TRINIDAD STATE COLLEGE FOUNDATION, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

December 31, 2025 and 2024

Wall,
Smith,
Bateman Inc.
Certified Public Accountants

TRINIDAD STATE COLLEGE FOUNDATION, INC.
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2025 and 2024

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Wall,
Smith,
Bateman Inc.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Trinidad State College Foundation, Inc.
Trinidad, Colorado

Opinion

We have audited the accompanying financial statements of Trinidad State College Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Certified Public Accountants
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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Organization'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 12, 2026

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	Operating Fund	Investment Fund	Total
ASSETS			
Cash and cash equivalents	$ 28,343	$ 86,859	$ 115,202
Accounts receivable	30,000	-	30,000
Interfund receivable/payable	(23,805)	23,805	-
Pledges receivable	-	12,500	12,500
Contributions receivable	-	25,100	25,100
Prepaid expense	-	-	-
Certificates of deposit	-	11,054	11,054
Investment securities, at market value	-	15,493,715	15,493,715
Land, buildings and equipment, net	169,609	60,000	229,609
Gunstock Inventory	61,000	-	61,000
Art and osteological collection	51,137	-	51,137
Total Assets	**$ 316,284**	**$ 15,713,033**	**$ 16,029,317**
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	$ 608	$ 23,805	$ 24,413
Security deposit payable	500	-	500
Total liabilities	1,108	23,805	24,913
Net Assets			
Without donor restrictions			
Undesignated	300,002	3,365,553	3,665,555
Designated	15,174	36,157	51,331
Total without donor restrictions	315,176	3,401,710	3,716,886
With donor restrictions			
Perpetual in nature	-	4,666,708	4,666,708
Purpose restrictions	-	6,228,357	6,228,357
Time-restricted for future periods	-	1,392,453	1,392,453
Total with donor restrictions	-	12,287,518	12,287,518
Total net assets	315,176	15,689,228	16,004,404
Total Liabilities and Net Assets	**$ 316,284**	**$ 15,713,033**	**$ 16,029,317**

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Operating Fund	Investment Fund	Total
ASSETS			
Cash and cash equivalents	$ 57,367	$ 315,698	$ 373,065
Accounts receivable	35,010	-	35,010
Interfund receivable/payable	750	(750)	-
Contributions receivable	-	20,000	20,000
Certificates of deposit	-	10,656	10,656
Investment securities, at market value	-	13,932,173	13,932,173
Land, buildings and equipment, net	172,659	60,000	232,659
Art and osteological collection	51,237	-	51,237
Total Assets	**$ 317,023**	**$ 14,337,777**	**$ 14,654,800**
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	$ 236	$ 182,730	$ 182,966
Notes payable, net	135,559	-	135,559
Total liabilities	135,795	182,730	318,525
Net Assets			
Without donor restrictions			
Undesignated	126,038	3,275,771	3,401,809
Designated	55,190	131,500	186,690
Total without donor restrictions	181,228	3,407,271	3,588,499
With donor restrictions			
Perpetual in nature	-	4,342,552	4,342,552
Purpose restrictions	-	5,275,443	5,275,443
Time-restricted for future periods	-	1,129,781	1,129,781
Total with donor restrictions	-	10,747,776	10,747,776
Total net assets	181,228	14,155,047	14,336,275
Total Liabilities and Net Assets	**$ 317,023**	**$ 14,337,777**	**$ 14,654,800**

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Investment Fund		
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support				
Contributed financial assets	$ 51	$ 60,768	$ 1,082,276	$ 1,143,095
Net investment return	172	426,312	1,515,174	1,941,658
Program fees	12,399	-	-	12,399
Rental income	19,092	-	-	19,092
Miscellaneous income	1,365	-	-	1,365
Contributed non-financial assets	65,785	-	-	65,785
Transfers between operating fund and investment fund	503,259	(265,000)	(238,259)	-
Net assets released from restrictions -				
Scholarships	-	488,451	(488,451)	-
Other college assistance	-	297,290	(297,290)	-
Other programs	-	33,708	(33,708)	-
Total Revenue and Support	**602,123**	**1,041,529**	**1,539,742**	**3,183,394**
Expenses				
Program services				
Scholarships	-	488,451	-	488,451
Other college assistance	23,060	543,216	-	566,276
Program expenses	10,149	15,423	-	25,572
Facility and equipment depreciation	22,181	-	-	22,181
Interest on debt for facilities	449	-	-	449
Non-financial contribution expenses	4,785	-	-	4,785
Supporting services				
General and administrative	391,613	-	-	391,613
Fundraising	15,938	-	-	15,938
Total Expenses	**468,175**	**1,047,090**	**-**	**1,515,265**
Change in Net Assets	**133,948**	**(5,561)**	**1,539,742**	**1,668,129**
Net Assets as of Beginning of Year	181,228	3,407,271	10,747,776	14,336,275
Net Assets as of End of Year	**$ 315,176**	**$ 3,401,710**	**$ 12,287,518**	**$ 16,004,404**

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operating Fund	Investment Fund		
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support				
Contributed financial assets	$ 49	$ 60,488	$ 925,500	$ 986,037
Net investment return	204	502,662	1,472,326	1,975,192
Program fees	12,240	-	-	12,240
Rental income	65,738	-	-	65,738
Miscellaneous income	1,520	-	-	1,520
Loss on disposal assets	(197,975)	-	-	(197,975)
Contributed non-financial assets	7,485	-	-	7,485
Transfers between operating fund and investment fund	284,999	(265,000)	(19,999)	-
Net assets released from restrictions -				
Scholarships	-	448,556	(448,556)	-
Other college assistance	-	92,424	(92,424)	-
Other programs	-	132,582	(132,582)	-
Total Revenue and Support	**174,260**	**971,712**	**1,704,265**	**2,850,237**
Expenses				
Program services				
Scholarships	-	448,556	-	448,556
Other college assistance	-	242,832	-	242,832
Program expenses	48,874	8,973	-	57,847
Facility and equipment depreciation	47,027	-	-	47,027
Interest on debt for facilities	8,795	-	-	8,795
Non-financial contribution expenses	7,485	-	-	7,485
Supporting services				
General and administrative	275,615	-	-	275,615
Fundraising	17,700	-	-	17,700
Total Expenses	**405,496**	**700,361**	**-**	**1,105,857**
Change in Net Assets	**(231,236)**	**271,351**	**1,704,265**	**1,744,380**
Net Assets as of Beginning of Year	412,464	3,135,920	9,043,511	12,591,895
Net Assets as of End of Year	**$ 181,228**	**$ 3,407,271**	**$ 10,747,776**	**$ 14,336,275**

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Operating Fund	Investment Fund	Total
Cash flow from operating activities			
Change in net assets	$ 133,948	$ 1,534,182	$ 1,668,130
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Realized/unrealized (gain) loss on investments	-	(1,452,933)	(1,452,933)
Depreciation	22,181	-	22,181
Restricted contributions	-	(324,156)	(324,156)
Changes in operating assets			
(Increase) decrease in accounts receivable	5,010	-	5,010
(Increase) decrease in interfund balances	24,555	(24,555)	-
(Increase) decrease in prepaid expenses	-	-	-
(Increase) decrease in inventory	100	-	100
(Increase) decrease in contributions receivable	-	(5,100)	(5,100)
(Increase) decrease in promises-to-give	-	(12,500)	(12,500)
(Increase) decrease in gunstock inventory	(61,000)	-	(61,000)
Increase (decrease) in accounts payable	871	(158,925)	(158,054)
Increase (decrease) in accrued expenses	-	-	-
Net cash provided (used) by operating activities	**125,665**	**(443,987)**	**(318,322)**
Cash flow from investing activities			
Purchase of securities	-	(488,553)	(488,553)
Proceeds from sale of investments	-	379,545	379,545
Purchases of improvements and equipment	(19,130)	-	(19,130)
Net cash provided by investing activities	**(19,130)**	**(109,008)**	**(128,138)**
Cash flow from financing activities			
Contributions to permanently restricted endowments	-	324,156	324,156
Payments on notes payable	(135,559)	-	(135,559)
Net cash used by financing activities	**(135,559)**	**324,156**	**188,597**
Net change in cash	**(29,024)**	**(228,839)**	**(257,863)**
Cash - Beginning of year	57,367	315,698	373,065
Cash - End of year	**$ 28,343**	**$ 86,859**	**$ 115,202**
Supplementary information			
Interest paid	$ 449	$ -	$ 449

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	Operating Fund	Investment Fund	Total
Cash flow from operating activities			
Change in net assets	$ (231,236)	$ 1,975,616	$ 1,744,380
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Realized/unrealized (gain) loss on investments	-	(1,561,602)	(1,561,602)
Loss on disposal of building	197,987	-	197,987
Depreciation	47,027	-	47,027
Restricted contributions	-	(925,500)	(925,500)
Changes in operating assets			
(Increase) decrease in accounts receivable	4,990	-	4,990
(Increase) decrease in prepaid expense	18,423	-	18,423
(Increase) decrease in contributions receivable	-	4,000	4,000
(Increase) decrease in promises-to-give	-	9,434	9,434
Increase (decrease) in accounts payable	3	182,552	182,555
Increase (decrease) in interfund balances	(750)	750	-
Net cash provided (used) by operating activities	**36,444**	**(314,750)**	**(278,306)**
Cash flow from investing activities			
Purchase of securities	-	(557,524)	(557,524)
Proceeds from sale of investments	-	-	-
Net cash provided by investing activities	**-**	**(557,524)**	**(557,524)**
Cash flow from financing activities			
Contributions to permanently restricted endowments	-	925,500	925,500
Payments on notes payable	(27,926)	-	(27,926)
Net cash used by financing activities	**(27,926)**	**925,500**	**897,574**
Net change in cash	**8,518**	**53,226**	**61,744**
Cash - Beginning of year	48,849	262,472	311,321
Cash - End of year	**$ 57,367**	**$ 315,698**	**$ 373,065**
Supplementary information			
Interest paid	$ 6,854	$ -	$ 6,854

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Expenses	General & Admin	Fundraising	Total
EXPENSES				
Scholarships	$ 488,451	$ -	$ -	$ 488,451
Other college assistance	566,276	-	-	566,276
Facility and equipment depreciation	22,181	-	-	22,181
Interest	449	-	-	449
Salary	-	142,948	-	142,948
Advertising	-	19,465		19,465
Professional fees & contract labor	-	38,402	15,938	54,340
Dues and subscriptions	-	4,629	-	4,629
Alumni expense	-	50	-	50
Insurance	-	10,300	-	10,300
Travel & entertainment	-	8,320	-	8,320
Printing, reproduction and postage	-	143,804	-	143,804
Office supplies	-	2,682	-	2,682
License and permits	-	20,607	-	20,607
Gun range	16,516	-	-	16,516
Non-financial contribution expenses	4,785	-	-	4,785
Xeriscape	801	-	-	801
Collaboratory Makerspace	-	-	-	-
Other	8,255	406	-	8,661
TOTAL EXPENSES	**$ 1,107,714**	**$ 391,613**	**$ 15,938**	**$ 1,515,265**

TRINIDAD STATE COLLEGE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Expenses	General & Admin	Fundraising	Total
EXPENSES				
Scholarships	$ 448,557	$ -	$ -	$ 448,557
Other college assistance	242,832	-	-	242,832
Facility and equipment depreciation	47,027	-	-	47,027
Interest	8,795	-	-	8,795
Salary	-	136,618	-	136,618
Advertising	-	13,090	-	13,090
Professional fees & contract labor	-	44,540	17,700	62,240
Dues and subscriptions	-	4,068	-	4,068
Alumni expense	-	34	-	34
Insurance	13,995	606	-	14,601
Travel & entertainment	-	543	-	543
Printing, reproduction and postage	-	62,634	-	62,634
Office supplies	-	2,334	-	2,334
License and permits	-	11,123	-	11,123
Gun range	14,475	-	-	14,475
Non-financial contribution expenses	7,485	-	-	7,485
Xeriscape	1,195	-	-	1,195
Other	28,181	25	-	28,206
TOTAL EXPENSES	**$ 812,542**	**$ 275,615**	**$ 17,700**	**$ 1,105,857**

TRINIDAD STATE COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Trinidad State College Foundation, Inc. (previously known as the Trinidad State Junior College Education Foundation, Inc.), is a Colorado nonprofit corporation, incorporated on January 2, 1968. The corporation's specific purpose is to receive, hold, invest and administer property and make expenditures to or for the benefit of Trinidad State College. Typically, the Foundation has provided scholarships to students, raised funds for capital improvements at the College, and funded other special projects at the College. Contributions are generally received from individuals and businesses within the Southern Colorado region.

Fund Accounting – To ensure observance of limitations and restrictions placed on use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is a procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Funds used are described as follows:

> Operating Fund – This includes unrestricted resources and represents the portion of expendable funds and property and equipment that are available for support of the Foundation's operations and programs.
>
> Investment Fund – This includes cash and investments that are managed on behalf of Trinidad State College ("the College"). Income generated by these investments, including the unrealized change in the market value of the investments, net of any expenses, are available for the support of the Foundation's operations.

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and other assets along with payables and other liabilities.

Use of 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates, and those differences could be material.

Cash and Cash Equivalents_ – We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Promises to Give – We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Financial Statement Presentation – Financial statement presentation follows generally accepted accounting principles (GAAP) in that the Foundation reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are received, respectively. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributed Services and Other Non-financial Contributions – Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. A number of volunteers have contributed significant amounts of their time in the Foundation's program services and its fundraising campaigns but are not recognized as contributions in the financial statement because they do not meet the aforementioned criteria.

Contributed Assets – Contributed marketable securities and other non-financial contributions are recorded as contributions at their estimated fair values at the date of donation.

Property and Equipment – Purchased property and equipment with a value of $500 or more are recorded at cost and capitalized. Donated property and equipment with a value of $500 or more are recorded as support at their estimated fair value and capitalized. Such donations are reported as without donor restricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as with donor restrictions support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies with donor restricted net assets to without donor restricted net assets at that time. Depreciation is calculated on the straight-line method over the estimated useful lives of net assets. Depreciation expense was calculated using useful lives of five to thirty years. For the years ended December 31, 2025, and 2024, depreciation expense of $22,181 and $47,027, respectively, was charged to operations.

Income Taxes – The Foundation is organized as Colorado nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(a) and (3), respectively. The Foundation is annually required to file a Return of Organization Exempt from Income Taxes (Form 990) with the IRS. The Foundation believes that they have appropriate support for any tax position taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

Investments – We record investment purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments Income (Loss) Allocation – The Foundation pools investments of the various net asset accounts. The income from such investments, including gains and losses, are allocated to the participating net asset accounts. The distributable income (loss) is allocated to all income producing accounts.

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 governing board has designated, from assets without donor restrictions, net assets for subsequent year's expenses.

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 the 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.

Employee Benefits – The Foundation maintains a simplified employee defined contribution plan for its employees. The Foundation contributes 3.0% of the employee's gross pay to the plan. Contributions to the plan totaled $2,995 and $2,880 during 2025 and 2024, respectively.

Reclassifications – Certain amounts from prior year financial statements have been reclassified to meet the format of current year financial statements. There is no effect on net assets due to these reclassifications.

Evaluation of Subsequent Events - We have evaluated subsequent events through the date of the independent auditors' report, the date that the financial statements are available to be issued and have considered any relevant matters in the preparation of the financial statements and footnotes.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The following reflects the Foundation's financial assets at December 31, 2025 and December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 115,202	$ 373,065
Certificates of deposit	11,054	10,656
Accounts receivable	30,000	35,010
Contributions receivable	25,100	20,000
Pledges receivable	12,500	-
Investments	15,493,715	13,932,173
	15,687,571	14,370,904
Less amounts not available to be used within one year:		
Net assets with donor restrictions	12,287,518	10,747,776
Designated by the board	51,331	186,690
	12,338,649	10,934,466
Total financial assets and liquidity resources available within one year	$ 3,348,922	$ 3,436,438

The Foundation is substantially supported by charitable contributions and in addition has rental income from several facilities to help with the operational costs of those facilities. The Foundation has $3,401,710 and $3,407,270 as of December 31, 2025 and 2024, respectively, in unrestricted investments that can be used to assist in covering annual operational expenses. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. As donors request expenditures to be made, restricted assets are liquidated to cover those expenditures once approved by the board.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give at the end of the year are as follows:

	2025	2024
Unconditional promise to give	$ 12,500	-
Less: discount at 6% to net present value	-	-
Less: allowance for uncollectible promises	-	-
Net unconditional promises to give	$ -	$ -
Receivable in less than one year	$ 12,500	$ -
Receivable in one to two years	-	-
Total unconditional promises to give	$ 12,500	$ -

NOTE 4 - INVESTMENTS

Investment securities, stated at fair value, as of year-end, include:

	2025	2024
Mutual funds	$ 14,466,970	$ 12,291,272
Money market funds	1,026,596	1,640,752
Corporate stocks	149	149
Total	$ 15,493,715	$ 13,932,173

The following schedule summarizes the investment income reported in the statement of activities:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 110,424	$ 378,300	$ 488,724
Net realized/unrealized gains (losses)	316,060	1,136,874	1,452,934
Net investment return	$ 426,484	$ 1,515,174	$ 1,941,658

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 177,259	$ 236,332	$ 413,591
Net realized/unrealized gains (losses)	325,608	1,235,993	1,561,601
Net investment return	$ 502,867	$ 1,472,325	$ 1,975,192

The investments are held in two investment accounts at no cost to the Foundation.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at December 31 are summarized as follows:

	2025	2024
Land	$ 32,414	$ 32,414
Martinez – Southway Land	60,000	60,000
Equipment	5,103	5,103
Leasehold improvements	19,131	-
Pine Street Property	128,314	128,314
Gun Range Improvement	297,228	297,228
Total property and equipment	542,190	523,059
Less accumulated depreciation	(312,581)	(290,400)
Net property and equipment	$ 229,609	$ 232,659

Included in artwork and osteological collection is $2,000 and $2,600 for 2025 and 2024, respectively, of fundraising inventory which consist of 20 bronze sculptures valued at $100 each. These sculptures are given to guests and donors in appreciation for their gifts to the College.

Gunstock inventory consists of gunstock donated to the College. It is held by the Foundation until it is used by the students of the gunsmithing program. It can then be sold or given to the gunsmithing student when completed (See Note 15).

NOTE 6 – NOTES PAYABLE

Current notes payable and long-term debt at year end consisted of the following:

	2025	2024
San Luis Valley Federal Bank, due in monthly payments of $3,060 through March 25, 2029, including interest at 4.50%, secured by real estate with a book value of $276,563	$ -	$ 135,559
Issue costs	-	-
Total notes payable	$ -	$ 135,559

The Foundation paid off the loan on January 24, 2025 and the College bought the building in 2025 (See Note 16).

NOTE 7 – RELATED PARTY TRANSACTIONS

Trinidad State College provides office space for the Foundation at no charge. The total amount of estimated rent if it was charged is $4,785 and $4,785 for 2025 and 2024,, respectively. This amount is recorded in the statement of functional expenses under the caption “Non-financial contribution expense”.

NOTE 8 – ENDOWMENT STEM GRANT AND TITLE V GRANT

The provisions of the grant require that the combination of the STEM Grant and the College match be invested and not spent for a twenty-year period plus any additional restrictions of private donors related to matching funds. The corpus plus fifty percent of the cumulative income could not be spent until September 2030 and September 2031. The other fifty percent of income may be used for the purposes designated by donors or, if unrestricted, to defray any expenses necessary to operate the College.

The provisions of the grant require that the combination of the Title V Grant and the College match be invested and not spent for a twenty-year period plus any additional restrictions of private donors related to matching funds. The corpus plus fifty percent of the cumulative income could not be spent until September 2045. The other fifty percent of income may be used for the purposes designated by donors or, if unrestricted, to defray any expenses necessary to operate the College.

NOTE 9 – RECLASSIFICATION OF NET ASSETS

During the normal course of business, the Foundation receives and records contributions from the best information available. From time to time, additional information becomes available, or the donor will change his initial restriction. The Foundation will reclassify the amounts involved to the new classification.

NOTE 10 – RESTRICTIONS ON NET ASSETS

Time and purpose restricted assets are available from the following sources at December 31:

	2025	2024
STEM Endowment –		
U.S. Department of Education match,		
Unrestricted use after September 30, 2030	$ 100,000	$ 100,000
50% of earnings as defined in the grant,		
Unrestricted use after September 30, 2030	238,386	209,743
Earnings on public donations –		
Use restricted to scholarships and other purposes	133,330	104,687
Total STEM Endowment	471,716	414,430
STEM Endowment –		
U.S. Department of Education match,		
Unrestricted use after September 30, 2031	250,000	250,000
50% of earnings as defined in the grant,		
Unrestricted use after September 30, 2031	691,985	570,038
Earnings on public donations –		
Use restricted to scholarships and other purposes	466,754	346,599
Total STEM Endowment	1,408,739	1,166,637
Title V Endowment –		
U.S. Department of Education match,		
Unrestricted use after September 30, 2045	100,000	-
50% of earnings as defined in the grant,		
Unrestricted use after September 30, 2045	12,083	-
Earnings on public donations –		
Use restricted to scholarships and other purposes	11,864	-
Total Title V Endowment	123,947	-

Investment Fund –		
Restricted to scholarships and other purposes	5,616,408	4,824,157
Total Investment Fund	5,616,408	4,824,157
Total time and purpose restricted net assets	$ 7,620,810	$ 6,405,224

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended December 31:

	2025	2024
Purpose restrictions accomplished –		
Scholarships	$ 448,451	$ 448,556
Other college assistance	297,290	92,424
Program expenses	33,708	132,581
Net assets released from restrictions	$ 779,449	$ 673,561

Net assets that are perpetual in nature are available from the following sources at December 31:

	2025	2024
Investment Fund –		
Title III Grant –		
Public contributions for endowment	$ 926,578	$ 903,264
STEM II Grant –		
Public contributions for endowment	702,710	702,053
Title V		
Public contributions for endowment	100,218	-
Perpetually restricted contributions	2,937,202	2,737,235
Total perpetually restricted net assets	$ 4,666,708	$ 4,342,552

NOTE 11 – DESIGNATED NET ASSETS

The Foundation has board designated net assets for the following purposes:

	2025	2024
SLV Expansion	$ 46,675	$ 86,690
SLV Campus	4,657	100,000
	$ 51,331	$ 186,690

NOTE 12 – ENDOWMENTS

The Foundation's endowment consists of approximately 122 individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in Endowment Net Assets for the years ending December 31, 2025 and 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, December 31, 2023	**$ -**	**$ 7,729,140**	**$ 7,729,140**
Interest and dividend income	-	459,672	459,672
Net appreciation (depreciation) realized and unrealized	-	814,608	814,608
Contributions	-	353,029	353,029
Appropriation of endowment assets for expenditure	-	(175,158)	(175,158)
Reclassification	-	-	-
Balance, December 31, 2024	**-**	**9,181,291**	**9,181,291**
Interest and dividend income	-	324,419	324,419
Net appreciation (depreciation) realized and unrealized	-	968,471	968,471
Contributions	-	407,824	407,824
Appropriation of endowment assets for expenditure	-	(195,899)	(195,899)
Reclassification	-	-	-
Balance, December 31, 2025	**$ -**	**$ 10,686,106**	**$ 10,686,106**

During the year funds were determined to not be actual endowment funds and have since been removed from the endowment fund balance calculated above.

In 2008, the State of Colorado enacted a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The act requires certain disclosures relating to endowments. The Foundation has established an accounting system whereby the original value of an endowment is recorded in one project and the earnings from the investment of the endowment is recorded in another project. If the terms of the endowment require a portion of the earnings to be reinvested in the corpus, that amount is transferred from the income project to the endowment project on the day it is allocated.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period.

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce the best results while assuming a moderate level of risk.

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

NOTE 13 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

The Foundation is subject to the provisions of FASB ASC 820-10, which establishes a framework for measuring fair value of financial instruments. 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 measurement).

The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of 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 tables present the Foundation's fair value hierarchy for financial assets measured at fair value on a recurring basis as of December 31, 2025, and 2024:

December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable equity securities				
Domestic emphasis				
500 index funds	$ 5,656,306	$ 5,656,306	$ -	$ -
Stock market index	2,384,229	2,384,229	-	-
Marketable debt securities				
Domestic emphasis				
Short-term fixed income	517,545	517,545	-	-
High risk	5,908,890	5,908,890	-	-
Corporate stocks	149	149	-	-
Money market funds	1,026,596	1,026,596	-	-
TOTAL	$ 15,493,715	$ 15,493,715	$ -	$ -

December 31, 2024	Fair Value	(Level 1)	(Level 2)	(Level 3)
Marketable equity securities				
Domestic emphasis				
500 index funds	$ 4,909,908	$ 4,909,908	$ -	$ -
Stock market index	1,986,698	1,986,698	-	-
Marketable debt securities				
Domestic emphasis				
Short-term fixed income	484,828	484,828	-	-
High risk	4,909,838	4,909,838	-	-
Corporate stocks	149	149	-	-
Money market funds	1,640,752	1,640,752	-	-
TOTAL	$ 13,932,173	$ 13,932,173	$ -	$ -

NOTE 14 – COMMITMENTS, CONTIGENCIES & RISKS AND UNCERTAINTIES

Concentration of Credit Risk - The Foundation's bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000 per institution. Investment balances are covered by the Securities Investor Protection Corporation (SIPC) up to a limit of $1,500,000. Cash in excess of FDIC limit totaled $0 and $85,963 at December 31, 2025 and 2024.

NOTE 15 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	2025	2024
Office lease	$ 4,785	$ 4,785
Gunsmithing gunstock	61,000	2,700
Total	$ 65,785	$ 7,485

The Foundation recognized the above contributed nonfinancial assets within revenue in the Statement of Activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed goods and services are recorded at fair value at the date of donation.

During the year, the Foundation received various non-cash gifts to support the College's programs. Most gifts were transferred to the College. In addition, the Foundation received a donation of firearms intended for the benefit of the College Gunsmithing Department. These firearms are legally owned by the Foundation and are held at the College for custodial and regulatory compliance purposes under the College's federal firearms license (FFL) and will be transferred through the College's FFL in accordance with applicable laws.

NOTE 16 – SLV NURSING BUILDING

While upkeep was a concern for the Foundation, the College had incorporated the building into its master plan and decided to take ownership. Following the completion of the main building's remodel, the College plans to remove the structure to create space for a parking lot. The building was written down in 2024 to zero from a carrying value of $197,975 and a $10 receivable, the purchase price the College is going to pay for the building. The College completed the transaction in March 2025. The Foundation paid off the loan on January 24, 2025, in the amount of $135,559.