Report of Independent Auditors and
Consolidated Financial Statements

The Denver Foundation and Subsidiaries

December 31, 2024
(With Summarized Comparative Information for December 31, 2023)

Table of Contents

Report of Independent Auditors

The Board of Trustees
The Denver Foundation and Subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The Denver Foundation and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Denver Foundation and Subsidiaries as of December 31, 2024, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Denver Foundation and Subsidiaries’ ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Denver Foundation and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Denver Foundation and Subsidiaries' 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.

Report on Summarized Comparative Information

We have previously audited The Denver Foundation and Subsidiaries' 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements for which it has been derived.

Baker Tilly US, LLP

Albuquerque, New Mexico
June 6, 2025

Consolidated Financial Statements

The Denver Foundation and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2024
(With Summarized Comparative Totals for December 31, 2023)

	2024	2023
ASSETS		
ASSETS		
Cash and cash equivalents	$ 4,887,976	$ 4,446,259
Program-related investments, net (Note 4)	19,831,455	20,142,692
Investments - at fair value (Notes 5 and 6)	1,064,230,553	1,021,299,435
Digital assets - at fair value (Notes 6 and 7)	33,407,761	-
Investments - held in cash equivalents (Note 5)	77,853,161	62,176,775
Investments - other (Note 5)	640,332	1,624,475
Assets held in charitable lead annuity trusts (Notes 6 and 8)	1,036,114	1,004,811
Assets held in charitable remainder trusts and charitable gift annuities (Notes 6 and 8)	3,222,878	3,138,850
Beneficial interests in charitable remainder trusts (Notes 6 and 8)	3,608,022	2,912,010
Beneficial interests in charitable lead trusts (Notes 6 and 8)	-	12,681
Beneficial interests in perpetual trusts (Notes 6 and 8)	5,523,826	5,209,102
Funds held as agency endowments (Notes 6 and 12)	108,917,227	97,397,720
Funds held in trusts for others (Notes 6 and 12)	1,222,738	1,320,023
Other assets	1,141,398	1,221,785
Property and equipment - Net (Note 9)	11,783,438	11,489,800
TOTAL ASSETS	$ 1,337,306,879	$ 1,233,396,418
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 777,714	$ 642,179
Grants payable (Note 11)	14,626,919	20,225,546
Liability under trust and annuity agreements (Note 8)	2,464,955	2,482,168
Funds held as agency endowments (Note 12)	108,917,227	97,397,720
Funds held in trust for others (Note 12)	1,222,738	1,320,023
Other liabilities	1,234,732	1,313,558
Notes payable (Note 10)	4,061,266	4,521,865
Total liabilities	133,305,551	127,903,059
NET ASSETS (NOTE 13)		
Without donor restrictions		
Undesignated	1,032,614,643	945,960,950
Board designated	160,471,432	149,748,080
Total without donor restrictions	1,193,086,075	1,095,709,030
With donor restrictions	10,915,253	9,784,329
Total net assets	1,204,001,328	1,105,493,359
TOTAL LIABILITIES AND NET ASSETS	$ 1,337,306,879	$ 1,233,396,418

See accompanying notes.

The Denver Foundation and Subsidiaries
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE, GAINS, AND OTHER SUPPORT				
Contributions	$ 132,023,274	$ -	$ 132,023,274	$ 73,235,314
Investment income, net	107,818,979	-	107,818,979	126,015,010
Change in the value of charitable trusts	-	1,130,924	1,130,924	938,718
Other income	10,937,539	-	10,937,539	7,677,001
Investment income from perpetual trusts	225,233	-	225,233	238,744
Total revenue, gains, and other support	251,005,025	1,130,924	252,135,949	208,104,787
EXPENSES				
Program services				
Grants	133,894,575	-	133,894,575	128,033,815
Other program expenses	3,004,197	-	3,004,197	2,649,903
Special projects and programs	6,226,172	-	6,226,172	5,245,445
Total program services	143,124,944	-	143,124,944	135,929,163
Support services				
Management and general	7,416,699	-	7,416,699	7,561,001
Development	3,086,337	-	3,086,337	2,919,811
Total support services	10,503,036	-	10,503,036	10,480,812
Total expenses	153,627,980	-	153,627,980	146,409,975
CHANGE IN NET ASSETS	97,377,045	1,130,924	98,507,969	61,694,812
NET ASSETS				
Beginning of year	1,095,709,030	9,784,329	1,105,493,359	1,043,798,547
End of year	$ 1,193,086,075	$ 10,915,253	$ 1,204,001,328	$ 1,105,493,359

See accompanying notes.

The Denver Foundation and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	Program Services				Support Services			Total	
	Grants	Other Programs	Special Projects	Total	Management and General	Development	Total	2024	2023
Salaries	$ -	$ 1,631,237	$ 853,049	$ 2,484,286	$ 1,076,551	$ 1,540,995	$ 2,617,546	$ 5,101,832	$ 4,835,696
Benefits	-	575,353	300,879	876,232	379,710	543,524	923,234	1,799,466	1,782,002
Total salaries and benefits	-	2,206,590	1,153,928	3,360,518	1,456,261	2,084,519	3,540,780	6,901,298	6,617,698
Grants	133,894,575	-	-	133,894,575	-	-	-	133,894,575	128,033,815
Professional fees	-	317,800	1,267,621	1,585,421	524,037	285,957	809,994	2,395,415	2,048,269
Rent and parking	-	25,268	11,742	37,010	16,264	22,736	39,000	76,010	74,126
Office expenses	-	118,504	60,699	179,203	193,089	106,630	299,719	478,922	515,656
Local meetings and travel	-	16,541	47,366	63,907	14,909	14,883	29,792	93,699	109,748
Technology and equipment	-	123,692	57,482	181,174	79,616	111,298	190,914	372,088	344,458
Property maintenance	-	140,978	65,515	206,493	90,742	126,852	217,594	424,087	484,218
Out-of-town travel	-	19,042	44,291	63,333	28,966	17,134	46,100	109,433	43,517
Corporate insurance and taxes	-	-	-	-	102,900	-	102,900	102,900	105,383
Professional development	-	9,716	4,515	14,231	6,254	8,742	14,996	29,227	32,090
Discount on notes receivable	-	26,066	-	26,066	-	-	-	26,066	21,988
Credit losses	-	-	-	-	106,955	-	106,955	106,955	-
Supporting organizations	-	-	3,513,013	3,513,013	4,796,706	307,586	5,104,292	8,617,305	7,979,009
Total functional expenses	$ 133,894,575	$ 3,004,197	$ 6,226,172	$ 143,124,944	$ 7,416,699	$ 3,086,337	$ 10,503,036	$ 153,627,980	$ 146,409,975

See accompanying notes.

The Denver Foundation and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended December 31, 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 98,507,969	$ 61,694,812
Adjustments to reconcile net assets to net cash and cash equivalents from operating activities		
Noncash contributions	(36,161,291)	(948,143)
Depreciation and amortization	462,256	570,722
Change in discount on program-related investments	2,777,836	(32,294)
Change in value of charitable trust arrangements	(296,947)	(1,432,500)
Change in value of perpetual trust agreements	(314,724)	(463,651)
Net realized and unrealized (gain) loss on investments	(89,957,999)	(113,463,229)
Reinvested interest and dividend income	(24,607,000)	(19,811,857)
Loss on the sale of property and equipment	-	74,553
Forgiveness of programmatic investments in the form of grant-making	449,996	257,639
Changes in operating assets and liabilities from cash and cash equivalents		
Other assets	80,387	2,171
Accounts payable	135,535	(33,868)
Grants payable	(5,598,627)	23,579
Liability under trust and annuity agreements	(17,213)	1,068,704
Funds held as agency endowments	11,422,222	5,268,184
Other liabilities	(78,826)	(324,806)
Net cash and cash equivalents from operating activities	(43,196,426)	(67,549,984)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(244,166,759)	(242,943,517)
Proceeds from sale of investments	292,439,705	315,017,239
Purchase of property and equipment	(755,894)	(186,181)
Issuance on program-related loans	(4,162,754)	(5,070,310)
Payments received on program-related loans receivable	1,246,159	1,304,536
Net cash and cash equivalents from investing activities	44,600,457	68,121,767
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(460,599)	(450,947)
Payments on trust and annuity obligations	(501,715)	(134,027)
Net cash and cash equivalents from financing activities	(962,314)	(584,974)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	441,717	(13,191)
CASH AND CASH EQUIVALENTS		
Beginning of year	4,446,259	4,459,450
End of year	$ 4,887,976	$ 4,446,259
SIGNIFICANT NONCASH TRANSACTIONS		
Noncash contributions of investments	$ 36,161,291	$ 948,143
Cash paid for interest	$ 104,289	$ 118,213

See accompanying notes.

Note 1 – Nature of Business

The Denver Foundation was established in 1925 as a community foundation whose mission is to inspire people and mobilize resources to strengthen our community.

Note 2 – Significant Accounting Policies

Principles of consolidation – The accompanying consolidated financial statements include the accounts of The Denver Foundation and the following supporting organizations, collectively referred to as the Foundation.

The Foundation for Sustainable Urban Communities facilitates the productive reuse of the property formerly used as Stapleton International Airport through the development of a new, mixed-use community.

The Recovery Foundation serves the public by providing advocacy and support for research into effective treatment and recovery approaches for individuals and families.

Sakura Foundation exists to promote the Japanese American heritage, culture, and community.

The supporting organizations are incorporated as separate legal entities. The activities of the supporting organizations are required to be consolidated under generally accepted accounting principles in the United States (US GAAP).

In addition to the supporting organizations, the Foundation is a supported organization of the Reisher Family Foundation, which provides continuation and growth of the Reisher Scholarship Program fund residing with the Foundation. The activities of the Reisher Family Foundation are not required to be consolidated under US GAAP.

Basis of presentation – The consolidated financial statements of the Foundation have been prepared on the basis of US GAAP. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements. Actual results could differ from those estimates.

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

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

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 where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Board-designated net assets – Board-designated net assets are net assets without donor restrictions designated by the board to serve as an endowment. These designations are based on board actions, which can be altered or revoked at a future time by the board.

Summarized comparative information – The financial information presented for comparative purposes for the year ended December 31, 2023, is not intended to be a complete financial statement presentation in accordance with US GAAP. Accordingly, such information should be read in conjunction with the Foundation's 2023 consolidated financial statements, from which the summarized information was derived.

Contributions – Contributions are recognized as revenue when received or unconditionally promised. Unconditional promises to give that are expected to be collected in future years are recognized at fair value based on discounted cash flows if, in the judgment of management, this adjustment would result in a meaningful change in value. If calculated, the discount on these amounts are computed using the rate applicable in the year the promises were received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contributions. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of public stock are recorded at the average of the high and low quoted market prices on the date of donation.

Contributions of nonfinancial assets – Contributions of noncash assets are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of nonfinancial assets and services were insignificant during 2024.

Cash and cash equivalents – For the purpose of the accompanying consolidated financial statements, the Foundation considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The carrying amount reported in the consolidated statement of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these investments.

Investments – The Foundation's investment assets, which include privately and publicly held investments, are dedicated to providing the financial resources needed to meet the Foundation's operations, grant-making, scholarship, and other charitable objectives. The Foundation's investments, with limited exceptions, are managed by independent professional investment management firms and are held in various investment structures, such as money market funds, digital assets, commingled mutual funds and trusts, foreign-domiciled hedge funds, and limited partnerships.

The Foundation is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values, with unrealized gains and losses included in the consolidated statement of activities and changes in net assets.

The fair values for alternative investments represent the Foundation's pro rata interest in the net assets of each investment and are based on financial information determined and reported by investment managers or on the basis of other information evaluated periodically by the Foundation. Alternative investments are not publicly traded on national security exchanges, are generally illiquid, and may be valued differently than if readily available markets existed for such investments. Because of inherent uncertainties in the valuation of alternative investments, the reported fair values of such investments may differ significantly from the realized values.

Investments classified as other investments on the consolidated statement of financial position include direct investments in partnerships and other investments without readily determinable fair value and are held at cost (or at fair value as of the date of receipt, if received by way of contribution), net of impairments, if any. In accordance with Accounting Standards Codification (ASC) Section 321, these investments are analyzed for impairment if there are indications that the fair value of the assets may be less than its carrying value, including observable changes in price. Any such impairments are recognized as realized losses against the carrying value of the investments.

Investment income consists of the Foundation's distributive share of any interest, dividends, capital gains, and capital losses generated from the Foundation's investments, as well as the change in fair value.

Distributive shares of income or loss from pass-through entities, such as partnerships and trusts, are recorded as income in the year such items are recognized by the entity and are reported as adjustments to the initial cost basis of the investment. Gains and losses attributable to the Foundation's investments are realized and reported upon a sale or disposition of the investment. Unrealized gains and losses are included in the change in net assets in the consolidated statement of activities and changes in net assets.

Digital assets – As of December 31, 2024, the Foundation holds 357.72 of digital assets Bitcoin (BTC) with a cost basis of $29,876,998 and fair value of $33,407,761. The Foundation reflects BTC held at fair value on the consolidated statement of financial position within digital assets line item. The activity from remeasurement of digital assets at fair value is reflected in the consolidated statement of activities and changes in net assets.

Due to the decentralized market in which they are traded, the investment performance and liquidity of digital assets may be volatile. Thus, the valuation of the Foundation's investment in digital assets, priced at the market price of the underlying digital assets that the Foundation holds, may also be volatile.

Concentrations of credit risk – Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of money market accounts considered to be cash equivalents and investment securities.

The Foundation places its cash and money market accounts with creditworthy, high-quality financial institutions.

Investment risk – The Foundation has significant investments and, therefore, is subject to concentrations of credit risk. Investments are made by investment managers engaged by the Foundation, and the investments are monitored for the Foundation by management, its investment committee, and its outside investment advisor. Though the fair value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation and its beneficiaries.

Property and equipment – Property and equipment of the Foundation are recorded at cost. The assets are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 39 years. Leasehold improvements are amortized over the remaining life of the related lease. The Foundation capitalizes all fixed asset purchases over $5,000 with an estimated useful life of five years or more. Repairs and maintenance are expensed as incurred.

Depreciation and amortization expense for property and equipment totaled $462,256 for the year ended December 31, 2024.

Grants payable – Grants payable and related expenses are recognized in the period in which all due diligence has been completed, and the grants are approved by the Foundation’s Board of Trustees. Grants payable in more than one year are discounted, if significant, to their present value at the time the grant is awarded.

Functional allocation of expenses – Costs of providing grants, program, and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets and consolidated statement of functional expenses. Costs have been allocated between the various program and support services on several bases and estimates. Salaries and benefits are allocated based on time and effort. Other expenses, such as occupancy costs and technology, are allocated based on headcount. Other expenses are allocated based on the direct benefit to a program or supporting activity. Supporting organization expenses are based on the underlying allocations reported by the supporting organizations. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income taxes – The Denver Foundation, The Foundation for Sustainable Urban Communities, The Recovery Foundation, and Sakura Foundation are all not-for-profit corporations and are exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). However, the Foundation is subject to taxes on unrelated business income. The Foundation had no significant unrelated business income in 2024.

The Foundation does not have any material uncertain tax positions. Based on an evaluation of its tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded. Tax penalties and interest, if any, would be accrued as incurred and would be classified as general and administrative expense in the consolidated statement of activities and changes in net assets.

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

Adoption of new accounting standards – In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2023-08, *Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60)*, which provides an update to existing crypto asset guidance and requires an entity to measure certain crypto assets at fair value. In addition, this guidance requires additional disclosures related to crypto assets once its adopted. The Foundation has adopted ASU 2023-08 as of January 1, 2024.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. The Foundation recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Foundation's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the consolidated statement of financial position date and before the consolidated financial statements are available to be issued.

The Foundation has evaluated subsequent events through June 6, 2025, which is the date the consolidated financial statements were available to be issued.

Note 3 – Liquidity and Availability of Resources

The following table reflects the Foundation's financial assets as of December 31, 2024, reduced by amounts unavailable for grants and other expenses within one year. Financial assets are considered unavailable when they are illiquid, unable to be converted to cash within one year, funds held for others, board-designated endowment, or net assets with donor restrictions.

Financial assets are as follows at December 31, 2024:

Cash and cash equivalents	$ 4,887,976
Investments - held in cash equivalents	77,853,161
Investments at fair value	1,064,230,553
Digital assets at fair value	33,407,761
Assets held in charitable lead annuity trusts	1,036,114
Assets held in charitable remainder trusts	3,222,878
Funds held in agency endowments	108,917,227
Funds held in trusts for others	1,222,738
Total financial assets	1,294,778,408
Less amounts not available to be used within one year	
Liabilities under trust and annuity agreements	2,464,955
Funds held as agency endowments	108,917,227
Funds held in trusts for others	1,222,738
Remainder interest in charitable trust and annuity agreements	1,794,037
Investments with significant liquidity restrictions	324,196,422
Board designated endowments	117,548,400
	556,143,779
Total available financial assets	$ 738,634,629

As described in Note 13, the board-designated endowment has a spending rate of 5.25% at December 31, 2024. In addition to the figure in the table above, a total of approximately $8,400,000 of appropriations from the board-designated endowment may be available within the next 12 months. Although the Foundation does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, additional amounts from its board-designated endowment could be made available if necessary. The investment balances, including the portions related to board-designated endowments, contain investments with lock-up provisions that have been reduced from the total investments that could be made available in the figure disclosed above (see Note 6 for disclosures about the fair value measurement of investments).

The Foundation manages its financial assets to provide resources for the annual costs of its operations by strategically investing through a broadly diversified asset allocation model that meets the long-term expected needs of the Foundation. In addition to available financial assets, the Foundation has a line of credit with zero balance outstanding at December 31, 2024, available to use in 2025 (Note 15). The Foundation expects to have sufficient cash flow for monthly obligations for the year ending December 31, 2024.

Note 4 – Program-related Investments

Program-related investments include amounts in investment pools and the program-related investment receivable. Program-related investments are composed of the following at December 31, 2024:

Program-related investments of The Denver Foundation, including loans to nonprofit and other similar organizations	$ 19,536,371
Property to support the charitable purpose of The Recovery Foundation	250,000
Property to support the charitable purpose of Sakura Foundation	45,084
Total program-related investments	$ 19,831,455

Program-related investments receivables at December 31, 2024, consist of the following:

Receivable in one year or less	$ 903,941
Receivable in two years	638,448
Receivable in three years	2,148,449
Receivable in four years	1,444,806
Receivable in five years	7,354,921
Receivable in more than five years	5,681,843
Less discount on program-related investments	(2,015,749)
	16,156,659
Program-related investment within investment pool	3,674,796
	$ 19,831,455

Some of the more notable program-related investments of the Foundation include the following:

During 2013, the Foundation issued a note receivable to a nonprofit corporation for $7,500,000, with interest at 1.00% and principal payments due monthly through January 31, 2029. The note receivable was discounted to fair value as of December 31, 2024, using an imputed interest rate of 3.32%.

During 2017, the Foundation issued a note receivable to a nonprofit corporation for $3,336,491, with no interest and principal payments due monthly through July 1, 2028. The note receivable was discounted to fair value as of December 31, 2024, using an imputed interest rate of 2.60%.

During 2018, the Foundation issued a note receivable to a nonprofit corporation for $2,500,000, with no interest and, starting on June 30, 2024, principal payments due yearly through June 30, 2033. The note receivable was discounted to fair value as of December 31, 2024, using an imputed interest rate of 3.07%.

During 2022 and 2021, the Foundation provided funding to the Metro Denver Nonprofit Loan Fund in the amount of $250,000 and $750,000, respectively, to make interest-free unsecured loans to qualified nonprofit borrowers.

During 2023, the Foundation issued a note receivable to a nonprofit corporation for $3,100,000, with interest at 4.90% with six annual payments starting on December 2025 through December 15, 2030. The note receivable was discounted to fair value as of December 31, 2024, using an imputed interest rate of 4.82%.

Note 5 – Investments

Investments are reflected in the following accounts on the consolidated statement of financial position at December 31, 2024:

Investments at fair value	
Investments of the Foundation	$ 1,064,230,553
Digital assets of the Foundation	33,407,761
Assets held in charitable lead annuity trusts	1,036,114
Assets held in charitable remainder trusts and charitable gift annuities	3,222,878
Funds held as agency endowments	108,917,227
Funds held in trusts for others	1,222,738
Total investments at fair value	1,212,037,271
Investments held in cash equivalents - money market and other funds	77,853,161
Investments - other	640,332
Total investments	$ 1,290,530,764

Investment returns are summarized as follows at December 31, 2024:

Interest and dividend income	$ 25,486,369
Net realized gain on investments	31,708,476
Net unrealized gain on investments	58,285,523
Investment management fees paid to third parties	(7,661,389)
Net investment gain	$ 107,818,979

Marketable and alternative investments are exposed to various risks that may cause the reported value of the Foundation's investment assets to fluctuate from period to period and result in a material change to the net assets of the Foundation. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, business and industry market conditions, and the general economic environment. The values of bond investments and other fixed-income securities fluctuate in response to changing interest rates, creditworthiness of issuers, and overall economic policies that impact market conditions.

Some investment managers retained by the Foundation are permitted to use various investment strategies and techniques that are designed to achieve higher investment returns with lower volatility and low correlations to major market indices and other asset classes. Strategies and techniques, such as the use of leverage, futures and forward contracts, option agreements, and other derivative instruments, create special risks and could increase the impact of adverse security price movements on the Foundation's investment portfolio.

Note 6 – Fair Value Measurements

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

Level 1 – Inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

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

Level 3 – Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements require significant management judgment or estimation using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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

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

Equities and fixed-income mutual funds – Valued at the closing price reported on the active market on which the individual securities are traded.

Digital assets – The Foundation holds investment in BTC digital assets which are exchanged in an active market in which transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Unrestricted fully vested Bitcoin is valued at the quoted market prices reported on the active market on which the investments are traded and are classified as Level 1 within the fair value hierarchy.

Fixed-income bonds – Valued based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Private capital funds, absolute return funds, hedged equity funds, and real assets funds – Valued based on net asset value (NAV) provided by the investment manager.

Beneficial interests in charitable trusts – Valued by calculating the present value of future distributions expected to be received, using published life expectancy tables and discount rates ranging from 5% to 9%.

There were no changes to these valuation methodologies in 2024.

Investment funds valued using NAV or its equivalent as reported by investment managers and have trading activity and the ability to redeem at NAV on or near the reporting date, are evaluated outside of the fair value hierarchy.

The following table summarizes the Foundation's assets measured at fair value on a recurring basis by the above fair value hierarchy levels at December 31, 2024:

	Level 1	Level 2	Level 3	Carried at NAV	Balance at December 31, 2024
Investments					
Domestic equities					
Large	$ 22	$ -	$ -	$ 4,943,783	$ 4,943,805
Micro cap	-	-	-	10,846,762	10,846,762
Mutual funds	3,713,747	-	-	-	3,713,747
Exchange-traded fund	73,391,494	-	-	-	73,391,494
Other	337,997,519	-	-	-	337,997,519
Total domestic equities	415,102,782	-	-	15,790,545	430,893,327
International equities					
Non-U.S.	24,442,189	-	-	226,447,965	250,890,154
Large cap	1,188,695	-	-	-	1,188,695
Mutual funds	1,078,249	-	-	-	1,078,249
Exchange-traded fund	1,081,955	-	-	-	1,081,955
Total international equities	27,791,088	-	-	226,447,965	254,239,053
Fixed income					
Mutual funds	187,586,338	-	-	-	187,586,338
Bonds	-	15,122,131	-	-	15,122,131
Total fixed income	187,586,338	15,122,131	-	-	202,708,469
Digital assets					
Bitcoin	33,407,761	-	-	-	33,407,761
Private capital funds					
Venture capital	-	-	-	2,217,149	2,217,149
Buyout/growth equity	-	-	-	103,153,317	103,153,317
Distressed debt	-	-	-	16,390,502	16,390,502
Oil and gas	-	-	-	6,877,962	6,877,962
Energy	-	-	-	3,245,673	3,245,673
Private capital - Asia	-	-	-	7,030,435	7,030,435
Infrastructure	-	-	-	4,857,093	4,857,093
Long-dated assets	-	-	-	360,309	360,309
Credit	-	-	-	1,008,200	1,008,200
Climate	-	-	-	2,650,950	2,650,950
Health/health care	-	-	-	816,536	816,536
Private debt	-	-	-	6,144,596	6,144,596
Opportunistic credit	-	-	-	22,570,439	22,570,439
Private capital - Europe	-	-	-	31,394,739	31,394,739
Private Equity - Other			-	21,886,638	21,886,638
Total private capital funds	-	-	-	230,604,538	230,604,538
Absolute return					
Arbitrage global	-	-	-	21,243,023	21,243,023
Total absolute return	-	-	-	21,243,023	21,243,023
Hedge equity - global	-	-	-	52,198,913	52,198,913
Real assets - private equity	-	-	-	20,149,948	20,149,948
Total investments at fair value	$ 630,480,208	$ 15,122,131	$ -	$ 566,434,932	$ 1,212,037,271

	Level 1	Level 2	Level 3	Carried at NAV	Balance at December 31, 2024
Beneficial interests in charitable trusts					
Charitable remainder trusts	$ -	$ -	$ 3,608,022	$ -	$ 3,608,022
Perpetual trusts	-	-	5,523,826	-	5,523,826
Total beneficial interests in charitable trusts	$ -	$ -	$ 9,131,848	$ -	$ 9,131,848

Money market and other funds classified as investments held in cash equivalents in the amount of $77,853,161 and other investments in the amount of $640,332 are not subject to fair value disclosures and, therefore, are not included in the total above.

Changes in Level 3 assets measured at fair value on a recurring basis for the year ended December 31, 2024, are as follows:

	Beneficial Interest in Charitable Trusts
Purchases, issuances, sales, and settlements	
Balance at January 1, 2024	$ 8,133,793
Contributions	228,662
Total realized and unrealized gains	998,055
Distributions	(228,662)
Balance at December 31, 2024	$ 9,131,848

Investments in entities that calculate net asset value per share – The Foundation holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

	Investments carried at NAV at December 31, 2024			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Domestic equities	$ 15,790,545	$ -	Daily to Monthly	30 Days
International equities	226,447,965	-	Daily to Quarterly	5 to 90 Days
Private equity funds	230,604,538	87,211,054	N/A	N/A
Absolute return funds	21,243,023	-	Quarterly to Annually	45 to 100 Days
Hedged equity funds	52,198,913	-	Monthly to Three-year Rolling	30 to 90 Days
Real assets funds	20,149,948	18,334,181	N/A	N/A
Total NAV investments	$ 566,434,932	$ 105,545,235		

Domestic equities include investments in funds that focus on long-only domestic equities. The underlying assets are liquid, and the funds' managers provide details of those assets. As of December 31, 2024, all of the investments in this category can be redeemed with no restrictions but require notice, as shown above.

International equities include investments in funds that focus on long-only international equities. The underlying assets are liquid, and the funds' managers provide details of those assets. As of December 31, 2024, all of the investments in this category can be redeemed with no restrictions but require notice, as shown above.

Private capital funds include several private capital funds that primarily focus on buyout, growth equity, distressed debt, oil and gas, energy, and/or opportunistic credit, as well as some smaller subcategories. These investments are not redeemable. Instead, the nature of the investment in this category is that distributions are received through the liquidation of the underlying assets in the fund. The terms for these investments range from three to 25 years. As of December 31, 2024, the fair values of the investments in this category have been estimated using net asset value provided by the investment manager.

Absolute return funds include a multi-strategy absolute return investment focused on analyzing the probability-adjusted returns of individual securities and assets and capturing the alpha in mispriced assets/securities across conventional and alternative financial strategies. Management initiates long and short positions targeting solid absolute risk-adjusted returns. As of December 31, 2024, all of the investments in the category have passed their initial lockup periods. However, some of the investments have terms that make full liquidity unavailable at the Foundation’s report date.

Hedged equity funds include investments in hedge funds that invest both long and short primarily in either U.S. or global common stocks and long-term distressed funds. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stakes, and from a net long position to a net short position. As of December 31, 2024, approximately 100% of the investments in this category have passed their initial lockup periods. However, some of the investments have terms that make full liquidity unavailable at the Foundation’s report date.

Real assets funds include two real estate funds that invest primarily in domestic core and opportunistic real estate. These investments are not redeemable. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The terms for these investments are 10 years. As of December 31, 2024, the fair values of the investments in this category have been estimated using net asset value provided by the investment manager.

Note 7 – Digital Assets

The following table represents the units held, cost basis, and fair value of digital assets, as shown on the consolidated statement of financial position as of December 31, 2024:

	Units	Cost Basis	Fair Value
Digital assets			
Bitcoin	357.72	$ 28,967,495	$ 33,407,761

The following table represents a reconciliation of the fair value of the Foundation's digital assets for the year ended December 31, 2024:

	Fair Value	Units
Balance at December 31, 2023	$ -	-
Additions	36,161,291	454.44
Liquidation	(6,928,124)	(96.72)
Unrealized appreciation	4,174,594	-
Balance at December 31, 2024	$ 33,407,761	357.72

For the year ended December 31, 2024, the Foundation received contributions of 454.44 Bitcoin in the amount of $36,161,291. The Foundation sold 96.72 Bitcoin with a cost of $6,018,621 during 2024 resulting in a realized loss of $909,503, which is recorded in statement of activities and changes in net assets. Unrealized appreciation of $4,174,594 is included in investment income in the consolidated statement of activities and changes in net assets. The Bitcoin held by the Foundation is not subject to any contractual sale restrictions as of December 31, 2024.

Note 8 – Split Interest Agreements

The Foundation is the beneficiary of several charitable lead annuity trust in which the Foundation is the trustee and on some in which the Foundation is not the trustee. Under the terms of the trust agreements, the Foundation is to receive a fixed payments annually over the specified term in the trust agreements. Upon the expiration of the trust agreements, the remaining trust assets are distributed to others.

The Foundation also has beneficial interest in several charitable remainder trusts and charitable gift annuities in which the Foundation is the trustee and on some in which the Foundation is not the trustee. Under the terms of the trust and annuities agreements, the donors have established and funded trusts and annuities which specify that distributions be made to a designated beneficiary or beneficiaries over the trust and annuity terms. Upon termination of the trusts and annuities, the Foundation receives the assets remaining in the trust.

A summary of the Foundation's split interest agreements are as follows:

Charitable trusts administered by the Foundation

Charitable Lead Annuity Trusts – A donor has established a charitable lead annuity trust, naming the Foundation as a trustee and lead beneficiary. Under the terms of the charitable lead annuity trust agreement, the Foundation receives payments over a specified period of time. At the end of the specified period, the trust will terminate, and the Foundation will distribute the remaining trust assets to individuals specified in the agreements. On the date the trust was established, the Foundation recorded a contribution in the amount of the estimated present value of the distributions to be received over the terms of the trusts, discounted at a rate of 5%. Thereafter, the Foundation has made the stipulated annual distributions, recording investment gains and losses on the assets held in trust, and amortizing the discount to present value. On any given date, the Foundation has a related liability to the specified beneficiaries representing the difference between the fair value of the assets held by the trust and the present value of the remaining distributions to be received by the Foundation.

Charitable Remainder Trust and Charitable Gift Annuity Agreements – The Foundation is the trustee and remainder beneficiary of four charitable remainder trusts and three charitable gift annuities that require the Foundation to pay to the lifetime beneficiaries an amount ranging from 5% to 8% of the net fair market value of trust assets, for the charitable remainder trusts, or at fixed quarterly amounts, for the charitable gift annuities (as stated in the related trust agreements) from available trust assets, which, at December 31, 2024, consist of investments in equity and fixed income. On the date each trust was established, the Foundation recorded a contribution equal to the difference between the fair value of the assets placed in trust and the amount of the present value of the estimated distributions to be made to the life income beneficiaries, discounted at rates ranging from 5.5% to 10.8%. Thereafter, the Foundation has been making the stipulated annual distributions to the life income beneficiaries, recording investment gains and losses on the assets held in the trusts, and amortizing the discounts to present value. On any given date, the Foundation's remainder interest is represented by the difference between the fair value of the assets held by the trust and the present value of the remaining distributions to be paid to the life income beneficiaries.

Total charitable trusts administered by the Foundation are as follows at December 31, 2024:

Assets held in charitable lead annuity trusts	$ 1,036,114
Assets held in charitable remainder trusts and charitable gift annuities	3,222,878
Less related liabilities	(2,464,955)
Net present value of trusts administered by the Foundation	$ 1,794,037

These amounts are included in net assets with donor restrictions at December 31, 2024.

Charitable trusts administered by others

Charitable Remainder Trusts – Charitable remainder trusts provide for the payment of distributions to the donor or other designated beneficiaries over the income beneficiaries' lifetimes. At the end of the trusts' terms, the remaining assets are available for the Foundation's use, as specified by the donor.

Charitable Lead Trusts – Charitable lead trusts provide for the payment of distributions to designated not-for-profit organizations over a specified period of time. Upon termination of the trusts, the remainder of the trust assets is paid to the donor or to other beneficiaries designated by the donor.

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

Gross amounts of beneficial interests	
Charitable remainder trusts	$ 7,167,980
Less unamortized discount	(3,559,958)
Net present value of beneficial trusts	$ 3,608,022

These amounts are included in net assets with donor restrictions at December 31, 2024.

Perpetual Trusts – The Foundation receives net income from certain perpetual trusts but will never receive the assets of these trusts. Distributions received from these trusts are unrestricted. The beneficial interest in these perpetual trusts, recorded as net assets with donor restrictions, was $5,523,826 at December 31, 2024.

Note 9 – Property and Equipment

Property and equipment are summarized as follows as of December 31, 2024:

Land	$ 3,734,582
Buildings	11,796,307
Furniture and fixtures	807,044
Construction in progress	5,349
Total cost	16,343,282
Less accumulated depreciation	(4,559,844)
Net property and equipment	$ 11,783,438

Note 10 – Notes Payable

Notes payable consist of a note payable entered into by the Foundation in 2019 to finance the purchase of land and a building, and a note payable from 2014 entered into by Sakura Foundation secured by a first lien deed of trust on its property. The notes payable are due in monthly installments, bear interest at rates ranging from 3.75% to 3.99%, and mature in February 2029 and March 2039, respectively.

Notes payable are due as follows:

Years Ending December 31,		
2025	$	469,089
2026		490,757
2027		513,563
2028		537,036
2029		205,405
Thereafter		1,845,416
Total	$	4,061,266

Note 11 – Grants Payable

Unconditional grants are recognized as an expense at the time of formal approval. Conditional grants, if any, are expensed when such conditions are substantially met. Grants scheduled for payment more than one year in the future are discounted using an interest rate of 4.55%.

The following summarizes grants approved and payable as of December 31, 2024:

Payable in one year	$	10,248,852
Payable in two years		4,133,151
Payable in three years		201,500
Payable in four years		200,000
Discount		(156,584)
Total	$	14,626,919

Note 12 – Funds Held

Funds held as agency endowments – Certain transfers of assets to the Foundation that are for the benefit of the transferring entity, called agency endowments, are accounted for as a liability by the Foundation and appear in the accompanying consolidated statement of financial position as funds held as agency endowments. At December 31, 2024, the balance of those funds totaled $108,917,227.

Funds held in trust for others – The Foundation receives certain transfers of assets that are revocable or are not assets held for the benefit of the Foundation. These transfers are accounted for as a liability by the Foundation and appear in the accompanying consolidated statement of financial position as funds held in trust for others. At December 31, 2024, the balance of those funds totaled $1,222,738.

Note 13 – Net Assets

Net assets consist of the following as of December 31, 2024:

Without donor restrictions	
The Denver Foundation	
Undesignated	$ 1,021,655,520
Board designated	160,471,432
The Foundation for Sustainable Urban Communities (undesignated)	5,838,337
The Recovery Foundation (undesignated)	4,850,022
Sakura Foundation (undesignated)	270,764
Total without donor restrictions	1,193,086,075
With donor restrictions - The Denver Foundation	
Contributions from beneficial interest in charitable trust arrangements - net of unamortized discount	3,608,022
Contributions of beneficial interests in charitable trust arrangements - net of related liabilities	1,783,405
Contributions from beneficial interests in perpetual trusts	5,523,826
Total with donor restrictions	10,915,253
Total net assets	$ 1,204,001,328

The Foundation's board has designated a portion of net assets without donor restrictions to serve as a board-designated endowment and to be invested to provide income for generally a long but not necessarily specified period. The governing board has the right to decide at any time to expend such funds but has approved an annualized standing spend rate of 5.25% of the previous 12-quarter average asset balance.

Note 14 – Retirement Plans

The Foundation has a tax-sheltered annuity retirement plan (the Plan) covering all eligible employees, as defined by the Plan's documents. Each plan year, the Foundation may make a discretionary employer contribution to the Plan, which immediately vests. The Foundation's contributions under the Plan were $276,740 in 2024.

Note 15 – Line of Credit

On July 21, 2021, the Foundation entered into revolving line of credit with a national bank with total available borrowing of $5,000,000 with an interest rate equal to 1% plus Daily Simple Secured Overnight Financing Rate (SOFR). The line of credit matures on July 31, 2025. At December 31, 2024, there was no outstanding balance on this line of credit.

Note 16 – Supporting Organizations

As discussed in Note 2, the Foundation consolidates the financial information of its supporting organizations established as separate legal entities. The condensed financial information for these supporting organizations as of and for the year ended December 31, 2024, is as follows:

	The Foundation for Sustainable Urban Communities	The Recovery Foundation	Sakura Foundation	Total Supporting Organizations
Total assets	$ 6,003,259	$ 4,860,477	$ 3,624,106	$ 14,487,842
Total liabilities	(164,922)	(10,455)	(3,353,342)	(3,528,719)
Total net assets	$ 5,838,337	$ 4,850,022	$ 270,764	$ 10,959,123
Total revenues, gains, and support	$ 3,993,213	$ 312,960	$ 4,482,142	$ 8,788,315
Total expenses	(3,087,736)	(822,192)	(4,707,377)	(8,617,305)
Change in net assets	$ 905,477	$ (509,232)	$ (225,235)	$ 171,010