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# NoCo Foundation

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## **Consolidated Financial Report**

### **June 30, 2025**

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## Independent Auditor's Report

To the Board of Trustees  
NoCo Foundation

### ***Opinion***

We have audited the consolidated financial statements of NoCo Foundation and its subsidiary (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2025 and 2024 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Foundation as of June 30, 2025 and 2024 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Consolidated 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 consolidated 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 Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audits of the Consolidated 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Trustees  
NoCo Foundation

In performing audits in accordance with GAAS, we:

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

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

*Plante & Moran, PLLC*

December 16, 2025

## NoCo Foundation

# Consolidated Statement of Financial Position

June 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 1,031,758	\$ 521,121
Investments	240,323,117	215,644,226
Other receivables	17,126	8,594
Prepaid expenses and other assets	93,487	75,073
Beneficial interest in trusts held by third parties	3,629,355	3,412,211
Property and equipment - Net	789,713	789,220
<b>Total assets</b>	<b>\$ 245,884,556</b>	<b>\$ 220,450,445</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 405,122	\$ 216,342
Split-interest agreement liabilities	7,980,345	8,131,227
Assets held for agency funds	52,418,172	47,891,497
<b>Total liabilities</b>	<b>60,803,639</b>	<b>56,239,066</b>
<b>Net Assets</b>		
Without donor restrictions	82,527,224	71,469,631
With donor restrictions	102,553,693	92,741,748
<b>Total net assets</b>	<b>185,080,917</b>	<b>164,211,379</b>
<b>Total liabilities and net assets</b>	<b>\$ 245,884,556</b>	<b>\$ 220,450,445</b>

## NoCo Foundation

### Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains (Losses), and Other Support</b>						
Contributions	\$ 19,131,373	\$ 3,602,322	\$ 22,733,695	\$ 13,688,408	\$ 9,432,640	\$ 23,121,048
Less agency contributions	(2,347,534)	-	(2,347,534)	(2,272,416)	-	(2,272,416)
Management fees	400,891	-	400,891	356,572	-	356,572
Net realized and unrealized gains on investments	10,379,406	7,346,640	17,726,046	12,469,476	8,044,772	20,514,248
Interest and dividend income - Net	3,150,578	1,968,202	5,118,780	2,703,766	1,687,694	4,391,460
Net investment loss of agency funds	(5,157,045)	-	(5,157,045)	(5,503,867)	-	(5,503,867)
Change in value of split-interest agreements	-	(652,601)	(652,601)	-	(483,355)	(483,355)
Other revenue	49,514	-	49,514	29,250	-	29,250
Transfer of funds to restricted endowment	-	-	-	(10,059,458)	10,059,458	-
Net assets released from restrictions	2,452,618	(2,452,618)	-	1,962,553	(1,962,553)	-
Total revenue, gains, and other support	28,059,801	9,811,945	37,871,746	13,374,284	26,778,656	40,152,940
<b>Expenses</b>						
Program services:						
Grant-making and program expenses	17,795,672	-	17,795,672	13,232,361	-	13,232,361
Less agency funds grants	(2,579,504)	-	(2,579,504)	(1,791,936)	-	(1,791,936)
Total program services	15,216,168	-	15,216,168	11,440,425	-	11,440,425
Support services:						
Management and general	1,014,824	-	1,014,824	1,036,736	-	1,036,736
Fundraising	771,216	-	771,216	659,888	-	659,888
Total support services	1,786,040	-	1,786,040	1,696,624	-	1,696,624
Total expenses	17,002,208	-	17,002,208	13,137,049	-	13,137,049
<b>Increase in Net Assets</b>						
Net Assets - Beginning of year	11,057,593	9,811,945	20,869,538	237,235	26,778,656	27,015,891
Net Assets - End of year	71,469,631	92,741,748	164,211,379	71,232,396	65,963,092	137,195,488
	<b>\$ 82,527,224</b>	<b>\$ 102,553,693</b>	<b>\$ 185,080,917</b>	<b>\$ 71,469,631</b>	<b>\$ 92,741,748</b>	<b>\$ 164,211,379</b>

## NoCo Foundation

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services		Support Services		Total
	Grant-making and Program	Management and General	Fundraising		
Grants and program expenses	\$ 14,258,239	\$ -	\$ -	\$ 14,258,239	
Salaries and benefits	786,601	588,981	581,807	1,957,389	
Technology expenses	30,769	65,544	30,769	127,082	
Professional services	105,020	132,356	20,956	258,332	
Office supplies and expenses	8,717	97,224	6,448	112,389	
Development, events, and travel	26,822	10,958	131,236	169,016	
Marketing and printing	-	49,431	-	49,431	
Depreciation	-	36,170	-	36,170	
Occupancy costs	-	34,160	-	34,160	
<b>Total functional expenses</b>	<b>\$ 15,216,168</b>	<b>\$ 1,014,824</b>	<b>\$ 771,216</b>	<b>\$ 17,002,208</b>	

## NoCo Foundation

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services		Support Services		Total
	Grant-making and Program	Management and General	Fundraising		
Grants and program expenses	\$ 10,365,920	\$ -	\$ -	\$ 10,365,920	
Salaries and benefits	944,208	632,790	510,000	2,086,998	
Professional services	15,970	34,071	15,970	66,011	
Office supplies and expenses	98,698	107,022	13,504	219,224	
Development, events, and travel	8,300	90,133	5,395	103,828	
Technology expenses	7,329	13,961	115,019	136,309	
Marketing and printing	-	87,727	-	87,727	
Depreciation	-	35,499	-	35,499	
Occupancy costs	-	35,533	-	35,533	
<b>Total functional expenses</b>	<b>\$ 11,440,425</b>	<b>\$ 1,036,736</b>	<b>\$ 659,888</b>	<b>\$ 13,137,049</b>	

## NoCo Foundation

# Consolidated Statement of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 20,869,538	\$ 27,015,891
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	36,170	35,499
Contribution of investments	(7,688,664)	(3,948,869)
Net realized and unrealized gain on investments	(17,726,046)	(20,514,248)
Gain on sale of asset	-	(5,000)
Change in value of split-interest agreements	652,601	483,355
Contributions received for endowment	(2,059,449)	(9,340,047)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Other receivables	(8,532)	(8,594)
Prepaid expenses and other assets	(18,414)	(15,108)
Accounts payable and accrued liabilities	188,780	(379,729)
Assets held for agency funds	4,526,675	5,628,510
Net cash and cash equivalents used in operating activities	<u>(1,227,341)</u>	<u>(1,048,340)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(71,612,176)	(97,041,966)
Proceeds from sales and maturities of investments	72,347,995	89,491,246
Proceed from sale of asset held for sale	-	755,000
Purchase of property and equipment	<u>(36,663)</u>	<u>(3,000)</u>
Net cash and cash equivalents provided by (used in) investing activities	<u>699,156</u>	<u>(6,798,720)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on split-interest annuity agreements	(1,020,627)	(971,866)
Proceeds from contributions restricted for endowments	<u>2,059,449</u>	<u>9,340,047</u>
Net cash and cash equivalents provided by financing activities	<u>1,038,822</u>	<u>8,368,181</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>510,637</u>	<u>521,121</u>
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>521,121</u>	<u>-</u>
<b>Cash and Cash Equivalents - End of year</b>	<u><b>\$ 1,031,758</b></u>	<u><b>\$ 521,121</b></u>

**June 30, 2025 and 2024****Note 1 - Nature of Business**

NoCo Foundation (the "Foundation") was established in 1975 to encourage and assist those who want to be a part of shaping the future of our region. We make it easy to create a charitable legacy through the creation of both endowed and nonendowed customized charitable funds, and we connect people to the not-for-profit sector in ways that inform and inspire their philanthropy and community involvement. Through hundreds of individual charitable funds, we distribute millions of dollars into our community each year. Through initiatives, forums, and educational events, we bring people together to create greater impact. For those who wish to give back to their community, we serve as a long-term, strategic partner to make their donations of time and money more effective and enjoyable. Our vision is to create impact and leave legacy. Our mission is to create transformational community impact by inspiring philanthropy and engaging the region. During the year ended June 30, 2025, the Foundation changed its name to NoCo Foundation to better reflect how stakeholders and the surrounding community identify the Foundation.

**Note 2 - Significant Accounting Policies*****Basis of Presentation***

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

***Principles of Consolidation***

The consolidated financial statements include the accounts and operations of the Foundation and its supporting organization, Community Foundation Trust (the "Trust"). All material intercompany accounts and transactions have been eliminated in consolidation.

***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.

The Foundation receives gifts from individuals, foundations, and organizations and places them into individual funds that match the giving priorities of the donors. Some of the gifts are endowment gifts, which are preserved in perpetuity subject to the variance power discussed below. Endowment gifts are subject to a spending policy of 4.5 percent.

Under the terms of the articles of incorporation and bylaws, the board of trustees has a variance power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to specified organizations if, in the sole judgment of the board, such restriction or condition becomes in effect unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served. In addition, pursuant to the terms of endowment fund agreements, the Foundation retains the ultimate authority and control over the investment, expenditure, distribution, and grants of principal and income from endowment funds. It is the expressed intention of the Foundation to honor the designations of donors; however, the Foundation reserves the right to exercise final control over such funds.

**June 30, 2025 and 2024****Note 2 - Significant Accounting Policies (Continued)*****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, unless held as part of the investment portfolio, to be cash equivalents. At times, cash balances in commercial banks may exceed the level of insurance provided by the FDIC.

***Investments and Investment Income***

The Foundation's investments include privately and publicly held investments. The Foundation is required to report investments in equity securities with readily determinable values and all investments in debt securities at their fair values. Investment income, including net realized and unrealized gains and losses, is included in the change in net assets in the accompanying consolidated statement of activities and changes in net assets. Interest and dividend income is recorded on the accrual basis.

Direct investments in real estate, mineral rights, and impact investments are recorded at the lower of cost or fair value.

Nonpublic equity holdings include direct investments in partnerships and other investments without readily determinable fair value and are held at cost, 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 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.

Distributive shares of income or loss from pass-through entities, such as private equity and real estate partnerships, LLCs, and trusts, are recorded as income in the year such items are recognized by the Foundation 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 consolidated statement of activities and changes in net assets.

As of June 30, 2025 and 2024, the Foundation held approximately \$2,549,970 and \$1,766,000, respectively, of investments at cost (see Note 4). The Foundation has evaluated all of the investments held at cost for impairment and did not identify any events or changes in circumstances that may have a significant adverse effect on the valuation of the investment. As a result, none of the investments have been impaired as of June 30, 2025 or 2024.

***Property and Equipment***

Property and equipment are recorded at cost or at fair value if donated. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives, which range from 3 to 40 years.

***Beneficial Interest in Trusts Held by Third Parties***

The Foundation has been named the beneficiary in assets held by trusts, where the assets of the trusts are invested and managed by third-party trustees in accordance with trust instruments established by the donors. The beneficial interest in these trust assets was \$3,629,355 and \$3,412,211 as of June 30, 2025 and 2024, respectively.

**June 30, 2025 and 2024****Note 2 - Significant Accounting Policies (Continued)*****Split-interest Agreements***

Split-interest agreements are recorded as an asset, revenue, and liability at the time of the gift. The liability amount is based upon the fair value of the underlying gift, the actuarial facts of the annuitant, and a present value discount rate for the expected life of the annuitant. The difference between this present value and the fair value of the gift is recorded as revenue at the time of the gift. Subsequent changes in the present value due to life expectancy or other actuarial facts are recognized as an increase or decrease of net assets in the year the change is detected. As of June 30, 2025 and 2024, the Foundation held total assets under split-interest agreements of \$17,303,192 and \$16,876,658, respectively, as part of its investment portfolio and has recorded liabilities of \$7,980,345 and \$8,131,227, respectively.

***Assets Held for Agency Funds***

A fund established with a contribution from an organization for the benefit of the contributing organization is classified as an agency fund. The activity in agency funds is reported as a change in the liability for assets held for agency funds on the consolidated statement of financial position.

***Contributions***

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

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

Contributions of cash and other assets, including unconditional promises to give in the future (pledges), are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipients under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions.

Approximately 32 percent of the Foundation's contributions for the year ended June 30, 2025 consist of contributions from two donors. Approximately 62 percent of the Foundation's contributions for the year ended June 30, 2024 consist of contributions from four donors.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Costs have been allocated between the various program and support services on several bases and estimates. Salaries have been allocated based on estimated time and effort for each role. Some other expenses, such as technology, are allocated based on usage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Income Taxes***

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

**June 30, 2025 and 2024****Note 2 - Significant Accounting Policies (Continued)*****Use of Estimates***

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Risks and Uncertainties***

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances reported in the financial statements.

***Subsequent Events***

The consolidated financial statements and related disclosures include evaluation of events up through and including December 16, 2025, which is the date the consolidated financial statements were available to be issued.

**Note 3 - Liquidity and Availability of Resources**

The following reflects the Foundation's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,031,758	\$ 521,121
Investments	240,323,117	215,644,226
Other receivables	17,126	8,594
Beneficial interest in trusts	3,629,355	3,412,211
 Financial assets - At year end	 245,001,356	 219,586,152
 Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions on endowment funds	87,332,718	80,584,103
Investments held for split-interest agreements	17,303,192	16,876,658
Restrictions on the conversion of beneficial interest in trusts	3,629,355	3,412,211
Investments that may not be available within one year	14,029,260	12,296,496
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 122,706,831	 \$ 106,416,684

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments. The Foundation has no committed lines of credit.

**June 30, 2025 and 2024**

**Note 4 - Investments**

The investment balance at June 30, 2025 and 2024 is composed of the following:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 15,280,200	\$ 6,782,638
Certificates of deposit	114,482	110,260
Public equities and equity mutual funds	127,633,892	118,403,521
Fixed-income debt securities and fixed-income mutual funds	67,745,697	65,270,643
Other mutual funds	3,632,247	2,556,660
Real estate ETFs and investment trusts	1,828,169	1,379,751
Hedge funds	13,269,762	12,650,989
Private equity	8,268,698	6,721,340
Impact investments*	375,000	550,000
Real estate holdings*	1,037,370	1,000,000
Mineral rights*	216,000	218,424
Nonpublic equity holding*	921,600	-
 Total	 \$ 240,323,117	 \$ 215,644,226

\*These investments are valued at cost, as discussed in Note 2.

Investment earnings for the years ended June 30, 2025 and 2024 consisted of the following:

	<b>2025</b>	<b>2024</b>
Net realized and unrealized gains	\$ 17,726,046	\$ 20,514,248
Interest and dividends	5,596,736	4,834,966
 Gross investment earnings	 23,322,782	 25,349,214
Investment fees	(477,956)	(443,506)
Net investment loss of agency funds	(5,157,045)	(5,503,867)
 Net investment earnings	 \$ 17,687,781	 \$ 19,401,841

**Note 5 - Fair Value Measurements**

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

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

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities 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 or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

Certain assets are measured at net asset value (NAV) per share as a practical expedient to fair value and are not classified in the fair value hierarchy. NAV per share is provided by the investment managers of the investment funds and represents the investor entity's (the Foundation's) share of the underlying net assets (assets net of liabilities) of the investment fund as of the consolidated statement of financial position date.

**June 30, 2025 and 2024****Note 5 - Fair Value Measurements (Continued)**

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 or liability.

These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

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

**Cash and cash equivalents, public equities, real estate ETFs, equity mutual funds, and other mutual funds** - Valued at the closing price reported on the active market on which the individual securities are traded.

**Fixed-income debt securities and fixed-income mutual funds** - Valued based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings. While some fixed-income mutual funds may be actively traded and, therefore, could be valued based on Level 1 inputs, the underlying assets in those mutual funds are based on Level 2 inputs, and, therefore, the entirety of this portfolio segment has been included as Level 2.

**Certificates of deposit** - The Foundation values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

**Hedge funds and real estate investment trusts** - The value is calculated by using NAV per share of the hedge fund or real estate investment trusts. NAV per share is provided by the investment managers of the investment funds or trusts and represents the investor entity's (the Foundation's) share of the underlying net assets (assets net of liabilities) of the investment fund as of the consolidated statement of financial position date. The hedge funds class includes investments in hedge funds that invest both long and short term, primarily in U.S. and international equity markets. Management of the hedge funds has the ability to shift investments from different positions and tailor strategies from small to large capitalization stocks and from a net long position to a net short position. There were no unfunded commitments as of June 30, 2025 or 2024.

**Private equity** - The value is calculated by using NAV per share provided by the investment managers. Unfunded commitments for private equity amounted to \$1,119,482 and \$1,469,192 as of June 30, 2025 and 2024, respectively, and redemptions were available with notice periods and frequencies ranging from daily to monthly between the various private equities in the asset class. The Foundation and its investment managers work to create a diversified private equity portfolio that aims to achieve diversified return streams from the public equity and fixed-income portions of the investment portfolio.

**Beneficial interest in trusts** - The fair values of investments held in beneficial interest in trusts include Levels 1 and 2; however, the Foundation's pro rata share of the interest in the trusts is not quoted in active markets and, therefore, is classified under Level 3 in the fair value hierarchy.

**Split-interest agreement liabilities** - The liability amount is based upon the fair value of the underlying investments, the actuarial facts of the annuitant, and a present value discount rate for the expected life of the annuitant. While the fair value of the investments associated with the split-interest agreement may be determined based on Levels 1 and 2, the annuitant's expected share of the interest in those investments is not quoted and, therefore, is classified under Level 3 in the fair value hierarchy.

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Note 5 - Fair Value Measurements (Continued)**

The following tables present information about the Foundation's assets and liabilities measured at fair value on a recurring basis at June 30, 2025 and 2024 and the valuation techniques used by the Foundation to determine those fair values:

Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2025						
	Quoted Prices in					
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share		Total
<b>Assets</b>						
Investments:						
Cash and cash equivalents	\$ 15,280,200	\$ -	\$ -	\$ -	\$ -	\$ 15,280,200
Certificates of deposit	-	114,482	-	-	-	114,482
Public equities and equity mutual funds	127,633,892	-	-	-	-	127,633,892
Fixed-income debt securities and fixed- income mutual funds	-	67,745,697	-	-	-	67,745,697
Other mutual funds	3,632,247	-	-	-	-	3,632,247
Real estate ETFs	1,736,740	-	-	-	-	1,736,740
Private equity	-	-	-	8,268,698	8,268,698	
Hedge funds	9,228,999	-	-	4,040,763	4,040,763	13,269,762
Real estate investment trusts				91,429	91,429	
Total investments	157,512,078	67,860,179	-	12,400,890	237,773,147	
Beneficial interest in trusts	-	-	3,629,355	-	-	3,629,355
Total assets	\$ 157,512,078	\$ 67,860,179	\$ 3,629,355	\$ 12,400,890	\$ 241,402,502	
<b>Liabilities - Split-interest agreements</b>						
	\$ -	\$ -	\$ 7,980,345	\$ -	\$ -	\$ 7,980,345

The Foundation also held \$2,549,970 of investments at cost as of June 30, 2025, which is not reported at fair value and, therefore, is excluded from the table above.

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Note 5 - Fair Value Measurements (Continued)**

Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2024					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value per Share	Total
<b>Assets</b>					
Investments:					
Cash and cash equivalents	\$ 6,782,638	\$ -	\$ -	\$ -	\$ 6,782,638
Certificates of deposit	-	110,260	-	-	110,260
Public equities and equity mutual funds	118,403,521	-	-	-	118,403,521
Fixed-income debt securities and fixed-income mutual funds	-	65,270,643	-	-	65,270,643
Other mutual funds	2,559,084	-	-	-	2,559,084
Real estate ETFs	1,279,782	-	-	-	1,279,782
Private equity	-	-	-	6,721,340	6,721,340
Hedge funds	8,941,801	-	-	3,709,188	12,650,989
Real estate investment trusts				99,969	99,969
Total investments	137,966,826	65,380,903	-	10,530,497	213,878,226
Beneficial interest in trusts	-	-	3,412,211	-	3,412,211
Total assets	\$ 137,966,826	\$ 65,380,903	\$ 3,412,211	\$ 10,530,497	\$ 217,290,437
<b>Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,131,227</b>	<b>\$ -</b>	<b>\$ 8,131,227</b>

The Foundation also held \$1,766,000 of investments at cost as of June 30, 2024, which is not reported at fair value and, therefore, is excluded from the table above.

**Note 6 - Property and Equipment**

Property and equipment as of June 30, 2025 and 2024 are summarized as follows:

	2025	2024
Land	\$ 225,000	\$ 225,000
Buildings	839,817	836,508
Building improvements	91,348	87,198
Furniture and fixtures	122,811	96,607
Computer equipment and software	6,000	23,488
Total cost	1,284,976	1,268,801
Accumulated depreciation	495,263	479,581
Net property and equipment	\$ 789,713	\$ 789,220

Depreciation expense for 2025 and 2024 was \$36,170 and \$35,499, respectively.

## NoCo Foundation

# Notes to Consolidated Financial Statements

June 30, 2025 and 2024

### Note 7 - Net Assets

Net assets consist of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 6,556,903	\$ 87,332,718	\$ 93,889,621
Nonendowment funds	75,970,321	2,268,773	78,239,094
Split-interest agreements	-	12,952,202	12,952,202
<b>Total</b>	<b>\$ 82,527,224</b>	<b>\$ 102,553,693</b>	<b>\$ 185,080,917</b>

Net assets consist of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 5,427,267	\$ 80,584,103	\$ 86,011,370
Nonendowment funds	66,042,364	-	66,042,364
Split-interest agreements	-	12,157,645	12,157,645
<b>Total</b>	<b>\$ 71,469,631</b>	<b>\$ 92,741,748</b>	<b>\$ 164,211,379</b>

Net assets by major category as of June 30, 2025 and 2024 are as follows:

	2025	2024
Endowment funds:		
Donor advised	\$ 43,385,774	\$ 40,026,482
Donor designated	24,725,738	23,086,865
Scholarship	2,307,196	1,968,608
Field of interest	17,262,101	15,510,823
Sister fund-agency	3,164,838	2,953,383
Committee advised	509,262	445,041
Board designated	2,534,712	2,020,168
<b>Total endowment funds</b>	<b>93,889,621</b>	<b>86,011,370</b>
Nonendowment funds:		
Donor advised	71,959,264	61,914,308
Operations	5,691,128	3,799,992
Special project	309,478	-
Field of interest	231,285	235,555
Scholarship	47,939	92,509
Split-interest agreements	12,952,202	12,157,645
<b>Total nonendowment funds</b>	<b>91,191,296</b>	<b>78,200,009</b>
<b>Total net assets</b>	<b>\$ 185,080,917</b>	<b>\$ 164,211,379</b>

**Note 7 - Net Assets (Continued)**

Funds may be established as endowed funds where only the earnings are available for the following purposes, but the corpus is intended to be maintained in perpetuity:

*Donor advised* - These funds are established by donors who wish to actively participate in the grant-making process in a convenient and flexible manner. Individuals, corporations, families, or committees establishing a fund advise the Foundation's staff throughout the year with respect to grant-making that benefits charitable projects or organizations of their choice. Donor-advised funds make it easy for donors to give to multiple nonprofit agencies in varying amounts at numerous times throughout the year. Successor advisors can be named, and the fund can be a beneficiary of a will, gift annuity, or charitable remainder trust. The Foundation's board of trustees maintains full authority and control regarding fund asset management and grant distributions.

*Donor designated* - These funds are established by donors who wish to support specific agencies or causes. Donors may also contribute to existing donor-designated funds. If the original designated charity ceases to exist, becomes obsolete, or is unable to perform its charitable purposes, the Foundation's board of trustees will redirect the funds to an organization providing similar services without the cost of expensive legal action.

*Scholarship* - These funds are established by donors who work with the Foundation's staff to establish objective criteria by which scholarship recipients will be selected. For example, scholarship criteria can look at financial need, academic achievements, seniors who are graduating from specific schools, or graduating seniors who live in a particular geographic area. Donors may serve on the selection committee (in accordance with current laws), but the Foundation's staff handles the necessary paperwork and ensures that scholarship awards are distributed to each recipient's college or university.

*Field of interest* - These funds are often established to support particular interest areas, specific program initiatives, causes, or geographic areas. To honor the donors' wishes, use of the funds is designated to specific areas of interest. Grants from these funds are awarded to local nonprofit agencies by the Foundation's community fund committees. The donor does not reserve an ongoing advisory role.

*Board designated* - These funds are not designated for use by a particular agency, cause, or area of interest by a donor. The Foundation's board of trustees oversees the use of these funds, setting priorities for their use and determining how grants will be distributed to support the charitable needs of the community. Unrestricted funds give the Foundation the ability to respond to pressing and often changing needs in the community.

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Note 8 - Donor-restricted and Board-designated Endowments**

*Interpretation of Relevant Law*

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

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

Endowment Net Asset Composition by Type of Fund as of June 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,534,712	\$ -	\$ 2,534,712
Donor-designated endowment funds:			
Original donor-designated gift amount and amounts required to be maintained in perpetuity by the donor	-	70,282,236	70,282,236
Accumulated investment gains (net of administrative fees)	-	17,050,482	17,050,482
Amounts available for spending	4,022,191	-	4,022,191
<b>Total</b>	<b>\$ 6,556,903</b>	<b>\$ 87,332,718</b>	<b>\$ 93,889,621</b>
Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 5,427,267	\$ 80,584,103	\$ 86,011,370
Investment return	241,250	9,073,593	9,314,843
Contributions and transfers	2,447,821	2,059,449	4,507,270
Appropriation of endowment assets for expenditure	(1,559,435)	(4,384,427)	(5,943,862)
<b>Endowment net assets - End of year</b>	<b>\$ 6,556,903</b>	<b>\$ 87,332,718</b>	<b>\$ 93,889,621</b>

**Notes to Consolidated Financial Statements**

**June 30, 2025 and 2024**

**Note 8 - Donor-restricted and Board-designated Endowments (Continued)**

Endowment Net Asset Composition by Type of Fund as of June 30, 2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 2,020,168	\$ -	\$ 2,020,168
Donor-designated endowment funds:			
Original donor-designated gift amount and amounts required to be maintained in perpetuity by the donor	-	68,406,462	68,406,462
Accumulated investment gains (net of administrative fees)	-	12,177,641	12,177,641
Amounts available for spending	3,407,099	-	3,407,099
<b>Total</b>	<b>\$ 5,427,267</b>	<b>\$ 80,584,103</b>	<b>\$ 86,011,370</b>
Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 4,907,380	\$ 55,322,991	\$ 60,230,371
Investment return	240,589	9,491,877	9,732,466
Contributions and transfers	92,959	9,340,047	9,433,006
Appropriation of endowment assets for expenditure	186,339	(3,630,270)	(3,443,931)
Net transfers to nonendowed funds	-	10,059,458	10,059,458
<b>Endowment net assets - End of year</b>	<b>\$ 5,427,267</b>	<b>\$ 80,584,103</b>	<b>\$ 86,011,370</b>

***Underwater Endowment Funds***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025, there were 13 donor-restricted endowment funds that have deficiencies of this nature; together, these endowment funds have an original gift value of \$3,162,773, a current fair value of \$3,043,777, and a deficiency of \$118,996. As of June 30, 2024, there were 28 donor-restricted endowment funds that have deficiencies of this nature; together, these endowment funds had an original gift value of \$3,320,572, a current fair value of \$3,047,925, and a deficiency of \$272,647. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of trustees.

***Return Objectives and Risk Parameters***

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. The secondary investment objective is to earn a total return, net of expenses, at least equal to the portfolio's composite benchmark, as defined in its investment policy statement. Actual returns in any given year may vary from this amount.

**June 30, 2025 and 2024****Note 8 - Donor-restricted and Board-designated Endowments (Continued)*****Strategies Employed for Achieving Objectives***

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

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The current spending policy is to distribute an amount equal to 4.5 percent of the fund's total market value average quarterly balance of the past four years. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment assets to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets and to provide additional real growth through new gifts and investment return.

**Note 9 - Retirement Plans**

The Foundation has 401(k) retirement plans. The plans allow for eligible employees to make contributions up to the annual contribution limit provided under the Internal Revenue Code. The plans require matching contributions equal to 100 percent of employee salary deferrals, up to 5 percent of employee compensation. The Foundation expensed matching contributions to the retirement plans totaling \$73,955 and \$79,223 for the years ended June 30, 2025 and 2024, respectively.