goals.

Beyond its robust scholarship program, the Foundation supports the College through a range of initiatives, including faculty development programs such as the Endowed Teaching Chair (ETC), student services like the Food Pantry and the Children's Center, and special projects ranging from capital improvements to the Trefny Honors Program. The Foundation continues to fulfill its mission thanks to the ongoing generosity of its donors.

Basis of presentation

The financial statements are prepared using the accrual method of accounting under accounting principles generally accepted in the United States of America ("U.S. GAAP") whereby income is reported as earned and expenses reported as incurred.

The financial statements of the Foundation have been prepared in accordance with U.S. GAAP, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation in accordance with the limitations of its charter and bylaws. These net assets may be used at the discretion of the Foundation's management and the Board of Directors ("Board"). In addition, Board-designated net assets may include amounts set aside by the Board in a separate endowment fund. Decreases in net assets without donor restrictions generally result from expenses incurred for program and supporting services conducted by the Foundation.

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. See Note 7 for further discussion.

Note 1: Nature of Operations Summary of Significant Accounting Policies (Continued)

Basis of presentation (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

Use of estimates in the preparation of financial statements

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

Cash and cash equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation maintains cash in bank deposit accounts at various financial institutions in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC").

The operating accounts of the Foundation are held at institutions that are provided insurance up to $250,000 per FDIC-insured depository institution. Topic 825 of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"), *Financial Instruments*, identifies such accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. Risk related to deposits held outside of institutions participating in the above program is managed by maintaining deposits with high quality financial institutions. In addition, the Foundation is enrolled in an arrangement which provides for 100% FDIC backed security of its funds. As such, all funds are insured by the FDIC as of June 30, 2026. Management does not believe that the Foundation is exposed to any significant risk related to cash and cash equivalents.

Accounts receivable, other

Accounts receivable, other, consist primarily of grants awarded to the Foundation, which have not yet been collected. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history. The Foundation considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities and changes in net assets. Donated investments are reflected as contributions at their market values at date of receipt.

Note 1: Nature of Operations Summary of Significant Accounting Policies (Continued)

Art and donor recognition walls

The Foundation owns donor recognition walls at both campuses. The donor recognition walls are capitalized at original cost and are not depreciated because the Foundation originally intends to preserve these assets in perpetuity. During the year ended June 30, 2025, one of the walls was disposed, resulting in a loss on disposal of $11,161.

Contributions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

All donations are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Revenue recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, and unconditional promises to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed non-financial assets

Donated goods and services that meet the criteria for recognition are reflected as contributed non-financial assets in the statements of activities and changes in net assets at fair market value at the time of the contribution. Contributed services, consisting of personnel services, are valued based on the allocable salaries and benefits paid to the personnel for their time contributed. Contributed goods, primarily consisting of supplies, are valued using estimated wholesale prices of identical or similar products if purchased in the region. The Foundation does not sell contributed non-financial assets and uses personnel services and supplies for programs, general and administrative, and fundraising activities, as further detailed below.

Note 1: Nature of Operations Summary of Significant Accounting Policies (Continued)

Contributed non-financial assets (Continued)

Red Rocks Community College contributed the salaries and related costs of the Foundation's executive director and administrative staff in the amounts of $531,507 and $406,171 for the years ended June 30, 2026 and 2025, respectively. These services have been allocated in the statements of activities and changes in net assets as follows: program services - $162,567 and $147,773; management and general - $227,609 and $184,655; and fundraising - $141,331 and $73,743, respectively. Total donated goods received were $64,063 and $33,429 for the years ended June 30, 2026 and 2025, respectively. These goods have been allocated in the statements of activities and changes in net assets as follows: program services - $20,950 and $12,680; management and general - $27,157 and $13,473; and fundraising - $15,956 and $7,276, respectively.

In addition, many other individuals volunteer their time and perform a variety of tasks that assist the Foundation in its programs and general operations throughout the year; however, the value of these services do not meet the recognition criteria under FASB ASC Topic 958-605.

Functional allocation of expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The statements of functional expenses provide a detail of the natural classifications of those functional expenses and are determined on an equitable and rational basis. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include miscellaneous, pension plan contributions, printing and publications, salaries and benefits, payroll taxes, supplies, and travel that are allocated on the basis of use and time for the expenses, as well as personnel costs that are allocated on the basis of estimates of time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been classified as an organization other than a private foundation under Section 501(a)(2) of the Code.

Subsequent events

The Foundation has evaluated subsequent events through September 28, 2026, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

June 30,	2026	2025
Financial assets at year end:		
Cash and cash equivalents	$ 1,054,968	$ 1,066,453
Accounts receivable, other	246,305	160,855
Accrued interest receivable	-	213
Investments	12,613,124	10,297,654
Beneficial interest in charitable remainder trusts	147,533	122,322
Beneficial interest in life insurance, cash value	37,132	35,093
Total financial assets	14,099,062	11,682,590
Less amounts not available to be used within one year:		
Net assets with donor restrictions	10,805,342	8,835,128
Financial assets available to meet general expenditures over the next twelve months	$ 3,293,720	$ 2,847,462

The Foundation internally accounts for funds in three different categories: unrestricted, restricted and endowment funds. Unrestricted funds will be used for administrative operations, special grants, scholarships or other gifts issued by the Foundation. Restricted funds are received with a specific use associated with the gift. Endowment funds are gifts received where the primary intent of the donor is that only the earnings are spent for a specified purpose.

As part of the Foundation's liquidity management plan, it maintains a minimal amount in the checking account and an adequate amount for six months of operations in the savings account. Cash funds not needed immediately, but in the near future, are distributed to local banks for certificates of deposit. Current year or multi-year obligations or encumbrances are placed in liquid or semi-liquid accounts with access determined by the date the funds are needed. If the funding source is an endowment, earnings are pulled from the investment pool and placed in a fund described above.

Note 3: Investments

Fair value measurements

The Foundation records its investments at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based on the level of judgment associated with the inputs used to measure their value. The hierarchy for measuring fair value prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices for securities traded in active markets (level 1) and the lowest priority to unobservable inputs (level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 3: Investments (Continued)

As required by FASB ASC Topic 820, the Foundation's portfolio managed investments and beneficial interest in charitable remainder unitrusts as of June 30, 2026 were classified as follows on a recurring basis, based on the lowest level of input that is significant to the fair value measurement:

Description	Level 1	Level 2	Level 3	Total
Managed investments:				
Cash and money market funds	$ 2,061,309	$ -	$ -	$ 2,061,309
Equities and equity funds	6,255,913	-	-	6,255,913
Alternative investments	3,362,032	-	-	3,362,032
Exchange-traded funds	900,036	-	-	900,036
Total managed investments	12,579,290	-	-	12,579,290
Other investments:				
Structured settlements	-	-	33,834	33,834
Total investments	12,579,290	-	33,834	12,613,124
Charitable remainder trusts:				
Unitrust #2	-	73,870	-	73,870
Unitrust #3	-	73,663	-	73,663
Total charitable remainder trusts	-	147,533	-	147,533
	$ 12,579,290	$ 147,533	$ 33,834	$ 12,760,657

Note 3: Investments (Continued)

As required by FASB ASC Topic 820, the Foundation's portfolio managed investments and beneficial interest in charitable remainder unitrusts as of June 30, 2025 were classified as follows on a recurring basis, based on the lowest level of input that is significant to the fair value measurement:

Description	Level 1	Level 2	Level 3	Total
Managed investments:				
Cash and money market funds	$ 593,141	$ -	$ -	$ 593,141
Equities and equity funds	5,089,496	-	-	5,089,496
Alternative investments	3,666,485	-	-	3,666,485
Exchange-traded funds	881,501	-	-	881,501
Total managed investments	10,230,623	-	-	10,230,623
Other investments:				
Structured settlements	-	-	67,031	67,031
Total investments	10,230,623	-	67,031	10,297,654
Charitable remainder trusts:				
Unitrust #2	-	64,271	-	64,271
Unitrust #3	-	58,051	-	58,051
Total charitable remainder trusts	-	122,322	-	122,322
	$ 10,230,623	$ 122,322	$ 67,031	$ 10,419,976

Included in the increase in investment income for the years ended June 30, 2026 and 2025 are investment management fees of approximately $85,200 and $71,100, respectively.

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

During the year ended June 30, 2018, the Foundation purchased a structured settlement investment through a life insurance company for $109,670 that had a face amount of $130,860. The $21,190 difference between the face amount and the purchase price was recognized as income through January 2025. The investment, which had an effective rate of 5.0%, was repaid in monthly installments of $1,454 through January 2025.

Note 3: Investments (Continued)

During the year ended June 30, 2017, the Foundation purchased a structured settlement investment through a life insurance company for $68,061 that had a face amount of $84,959. The $16,898 difference between the face amount and the purchase price will be recognized as income through August 2026. The investment, which has an effective rate of 5.0%, will be repaid in monthly installments of $779 through August 2026.

During the year ended June 30, 2016, the Foundation purchased a structured settlement investment through a life insurance company for $124,175 that had a face amount of $160,918. The $36,743 difference between the face amount and the purchase price was recognized as income through December 2025. The investment, which has an effective rate of 5.25%, was repaid in monthly installments ranging from $1,189 during 2016, increasing each year to $1,549 in 2025.

During 2015, the Foundation purchased a structured settlement investment through a life insurance company for $124,087 that had a face amount of $183,639. The $59,552 difference between the face amount and the purchase price will be recognized as income through July 2028. The investment will be repaid in monthly installments of $500 from May 2015 through July 2018 then increasing to $1,368 per month through July 2028.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Managed investment assets are valued based on the closing prices reported on the active markets in which securities held by the Foundation are traded. Structured settlement assets are valued based on the purchase price and the effective interest rate of the structured settlement. Beneficial interest in charitable remainder Unitrust #2 and Unitrust #3 are valued by calculating the present value of future distributions expected to be received, using published life expectancy tables (see Note 4 for further discussion).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no assets or liabilities measured on a nonrecurring basis and no changes to the valuation methodologies during the year ended June 30, 2026.

Portfolio investments of the Foundation classified within level 3 total $33,834 and $67,031 for the years ended June 30, 2026 and 2025, respectively. Such amounts represent approximately 0.2% and 0.6% of the Foundation's net assets as of June 30, 2026 and 2025, respectively.

Note 4: Beneficial Interest in Charitable Remainder Unitrusts

Unitrust #2

The Foundation is a beneficiary of an irrevocable charitable remainder unitrust administered by others which was established in April, 1999. The trust provides for the payment of quarterly distributions to the grantor over his lifetime. Upon the death of the grantor, the remaining asset value will be distributed to the designated beneficiaries including the Foundation. The trust was originally funded with class B common stock of a bank which was sold with the proceeds re-invested in cash and mutual funds. Quarterly distributions are based on an annual rate of 6.69% of the net fair market value of the assets which will be re-valued on the first day of each year. The amount, which was recorded at net present value in the year of recognition (2007) and will be reported at fair market value for years thereafter, was $73,870 and $64,271 for the years ended June 30, 2026 and 2025, respectively.

Unitrust #3

The Foundation is a beneficiary of an irrevocable charitable remainder unitrust administered by others which was established in April, 1999. The trust provides for the payment of quarterly distributions to the grantor over her lifetime. Upon the death of the grantor, the remaining asset value will be distributed to the designated beneficiaries including the Foundation. The trust was originally funded with class B common stock of a bank which was sold with the proceeds re-invested in cash and mutual funds. Quarterly distributions are based on an annual rate of 6.69% of the net fair market value of the assets which will be re-valued on the first day of each year. The amount, which was recorded at net present value in the year of recognition (2007) and will be reported at fair market value for years thereafter, was $73,663 and $58,051 for the years ended June 30, 2026 and 2025, respectively.

The fair market value analysis of each of these unitrusts is reflected in Note 3.

Note 5: Beneficial Interest in Life Insurance, Cash Value

During the year ended June 30, 2013, a donor contributed the $50,000 face value of a whole life insurance policy to the Foundation that included a cash surrender value of approximately $18,200 at the date of the contribution. The Foundation will receive the proceeds from the policy at the date of death of the donor. From the date of the contribution through the donor's date of death, the Foundation is responsible for the annual policy premium of $1,159; however, the Foundation will continue to record any annual increases or decreases to the cash value of the policy during that time. As of June 30, 2026 and 2025, the cash surrender value was $37,132 and $35,093, respectively.

Note 6: Net Assets with Donor Restrictions, Purpose Restriction

Net assets with donor restrictions that are purpose restricted consist of donations restricted by donors for scholarships, grants and institutional aid. For the years ended June 30, 2026 and 2025, the amounts released in satisfaction of donor restrictions were $2,515,388 and $1,209,283, respectively. The Foundation has $2,749,597 and $3,001,204 in purpose restricted net assets as of June 30, 2026 and 2025, respectively.

Note 7: Net Assets with Donor Restrictions, Perpetual Endowment Funds

The State of Colorado has enacted a law, the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which became effective on September 1, 2009. UPMIFA prescribes guidelines for expenditure of a donor-restricted endowment fund in the absence of overriding, explicit donor stipulations and eliminates UPMIFA's historic-dollar value threshold. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Note 7: Net Assets with Donor Restrictions, Perpetual Endowment Funds (Continued)

The Foundation's endowment net assets consisted of the following as of June 30, 2026 and 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2026:			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 8,055,745	$ 8,055,745
June 30, 2025:			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 5,833,924	$ 5,833,924

The Foundation's changes in endowment net assets are as follows as of June 30, 2026 and 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2026:			
Endowment net assets, beginning of year	$ -	$ 5,833,924	$ 5,833,924
Investment return, net	-	1,839,503	1,839,503
Contributions	-	360,004	360,004
Transfer from donor-restricted funds	-	22,314	22,314
Endowment net assets, end of year	$ -	$ 8,055,745	$ 8,055,745
June 30, 2025:			
Endowment net assets, beginning of year	$ -	$ 5,303,210	$ 5,303,210
Investment return, net	-	364,795	364,795
Contributions	-	165,919	165,919
Endowment net assets, end of year	$ -	$ 5,833,924	$ 5,833,924

General

The Foundation's Endowment Fund was established by action of the Board to be maintained in perpetuity. The Endowment Fund may include both donor-restricted endowment funds as well as funds designated by the Board to function as endowments. The endowment funds may be established for either specific purposes or general operating use. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 7: Net Assets with Donor Restrictions, Perpetual Endowment Funds (Continued)

Interpretation of relevant law

The Board interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gifts donated to the permanent endowment (b) the original value of subsequent gifts to the perpetual endowment and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as purpose-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2026, there were no underwater endowments. At June 30, 2025, funds with original gift values of $104,500, fair values of $97,553 and deficiencies of $6,947 were reported in net assets with donor restrictions.

Strategies employed for achieving objectives

To satisfy its long-term objectives, the Foundation relies on its investment policy and strategy which strive 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 funds are held in a pooled investment portfolio which are invested with a long-term strategy with a balanced portfolio of equity, bonds, cash equivalents and other investments.

Spending policy and how the investment objectives relate to spending policy

Endowment earnings will be calculated utilizing a five-year rolling average of investment return. Once the calculation has determined the amount available, a five percent administrative fee will be assessed against the earnings derived from the five-year rolling average calculation. This amount will be divided in half with 50 percent of the earnings available for distribution and the remaining 50 percent to be re-invested into the fund unless otherwise specified in the endowment agreement. In determining the spending, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of at least the CPI annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Appropriation may be made in the form of the Foundation's expenditure budget on an annual basis.

Note 8: Related Party Transactions

Substantially all of the program service expenses of the Foundation are for students, employees, and programs of the College. During the years ended June 30, 2026 and 2025, Red Rocks Community College paid on behalf of the Foundation $595,570 and $439,600, respectively, for salary and other expenditures. The Foundation is not required to reimburse the College for these expenses and this amount has been reflected in the financial statements as in-kind contributions and expense. In addition, the College provides the use of office space and equipment at no charge. The value of this usage is not considered significant and has not been reflected in the financial statements.

In addition, the Foundation owes Red Rocks Community College $287,910 and $103,999 for amounts payable related to scholarships and grant disbursements as of June 30, 2026 and 2025, respectively.

Note 9: Donated Professional Services and Materials

The Foundation received donated professional services and materials as follows during the years ended June 30, 2026 and 2025:

Years Ended June 30,	2026	2025
Personnel costs	$ 531,507	$ 406,171
Operating supplies	64,063	33,429
Total	$ 595,570	$ 439,600

Note 10: Concentration of Credit Risk

The Foundation is required by FASB ASC Topic 825, *Financial Instruments,* to disclose significant concentrations of credit risk regardless of the degree of such risk. At June 30, 2026 and 2025, the financial instruments that potentially subject the Foundation to a concentration of credit risk consist principally of investments.

The Foundation provides for various investment options. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with investment securities, it is reasonably possible that changes in value of investment securities will occur in the near term and that such change could materially affect account balances and the amount presented in the statements of activities and changes in net assets.

The Foundation is monitoring investment market conditions and the impact such fluctuations and volatility are having on the Foundation's investment portfolio. Due to the volatility in the financial markets as of the date of this report, the Foundation is unable to determine the impact which continued volatility may have on the Foundation's investment portfolio.

Note 11: Concentration of Contributions

For the year ended June 30, 2026, two donors comprised 45% of contribution revenue (18% and 27%, respectively).

For the year ended June 30, 2025, one donor comprised 34% of contribution revenue.

Note 12: Income Taxes

FASB ASC Topic 740, *Income Taxes*, clarifies the accounting for uncertainty in income tax positions and defines the threshold for recognizing the tax benefits of tax return filing positions in the financial statements as "more likely than not" to be sustained upon examination, based on the technical merits of the positions. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized. Tax positions which previously would have failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which the threshold is met. Conversely, previously recognized tax positions which no longer meet the more-likely-than-not recognition should be derecognized in the first subsequent financial reporting period in which the threshold is no longer met.

As the Foundation is qualified as a nonprofit Foundation under the Internal Revenue Code, any income tax position would be primarily related to unrelated business activities outside the core mission of the Foundation. Based on prior examinations of contractual arrangements of the Foundation and correspondence received from the Internal Revenue Service, management believes there to be no potential income tax positions that would result in related tax liability for the Foundation. Management will continue to evaluate any future contractual arrangements with respect to potential income tax positions under this guidance.

Note 13: Grant Award Commitments

At June 30, 2026 and 2025, the Foundation had future funding commitments under various grants of $536,164 and $1,483,884, respectively. The revenue relating to these grants is not recognized in the accompanying financial statements as that revenue recognition is conditional on the incurrence of expenditures or the performance of services in future years. Management expects the conditions to be met in fiscal year 2027.