



**TELLURIDE
FOUNDATION**
make more possible

Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023



**and
Report Thereon**



THE TELLURIDE FOUNDATION AND AFFILIATE

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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, 2024 and 2023, 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, 2024 and 2023, 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.

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
October 6, 2025

THE TELLURIDE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 6,607,853	\$ 8,414,037
Accounts receivable	1,676,250	655,390
Prepaid expense	15,565	10,259
Security deposits	900	900
Pledges and grants receivable, net of discount and allowance for bad debts	3,259,379	3,120,995
Related party pledges receivable, net of discount and allowance for bad debts	1,368,100	1,079,558
Investments	5,974,583	5,602,394
Note receivable	2,807,751	1,132,445
Property and equipment, net	<u>1,429,170</u>	<u>1,478,798</u>
 TOTAL ASSETS	 <u>\$ 23,139,551</u>	 <u>\$ 21,494,776</u>
LIABILITIES AND NET ASSETS		
Grants payable	\$ 1,385,275	\$ 1,201,553
Accounts payable and accrued expenses	211,386	299,151
Note payable	<u>1,356,954</u>	<u>1,367,491</u>
 TOTAL LIABILITIES	 <u>2,953,615</u>	 <u>2,868,195</u>
NET ASSETS		
Without donor restrictions		
Unrestricted, Undesignated	9,309,212	10,010,895
Invested in Property and equipment	<u>1,429,170</u>	<u>1,478,798</u>
Total without donor restrictions	<u>10,738,382</u>	<u>11,489,693</u>
With donor restrictions		
Purpose restriction	5,753,617	3,691,767
Pledges received in future periods	<u>3,693,937</u>	<u>3,445,121</u>
Total with donor restrictions	<u>9,447,554</u>	<u>7,136,888</u>
 TOTAL NET ASSETS	 <u>20,185,936</u>	 <u>18,626,581</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 23,139,551</u>	 <u>\$ 21,494,776</u>

THE TELLURIDE FOUNDATION AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions and Grants	\$ 1,374,756	\$ 7,108,579	\$ 8,483,335	\$ 1,780,459	\$ 4,643,744	\$ 6,424,203
Federal Contract Revenue	701,212	-	701,212	596,934	-	596,934
Service Contract Revenue	114,675	-	114,675	81,121	-	81,121
Dividends and interest	501,350	-	501,350	469,150	-	469,150
Other income	274,987	-	274,987	375,763	-	375,763
Net assets released from restrictions						
Satisfaction of time restrictions	1,807,684	(1,807,684)	-	1,278,314	(1,278,314)	-
Satisfaction of program restrictions	2,990,229	(2,990,229)	-	3,558,909	(3,558,909)	-
TOTAL REVENUE AND SUPPORT	7,764,893	2,310,666	10,075,559	8,140,650	(193,479)	7,947,171
EXPENSES						
Program Services:						
Grants and assistance programs	7,294,375	-	7,294,375	6,741,950	-	6,741,950
Education and consulting	391,375	-	391,375	392,173	-	392,173
Total Program Services	7,685,750	-	7,685,750	7,134,123	-	7,134,123
Support Services:						
Development	577,054	-	577,054	505,475	-	505,475
General and administrative	737,177	-	737,177	410,131	-	410,131
Total Support Services	1,314,231	-	1,314,231	915,606	-	915,606
TOTAL EXPENSES	8,999,981	-	8,999,981	8,049,729	-	8,049,729
CHANGE IN NET ASSETS FROM OPERATIONS	(1,235,088)	2,310,666	1,075,578	90,921	(193,479)	(102,558)
Nonoperating Activities:						
Realized and unrealized investment gains, net	483,777	-	483,777	695,619	-	695,619
CHANGE IN NET ASSETS	(751,311)	2,310,666	1,559,355	786,540	(193,479)	593,061
NET ASSETS, BEGINNING OF YEAR	11,489,693	7,136,888	18,626,581	10,703,153	7,330,367	18,033,520
NET ASSETS, END OF YEAR	\$ 10,738,382	\$ 9,447,554	\$ 20,185,936	\$ 11,489,693	\$ 7,136,888	\$ 18,626,581

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, 2024

	Program Services		Support Services		Total
	Grants and Assistance Programs	Education and Consulting	Development	General and Administrative	
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 SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services		Support Services		Total
	Grants and Assistance	Education and Consulting	Development	General and Administrative	
	Programs				
Awards and grants to charitable organizations	\$ 2,770,575	\$ -	\$ -	\$ -	\$ 2,770,575
Salaries	2,109,997	210,233	259,257	125,856	2,705,343
Employee benefits	403,262	40,207	48,926	23,675	516,070
Training and development	9,011	19,231	8	1,288	29,538
Payroll taxes	168,209	16,796	19,863	9,543	214,411
Professional fees and services	652,061	1,269	1,281	54,264	708,875
Administrative fee expense	123,379	61,689	-	20,563	205,631
Bank charges and investment fees	2,161	-	3,454	1,330	6,945
Advertising	16,755	248	-	-	17,003
Office and occupancy	76,833	3,757	13,521	6,448	100,559
Postage and shipping	1,082	75	237	120	1,514
Printing and publication	7,108	264	904	442	8,718
Membership dues and subscriptions	3,279	255	383	1,977	5,894
Supplies and equipment	66,817	571	2,359	1,054	70,801
Computer expense	93,477	7,429	19,648	10,244	130,798
Website design and maintenance	9,827	3,507	5,328	1,785	20,447
Telephone	9,067	919	736	308	11,030
Travel	95,395	4,089	4,304	216	104,004
Miscellaneous	41,746	8,808	2,384	2,125	55,063
Mortgage and loan interest expense	28,452	1,017	2,327	1,419	33,215
Depreciation and amortization	11,808	11,809	11,808	11,809	47,234
Insurance	2,241	-	-	11,768	14,009
Bad debt expense	17,920	-	-	123,897	141,817
Special events and fundraising	14,688	-	104,747	-	119,435
In-kind expense	6,800	-	4,000	-	10,800
TOTAL	\$ 6,741,950	\$ 392,173	\$ 505,475	\$ 410,131	\$ 8,049,729

THE TELLURIDE FOUNDATION AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,559,355	\$ 593,061
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Realized and unrealized investment gains, net	(483,777)	(695,619)
Provision for doubtful pledge receivables	60,730	5,362
Amortization of discount on pledge receivables	(12,114)	(11,932)
Depreciation and amortization	50,930	47,234
Change in operating assets and liabilities:		
Accounts receivable	(1,020,860)	120,324
Pledges and grants receivable	(475,542)	(244,236)
Prepaid expenses and security deposits	(5,306)	25,643
Accounts payable and accrued expenses	183,722	225,952
Grants payable	(87,765)	(27,371)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(230,627)</u>	<u>38,418</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of note receivable	(1,700,000)	-
Collection on note receivable	24,694	9,187
Proceeds from sale of investments	511,588	1,112,123
Purchases of investments	(400,000)	-
Purchase of property and equipment	(1,302)	(506,905)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(1,565,020)</u>	<u>614,405</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable	(10,537)	(10,176)
NET CASH USED IN FINANCING ACTIVITIES	<u>(10,537)</u>	<u>(10,176)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,806,184)	642,647
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,414,037	7,771,390
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,607,853</u>	<u>\$ 8,414,037</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 46,832</u>	<u>\$ 33,215</u>

THE TELLURIDE FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

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.

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. 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.

THE TELLURIDE FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

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

Investments (continued)

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, 2024 and 2023, 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.

THE TELLURIDE FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

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.

THE TELLURIDE FOUNDATION AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended December 31, 2024 and 2023

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.

THE TELLURIDE FOUNDATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

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.

Reclassification

Certain amounts in the December 31, 2023 financial statements have been reclassified for consistency with the presentation in the December 31, 2024 financial statements. The reclassifications had no effect on the previously reported change in net assets.

Measure of Operations

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

2. Investments

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

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

The Foundation used the following fair value measurements as of December 31, 2023:

	Quoted Prices in Active Markets for Identical Assets Total	Significant Other Observable Inputs (Level 1)	Significant Unobservable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 2,080,032	\$ 2,080,032	\$ -	\$ -
Exchange traded product	<u>3,522,362</u>	<u>3,522,362</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 5,602,394</u></u>	<u><u>\$ 5,602,394</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

THE TELLURIDE FOUNDATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

As of December 31, 2024 and 2023, 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 1 year lock up 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.

The following table presents total investment assets valued both at fair value and net asset value at December 31, 2024 and 2023:

	2024	2023
Investments valued at fair value	\$ 4,951,600	\$ 5,602,394
Investments valued at net asset value	<u>1,022,983</u>	-
	<u><u>\$ 5,974,583</u></u>	<u><u>\$ 5,602,394</u></u>

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

	2024	2023
Interest and dividends	\$ 501,350	\$ 469,150
Unrealized gains	482,640	695,224
Realized gains	<u>1,137</u>	<u>395</u>
Total	<u><u>\$ 985,127</u></u>	<u><u>\$ 1,164,769</u></u>

3. Pledges and Grants Receivable

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

	2024	2023
In one year or less	\$ 2,663,009	\$ 2,406,238
Between 1 to 8 years	<u>2,410,500</u>	<u>2,167,500</u>
Subtotal	<u>5,073,509</u>	<u>4,573,738</u>
Less: Unamortized discount	(293,824)	(281,710)
Less: Allowance for uncollectible pledges	<u>(152,206)</u>	<u>(91,475)</u>
Total	<u><u>\$ 4,627,479</u></u>	<u><u>\$ 4,200,553</u></u>

Discount rates used in the determination of the net present value 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.

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4. Note 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. On October 23, 2020, the Foundation issued a new secured note receivable in the amount of \$160,617. The note bears interest at a rate of 3% per annum with monthly payments of \$1,109. The note allows for two additional 5 year extensions, and if the extensions are not requested, the note receivable is due in full October 20, 2025. The note receivable balance was \$122,978 and \$132,445 as of December 31, 2024 and 2023, respectively.

On March 28, 2019, the Foundation issued an unsecured 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 June 30, 2026. Payments of interest are due semiannually and beginning December 31, 2020. The note balance was \$1,000,000 and \$1,000,000 as of December 31, 2024 and 2023, 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 \$1,684,773 as of December 31, 2024.

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

2025	\$ 151,796
2026	1,030,127
2027	31,495
2028	32,926
2029	34,421
Thereafter	<u>1,526,986</u>
Total	<u><u>\$ 2,807,751</u></u>

5. Property and Equipment

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

	2024	2023
Building and improvements	\$ 1,728,562	\$ 1,727,260
Computer and software	21,278	21,278
Furniture, fixtures and equipment	<u>99,312</u>	<u>99,312</u>
Total property and equipment	1,849,152	1,847,850
Less: Accumulated depreciation and amortization	<u>(419,982)</u>	<u>(369,052)</u>
Total	<u><u>\$ 1,429,170</u></u>	<u><u>\$ 1,478,798</u></u>

Depreciation and amortization expense was \$50,930 and \$47,234 for the years ended, December 31, 2024 and 2023, respectively.

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6. Grants Payable

The Foundation distributes grants to various charitable organizations. As of December 31, 2024 and 2023, the Foundation had unconditionally promised to give \$1,385,275 and \$1,201,553, respectively, in grants. As of December 31, 2024, all grants payable are due to be paid within one year.

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, 2024 and 2023, respectively. The note payable carries interest at 2%. Payments of interest are due semiannually and beginning December 31, 2020. The term loan balance and accrued interest is due in entirety on March 22, 2026.

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 \$356,954 and \$367,491 for the years ended December 31, 2024 and 2023, respectively.

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

2025	\$ 11,353
2026	1,011,845
2027	12,358
2028	12,894
2029	13,453
Thereafter	295,051
Total	<u><u>\$ 1,356,954</u></u>

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8. Net Assets with Donor Restrictions

As of December 31, 2024 and 2023, net assets with donor restrictions were restricted for the following time periods and purposes:

	2024	2023
General operations for 2024	\$ -	\$ 1,650,806
General operations for 2025	1,729,467	1,145,000
General operations for 2026	1,266,500	628,500
General operations for 2027	706,000	194,000
General operations for 2028	288,000	50,000
General operations for 2029	50,000	50,000
General operations for 2030	50,000	50,000
General operations for 2031	50,000	50,000
Tri-County Health Network Programs	1,607,488	1,126,550
Scholarship Funds	1,070,126	1,433,523
Telluride Venture Network	120,969	59,855
Educational programs	328,201	35,917
Human Services	582,562	150,400
Housing	574,833	258,472
Community Development	1,469,438	627,050
Subtotal	9,893,584	7,510,073
Less: Unamortized discount	(293,824)	(281,710)
Less: Allowance for uncollectible pledges	(152,206)	(91,475)
Total	\$ 9,447,554	\$ 7,136,888

9. Concentration of Credit Risk

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, 2024 and 2023, cash balances exceeded the maximum limit insured by the FDIC by \$667,070 and \$844,805, 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 \$75,465 and \$72,018 for the years ended December 31, 2024 and 2023, respectively.

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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, 2024 and 2023, 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, 2024 and 2023, 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,751,841	\$3,722,999
Accounts receivable	1,676,250	142,064
Pledges and grants receivable	2,663,010	2,406,238
Note receivable	24,693	9,187
	<u><u>\$ 9,115,794</u></u>	<u><u>\$ 6,280,488</u></u>

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 October 6, 2025, the date which the financial statements were available for issuance.