

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024



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YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Taos Community Foundation, Inc.
Taos, New Mexico

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taos Community Foundation, Inc. (a New Mexico corporation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Taos Community Foundation, Inc. as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter - Restatement of Prior Period Financial Statements

As discussed in Note 13 to the consolidated financial statements, Taos Community Foundation, Inc. has adjusted its 2024 consolidated financial statements to correct the net asset classifications. Our opinion is not modified as a result of this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

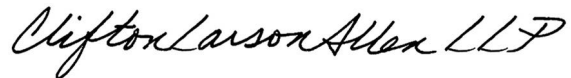
In performing an audit in accordance with GAAS, we:

- 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 Taos Community Foundation, Inc.'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 Taos Community Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
June 3, 2026

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024 (AS RESTATED)**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,256,864	\$ 2,699,760
Pledges Receivable	36,655	6,600
Prepaid Expenses	28,779	6,429
Investments	6,218,499	4,525,739
Property Held for Sale	559,843	1,910,543
Total Current Assets	9,100,640	9,149,071
PROPERTY AND EQUIPMENT, NET	337,761	349,650
OTHER ASSETS		
Employee Retention Tax Credit Receivable	-	52,625
Endowed Investments	16,971,190	15,902,682
Total Other Assets	16,971,190	15,955,307
Total Assets	\$ 26,409,591	\$ 25,454,028
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 123,991	\$ 51,692
Grants and Scholarships Payable	227,371	199,152
Accrued Expenses	30,175	31,271
Assets Held for Other Organizations	381,754	1,062,217
Funds Held as Agency Endowments	2,236,549	2,058,546
Total Current Liabilities	2,999,840	3,402,878
Total Liabilities	2,999,840	3,402,878
NET ASSETS		
Without Donor Restrictions	10,341,088	9,540,873
With Donor Restrictions	13,068,663	12,510,277
Total Net Assets	23,409,751	22,051,150
Total Liabilities and Net Assets	\$ 26,409,591	\$ 25,454,028

See accompanying Notes to Consolidated Financial Statements.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Grants and Contributions	\$ 3,301,399	\$ 119,677	\$ 3,421,076
Special Event Income and Fee Revenue	95,698	-	95,698
Dividends and Interest	308,503	333,578	642,081
Realized and Unrealized Gains on Investments, Net of Fees of \$61,989	580,494	894,828	1,475,322
Other Income	2,136	-	2,136
Total Revenue, Support, and Gains	4,288,230	1,348,083	5,636,313
 NET ASSETS RELEASED FROM RESTRICTIONS	 789,697	 (789,697)	 -
 EXPENSES AND LOSSES			
Program Services Expense:			
Grants	2,305,123	-	2,305,123
Program Services	1,016,837	-	1,016,837
Total Program Services Expense	3,321,960	-	3,321,960
Supporting Services Expense:			
General and Administrative	407,269	-	407,269
Fundraising	44,647	-	44,647
Total Supporting Services Expense	451,916	-	451,916
Total Expenses	3,773,876	-	3,773,876
Impairment Loss on Property Held for Sale	503,836	-	503,836
Total Expenses and Losses	4,277,712	-	4,277,712
 CHANGES IN NET ASSETS	 800,215	 558,386	 1,358,601
Net Assets - Beginning of Year	9,540,873	12,510,277	22,051,150
 NET ASSETS - END OF YEAR	 \$ 10,341,088	 \$ 13,068,663	 \$ 23,409,751

See accompanying Notes to Consolidated Financial Statements.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024 (AS RESTATED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Grants and Contributions	\$ 2,613,476	\$ 121,443	\$ 2,734,919
Special Event Income and Fee Revenue	37,919	-	37,919
Dividends and Interest	281,991	382,677	664,668
Realized and Unrealized Gains on Investments, Net of Fees of \$42,425	512,882	822,106	1,334,988
In-Kind Contributions	283,325	531,108	814,433
Employee Retention Tax Credit	52,625	-	52,625
Other Income	58,059	-	58,059
Total Revenue, Support, and Gains	<u>3,840,277</u>	<u>1,857,334</u>	<u>5,697,611</u>
NET ASSETS RELEASED FROM RESTRICTIONS	567,049	(567,049)	-
EXPENSES			
Program Services Expense:			
Grants	1,443,789	-	1,443,789
Program Services	1,196,736	-	1,196,736
Total Program Services Expense	<u>2,640,525</u>	<u>-</u>	<u>2,640,525</u>
Supporting Services Expense:			
General and Administrative	337,604	-	337,604
Fundraising	47,619	-	47,619
Total Supporting Services Expense	<u>385,223</u>	<u>-</u>	<u>385,223</u>
Total Expenses	<u>3,025,748</u>	<u>-</u>	<u>3,025,748</u>
CHANGES IN NET ASSETS	1,381,578	1,290,285	2,671,863
Net Assets - Beginning of Year, As Previously Stated	776,055	18,603,232	19,379,287
Prior Period Adjustment	7,383,240	(7,383,240)	-
Net Assets - Beginning of Year, As Restated	<u>8,159,295</u>	<u>11,219,992</u>	<u>19,379,287</u>
NET ASSETS - END OF YEAR	<u>\$ 9,540,873</u>	<u>\$ 12,510,277</u>	<u>\$ 22,051,150</u>

See accompanying Notes to Consolidated Financial Statements.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,358,601	\$ 2,671,863
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Realized and Unrealized (Gain) Loss on Investments	(1,596,304)	(1,504,953)
Interest and Dividends	(610,445)	(651,055)
Depreciation	11,889	25,824
Loss on Sale of Property Held for Sale	16,517	-
Donated Property Held for Sale	-	(1,874,343)
Impairment Loss on Property Held for Sale	503,836	-
Contributions Restricted to Endowment	(189,116)	(671,118)
Changes in Operating Assets and Liabilities:		
Pledges Receivable	(30,055)	22,070
Employee Retention Tax Credit Receivable	52,625	(52,625)
Prepaid Expenses	(22,350)	3,468
Accounts Payable	72,299	(3,172)
Grants and Scholarships Payable	28,219	44,016
Accrued Expenses	(1,096)	12,242
Assets Held for Other Organizations	-	1,062,217
Funds Held as Agency Endowments	178,003	179,024
Net Cash Used by Operating Activities	(227,377)	(736,542)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,267,911)	(327,461)
Proceeds from Sales of Investments	1,713,392	855,545
Proceeds from Sales of Property Held for Sale	149,884	-
Net Cash Provided (Used) by Investing Activities	(404,635)	528,084
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of Contributions Restricted to Endowment	189,116	671,118
Net Cash Provided by Financing Activities	189,116	671,118
NET CHANGE IN CASH AND CASH EQUIVALENTS	(442,896)	462,660
Cash and Cash Equivalents - Beginning of Year	2,699,760	2,237,100
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,256,864	\$ 2,699,760

See accompanying Notes to Consolidated Financial Statements.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Taos Community Foundation, Inc. and Subsidiary (the Foundation) was formed in 1994. The mission of the Foundation is to enhance the quality of life in the communities it serves by encouraging permanent charitable giving to meet the needs of present and future generations. This is achieved by initiating projects and coordinating resources that promote a healthy and safe community. The Foundation serves Taos and western Colfax counties, offering people a variety of ways to touch the community through giving. Grants are made to 501(c)(3) organizations in these counties, which serve the areas of health and human services, education and activities for youth, visual, literary and performing arts, economic and community development, natural environment and historic preservation. The Foundation pools the contributions of many individuals and businesses which, in turn, enable more strategic funding to nonprofits working to make a difference and effect change. Contributions are received from individuals, businesses, and foundations.

The Foundation formed a wholly owned subsidiary, named Taos Property Foundation, Inc. (TPF). The purpose of TPF is to accept and liquidate real estate gifts, for the benefit of the Foundation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary, Taos Property Foundation, Inc. (TPF). All significant inter-entity accounts and transactions have been eliminated in the consolidation.

Basis of Presentation

The accompanying consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit organizations.

Net assets, revenues, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Foundation considers all liquid investments having initial maturities of three months or less to be cash equivalents. Money market funds held as a portion of the Foundation's investment portfolio are considered to be cash equivalents. Cash equivalents are stated at cost which approximates market value.

Functional Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. These expenses include grants, salaries and benefits, professional fees, other general expenses, and depreciation. Costs are recorded directly to the function to which they relate based on the actual personnel assigned and vendor expenses paid with most allocated based on estimates of time and effort.

Investment Valuation

Investments are reported at fair value, with realized and unrealized gains and losses included in the statement of activities. Fair value is based upon quoted market prices or net asset value per share of the investment as a practical expedient. Net asset value per share is defined as the amount of net assets attributable to each share of capital stock (other than preferred stock) outstanding at the close of the period. It excludes the effects of assuming conversion of outstanding securities, whether or not their conversion would have a diluting effect. The limited partnership investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

Investment income and gains restricted by donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Historically, acquisition of property and equipment of \$2,500 or more with a useful life of more than one year are recorded at cost if purchased and fair market value if donated. During 2025, the Foundation changed its accounting policy to capitalize all acquisitions greater than \$5,000. The policy was applied as of the beginning of 2025. Depreciation is provided for using the straight-line method over the following estimated useful lives:

Furniture and Equipment	5 to 7 Years
Building Improvements	5 to 10 Years
Building	39 Years

Property held for sale is recorded at the lower of carrying value or fair value less cost to sell.

Assets Held for Other Organizations

During the year ended June 30, 2024, the Foundation received parcels of land valued at \$1,874,500. The land donation is governed by a Real Property Donation Agreement, which stipulates how the proceeds from the sale of the land are to be distributed. In accordance with the terms of this agreement, the Foundation recorded a liability of \$1,062,217 representing the proceeds to be distributed to other 501(c)(3) organizations upon sale. During the year ended June 30, 2025, one parcel of land was sold for a loss. Additionally, an impairment loss was recorded on the remaining parcels of land (see Note 3). As a result, the liability balance as of June 30, 2025 is \$381,754.

Contributions of Real and Personal Property

Gifts of property such as land, buildings, or equipment are reported as without donor restrictions unless the donor has restricted the donated assets for a specific purpose. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service for the purpose stipulated by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Conditional and Unconditional Promises to Give

Unconditional promises to give cash and other assets to the Foundation (pledges receivable) are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported as revenue at fair value when all donor-imposed barriers/conditions are met. There were \$36,655 and \$6,600 of outstanding unconditional promises to give at June 30, 2025 and 2024, respectively. Pledges receivable are considered by management to be fully collectible within one year and, accordingly, an allowance for doubtful accounts was not provided at June 30, 2025 and 2024. Furthermore, the Foundation is a named beneficiary of two bequests. Revenue will be recognized when the estates are validated by the probate court. As of June 30, 2025, no amounts have been recognized related to these conditional promises to give. Management is currently unable to reasonably estimate the amounts to be received.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Revenues

Grant revenues are recognized according to the type of grant:

Grants based on a direct cost reimbursement for expenditures incurred under the grant scope of work – revenues are recognized at the time of expenditure and billed to the grantor on a monthly or quarterly basis as required by the grant.

Grants in which funds are disbursed to the Foundation prior to service being rendered – revenues are recognized when funds are received, unexpended funds at the end of the fiscal year are reported as net assets with donor restrictions or deferred revenue.

Grants in which fee for services are billed for payment – revenues are recognized after services are provided and billed.

Contributed Services and Non-financial Assets

The Foundation received donated assets in the amount of \$-0- and \$814,433 for the years ended June 30, 2025 and 2024, respectively.

Contributions of services are recognized only if the services received create or enhance nonfinancial assets, require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Recognized contributed services are recorded at the estimated fair value of the services as provided on the date of donation. The Foundation did not receive any contributed services for the years ended June 30, 2025 and 2024.

Gifts in-kind are typically related to fundraising events which are either used or sold at the event and are valued using the following methods: (1) the current average price located on a publicly available website for similar items or (2) a percentage of the current average price located on a publicly available website if the item donated has been used, but the item located online is new. The Foundation did not receive any donated materials for special events for the years ended June 30, 2025 and 2024. During the years ended June 30, 2025 and 2024, the Foundation received donated property to be sold which was valued at \$-0- and \$814,433, respectively. The proceeds from the sale of the donated property and artwork will be used in accordance with the donor restrictions, if any. Gifts in-kind are used for program services, management and general, and fundraising purposes.

Depending upon the nature and anticipated value of the gift (\$5,000 or more), a qualified outside appraiser may formally value the gifts of real and personal property before accepted under the gift acceptance policy. These assets are subject to the capitalization policy based on their fair market value at the time of donation.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Investments

Donated marketable securities and other investments are recorded as contributions at their estimated fair values at the date of donation. The estimated fair values of donated investments totaled \$659,813 and \$73,156 for the years ended June 30, 2025 and 2024, respectively. It is the Foundation's policy to liquidate donated investments promptly upon receipt, unless otherwise directed by the donor. As a result, such contributions are presented as cash contributions in the accompanying consolidated statement of activities.

Event Income and Fee Revenues

Income from events is recognized in the year the event is held. Fee income (administrative fees) is recognized as earned.

Federal Income Tax

The Foundation recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. Any such tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation had no unrecognized tax benefits at June 30, 2025 and 2024, respectively. The Foundation files an exempt organization return with the Internal Revenue Service (IRS). The Foundation had no taxable unrelated business income for the year ended June 30, 2025 and 2024, respectively. Accordingly, a provision for income taxes has not been established in the accompanying consolidated financial statements.

Advertising

The cost of advertising is expensed in the year incurred. Advertising expense totaled \$74,484 and \$75,724 for the years ended June 30, 2025 and 2024, respectively.

Risk Management

The Foundation is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Foundation has obtained commercial insurance coverage to protect itself against such losses.

Subsequent Events

The Foundation has evaluated subsequent events through June 3, 2026, the date the consolidated financial statements were available to be issued. Management believes there are no significant events occurring subsequent to June 30, 2025 that would require adjustment to or disclosure in the consolidated financial statements, other than as disclosed in Note 2.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Financial Accounting Standards Board ASC 820 are described as follows:

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

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following describes the valuation methodology used for assets measured at fair value.

Equity and Bond Mutual Funds (mutual funds) – Shares of mutual funds are valued at the closing price reported on the active market on which the individual mutual funds are traded.

Private Equity Investments – Net asset value (NAV) per share, or its equivalent, as a practical expedient. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

The Foundation's fair market value measurements are as follows at June 30:

	2025			Total
	Level 1	Level 2	Level 3	
Equity Mutual Funds	\$ 13,524,928	\$ -	\$ -	\$ 13,524,928
Bond Mutual Funds	9,527,445	-	-	9,527,445
Total	<u>\$ 23,052,373</u>	<u>\$ -</u>	<u>\$ -</u>	23,052,373
Private Equity Investments Measured at NAV				<u>137,316</u>
Total Investments at Fair Value	<u>\$ 23,052,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,189,689</u>
	2024			
	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 12,362,897	\$ -	\$ -	\$ 12,362,897
Bond Mutual Funds	7,833,517	-	-	7,833,517
Total	<u>\$ 20,196,414</u>	<u>\$ -</u>	<u>\$ -</u>	20,196,414
Private Equity Investments Measured at NAV				<u>232,007</u>
Total Investments at Fair Value	<u>\$ 20,196,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,428,421</u>

Realized and unrealized (losses) gains on investments of \$1,475,322 and \$1,334,988, net of investment fees of \$61,989 and \$42,425, were recognized for the years ended June 30, 2025 and 2024, respectively.

The following tables set forth additional disclosures of the Foundation's investments whose fair value was estimated using net asset value per share as of June 30:

	2025			Redemption Notice Period
	Fair Value	Unfunded Commitment	Redemption Frequency	
MAP Heritage	\$ 137,316	\$ -	Ineligible	
Total	<u>\$ 137,316</u>	<u>\$ -</u>		
	2024			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
MAP Heritage	\$ 232,007	\$ -	Ineligible	
Total	<u>\$ 232,007</u>	<u>\$ -</u>		

The investment strategy of MAP Heritage is to engage in the acquisition, operation, development, management, and disposition of direct and indirect interests in natural gas and oil royalty interests, mineral interests, and overriding royalty interests, wind energy royalty interests, and other passive investments.

Subsequent to June 30, 2025, the MAP Heritage fund was liquidated and closed.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 3 PROPERTY AND EQUIPMENT, AND PROPERTY HELD FOR SALE

Property and equipment consist of the following at June 30:

	2025	2024
Building and Improvements	\$ 555,864	\$ 555,864
Furniture and Equipment	59,459	59,459
Subtotal	615,323	615,323
Less: Accumulated Depreciation	(277,562)	(265,673)
Total Property and Equipment	\$ 337,761	\$ 349,650

Depreciation expense was \$11,889 and \$25,824 for the years ended June 30, 2025 and 2024, respectively.

Property held for sale consists of land and art. During the year ended June 30, 2025, one parcel of land was sold for a loss of \$38,116. As of June 30, 2025, the remaining parcels of land, with a carrying value of \$1,686,500, were written down to \$523,800, which represents the fair value less cost to sell. The fair value was determined using the current listing price of the land for sale, which was determined to be a competitive price by real estate agents who compared it to prices of similar properties in the area. This resulted in an impairment loss of \$1,162,700. Per the terms of the governing Real Property Donation Agreement, \$503,836 of the impairment loss was included in the change in net assets without donor restrictions for the year. The remaining \$658,864 reduced the Assets Held for Other Organizations liability balance.

NOTE 4 ENDOWMENT FUNDS

Net Asset Classification

The Foundation's endowment consists of many individual funds established for a variety of purposes. The Foundation's endowment includes board-designated and donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Foundation has determined that the endowment funds held by the Foundation meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation is governed by the Articles of Incorporation and Bylaws, and most contributions are received subject to the terms of these governing documents. Under the terms of the Bylaws, the board of directors has the ability to distribute so much of the corpus of any fund as the board in its sole discretion shall determine. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 ENDOWMENT FUNDS (CONTINUED)

Net Asset Classification (Continued)

As a result of the ability to distribute corpus, the board of directors has determined that all contributions received subject to the Articles of Incorporation and Bylaws are subject to UPMIFA and are classified as net assets with donor restrictions until appropriated, at which time the appropriation is reclassified to net assets without donor restrictions. Funds that can be spent down immediately and that are not subject to the Foundation's spending policy are classified as net assets without donor restrictions.

Investment Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted an Investment Policy Statement and Guidelines, approved by the board of directors, for endowment assets that attempt to achieve a reasonable total return on endowed funds that will optimize annual distributions of the Foundation, while allowing for the long-term growth of the endowment net of management fees. Total return is defined as the aggregate investment return, which includes a combination of current income plus the net impact of prices changes. Income return is defined as the actual dividends and interest earned. Although protection of principal is important, it is understood that some market risk must be assumed in order to fulfill these objectives over the long term. Because the portfolio is expected to endure long-term, and because inflation is a component in the growth of the endowment funds, the long-term risk of not investing in growth securities outweighs the short-term volatility risk. As a result, a majority of the assets will be invested in equity or equity-like securities. Fixed income securities will be used to reduce the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Investments of the Foundation will be diversified to reduce portfolio risk. The current allocation guideline for the endowment fund investments varies between 60% equity securities and 40% fixed income securities (including an environmental, social, and governance option) or 50% equity and 50% fixed income securities. Investments in the securities of any single issuer (stock or bond) may not exceed 10% of the portfolio at market value, and exposure to any one industry group may not exceed 25% of the portfolio at market value.

Spending Policy

The intent of endowed funds is to create and build a long-term financial reserve, the earnings from which can be used for charitable purposes. In that light:

- A new fund must wait four quarters before granting any funds.

For all funds that have been in existence prior to January 31 of the current year, the spending policy is as follows:

- The amount available for grants for the coming 12 months will be based on the average fair market value of the fund for the previous 12 closing quarters (or the number of the full quarters the fund has been in existence, if less than 12), through January 31 of the current year.

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 ENDOWMENT FUNDS (CONTINUED)

Spending Policy (Continued)

- The percentage to be multiplied by the average fair market value of each fund will be determined annually by the Foundation's board of directors, prior to January 31 of each year. Presently, the payout percentages range from 3.0% - 4.5%, plus relevant fees, depending on the type of fund. The intent of this is to ensure that fund principal amounts are not spent in times of investment and stock market depreciation.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation's spending policy permits spending from underwater funds, unless otherwise precluded by donor intent, relevant laws, or regulations.

As summary of underwater endowment funds is as follows at June 30:

	2025	2024 (As Restated)
Fair Value of Underwater Endowment Funds	\$ 2,194,744	\$ 8,421,567
Original Endowment Gift Amount	(2,472,825)	(8,933,320)
Total	\$ (278,081)	\$ (511,753)

Endowment Net Assets

Changes in endowment net assets consist of the following for the year ended June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2025			
Endowment Net Assets - Beginning of Year	\$ 3,392,405	\$ 12,510,277	\$ 15,902,682
Investment Return: Investment Income	104,713	333,578	438,291
Net Appreciation (Realized and Unrealized)	282,413	923,218	1,205,631
Contributions, Reversions, and Changes in Donor Restrictions and Agency Funds	434,390	189,116	623,506
Appropriation of Endowment Assets for Expenditure	(311,394)	(558,094)	(869,488)
Impairment Loss on Property Held for Sale	-	(329,432)	(329,432)
Endowment Net Assets - End of Year	\$ 3,902,527	\$ 13,068,663	\$ 16,971,190
June 30, 2024 (As Restated)			
Endowment Net Assets - Beginning of Year	\$ 3,125,412	\$ 11,219,992	\$ 14,345,404
Investment Return: Investment Income	106,729	382,677	489,406
Net Appreciation (Realized and Unrealized)	274,000	848,535	1,122,535
Contributions, Reversions, and Changes in Donor Restrictions and Agency Funds	42,766	671,118	713,884
Appropriation of Endowment Assets for Expenditure	(156,502)	(612,045)	(768,547)
Endowment Net Assets - End of Year	\$ 3,392,405	\$ 12,510,277	\$ 15,902,682

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 4 ENDOWMENT FUNDS (CONTINUED)

Endowment Net Assets (Continued)

Endowment net asset composition by type of fund is as follows for the year ended June 30:

June 30, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised Endowment Funds	\$ 2,552,717	\$ -	\$ 2,552,717
Board Designated Endowment Funds	1,349,810	-	1,349,810
Donor Designated Organization Endowment Funds	-	2,004,260	2,004,260
Field of Interest Endowment Funds	-	4,541,705	4,541,705
Named Endowment Funds	-	6,522,698	6,522,698
Total Endowment Net Assets	<u>\$ 3,902,527</u>	<u>\$ 13,068,663</u>	<u>\$ 16,971,190</u>

June 30, 2024 (As Restated)	Without Donor Restrictions	With Donor Restrictions	Total
Donor Advised Endowment Funds	\$ 1,998,784	\$ -	\$ 1,998,784
Board Designated Endowment Funds	1,393,621	-	1,393,621
Donor Designated Organization Endowment Funds	-	1,708,568	1,708,568
Field of Interest Endowment Funds	-	3,128,001	3,128,001
Named Endowment Funds	-	7,673,708	7,673,708
Total Endowment Net Assets	<u>\$ 3,392,405</u>	<u>\$ 12,510,277</u>	<u>\$ 15,902,682</u>

NOTE 5 LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the financial assets as of June 30, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Foundation has a policy to maintain three months of operating expenses, or approximately \$930,000, in operating cash. Although the Foundation does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditures, amounts could be made available if necessary.

	2025	2024 (As Restated)
Financial Assets Available for Use Within One Year:		
Cash and Cash Equivalents	\$ 2,256,864	\$ 2,699,760
Pledges Receivable	36,655	6,600
Investments	23,189,689	20,428,421
Total	<u>25,483,208</u>	<u>23,134,781</u>
Less Funds Unavailable for General Expenditure Within One Year:		
Agency Endowment Funds	(2,236,549)	(2,058,546)
Board Designated Endowment Funds	(1,349,810)	(1,393,621)
Net Assets Restricted for Time and/or Purpose	(13,068,663)	(12,510,277)
Total	<u>(16,655,022)</u>	<u>(15,962,444)</u>
Financial Assets and Liquidity Resources Available to Meet General Expenditures Within One Year	<u>\$ 8,828,186</u>	<u>\$ 7,172,337</u>

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 NET ASSETS

Net assets without donor restrictions consisted of the following at June 30:

	<u>2025</u>	<u>2024</u> <u>(As Restated)</u>
Undesignated	\$ 6,438,561	\$ 6,148,468
Endowed Net Assets		
Donor Advised Endowment Funds	2,552,717	1,998,784
Board Designated Endowment Funds	<u>1,349,810</u>	<u>1,393,621</u>
Total Endowed Net Assets Without Donor Restrictions	<u>3,902,527</u>	<u>3,392,405</u>
 Total Net Assets Without Donor Restrictions	 <u>\$ 10,341,088</u>	 <u>\$ 9,540,873</u>

For donor advised funds without donor restrictions, donors may render suggestions and advice as to the distributions from the fund. The Foundation, however, retains sole discretion as to the distributions, in accordance with their purpose and objectives. The board designated endowment was established to provide a stable and sustainable source of funding for ongoing operations.

Net assets with donor restrictions consisted of the following at June 30:

	<u>2025</u>	<u>2024</u> <u>(As Restated)</u>
Donor Designated Organization Endowment Funds	\$ 2,004,260	\$ 1,708,568
Field of Interest Endowment Funds	4,541,705	3,128,001
Named Endowment Funds	<u>6,522,698</u>	<u>7,673,708</u>
Total Restricted for Specified Purposes or Passage of Time	<u>13,068,663</u>	<u>12,510,277</u>
 Total Net Assets With Donor Restrictions	 <u>\$ 13,068,663</u>	 <u>\$ 12,510,277</u>

During 2025, certain reclassifications between types of net assets with donor restrictions were made to comply with fiduciary standards and donor intent.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 CONCENTRATIONS OF CREDIT, MARKET, AND BUSINESS RISK

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and investments. At times during the years ended June 30, 2025 and 2024, the Foundation maintained uninsured cash and money market balances in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. Cash balances exceeding insured limits totaled \$115,590 and \$847,995 at June 30, 2025 and 2024, respectively.

NOTE 8 DEFERRED COMPENSATION PLAN

The Foundation provides a SIMPLE IRA plan in which the Foundation matches up to 3% of qualified employee gross salaries. SIMPLE IRA employer contributions were \$12,108 and \$23,449 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 FUNDS HELD AS AGENCY ENDOWMENTS

Funds established by an unrelated nonprofit organization, using its own funds and for its own benefit, are classified by the Foundation as a liability, rather than as a net asset in accordance with ASC 958-405, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. The Foundation refers to such funds as agency funds. The Foundation maintains variance power and legal ownership of agency funds and, as such, continues to report the funds as assets of the Foundation.

Transactions related to agency funds are recorded as changes in the funds held for agencies liability and are not included in the consolidated statement of activities. The changes in that liability are summarized as follows at June 30:

	2025	2024
Funds Held for Agencies - Beginning of Year	\$ 2,058,546	\$ 1,879,522
Additions:		
Contributions	75,993	50,064
Net Investment Income	58,088	58,610
Net Unrealized and Realized Gains	163,015	158,173
Interfund Transfers, Net	-	500
Total Additions	<u>297,096</u>	<u>267,347</u>
Deductions:		
Distributions - Grants	87,028	59,726
Administrative Fees	26,999	24,042
Investment Expenses	5,066	4,555
Total Deductions	<u>119,093</u>	<u>88,323</u>
Total Agency Funds - End of Year	<u>\$ 2,236,549</u>	<u>\$ 2,058,546</u>

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 RELATED PARTY TRANSACTIONS

Various board members or their related companies donate to the Organization in the form of contributions. The amounts are recorded at fair value on the date of the donation and are reflected as either net assets without donor restrictions or net assets with donor restrictions based on the nature of the gift.

NOTE 11 FUNCTIONAL EXPENSES

Functional expenses by natural classification are as follows for the year ended June 30:

2025	Grants and Program Services	Supporting Services		Total
	Education, Health and Other	General and Administrative	Fundraising	
Grants	\$ 2,305,123	\$ -	\$ -	\$ 2,305,123
Salaries and Benefits	464,733	129,171	16,145	610,049
Professional Fees	379,631	221,159	14,642	615,432
Office and Operations	62,868	20,906	9,354	93,128
Marketing	54,738	17,996	2,250	74,984
Depreciation	8,679	2,853	357	11,889
Rent and Fees	14,843	4,880	610	20,333
Travel	23,791	7,821	978	32,590
Utilities and Telephone	7,554	2,483	311	10,348
Total Expenses by Function	<u>\$ 3,321,960</u>	<u>\$ 407,269</u>	<u>\$ 44,647</u>	<u>\$ 3,773,876</u>
2024				
Grants	\$ 1,443,789	\$ -	\$ -	\$ 1,443,789
Salaries and Benefits	414,437	97,916	12,239	524,592
Professional Fees	503,289	157,109	19,639	680,037
Office and Operations	160,874	44,445	10,975	216,294
Marketing	55,278	18,174	2,272	75,724
Depreciation	18,851	6,198	775	25,824
Rent and Fees	9,181	3,019	377	12,577
Travel	21,596	7,100	887	29,583
Utilities and Telephone	11,080	3,643	455	15,178
In-Kind	2,150	-	-	2,150
Total Expenses by Function	<u>\$ 2,640,525</u>	<u>\$ 337,604</u>	<u>\$ 47,619</u>	<u>\$ 3,025,748</u>

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 EMPLOYEE RETENTION TAX CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended June 30, 2024, the Foundation filed for an Employee Retention Tax Credit (ERTC) from the Internal Revenue Service in the amount of \$52,625 in compliance with the provisions of the program. Accordingly, the ERTC funding is included on the consolidated statement of activities for the year ended June 30, 2024. During the year ended June 30, 2025, the Foundation received the full credit amount of \$52,625, along with interest of \$9,039.

NOTE 13 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS AND RECLASSIFICATIONS

Management identified an error in the Foundation's previously issued 2024 consolidated financial statements related to the presentation and classification of net assets. Donor advised endowment funds and non-endowed funds were incorrectly reported as net assets with donor restrictions. Accumulated earnings on named endowment funds were incorrectly reported as net assets without donor restrictions. A board-designated endowment was incorrectly reported as net assets with donor restrictions. Additionally, the corpus balances of endowed funds were incorrectly reported as net assets with donor restrictions in perpetuity. Accordingly, the accompanying 2024 consolidated financial statements have been restated to correct the errors.

The impact of the restatement on the consolidated statement of financial position and consolidated statement of activities as of and for the year ended June 30, 2024, is presented below. The restatement had no impact on the consolidated statement of cash flows.

Consolidated statement of financial position as of June 30, 2024:

	As Previously Reported	As Restated	Change
Current Assets:			
Investments	\$ 4,997,801	\$ 4,525,739	\$ (472,062)
Other Assets:			
Endowed Investments	15,430,620	15,902,682	472,062
Net Assets:			
Without Donor Restrictions	1,817,422	9,540,873	7,723,451
With Donor Restrictions	20,233,728	12,510,277	(7,723,451)

TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS AND RECLASSIFICATIONS (CONTINUED)

Consolidated statement of activities as of June 30, 2024:

	As Previously Reported		
	Without Donor Restriction	With Donor Restriction	Total
Revenue, Support and Gains			
Grants and Contributions	\$ 395,300	\$ 2,339,619	\$ 2,734,919
Special Event Income and Fee Revenue	24,537	13,382	37,919
Dividends and Interest	291,783	372,885	664,668
Realized and Unrealized Gains on Investments, Net of Fees of \$42,425	598,202	736,786	1,334,988
Net Assets Released From Restrictions	2,363,284	(2,363,284)	-
Total	<u>\$ 3,673,106</u>	<u>\$ 1,099,388</u>	<u>\$ 4,772,494</u>
	As Restated		
	Without Donor Restriction	With Donor Restriction	Total
Revenue, Support and Gains			
Grants and Contributions	\$ 2,613,476	\$ 121,443	\$ 2,734,919
Special Event Income and Fee Revenue	37,919	-	37,919
Dividends and Interest	281,991	382,677	664,668
Realized and Unrealized Gains on Investments, Net of Fees of \$42,425	512,882	822,106	1,334,988
Net Assets Released From Restrictions	567,049	(567,049)	-
Total	<u>\$ 4,013,317</u>	<u>\$ 759,177</u>	<u>\$ 4,772,494</u>

Additionally, certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements in order to maintain consistency and comparability between periods presented. There have been no changes to net assets as of June 30, 2025 or 2024 as a result of these reclassifications.

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025**

	Taos Community Foundation	Taos Property Foundation	Elimination Entries	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,076,129	\$ 180,735	\$ -	\$ 2,256,864
Pledges Receivable	36,655	-	-	36,655
Due from TPF	190,876	-	(190,876)	-
Prepaid Expenses	28,779	-	-	28,779
Investments	6,218,499	-	-	6,218,499
Property Held for Sale	36,043	523,800	-	559,843
Total Current Assets	<u>8,586,981</u>	<u>704,535</u>	<u>(190,876)</u>	<u>9,100,640</u>
PROPERTY AND EQUIPMENT, NET	337,761	-	-	337,761
OTHER ASSETS				
Employee Retention Tax Credit Receivable	-	-	-	-
Endowed Investments	16,971,190	-	-	16,971,190
Total Other Assets	<u>16,971,190</u>	<u>-</u>	<u>-</u>	<u>16,971,190</u>
Total Assets	<u>\$ 25,895,932</u>	<u>\$ 704,535</u>	<u>\$ (190,876)</u>	<u>\$ 26,409,591</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 123,991	\$ -	\$ -	\$ 123,991
Scholarships Payable	227,371	-	-	227,371
Accrued Expenses	30,175	-	-	30,175
Due to TCF	-	190,876	(190,876)	-
Assets Held for Other Organizations	-	381,754	-	381,754
Funds Held as Agency Endowments	2,236,549	-	-	2,236,549
Total Current Liabilities	<u>2,618,086</u>	<u>572,630</u>	<u>(190,876)</u>	<u>2,999,840</u>
Total Liabilities	2,618,086	572,630	(190,876)	2,999,840
NET ASSETS	<u>23,277,846</u>	<u>131,905</u>	<u>-</u>	<u>23,409,751</u>
Total Liabilities and Net Assets	<u>\$ 25,895,932</u>	<u>\$ 704,535</u>	<u>\$ (190,876)</u>	<u>\$ 26,409,591</u>

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

	Taos Community Foundation	Taos Property Foundation	Elimination Entries	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,654,789	\$ 44,971	\$ -	\$ 2,699,760
Pledges Receivable	6,600	-	-	6,600
Due from TPF	531,108	-	(531,108)	-
Prepaid Expenses	6,429	-	-	6,429
Investments	4,534,739	-	-	4,534,739
Property Held for Sale	36,043	1,874,500	-	1,910,543
Total Current Assets	<u>7,769,708</u>	<u>1,919,471</u>	<u>(531,108)</u>	<u>9,158,071</u>
PROPERTY AND EQUIPMENT, NET	349,650	-	-	349,650
OTHER ASSETS				
Employee Retention Tax Credit Receivable	52,625	-	-	52,625
Endowed Investments	15,893,682	-	-	15,893,682
Total Other Assets	<u>15,946,307</u>	<u>-</u>	<u>-</u>	<u>15,946,307</u>
 Total Assets	 <u>\$ 24,065,665</u>	 <u>\$ 1,919,471</u>	 <u>\$ (531,108)</u>	 <u>\$ 25,454,028</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	\$ 51,692	\$ -	\$ -	\$ 51,692
Scholarships Payable	199,152	-	-	199,152
Accrued Expenses	31,271	-	-	31,271
Due to TCF	-	531,108	(531,108)	-
Assets Held for Other Organizations	-	1,062,217	-	1,062,217
Funds Held as Agency Endowments	2,058,546	-	-	2,058,546
Total Current Liabilities	<u>2,340,661</u>	<u>1,593,325</u>	<u>(531,108)</u>	<u>3,402,878</u>
 Total Liabilities	 2,340,661	 1,593,325	 (531,108)	 3,402,878
NET ASSETS	<u>21,725,004</u>	<u>326,146</u>	<u>-</u>	<u>22,051,150</u>
 Total Liabilities and Net Assets	 <u>\$ 24,065,665</u>	 <u>\$ 1,919,471</u>	 <u>\$ (531,108)</u>	 <u>\$ 25,454,028</u>

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
JUNE 30, 2025**

	Taos Community Foundation	Taos Property Foundation	Elimination Entries	Consolidated Total
REVENUE, SUPPORT, AND GAINS				
Grants and Contributions	\$ 3,421,076	\$ -	\$ -	\$ 3,421,076
Special Event Income and Fee Revenue	95,698	-	-	95,698
Dividends and Interest	641,841	240	-	642,081
Realized and Unrealized Gains (Losses) on Investments, Net of Fees of \$61,989	1,481,039	(5,717)	-	1,475,322
In-Kind Contributions	-	-	-	-
Employee Retention Tax Credit	-	-	-	-
Other Income	2,136	-	-	2,136
Total Revenue, Support, and Gains	<u>5,641,790</u>	<u>(5,477)</u>	<u>-</u>	<u>5,636,313</u>
EXPENSES AND LOSSES				
Program Services Expense:				
Grants	2,305,123	-	-	2,305,123
Program Services	1,016,837	-	-	1,016,837
Total Program Services Expense	<u>3,321,960</u>	<u>-</u>	<u>-</u>	<u>3,321,960</u>
Supporting Services Expense:				
General and Administrative	392,944	14,325	-	407,269
Fundraising	44,612	35	-	44,647
Total Supporting Services Expense	<u>437,556</u>	<u>14,360</u>	<u>-</u>	<u>451,916</u>
Total Expenses	3,759,516	14,360	-	3,773,876
Impairment Loss on Property Held for Sale	<u>329,432</u>	<u>174,404</u>	<u>-</u>	<u>503,836</u>
Total Expenses and Losses	<u>4,088,948</u>	<u>188,764</u>	<u>-</u>	<u>4,277,712</u>
CHANGES IN NET ASSETS	1,552,842	(194,241)	-	1,358,601
Net Assets - Beginning of Year	<u>21,725,004</u>	<u>326,146</u>	<u>-</u>	<u>22,051,150</u>
NET ASSETS - END OF YEAR	<u>\$ 23,277,846</u>	<u>\$ 131,905</u>	<u>\$ -</u>	<u>\$ 23,409,751</u>

**TAOS COMMUNITY FOUNDATION, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES
JUNE 30, 2024**

	Taos Community Foundation	Taos Property Foundation	Elimination Entries	Consolidated Total
REVENUE, SUPPORT, AND GAINS				
Grants and Contributions	\$ 2,734,919	\$ -	\$ -	\$ 2,734,919
Special Event Income and Fee Revenue	37,919	-	-	37,919
Dividends and Interest	664,668	-	-	664,668
Realized and Unrealized Gains on Investments, Net of Fees of \$42,425	1,334,988	-	-	1,334,988
In-Kind Contributions	533,258	281,175	-	814,433
Employee Retention Tax Credit	52,625	-	-	52,625
Other Income	58,059	-	-	58,059
Total Revenue, Support, and Gains	<u>5,416,436</u>	<u>281,175</u>	<u>-</u>	<u>5,697,611</u>
EXPENSES				
Program Services Expense:				
Grants	1,443,789	-	-	1,443,789
Program Services	1,196,736	-	-	1,196,736
Total Program Services Expense	<u>2,640,525</u>	<u>-</u>	<u>-</u>	<u>2,640,525</u>
Supporting Services Expense:				
General and Administrative	333,792	3,812	-	337,604
Fundraising	47,619	-	-	47,619
Total Supporting Services Expense	<u>381,411</u>	<u>3,812</u>	<u>-</u>	<u>385,223</u>
Total Expenses	<u>3,021,936</u>	<u>3,812</u>	<u>-</u>	<u>3,025,748</u>
CHANGES IN NET ASSETS	2,394,500	277,363	-	2,671,863
Net Assets - Beginning of Year	<u>19,330,504</u>	<u>48,783</u>	<u>-</u>	<u>19,379,287</u>
NET ASSETS - END OF YEAR	<u>\$ 21,725,004</u>	<u>\$ 326,146</u>	<u>\$ -</u>	<u>\$ 22,051,150</u>



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