Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

and
Report Thereon

THE TELLURIDE FOUNDATION AND AFFILIATE

TABLE OF CONTENTS

REESE HENRY
& COMPANY, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Telluride Foundation and Affiliate
Telluride, Colorado

Opinion

We have audited the accompanying financial statements of the Telluride Foundation and Affiliate (separate nonprofit organizations, collectively referred to as the Foundation), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Telluride Foundation and Affiliate as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the 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 available to be issued.

Aspen 400 East Main Street, Suite 2 | Aspen, CO 81611 **Carbondale** 0326 Hwy 133, Suite 200 | Carbondale, CO 81623
phone 970.925.3771 fax 970.925.3979 www.reesehenry.com

Auditor's Responsibilities for the Audit 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 an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
August 26, 2026

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 7,995,906	$ 6,607,853
Accounts receivable	1,177,934	1,676,250
Prepaid expense	8,998	15,565
Security deposits	900	900
Pledges and grants receivable, net of discount and allowance for bad debts	2,751,112	3,259,379
Related party pledges receivable, net of discount and allowance for bad debts	1,867,921	1,368,100
Investments	6,710,766	5,974,583
Notes receivable	2,888,639	2,807,751
Property and equipment, net	1,378,526	1,429,170
TOTAL ASSETS	$ 24,780,702	$ 23,139,551
LIABILITIES AND NET ASSETS		
Grants payable	$ 1,623,833	$ 1,385,275
Accounts payable and accrued expenses	404,123	211,386
Notes payable	1,345,823	1,356,954
TOTAL LIABILITIES	3,373,779	2,953,615
NET ASSETS		
Without donor restrictions		
Unrestricted, Undesignated	9,450,261	9,309,212
Invested in Property and equipment	1,378,526	1,429,170
Total without donor restrictions	10,828,787	10,738,382
With donor restrictions		
Purpose restriction	6,821,642	5,753,617
Pledges received in future periods	3,756,494	3,693,937
Total with donor restrictions	10,578,136	9,447,554
TOTAL NET ASSETS	21,406,923	20,185,936
TOTAL LIABILITIES AND NET ASSETS	$ 24,780,702	$ 23,139,551

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions and Grants	$ 1,562,727	$ 9,449,589	$ 11,012,316	$ 1,222,116	$ 7,108,579	$ 8,330,695
Federal Contract Revenue	554,777	-	554,777	701,212	-	701,212
Service Contract Revenue	248,154	-	248,154	267,315	-	267,315
Dividends and interest	480,142	-	480,142	501,350	-	501,350
Other income	397,585	-	397,585	274,987	-	274,987
Net assets released from restrictions						
Satisfaction of time restrictions	2,343,942	(2,343,942)	-	1,807,684	(1,807,684)	-
Satisfaction of program restrictions	5,975,065	(5,975,065)	-	2,990,229	(2,990,229)	-
TOTAL REVENUE AND SUPPORT	11,562,392	1,130,582	12,692,974	7,764,893	2,310,666	10,075,559
EXPENSES						
Program Services:						
Grants and assistance programs	10,368,377	-	10,368,377	7,294,375	-	7,294,375
Education and consulting	410,187	-	410,187	391,375	-	391,375
Total Program Services	10,778,564	-	10,778,564	7,685,750	-	7,685,750
Support Services:						
Development	745,144	-	745,144	577,054	-	577,054
General and administrative	566,479	-	566,479	737,177	-	737,177
Total Support Services	1,311,623	-	1,311,623	1,314,231	-	1,314,231
TOTAL EXPENSES	12,090,187	-	12,090,187	8,999,981	-	8,999,981
CHANGE IN NET ASSETS FROM OPERATIONS	(527,795)	1,130,582	602,787	(1,235,088)	2,310,666	1,075,578
Nonoperating Activities:						
Realized and unrealized investment gains, net	618,200	-	618,200	483,777	-	483,777
CHANGE IN NET ASSETS	90,405	1,130,582	1,220,987	(751,311)	2,310,666	1,559,355
NET ASSETS, BEGINNING OF YEAR	10,738,382	9,447,554	20,185,936	11,489,693	7,136,888	18,626,581
NET ASSETS, END OF YEAR	$ 10,828,787	$ 10,578,136	$ 21,406,923	$ 10,738,382	$ 9,447,554	$ 20,185,936

The accompanying notes are an integral part of these consolidated financial statements

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2025

	Program Services		Support Services		
	Grants and Assistance Programs	Education and Consulting	Development	General and Administrative	Total
Awards and grants to charitable organizations	$ 6,009,213	$ -	$ -	$ -	$ 6,009,213
Salaries	2,173,124	197,453	419,349	224,798	3,014,724
Employee benefits	476,243	43,151	94,656	50,079	664,129
Training and development	11,666	7,916	-	1,446	21,028
Payroll taxes	181,821	16,647	32,160	17,957	248,585
Professional fees and services	779,754	-	921	46,064	826,739
Administrative fee expense	202,136	101,068	-	33,689	336,893
Bank charges and investment fees	4,350	-	6,175	1,340	11,865
Advertising	35,423	2,943	-	-	38,366
Office and occupancy	63,202	3,579	17,579	12,404	96,764
Postage and shipping	597	26	159	76	858
Printing and publication	5,211	92	197	47	5,547
Membership dues and subscriptions	6,842	344	517	5,074	12,777
Supplies and equipment	88,699	581	2,680	2,095	94,055
Computer expense	93,978	6,295	28,543	15,528	144,344
Website design and maintenance	13,791	3,418	5,734	2,731	25,674
Telephone	9,010	845	665	610	11,130
Travel	71,028	3,949	4,302	353	79,632
Conferences and meetings	45,332	8,501	1,947	3,162	58,942
Mortgage and loan interest expense	28,401	643	4,400	1,677	35,121
Depreciation and amortization	12,735	12,736	12,736	12,736	50,943
Insurance	116	-	-	24,297	24,413
Bad debt expense	55,705	-	-	110,316	166,021
Special events and fundraising	-	-	112,424	-	112,424
TOTAL	$ 10,368,377	$ 410,187	$ 745,144	$ 566,479	$ 12,090,187

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services		Support Services		
	Grants and Assistance Programs	Education and Consulting	Development	General and Administrative	Total
Awards and grants to charitable organizations	$ 3,126,796	$ -	$ -	$ -	$ 3,126,796
Salaries	2,238,076	204,238	279,596	137,313	2,859,223
Employee benefits	455,168	41,300	59,868	27,680	584,016
Training and development	15,829	8,817	44	2,253	26,943
Payroll taxes	185,056	17,019	21,446	11,491	235,012
Professional fees and services	627,100	-	21,232	50,512	698,844
Administrative fee expense	135,688	67,844	-	22,615	226,147
Bank charges and investment fees	4,777	-	2,103	1,126	8,006
Advertising	35,750	684	-	-	36,434
Office and occupancy	58,920	3,464	13,206	8,161	83,751
Postage and shipping	405	25	104	23	557
Printing and publication	1,723	82	284	326	2,415
Membership dues and subscriptions	4,689	788	1,181	2,723	9,381
Supplies and equipment	66,945	807	2,913	2,689	73,354
Computer expense	85,778	5,893	19,774	7,714	119,159
Website design and maintenance	11,106	2,030	3,709	2,192	19,037
Telephone	9,516	918	553	636	11,623
Travel	80,949	4,844	5,251	407	91,451
Conferences and meetings	84,972	19,053	1,909	2,494	108,428
Mortgage and loan interest expense	41,991	836	3,495	510	46,832
Depreciation and amortization	12,733	12,733	12,732	12,732	50,930
Insurance	1,439	-	-	25,043	26,482
Bad debt expense	-	-	-	418,537	418,537
Special events and fundraising	8,969	-	127,654	-	136,623
TOTAL	$ 7,294,375	$ 391,375	$ 577,054	$ 737,177	$ 8,999,981

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,220,987	$ 1,559,355
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized investment gains, net	(618,200)	(483,777)
Provision for doubtful pledge receivables	2,320	60,730
Increase in discount on pledge receivables	83,489	12,114
Depreciation and amortization	50,943	50,930
Change in operating assets and liabilities:		
Accounts receivable	498,316	(1,020,860)
Pledges and grants receivable	(77,363)	(499,770)
Prepaid expenses and security deposits	6,567	(5,306)
Accounts payable and accrued expenses	192,737	(87,765)
Grants payable	238,558	183,722
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,598,354	(230,627)
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of note receivable	(100,000)	(1,700,000)
Collection on note receivable	19,112	24,694
Proceeds from sale of investments	631,470	511,588
Purchases of investments	(749,453)	(400,000)
Purchase of property and equipment	(299)	(1,302)
NET CASH USED IN INVESTING ACTIVITIES	(199,170)	(1,565,020)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable	(11,131)	(10,537)
NET CASH USED IN FINANCING ACTIVITIES	(11,131)	(10,537)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,388,053	(1,806,184)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,607,853	8,414,037
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,995,906	$ 6,607,853
SUPPLEMENTAL INFORMATION		
Interest paid	$ 35,121	$ 46,832

1. Organization and Summary of Significant Accounting Policies

Organization

The Telluride Foundation and Affiliate (the Foundation) work to improve the quality of life for the people that live, work and visit the Telluride, Colorado region. These activities are funded primarily through contributions and grants.

Principles of Consolidation

The consolidated financial statements of the Foundation include the accounts of the Telluride Foundation (Telluride) and its affiliate, Tri-County Health Network (TCHN). All material intercompany balances and transactions have been eliminated in consolidation.

Telluride Foundation was incorporated in Colorado as a nonprofit corporation on August 3, 2000. Telluride is a community foundation committed to enriching the human experience in the Telluride, Colorado region by fostering private giving, strengthening service providers and conducting events that celebrate the community. Telluride provides leadership in philanthropy, serves as a responsible steward for entrusted funds, and promotes understanding and respect for diversity.

TCHN was incorporated in Colorado as a nonprofit corporation on February 17, 2010. TCHN's purpose is to improve the quality and coordination of health and healthcare services in the Dolores, San Miguel and Uncompahgre river basin regions of Colorado. Telluride has the right to appoint the majority of TCHN's Board of Directors.

Reclassification

Certain amounts on the consolidated statement of activities for the year ended December 31, 2024, have been reclassified for consistency with current year presentation. The reclassifications had no effect on the previously reported change in net assets or cash flows.

Cash Equivalents

The Foundation considers money market funds and short-term investments which have a purchased maturity of three months or less to be cash equivalents.

Investments

Investments include a multi-asset fund, an intermediate bond fund, mutual funds, exchange traded funds and certificates of deposit with purchased maturities greater than three months. These investments are recorded in the accompanying consolidated financial statements at their fair value as of December 31st. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The multi-asset fund is considered to be an alternative investment fund as the fund is not traded in an established market with published values. Access to participation in the fund is also limited primarily to foundations, endowments and other 501(c)(3) organizations and other nonprofit organizations meeting specified accreditation requirements. The fund may include long and short positions in common stock, U.S. and foreign corporate and government fixed income securities, forward and futures contracts, commodities, repurchase agreements and various other derivatives.

1. Organization and Summary of Significant Accounting Policies (continued)

Investments (continued)

The estimated fair value for the alternative investment fund was provided by the fund manager and may be based upon historical cost, appraisals, obtainable prices for similar assets, or other estimates. Because of the inherent uncertainty of the valuation of the Foundation's alternative investment fund, the value used for this investment may differ significantly from the value that would have been used had a ready market for the investment existed.

Realized gains and losses on investments are computed on an average cost method and are recorded on the trade date of the transaction and included in realized and unrealized investment returns in the accompanying consolidated statements of activities. Investment returns (dividends and realized and unrealized gains/losses) allocable to the portion of the Foundation's investment balance which represents funds held by the Foundation under the terms of agency agreements are not included in the investment returns in the accompanying consolidated statements of activities as such returns are required to be held solely for the purposes defined by the agency agreements and are not considered revenue of the Foundation. However, for purposes of reporting in the consolidated statements of cash flows, all realized and unrealized gains and losses from investments, including those allocable to agency funds held by the Foundation, are reported.

Fair Value Measurements

In accordance with the fair value measurements and disclosures topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), the Foundation has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

As of and for the years ended December 31, 2025 and 2024, the Foundation's assets and liabilities which were measured at fair value on a recurring basis and subject to the disclosure requirements of the fair value measurements and disclosures topic of the FASB ASC include only its investments, as described in Note 2 of these financial statements.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1

Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Foundation has the ability to access. This classification is applied to any investment of the Foundation that has a readily available quoted market price from an active market where there is significant transparency in the executed/quoted market price.

Level 2

Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability, such as quoted prices for similarly structured securities in active markets.

1. Organization and Summary of Significant Accounting Policies (continued)

Fair Value Measurements (continued)

Level 3

Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. This classification is applied to investments for which there is no established trading market. Fair value is generally determined based on the fund's net asset value (NAV) as provided by the fund's management using a variety of methodologies relevant to the particular investment portfolio that combine primary market data available from national securities exchanges for underlying securities that are actively traded as well as other factors that may lead to a determination of a fair value at a different amount.

Accounts, Pledges and Contributions Receivable

The Foundation uses the allowance method to determine uncollectible accounts, pledges and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific accounts and promises to give. A charge to the allowance for doubtful accounts is made when collection of the full amount is no longer probable.

Pledges and contributions receivable due to be received over periods beyond one year from the consolidated statement of financial position date are recognized at their estimated present value.

Property and Equipment

The Foundation owns a building which is recorded at cost. Depreciation on the building and related building improvements are principally provided on a straight line basis over a period of thirty-nine years. Furniture and equipment are also stated at cost. Depreciation on furniture and equipment is provided principally on a straight line basis over the estimated useful lives of the respective assets which range from three to seven years. Expenditures for major additions, repairs and improvements (those in excess of $5,000) are capitalized; expenditures for minor repairs and maintenance are expensed when incurred.

Grants Payable

The Foundation provides awards and grants for community, education and children's organizations in Telluride, Colorado and its surrounding counties. Unconditional awards and grants are recognized upon approval by the Foundation's Board of Directors. Conditional awards and grants are recognized at the time the conditions are substantially met by the grantee. When grant commitments are to be paid over several years, the Foundation records such liabilities at their estimated present value.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets 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.

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets (continued)

- *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-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Foundation has determined that due to the variance power it has over its donor-advised funds and the common practice among community foundations, all donor-advised funds are presented as unrestricted, undesignated net assets.

Revenue Recognition

Contributions

Contributions and grants are reported as revenue in the year in which payments are received and/or unconditional promises are made. The Foundation reports gifts of cash and other assets that are received with donor stipulations limiting the use of the donated assets as unrestricted support if all such donor restrictions are met in the year the award is received. Gifts of cash and other assets received with donor stipulations limiting the use of the donated assets are reported as net assets with donor restrictions if such donor stipulations are not fully met in the year the award is received. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

In-Kind Contributions

In-kind contributions are recognized as contributions at the estimated fair value of the good or service when received or when an unconditional pledge to contribute has been made.

Federal Contract Revenue

The Foundation has pass-through agreements with United States governmental agencies in exchange for services. Revenue from these agreements is recognized as associated costs are incurred on the basis of direct costs plus allowable indirect costs.

Service Contract Revenue

Service contract revenue is related to services provided to third-party organizations. Revenue from the service contracts is recognized as the related services are performed.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services based upon various methods deemed to justify the benefits received by those programs and supporting services. Salaries and payroll related costs are allocated based on estimated time spent. Grant expenses are allocated based on actual expenses incurred for grant and assistance programs.

1. Organization and Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Measure of Operations

The Foundation considers realized and unrealized gains/(losses) to be non-operating in nature.

2. Investments

The Foundation used the following fair value measurements as of December 31, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 2,734,992	$ 2,734,992	$ -	$ -
Exchange traded product	2,857,816	2,857,816	-	-
Investments valued at fair value	$ 5,592,808	$ 5,592,808	$ -	$ -

The Foundation used the following fair value measurements as of December 31, 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 2,720,048	$ 2,720,048	$ -	$ -
Exchange traded product	2,231,552	2,231,552	-	-
Investments valued at fair value	$ 4,951,600	$ 4,951,600	$ -	$ -

As of December 31, 2025 and 2024, the Foundation's investments valued at net asset value consist of private equity funds each with its own statement of assets and liabilities that is used to calculate the net asset value of the fund investor vehicle and overall private equity fund. The investments each have a one-year lockup period. The net asset value of each fund investor vehicle is established monthly or quarterly by the various investment advisors, in each case in accordance with the investment advisor's then-applicable valuation policies. When valuing the fund investor vehicles, the investment advisor will appoint external appraisers or valuers to validate the fair market value of the fund investor vehicle's underlying net assets.

2. Investments (continued)

The following table presents total investment assets valued both at fair value and net asset value at December 31, 2025 and 2024:

	2025	2024
Investments valued at fair value	$ 5,592,808	$ 4,951,600
Investments valued at net asset value	1,117,958	1,022,983
	$ 6,710,766	$ 5,974,583

Investment returns, including the interest earned on cash and cash equivalents, are summarized as follows:

	2025	2024
Interest and dividends	$ 480,142	$ 501,350
Unrealized gains	427,628	482,640
Realized gains	190,572	1,137
Total	$ 1,098,342	$ 985,127

3. Pledges and Grants Receivable

Pledges and grants receivable are due to be received as follows as of December 31:

	2025	2024
In one year or less	$ 2,449,372	$ 2,663,009
Between 1 to 8 years	2,701,500	2,410,500
Subtotal	5,150,872	5,073,509
Less: Unamortized discount	(377,313)	(293,824)
Less: Allowance for uncollectible pledges	(154,526)	(152,206)
Total	$ 4,619,033	$ 4,627,479

Discount rates used in the determination of the net present value ranging from 5.74% to 7.49% were based upon a risk free rate of return as of the date the promise was made based upon the term of the promised future payments and adjusted for risk factors and the probability of future cash flows of such receivables.

4. Notes Receivable

On October 20, 2015, the Foundation issued a secured note receivable in the amount of $200,000 to Telluride Adaptive Sports Program, an unrelated third party. The note bears interest at a rate of 3% per annum with monthly payments of $1,109. The note allows for one additional 5 year extension, and if the extension is not requested, the note receivable is due in full October 20, 2030. The note receivable balance was $113,224 and $122,978 as of December 31, 2025 and 2024, respectively.

4. Notes Receivable (continued)

On March 28, 2019, the Foundation issued a secured note receivable in the amount of $1,000,000 to First Southwest Community Fund, an unrelated third party. The note bears interest at 2% and is due in full by or no later than March 28, 2029. Payments of interest are due semiannually. The note balance was $1,000,000 and $1,000,000 as of December 31, 2025 and 2024, respectively.

On January 1, 2024, the Foundation issued a secured note receivable in the amount of $1,700,000 to an employee. The note bears interest at a rate of 4.45% per annum with monthly payments of $8,563. The note is due in full January 2, 2054. The note balance was $1,684,237 and $1,684,773 as of December 31, 2025 and 2024, respectively.

During 2025, as part of the Telluride Venture Network program, the Foundation issued four unsecured notes receivable to separate regional businesses that are unrelated third parties. Each note was issued in the original principal amount of $25,000 and bears interest at a fixed rate of 5.50% per annum. The notes require monthly payments of principal and interest of $478 and have a term of five years, maturing in 2030. The notes are not collateralized and are intended to support regional economic development through the Foundation's programmatic activities. As of December 31, 2025, the aggregate outstanding principal balance of the notes receivable was $91,178.

Future minimum payments for the years ending December 31 are as follows:

2026	$ 58,543
2027	61,252
2028	64,093
2029	1,067,069
2030	118,399
Thereafter	1,519,283
Total	$ 2,888,639

5. Property and Equipment

Property and equipment held by the Foundation consisted of the following as of December 31:

	2025	2024
Building and improvements	$ 1,728,861	$ 1,728,562
Computer and software	21,278	21,278
Furniture, fixtures and equipment	99,312	99,312
Total property and equipment	1,849,451	1,849,152
Less: Accumulated depreciation and amortization	(470,925)	(419,982)
Total	$ 1,378,526	$ 1,429,170

Depreciation and amortization expense was $50,943 and $50,930 for the years ended December 31, 2025 and 2024, respectively.

6. Grants Payable

The Foundation distributes grants to various charitable organizations. As of December 31, 2025 and 2024, the Foundation had unconditionally promised to give $1,623,833 and $1,385,275, respectively, in grants. As of December 31, 2025, $1,416,333 of grants payable are due to be paid in 2026 and $207,500 are due to be paid in 2027.

7. Note Payable

The Foundation entered into a delayed draw term loan with a foundation on March 22, 2019 that allows for up to $2,000,000 to be drawn. The note payable balance was $1,000,000 and $1,000,000 for the years ending December 31, 2025 and 2024, respectively. The note payable carries interest at 2%. Payments of interest are due semiannually. The term loan balance and accrued interest is due in entirety on March 22, 2029. The note payable is secured by the Foundation's rights under its loan agreement with First Southwest Community Fund (Note 4), including the related note receivable and collateral pledged by First Southwest Community Fund.

On June 15, 2020, the Foundation entered into a secured loan agreement with Alpine Bank for the amount of $401,250. The loan is secured by a Deed of Trust for real property located at 220 E Colorado Avenue, Ste 104, Telluride, CO 81435. The loan bears interest at a rate of 4.25% per annum with monthly payments of $2,187. The loan balance and accrued interest is due in entirety on June 15, 2030. There is no penalty for prepayment. The note payable balance was $345,823 and $356,954 for the years ended December 31, 2025 and 2024, respectively.

Future minimum payments for the years ending December 31 are as follows:

2026	$ 11,845
2027	12,358
2028	12,894
2029	1,013,453
2030	295,273
Total	$ 1,345,823

8. Net Assets with Donor Restrictions

As of December 31, 2025 and 2024, net assets with donor restrictions were restricted for the following time periods and purposes:

	2025	2024
General operations for 2025	$ -	$ 1,729,467
General operations for 2026	1,586,833	1,266,500
General operations for 2027	1,093,500	706,000
General operations for 2028	700,500	288,000
General operations for 2029	457,500	50,000
General operations for 2030	180,000	50,000
General operations for 2031	180,000	50,000
General operations for 2032	90,000	-
Tri-County Health Network Programs	1,578,662	1,607,488
Scholarship Funds	1,132,159	1,070,126
Telluride Venture Network	154,999	120,969
Educational programs	464,724	328,201
Human Services	1,897,863	582,562
Housing	306,637	574,833
Community Development	1,286,598	1,469,438
Subtotal	11,109,975	9,893,584
Less: Unamortized discount	(377,313)	(293,824)
Less: Allowance for uncollectible pledges	(154,526)	(152,206)
Total	$ 10,578,136	$ 9,447,554

9. Concentrations

The Foundation maintains its cash and cash equivalents with certain commercial financial institutions in which aggregate balances may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of December 31, 2025 and 2024, cash balances exceeded the maximum limit insured by the FDIC by $0 and $520,005, respectively. The Foundation monitors the credit worthiness of these institutions and has not experienced any historical credit loss on its cash and cash equivalents.

10. Pension Plan

In May 2012 the Foundation converted the 401(k) plan to a SIMPLE IRA plan for employees who have received at least $5,000 in compensation during any two calendar years. Under the plan eligible employees may make pre-tax contributions up to the maximum allowed by the Internal Revenue Code. The Foundation is obligated to match 100% of employees' contributions up to 3% of their salary. The Foundation's contribution to the plans was $91,748 and $75,465 for the years ended December 31, 2025 and 2024, respectively.

11. Income Taxes

Telluride and TCHN are both exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC).

The Foundation reviews and assesses all activities annually to identify any changes in the scope of the activities and revenue sources and the tax treatment thereof to identify any uncertain tax positions. For the years ended December 31, 2025 and 2024, management did not identify any uncertain tax positions requiring recognition or disclosure in these consolidated financial statements.

There was no provision for income tax related to Telluride or TCHN for the years ended December 31, 2025 and 2024, as neither organization had any net unrelated business income.

12. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date comprise of the following:

	2025	2024
Cash and cash equivalents	$ 1,609,100	$ 1,736,836
Accounts receivable	198,265	303,130
Pledges and grants receivable	2,449,372	2,663,009
Note receivable	19,112	24,693
	$ 4,275,849	$ 4,727,668

The pledges and grants receivable are subject to implied time restrictions but are expected to be collected within one year. The Foundation has an investment policy that keeps investments in liquid assets. The investment assets on the balance sheet are easily transferred to cash for a nominal penalty if the funds are needed.

13. Contingencies

The Foundation receives a significant amount of Federal grants. There is a possibility claims may arise for disallowed costs or expenditures related to these grants. The Foundation does not believe it has incurred any disallowed costs or expenditures.

14. Date of Management's Review

The Foundation has evaluated events and transactions through August 26, 2026, the date which the financial statements were available for issuance.