



## **Consolidated Financial Statements**

*For the Years Ended December 31, 2023 and 2022*



**and  
Report Thereon**



**Reports Required in Accordance with  
the Uniform Guidance**

*For the Year Ended December 31, 2023*



**THE TELLURIDE FOUNDATION AND AFFILIATE**  
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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, 2023 and 2022, 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, 2023 and 2022, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 28, 2024 on our consideration of the Telluride Foundation and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Telluride Foundation and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Telluride Foundation and Affiliate's internal control over financial reporting and compliance.

*Reese Henry & Company, Inc.*

Certified Public Accountants

Aspen, Colorado

August 28, 2024

**THE TELLURIDE FOUNDATION AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,414,037	\$ 7,771,390
Accounts receivable	655,390	775,714
Prepaid expense	10,259	35,902
Security deposits	900	900
Pledges and grants receivable, net of discount and allowance for bad debts	3,120,995	2,644,701
Related party pledges receivable, net of discount and allowance for bad debts	1,079,558	1,305,046
Investments	5,602,394	6,018,898
Note receivable	1,132,445	1,141,632
Property and equipment, net	1,478,798	1,019,127
<b>TOTAL ASSETS</b>	<b>\$ 21,494,776</b>	<b>\$ 20,713,310</b>
<b>LIABILITIES AND NET ASSETS</b>		
Grants payable	\$ 1,201,553	\$ 975,601
Accounts payable and accrued expenses	299,151	326,522
Note payable	1,367,491	1,377,667
<b>TOTAL LIABILITIES</b>	<b>2,868,195</b>	<b>2,679,790</b>
<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted, Undesignated	10,010,895	9,684,026
Invested in Property and equipment	1,478,798	1,019,127
Total without donor restrictions	11,489,693	10,703,153
With donor restrictions		
Purpose restriction	3,691,767	4,232,757
Pledges received in future periods	3,445,121	3,097,610
Total with donor restrictions	7,136,888	7,330,367
<b>TOTAL NET ASSETS</b>	<b>18,626,581</b>	<b>18,033,520</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 21,494,776</b>	<b>\$ 20,713,310</b>

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

# THE TELLURIDE FOUNDATION AND AFFILIATE

## CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions and Grants	\$ 1,719,970	\$ 4,643,744	\$ 6,363,714	\$ 1,775,456	\$ 2,797,341	\$ 4,572,797
Federal Contract Revenue	596,934	-	596,934	1,072,623	-	1,072,623
Service Contract Revenue	81,121	-	81,121	808,750	-	808,750
Dividends and interest	469,150	-	469,150	142,033	-	142,033
Other income	436,252	-	436,252	299,179	-	299,179
Net assets released from restrictions						
Satisfaction of time restrictions	1,278,314	(1,278,314)	-	1,497,546	(1,497,546)	-
Satisfaction of program restrictions	3,558,909	(3,558,909)	-	2,276,909	(2,276,909)	-
TOTAL REVENUE AND SUPPORT	8,140,650	(193,479)	7,947,171	7,872,496	(977,114)	6,895,382
EXPENSES						
Program Services:						
Grants and assistance programs	6,741,950	-	6,741,950	6,113,650	-	6,113,650
Education and consulting	392,173	-	392,173	406,644	-	406,644
Total Program Services	7,134,123	-	7,134,123	6,520,294	-	6,520,294
Support Services:						
Development	505,475	-	505,475	487,204	-	487,204
General and administrative	410,131	-	410,131	366,958	-	366,958
Total Support Services	915,606	-	915,606	854,162	-	854,162
TOTAL EXPENSES	8,049,729	-	8,049,729	7,374,456	-	7,374,456
CHANGE IN NET ASSETS FROM OPERATIONS	90,921	(193,479)	(102,558)	498,040	(977,114)	(479,074)
Nonoperating Activities:						
Realized and unrealized investment gains (losses), net	695,619	-	695,619	(1,128,851)	-	(1,128,851)
CHANGE IN NET ASSETS	786,540	(193,479)	593,061	(630,811)	(977,114)	(1,607,925)
NET ASSETS, BEGINNING OF YEAR	10,703,153	7,330,367	18,033,520	11,333,964	8,307,481	19,641,445
NET ASSETS, END OF YEAR	\$ 11,489,693	\$ 7,136,888	\$ 18,626,581	\$ 10,703,153	\$ 7,330,367	\$ 18,033,520

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

**THE TELLURIDE FOUNDATION AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2023**

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

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



**THE TELLURIDE FOUNDATION AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2022**

	Program Services		Support Services		
	Grants and Assistance Programs	Education and Consulting	Development	General and Administrative	Total
Awards and grants to charitable organizations	\$ 2,386,178	\$ -	\$ -	-	\$ 2,386,178
Salaries	1,892,399	224,302	227,824	111,323	2,455,848
Professional fees and services	718,671	2,248	2,708	41,277	764,904
Employee benefits	354,216	43,889	53,569	26,710	478,384
Administrative fee expense	130,924	65,462	-	21,821	218,207
Computer expense	93,703	9,637	20,061	12,911	136,312
Payroll taxes	148,431	17,529	17,500	8,533	191,993
Bad debt expense	-	-	-	95,076	95,076
Special events and fundraising	-	-	77,494	-	77,494
Office and occupancy	97,280	4,341	13,136	9,874	124,631
Supplies and equipment	81,470	688	2,222	1,708	86,088
Travel	74,925	2,844	2,909	65	80,743
Miscellaneous	32,544	6,101	4,451	2,623	45,719
Advertising	28,591	200	-	-	28,791
Depreciation and amortization	9,414	9,414	9,414	9,414	37,656
Mortgage and loan interest expense	28,007	1,501	2,591	1,427	33,526
Website design and maintenance	11,573	3,746	5,621	1,876	22,816
Training and development	2,957	11,941	-	422	15,320
In-kind expense	-	-	38,388	-	38,388
Insurance	836	-	-	16,959	17,795
Telephone	6,752	328	1,857	1,628	10,565
Postage and shipping	2,064	132	376	277	2,849
Printing and publication	5,262	263	601	414	6,540
Bank charges and investment fees	1,525	-	3,365	609	5,499
Membership dues and subscriptions	5,928	2,078	3,117	2,011	13,134
<b>TOTAL</b>	<b>\$ 6,113,650</b>	<b>\$ 406,644</b>	<b>\$ 487,204</b>	<b>\$ 366,958</b>	<b>\$ 7,374,456</b>

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

**THE TELLURIDE FOUNDATION AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 593,061	\$ (1,607,925)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized investment (gains) and losses, net	(695,619)	1,128,851
Provision for doubtful pledge receivables	5,362	15,924
Amortization of discount on pledge receivables	(11,932)	86,030
Depreciation and amortization	47,234	37,656
Change in operating assets and liabilities:		
Accounts receivable	120,324	131,836
Pledges and grants receivable	(244,236)	592,288
Other assets	25,643	9,727
Accounts payable and accrued expenses	225,952	(90,939)
Grants payable	(27,371)	(16,381)
Agency payable	-	(250,000)
Deferred revenue	-	(4,500)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>38,418</u>	<u>32,567</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Collection on note receivable	9,187	21,416
Proceeds from sale of investments	1,112,123	6,600,695
Purchases of investments	-	(6,006,617)
Purchase of property and equipment	<u>(506,905)</u>	<u>(113,463)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>614,405</u>	<u>502,031</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on note payable	<u>(10,176)</u>	<u>(9,748)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(10,176)</u>	<u>(9,748)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	642,647	524,850
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,771,390</u>	<u>7,246,540</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,414,037</u>	<u>\$ 7,771,390</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 33,215</u>	<u>\$ 33,525</u>

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

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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**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 Foundation 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 Foundation 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 mutual funds and exchange traded funds. These investments are recorded in the accompanying consolidated financial statements at their fair value as of December 31<sup>st</sup>. 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.

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.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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

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, 2023 and 2022, 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.

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.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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

Accounts, Pledges and Contributions Receivable (continued)

Related party pledges receivable are pledges and contributions receivable from Executive and Leadership Board Members of the Foundation.

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.
- *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.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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

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.

The reporting requirements specified by Office of Management and Budget (OMB) Uniform Guidance (UG) were required for the years ended December 31, 2023 and 2022. The federal expenditure thresholds for OMB reporting were met for the year ended December 31, 2022.

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.

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.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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

Measure of Operations

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

Reclassification

Certain comparative figures in the December 31, 2022 consolidated financial statements have been reclassified to conform to the current year presentation.

Recently adopted accounting pronouncements

*Adoption of FASB ASU 2016-02 and 2018-11*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which replaced existing lease accounting guidance. The new standard is intended to provide enhanced transparency and comparability by requiring lessees to record Right of Use (“ROU”) assets and corresponding lease liabilities on the balance sheet. ROU assets represent the Foundation’s right to use an underlying asset for the lease term and lease liabilities represent the Foundation’s obligation to make lease payments arising from the lease. The new guidance requires the Foundation to continue to classify leases as either an operating or finance lease, with classification affecting the pattern of expense recognition in the income statement and accompanying disclosures.

In July 2018, the FASB issued ASU No. 2018-11, which provided entities with an additional transition method. Under the new transition method, an entity initially applies the new standard at the adoption date, versus at the beginning of the earliest period presented, and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.

The Foundation elected this transition method and adopted Topic 842 using a modified retrospective approach as of January 1, 2022, which had no effect of retained earnings as of the adoption date. Comparative prior period information has not been adjusted and continues to be reported in accordance with previous lease accounting guidance in Accounting Standards Codification (ASC) Topic 840 - Leases.

The adoption of the standard did not have a material impact on the consolidated Statements of Financial Position, consolidated Statements of Activities, or consolidated Statements of Cash Flows.

*Adoption of FASB ASU 2016-13*

On January 1, 2022, the Foundation adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation’s consolidated financial statements but did change how the allowance for doubtful accounts is determined.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

**2. Investments**

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

	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual fund	\$ 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>\$ 5,602,394</u>	<u>\$ 5,602,394</u>	<u>\$ -</u>	<u>\$ -</u>

The Foundation used the following fair value measurements as of December 31, 2022:

	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual fund	\$ 2,817,804	\$ 2,817,804	\$ -	\$ -
Exchange traded product	<u>3,201,094</u>	<u>3,201,094</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,018,898</u>	<u>\$ 6,018,898</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 469,150	\$ 142,033
Unrealized gains (losses)	695,224	(480,745)
Realized gains (losses)	<u>395</u>	<u>(648,106)</u>
Total	<u>\$ 1,164,769</u>	<u>\$ (986,818)</u>



**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

**3. Pledges, Related Party Pledges, and Grants Receivable**

Pledges, related party pledges, and grants receivable are due to be received as follows as of December 31:

	2023	2022
In one year or less	\$ 2,406,238	\$ 2,229,138
Between 1 to 8 years	2,167,500	2,076,500
Subtotal	4,573,738	4,305,638
Less: Unamortized discount	(281,710)	(269,778)
Less: Allowance for uncollectible pledges	(91,475)	(86,113)
Total	<u>\$ 4,200,553</u>	<u>\$ 3,949,747</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.

**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. The outstanding balance was due on October 20, 2020. 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 is due in full October 20, 2025. The note receivable balance was \$132,445 and \$141,632 for the years ended December 31, 2023 and 2022, respectively.

On November 30, 2019, the Foundation issued an unsecured note receivable in the amount of \$12,500 to The West End Economic Development Corporation, an unrelated third party. The note is non-interest bearing and due in full by final closeout of the Telluride Foundation's "Advance West End" Economic Development Assistance Grant or no later than April 30, 2022 due to a six month extension of the grant. The note receivable balance of \$12,500 was collected during the year ended December 31, 2023.

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 for the years ended December 31, 2023 and 2022, respectively.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

**5. Property and Equipment**

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

	2023	2022
Building and improvements	\$ 1,727,260	\$ 1,220,355
Computer and software	21,278	21,278
Furniture, fixtures and equipment	99,312	99,312
Total property and equipment	1,847,850	1,340,945
Less: Accumulated depreciation and amortization	(369,052)	(321,818)
Total	<u>\$ 1,478,798</u>	<u>\$ 1,019,127</u>

Depreciation and amortization expense was \$47,234 and \$37,656 for the years ended, December 31, 2023 and 2022, respectively.

**6. Grants Payable**

The Foundation distributes grants to various charitable organizations. As of December 31, 2023 and 2022, the Foundation had unconditionally promised to give \$1,201,553 and \$975,601, respectively, in grants. As of December 31, 2023, 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 term loan balance was \$1,000,000 and \$1,000,000 for the years ending December 31, 2023 and 2022, respectively. The term loan 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 \$367,491 and \$377,667 for the years ended December 31, 2023 and 2022, respectively.

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

2024	\$ 10,881
2025	11,353
2026	1,011,845
2027	12,358
2028	12,894
Thereafter	308,160
Total	<u>\$ 1,367,491</u>

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

**8. 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, 2023 and 2022, cash balances exceeded the maximum limit insured by the FDIC by \$844,805 and \$6,753,295, respectively. The Foundation monitors the credit worthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

**9. Net Assets with Donor Restrictions**

As of December 31, 2023 and 2022, net assets with donor restrictions were restricted for the following time periods and purposes:

	2023	2022
General operations for 2023	\$ -	\$ 1,432,000
General operations for 2024	1,650,806	1,079,000
General operations for 2025	1,145,000	572,500
General operations for 2026	628,500	112,500
General operations for 2027	194,000	52,500
General operations for 2028	50,000	52,500
General operations for 2029	50,000	52,500
General operations for 2030	50,000	50,000
General operations for 2031	50,000	50,000
Tri-County Health Network Programs	1,126,550	2,029,914
Scholarship Funds	1,433,523	1,322,080
Telluride Venture Network	59,855	249,998
Educational programs	35,917	36,507
Human Services	150,400	168,448
Housing	258,472	-
Community Development	627,050	425,811
Subtotal	7,510,073	7,686,258
Less: Unamortized discount	(281,710)	(269,778)
Less: Allowance for uncollectible pledges	(91,475)	(86,113)
Total	<u>\$ 7,136,888</u>	<u>\$ 7,330,367</u>

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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**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 \$71,018 and \$67,805 for the years ended December 31, 2023 and 2022, respectively.

**11. Income Taxes**

Telluride Foundation 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, 2023 and 2022, 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 Foundation or TCHN for the years ended December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,722,999	\$ 2,244,260
Accounts receivable	142,064	113,566
Pledges and grants receivable	2,406,238	2,229,138
Note receivable	9,187	9,187
	<u>\$ 6,280,488</u>	<u>\$ 4,596,151</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.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2023 and 2022**

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**14. Subsequent events**

The Foundation has evaluated subsequent events through August 28, 2024, the date which the financial statements were available to be issued and notes one event requiring disclosure. On January 1, 2024, the Foundation loaned an employee \$1,700,000 to purchase a home.

**REPORTS REQUIRED IN ACCORDANCE WITH  
THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

Board of Directors  
Telluride Foundation and Affiliate  
Telluride, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Telluride Foundation and Affiliate (separate nonprofit organizations collectively referred to as the Foundation), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 28, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Reese Henry & Company, Inc.*

Certified Public Accountants  
Aspen, Colorado  
August 28, 2024





REESE HENRY  
& COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Board of Directors  
Telluride Foundation and Affiliate  
Telluride, Colorado

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Telluride Foundation and Affiliate's (separate nonprofit organizations collectively referred to as the Foundation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2023. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Reese Henry & Company, Inc.*

Certified Public Accountants  
Aspen, Colorado  
August 28, 2024

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:			
Direct Programs: Health Care Cluster:			
Small Health Care Provider Quality Improvement	93.912	\$ -	\$ 226,972
Achieving New Heights Youth Substance Use	93.276	-	96,525
Small Health Care Provider Quality Improvement	93.912	-	14,704
Rural Health Network Development Program	93.912	-	195,179
Achieving New Heights Youth Substance Use	93.276	-	29,012
Total U.S. Department of Health and Human Services		-	562,392
U.S Department of Housing and Urban Development:			
Capacity Building for Community Development and Affordable Housing Cluster:			
Enterprise Rose Architectural Fellowship	14.252		34,542
Total U.S Department of Housing and Urban Development:		-	34,542
Total Expenditures of Federal Awards		\$ -	\$ 596,934

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Telluride Foundation and Affiliate (separate nonprofit organizations collectively referred to as the Foundation) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

**3. Indirect Cost Rate**

The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. Passed Through to Subrecipients**

No awards were passed through to subrecipients.

**THE TELLURIDE FOUNDATION AND AFFILIATE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended December 31, 2023**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No prior year audit findings.

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

Material weaknesses identified? No.

Significant deficiencies identified? None reported.

Noncompliance material to the financial statements noted? No.

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? No.

Significant deficiencies identified? None reported.

Type of auditor's report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No.

Major Programs:

U.S Department of Health and Human Services	CFDA 93.912
	Small Health Care Provider Quality Improvement
	Small Health Care Provider Quality Improvement
	Rural Health Network Development Program

Dollar threshold used to distinguish between Type A and

Type B programs:

\$750,000

Auditee qualified as a low-risk auditee? Yes.