

LOS ALAMOS NATIONAL LABORATORY FOUNDATION

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2025 AND 2024



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YEARS ENDED DECEMBER 31, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Los Alamos National Laboratory Foundation
Española, New Mexico

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Los Alamos National Laboratory Foundation, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Los Alamos National Laboratory Foundation as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Los Alamos National Laboratory 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 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 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 Los Alamos National Laboratory 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Los Alamos National Laboratory 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 Los Alamos National Laboratory 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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, New Mexico
May 14, 2026

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,675,263	\$ 2,839,480
Investments	12,758,126	8,749,658
Unconditional Promises to Give, Net	1,074,035	879,274
Inventory	25,857	25,643
Prepaid Expenses	89,491	33,799
Total Current Assets	15,622,772	12,527,854
NONCURRENT ASSETS		
Investments - Long Term	118,204,134	108,756,429
Unconditional Promises to Give, Net - Long Term	1,429,117	-
Property and Equipment, Net	2,455,812	1,906,754
Right-of-Use Lease Assets, Net	38,704	68,316
Total Noncurrent Assets	122,127,767	110,731,499
Total Assets	\$ 137,750,539	\$ 123,259,353
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,075,731	\$ 979,380
Grants Payable	200,000	20,000
Current Portion of Notes Payable	109,342	105,004
Current Portion of Lease Liability	31,279	29,453
Total Current Liabilities	1,416,352	1,133,837
LONG-TERM LIABILITIES		
Notes Payable, Less Current Portion	830,249	939,611
Lease Liability, Less Current Portion	8,054	39,333
Total Long-Term Liabilities	838,303	978,944
Total Liabilities	2,254,655	2,112,781
NET ASSETS		
Without Donor Restrictions	7,823,981	5,508,665
With Donor Restrictions	127,671,903	115,637,907
Total Net Assets	135,495,884	121,146,572
Total Liabilities and Net Assets	\$ 137,750,539	\$ 123,259,353

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 14,859	\$ 1,364,388	\$ 1,379,247
Grants and Contracts	-	5,486,765	5,486,765
Net Investment Income	1,627,115	15,475,333	17,102,448
Other Income	32	209,507	209,539
Total Support and Revenue	<u>1,642,006</u>	<u>22,535,993</u>	<u>24,177,999</u>
NET ASSETS RELEASED FROM RESTRICTIONS	10,501,997	(10,501,997)	-
EXPENSES			
Program Activities:			
K-12 Programming	2,179,957	-	2,179,957
Policy and Impact	916,968	-	916,968
Early Childhood	954,632	-	954,632
Scholarships	1,207,585	-	1,207,585
Triad Initiatives	681,080	-	681,080
Educational Enrichment and Outreach Grants	1,237,828	-	1,237,828
Other Miscellaneous Programs	1,029,957	-	1,029,957
Total Program Expenses	<u>8,208,007</u>	-	<u>8,208,007</u>
General and Administrative	1,442,390	-	1,442,390
Fundraising	178,290	-	178,290
Total Expenses	<u>9,828,687</u>	-	<u>9,828,687</u>
CHANGES IN NET ASSETS	2,315,316	12,033,996	14,349,312
Net Assets - Beginning of Year	<u>5,508,665</u>	<u>115,637,907</u>	<u>121,146,572</u>
NET ASSETS - END OF YEAR	<u>\$ 7,823,981</u>	<u>\$ 127,671,903</u>	<u>\$ 135,495,884</u>

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 10,381	\$ 1,365,541	\$ 1,375,922
Grants and Contracts	438,549	3,342,718	3,781,267
Net Investment Income	4,014,906	10,247,156	14,262,062
Other Income	27,220	29,425	56,645
Total Support and Revenue	<u>4,491,056</u>	<u>14,984,840</u>	<u>19,475,896</u>
NET ASSETS RELEASED FROM RESTRICTIONS	6,773,985	(6,773,985)	-
EXPENSES			
Program Activities:			
K-12 Programming	2,296,126	-	2,296,126
College, Career and Community Pathways	985,912	-	985,912
Other Miscellaneous Programs	997,127	-	997,127
Early Childhood	1,169,409	-	1,169,409
Scholarships	1,082,074	-	1,082,074
Triad Initiatives	483,512	-	483,512
Educational Enrichment and Outreach Grants	748,368	-	748,368
Community Outreach Grants	143,200	-	143,200
Total Program Expenses	<u>7,905,728</u>	<u>-</u>	<u>7,905,728</u>
General and Administrative	1,192,065	-	1,192,065
Fundraising	152,494	-	152,494
Total Expenses	<u>9,250,287</u>	<u>-</u>	<u>9,250,287</u>
CHANGES IN NET ASSETS	2,014,754	8,210,855	10,225,609
Net Assets - Beginning of Year	<u>3,493,911</u>	<u>107,427,052</u>	<u>110,920,963</u>
NET ASSETS - END OF YEAR	<u>\$ 5,508,665</u>	<u>\$ 115,637,907</u>	<u>\$ 121,146,572</u>

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025**

	Program Activities						Supporting Activities				
	K-12 Programming	Policy and Impact	Early Childhood	Scholarships	Triad Initiatives	Educational Enrichment and Outreach Grants	Other Miscellaneous Programs	Total Program Expenses	General and Administrative Support	Fundraising	Total Expense
Salaries, Wages, and Benefits	\$ 1,343,659	\$ 492,467	\$ 364,962	\$ 266,914	\$ 414,487	\$ -	\$ 394,485	\$ 3,276,974	\$ 897,168	\$ 91,545	\$ 4,265,687
Professional Services	397,085	345,675	496,787	17,002	91,235	-	412,053	1,759,837	219,395	60,771	2,040,003
Public Relations	74,467	43,218	69,898	58,456	3,794	-	131,559	381,392	96,063	6,622	484,077
Travel and Training	79,588	29,878	13,201	5,230	957	-	13,538	142,392	14,011	2,034	158,437
Grants	-	-	-	-	-	1,237,828	-	1,237,828	-	-	1,237,828
Scholarship Payout	-	-	-	820,385	103,750	-	-	924,135	-	-	924,135
STEM Challenge	111,137	-	-	-	5,000	-	-	116,137	-	-	116,137
Science Resource Center Operations	28,696	-	-	-	40,925	-	-	69,621	-	-	69,621
Office Expenses	121,365	5,730	9,784	39,598	20,932	-	78,322	275,731	148,955	17,318	442,004
Total Operating Expenses	<u>2,155,997</u>	<u>916,968</u>	<u>954,632</u>	<u>1,207,585</u>	<u>681,080</u>	<u>1,237,828</u>	<u>1,029,957</u>	<u>8,184,047</u>	<u>1,375,592</u>	<u>178,290</u>	<u>9,737,929</u>
Depreciation	23,960	-	-	-	-	-	-	23,960	66,798	-	90,758
Total Expenses	<u>\$ 2,179,957</u>	<u>\$ 916,968</u>	<u>\$ 954,632</u>	<u>\$ 1,207,585</u>	<u>\$ 681,080</u>	<u>\$ 1,237,828</u>	<u>\$ 1,029,957</u>	<u>\$ 8,208,007</u>	<u>\$ 1,442,390</u>	<u>\$ 178,290</u>	<u>\$ 9,828,687</u>

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024**

	Program Activities							Supporting Activities				
	K-12 Programming	College, Career, and Community Pathways	Other Miscellaneous Programs	Early Childhood	Scholarships	Triad Initiatives	Educational Enrichment and Outreach Grants	Community Outreach Grants	Total Program Expenses	General and Administrative Support	Fundraising	Total Expense
Salaries, Wages, and Benefits	\$ 1,236,045	\$ 465,708	\$ 560,975	\$ 521,470	\$ 257,382	\$ 260,248	\$ -	\$ -	\$ 3,301,828	\$ 653,996	\$ 91,871	\$ 4,047,695
Professional Services	310,054	457,286	325,404	527,962	6,171	22,709	-	-	1,649,586	232,598	37,338	1,919,522
Public Relations	51,997	32,330	28,621	93,261	59,946	8,276	-	-	274,431	64,797	2,643	341,871
Travel and Training	37,818	15,894	11,102	14,084	9,257	826	-	-	88,981	17,248	3,746	109,975
Grants	100,000	-	-	-	-	-	748,368	143,200	991,568	-	-	991,568
Scholarship Payout	-	-	-	-	702,679	143,029	-	-	845,708	-	-	845,708
STEM Challenge	142,240	-	-	-	-	1,500	-	-	143,740	-	-	143,740
Science Resource Center Operations	296,862	-	-	-	-	46,832	-	-	343,694	-	-	343,694
Office Expenses	110,984	14,694	71,025	12,632	46,639	92	-	-	256,066	160,623	16,896	433,585
Total Operating Expenses	2,286,000	985,912	997,127	1,169,409	1,082,074	483,512	748,368	143,200	7,895,602	1,129,262	152,494	9,177,358
Depreciation	10,126	-	-	-	-	-	-	-	10,126	62,803	-	72,929
Total Expenses	\$ 2,296,126	\$ 985,912	\$ 997,127	\$ 1,169,409	\$ 1,082,074	\$ 483,512	\$ 748,368	\$ 143,200	\$ 7,905,728	\$ 1,192,065	\$ 152,494	\$ 9,250,287

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 14,349,312	\$ 10,225,609
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
Depreciation Expense	90,758	72,929
Noncash Lease Expense	159	470
Unamortized Discount on Unconditional Promises to Give	68,883	-
Realized and Unrealized (Gain) on Investments	(15,727,701)	(13,791,723)
Contributions Restricted to Endowment	(691,564)	(714,455)
Effects of Change in Operating Assets and Liabilities:		
Unconditional Promises to Give	(1,692,761)	517,510
Prepaid Expenses	(55,692)	(28,088)
Inventory	(214)	(5,508)
Accounts Payable and Accrued Expenses	96,351	224,214
Grants Payable	180,000	(10,000)
Net Cash Used by Operating Activities	(3,382,469)	(3,509,042)
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested Interest, Dividends, and Capital Gains	(1,289,989)	(420,966)
Purchases of Investments	(6,845,213)	(455,990)
Proceeds from Sale of Investments	10,406,730	5,262,181
Purchases of Property and Equipment	(639,816)	(319,709)
Net Cash Provided by Investing Activities	1,631,712	4,065,516
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of Contributions Restricted to Endowment	691,564	714,455
Notes Payable - Principal Paid	(105,024)	(100,737)
Net Cash Provided by Financing Activities	586,540	613,718
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,164,217)	1,170,192
Cash and Cash Equivalents - Beginning of Year	2,839,480	1,669,288
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,675,263	\$ 2,839,480
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 40,413	\$ 44,701
ROU Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 87,195

See accompanying Notes to Consolidated Financial Statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 NATURE OF ORGANIZATION

Los Alamos National Laboratory Foundation (the Foundation) is a New Mexico nonprofit corporation, incorporated on April 17, 1997, for charitable, educational, and other lawful purposes consistent with the New Mexico Nonprofit Corporation Act. In particular, the Foundation is a public foundation organized for the purpose of receiving and administering gifts and grants dedicated to support charitable and educational public service activities in Northern New Mexico. In May of 2007, the Foundation formed a single member for-profit company, Building Equity, LLC (the LLC). The purpose of the LLC is to construct, own, and operate the office building occupied by the Foundation. The building was completed in 2008. For tax purposes, the LLC is disregarded, and all of its activities are reported on the Foundation's annual information return (Internal Revenue Service (IRS) Form 990).

The Foundation fulfills its mission by focusing efforts on the following primary programs:

K-12 Programming

The K-12 program is funded by an endowment that supports public school children in the vicinity surrounding Los Alamos National Laboratory. The K-12 program partners with urban, rural and tribal schools and districts across Northern New Mexico to strengthen students' education by supporting educator growth, and fostering culturally and linguistically sustaining, inquiry-based learning opportunities. The K-12 program provides resources, fosters collaboration, and integrates hands-on STEM learning and leadership development.

Policy and Impact

The policy and impact program is focused on lasting system changes that strengthen education from early childhood through career pathways. The program enhances collaboration between philanthropic funders, public agencies, tribal governments, private-sector allies, and nonprofit partners to expand access to quality education and meaningful career opportunities across the region. The program works to advance policies and systems through championing legislation, supporting grassroots advocacy, informing state-level decisions and aligning philanthropic, corporate and public funding.

Early Childhood

The early childhood program strengthens the physical, mental, social and emotional wellbeing of children, families and communities through advocacy, collaboration and education with the overarching lens of justice, equity, inclusion, diversity and belonging. Guided by a north star of building a thriving early childhood ecosystem in Northern New Mexico, the program works to develop sustainable, community-driven systems that reduce trauma and toxic stress while expanding equitable access to high-quality, culturally relevant early childhood services. Central to this work is elevating families—especially in rural and Tribal communities—as leaders and co-creators of systems that support healthy development, educational opportunities, and long-term well-being across generations.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 NATURE OF ORGANIZATION (CONTINUED)

Scholarships

A variety of scholarships are provided to students pursuing undergraduate degrees, certifications, or trades, at an accredited institution. The scholarships provided are primarily merit-based, but account for student leadership, community involvement and financial need. The funding for these scholarships is raised mainly from Los Alamos National Laboratory employees, retirees, and contractors. All scholarship recipients reside in Northern New Mexico.

Triad Scholars, College & Career Pathways, STEM, and Teachers Initiatives

Triad is a Limited Liability Company composed of the following members: The Regents of the University of California, The Texas A&M University System, and Battelle Memorial Institute. Triad is the Management and Operating Contractor for Los Alamos National Laboratory. The Foundation receives annual funding from Triad to support the communities surrounding the Laboratory. The program focuses efforts on scholarships and mentoring for youth with high financial need, STEM education, building and growing the leadership and professional capacity of educators, and advocating for excellent schools in Northern New Mexico.

Educational Enrichment and Outreach Grants

The Foundation's grantmaking invests in individual, organizational, and institutional capacity to facilitate collective learning and changemaking in the ecosystem of education across Northern New Mexico and the state of New Mexico. This program issues grants through competitive and invitational grant processes. Competitive grants support schools, school districts, non-profits, Pueblos, Nations, and tribal communities in Northern New Mexico with funding for innovative and school-based programming, collaboration, and advocacy for lifelong learning. Invitational grants allow the Foundation to strategically partner with schools, organizations, and tribal communities to cultivate innovative programming, further pilot projects, and fund needs not met by competitive grants.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to nonprofit organizations. The following paragraphs describe the basis of presentation and summarize the more significant accounting policies.

Use of Estimates in Preparing Financial Statements

The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions made by management include the allowance for uncollectible promises to give, useful lives of property and equipment, fair value measurements of investments, and functional allocation of expenses.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Consolidation

As described above, the accompanying consolidated financial statements include the accounts of the Foundation and the LLC. All significant balances and transactions between the entities have been eliminated.

Basis of Accounting

These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net asset balances and transactions into two classes of net assets – net assets without donor restrictions, and net assets with donor restrictions:

Net Assets Without Donor Restrictions – Are net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Are subject to explicit restrictions imposed by the donor on the expenditure of contributions or income and gains on contributed assets. These net assets may have stipulations by the donor to be maintained in perpetuity, such as an endowment, or the restrictions may expire due to the passage of time or the occurrence of expenditures that fulfill the restrictions. Net assets with donor restrictions also include accumulated net investment income (loss) earned by the net assets held in perpetuity.

Concentrations

The Foundation's financial instruments that are exposed to concentrations of credit risk primarily consist of cash and investments. During 2025 and 2024, the Foundation's cash accounts, including all noninterest-bearing transaction accounts, were at institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount of \$250,000, for each deposit insurance ownership category. In February 2025, the Foundation elected to participate in the IntraFi Network Deposit Program to reduce their uninsured balance. Through this program, deposits are divided into amounts under the standard FDIC insurance maximum of \$250,000 that are then placed into deposit accounts at multiple FDIC-insured banks. Periodically throughout 2025 and 2024, the Foundation maintained cash balances in excess of insured limits. At December 31, 2025, the Foundation's cash held in checking accounts that exceeded the insured limit was \$120,989. At December 31, 2024, the Foundation's cash held in checking accounts did not exceed the insured limit.

The Foundation received a grant totaling \$1,920,000 from a single grantor for the year ended December 31, 2025. This represents 28% of total contributions, grants and contracts for the year. If this funding were discontinued, the Foundation may be adversely affected.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Foundation considers all highly liquid debt instruments with a maturity date of three months or less at the time of purchase to be cash equivalents.

Unconditional Promises to Give, Net

Unconditional promises to give, net include unconditional grant receivables and unconditional pledges to the Foundation that have not been received by the consolidated statements of financial position date. The carrying amount of unconditional promises to give, net is reduced by a valuation allowance based on the Foundation's estimates of uncollectible amounts. One grantor makes up 57% of unconditional promises to give as of December 31, 2025. No allowance for uncollectible amounts was reported as of December 31, 2025 and 2024, as the Foundation believes that all unconditional promises to give are fully collectible.

Unconditional promises to give and unconditional pledges are recognized as revenue in the period received and are classified as net assets with donor restrictions or net assets without donor restrictions based upon the existence or absence of donor-imposed restrictions. Contributions with donor-imposed stipulations are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when requirements are met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on pledges is computed using the interest rate of the Century Bank Money Market Account applicable to the year in which the promise is received. The discount as of December 31, 2025 was calculated using a 1.49% rate.

Investments

Investments are reported at fair value, which results in unrealized gains and losses being recognized as fair value changes. Investments are held in a General Endowment Pool by the University of California.

Realized and unrealized gains and losses are recognized in the period in which they occur and are recorded in the consolidated statements of activities. Investment income is presented net of investment management fees. Investment income is pooled and allocated to net assets without donor restrictions and net assets with donor restrictions balances in proportion to their average monthly equity in the pooled investment portfolio.

Property and Equipment

Property and equipment with costs in excess of \$5,000 are capitalized. Purchased equipment is stated at cost. Contributed equipment is reflected at estimated fair value at the date of contribution. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 39 years.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed

The Foundation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Assets to be disposed of, if any, are reported at the lower of the carrying amount or the fair value less costs to sell. As of December 31, 2025 and 2024, the Foundation recorded no impairments.

Compensated Absences

All eligible employees accrue vacation time at a rate of 10 to 16.67 hours per month. The maximum amount of vacation accrued by any employee is 240 hours. A liability for compensated absences has been recorded and is included in accounts payable and accrued expenses.

In-Kind Donations

The Foundation receives in-kind donations of materials and services. Donations of materials and services are recorded as contributions at their estimated fair value at the date of donation. Donated services are recognized as contributions if the services (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. The Foundation did not receive contributed materials or services during the years ended December 31, 2025 and 2024.

Grants Awarded

Grants awarded by the Foundation are charged to operations and recorded as liabilities upon approval by the Foundation's board of directors.

Income Taxes

The Foundation has adopted the provisions of accounting standards codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. The Foundation recognizes the tax (benefit) expense from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. Any such tax (benefit) expense is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Foundation had no unrecognized tax benefits at December 31, 2025 and 2024. The Foundation files an exempt organization return with the Internal Revenue Service (IRS). It is not a "private foundation" for tax purposes. The Foundation had no taxable unrelated business income for the years ended December 31, 2025 and 2024. Accordingly, a provision for income taxes has not been established in the accompanying consolidated financial statements.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses by both Nature and Function

The Foundation allocates expenses not applicable to a single activity to the appropriate activities based on the estimated percentage of time employees spend on each of the programs. Depreciation is allocated based on square footage. Most expenses are recorded directly to the function to which they relate based on the actual personnel assigned and vendor expenses paid.

Lease Arrangements

In the ordinary course of business, the Foundation enters into a variety of operating lease arrangements.

Transactions give rise to leases when the Foundation receives substantially all the economic benefits from and has the ability to direct the use of specified property and equipment. The Foundation determines if an arrangement is a lease at inception. The operating lease right of use (ROU) assets are included within the Foundation's noncurrent assets and lease liabilities are included in current and long-term liabilities on the Foundation's statements of financial position. ROU assets represent the Foundation's right to use, or control the use of, a specified asset for the lease term. Lease liabilities are the Foundation's obligation to make lease payments arising from a lease and are measured on a discounted basis.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term on the commencement date. The operating lease ROU asset includes any lease payments made and initial direct costs incurred and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for minimum lease payments continues to be recognized on a straight-line basis over the lease term.

The Foundation had no finance leases as of December 31, 2025 or 2024.

Subsequent Events

Subsequent events were evaluated through May 14, 2026, the date the consolidated financial statements were available to be issued. Management believes there are no significant events occurring subsequent to December 31, 2025, that would require adjustment to or disclosure in the consolidated financial statements.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements in order to maintain consistency and comparability between periods presented. There have been no changes to net assets as of December 31, 2025 or 2024 as a result of these reclassifications.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation follows Statement ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under GAAP and expands disclosures about fair value measurement. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The three levels defined by the ASC 820-10 hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following is the fair value of investments at December 31:

	<u>2025</u>	<u>2024</u>
General Endowment Pool Managed by the University of California	\$ 118,204,134	\$ 108,756,429
General Non-Endowment Pool Managed by the University of California	<u>12,758,126</u>	<u>8,749,658</u>
Total	<u><u>\$ 130,962,260</u></u>	<u><u>\$ 117,506,087</u></u>

Net Asset Value (NAV) – Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments measured at NAV include commingled funds which are invested in the General Endowment Pool (GEP) managed by the University of California.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

General Endowment Pool – The General Endowment Pool managed by the University of California is invested in the following at December 31:

	<u>2025</u>	<u>2024</u>
Public Equity	52.40 %	45.90 %
Cash and Fixed Income	4.50	7.60
Absolute Return	-	3.60
Private Equity	28.80	28.20
Real Estate and Real Assets	14.30	14.70
Total	<u>100.00 %</u>	<u>100.00 %</u>

As of December 31, 2025 and 2024, the entirety of the Foundation's investment balances of \$130,962,260 and \$117,506,087, respectively, were measured at net asset value.

Net investment income consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Interest and Dividends on Investments	\$ 1,374,747	\$ 470,339
Realized Gain on Investments, Net	4,820,259	4,275,456
Unrealized Gain (Loss) on Investments, Net	10,907,442	9,516,267
Total	<u>\$ 17,102,448</u>	<u>\$ 14,262,062</u>

NOTE 4 UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give, net consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Scholarship Program Pledges	\$ 106,554	\$ 121,344
Endowment Pledge Receivable	313,000	40,000
Grants Receivable	2,083,598	717,930
Total	<u>\$ 2,503,152</u>	<u>\$ 879,274</u>
	<u>2025</u>	<u>2024</u>
Less Than One Year	\$ 1,074,035	879,274
One to Five Years	1,378,000	-
Over Five Years	120,000	-
Total	<u>2,572,035</u>	<u>879,274</u>
Less: Discount on Multi-Year Pledges	(68,883)	-
Total Unconditional Promises to Give, Net	<u>\$ 2,503,152</u>	<u>\$ 879,274</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Land	\$ 431,306	\$ 431,306
Building and Improvements	2,393,856	1,801,025
Furniture	444,948	291,610
Computer, Equipment, and Software	163,374	140,227
Vehicles	25,333	25,333
Construction in Progress	-	129,500
Total	<u>3,458,817</u>	<u>2,819,001</u>
Less: Accumulated Depreciation	<u>(1,003,005)</u>	<u>(912,247)</u>
Property and Equipment, Net	<u>\$ 2,455,812</u>	<u>\$ 1,906,754</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$90,758 and \$72,929, respectively.

NOTE 6 LEASES

For the years ended December 31, 2025 and 2024 the Foundation accounted for its leases under ASC 842. All leases were classified as operating leases under ASC 842. All rent expense is included in operating expenses in the accompanying consolidated statements of activities.

The Foundation has operating leases primarily for office equipment, as well as office space. The Foundation's leases expire at various times, and many have certain renewal options and lease payment escalation provisions. For those contracts where renewal options are reasonably certain to be exercised, the Foundation recognizes renewal option periods in the determinations of ROU assets and lease liabilities.

The leases are included in the statements of financial position as follows at December 31:

	<u>2025</u>	<u>2024</u>
Operating Leases		
Right-of-Use Lease Assets	<u>\$ 38,704</u>	<u>\$ 68,316</u>
Current Portion of Long-Term Lease Obligations	\$ 31,279	\$ 29,453
Long-Term Lease Obligations	<u>8,054</u>	<u>39,333</u>
Total Operating Lease Liabilities	<u>\$ 39,333</u>	<u>\$ 68,786</u>

For the year ended December 31, 2025, components of lease expenses were as follows:

	<u>2025</u>	<u>2024</u>
Operating Lease Cost	\$ 31,693	\$ 41,205
Short-Term Lease Cost	<u>67,177</u>	<u>77,515</u>
Total	<u>\$ 98,870</u>	<u>\$ 118,720</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 6 LEASES (CONTINUED)

During the years ended December 31, 2025 and 2024, the Foundation had the following cash and noncash activities associated with leases:

	<u>2025</u>	<u>2024</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows Used for Operating Leases	\$ 31,534	\$ 38,147
ROU Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 87,195

As of December 31, 2025 and 2024, the weighted-average remaining lease term is 1.25 years and 2.25 years, respectively. The weighted-average discount rate as of December 31, 2025 and 2024 is 3.94%.

As of December 31, 2025, the undiscounted future lease payments under noncancelable leases by year ending December 31 were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 32,164
2027	8,081
Less: Imputed Interest	(912)
Total	<u>\$ 39,333</u>

NOTE 7 NOTES PAYABLE

Notes payable of the Foundation consisted of the following at December 31:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Mortgage payable to Century Bank, payable in monthly installments of \$3,198, including interest of 4.00%, maturing March 2032. The note is secured by real property.	\$ 456,010	\$ 475,461
Mortgage payable to Century Bank, payable in monthly installments of \$8,922, including interest of 4.00%, maturing December 2030. The note is secured by real property.	483,581	569,154
Total Notes Payable	<u>939,591</u>	<u>1,044,615</u>
Less: Current Portion	(109,342)	(105,004)
Notes Payable, Less Current Portion	<u>\$ 830,249</u>	<u>\$ 939,611</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 7 NOTES PAYABLE (CONTINUED)

The future scheduled maturities of debt are as follows for the years ended December 31:

Year Ending December 31,	Amount
2026	\$ 109,342
2027	113,860
2028	118,485
2029	123,460
2030	128,371
Thereafter	346,073
Total	\$ 939,591

The Foundation is required to comply with certain covenants and provisions in connection with its outstanding debt. The Foundation is in compliance with all such covenants and provisions as of December 31, 2025 and 2024.

NOTE 8 DONOR-RESTRICTED NET ASSETS

	2025		2024	
	Restricted by Purpose or Time	Restricted in Perpetuity	Restricted by Purpose or Time	Restricted in Perpetuity
Educational Enrichment	\$ 68,110,038	\$ 41,444,726	\$ 59,918,604	\$ 41,444,726
Scholarships	4,585,678	1,843,937	4,150,599	1,771,268
Early Childhood	3,002,722	52,824	932,570	37,139
Named Endowments	906,534	3,096,572	542,295	2,505,612
Domenici Endowment	1,283,340	814,584	1,070,637	812,023
Leadership Endowment	341,386	433,792	266,246	424,103
NM Governor's STEM Challenge	153,862	-	151,491	-
Policy and Impact	360,265	-	-	-
College, Career, and Community Pathways	449,274	-	923,508	-
Triad Grants	331,746	-	385,326	-
Inquiry Science Education Consortium Program	56,898	-	173,892	-
Other K-12 Programs	403,725	-	127,868	-
Total	\$ 79,985,468	\$ 47,686,435	\$ 68,643,036	\$ 46,994,871

All of the scholarships awarded by the Foundation are one- to four-year commitments that are conditional on the student maintaining a grade point average of 3.0. These scholarships will be recognized each year if the conditions are met. At December 31, 2025, conditional scholarship awards comprised \$1,405,250 of the \$7,136,437 restricted by purpose or time for scholarships. At December 31, 2024, conditional scholarship awards comprised \$1,280,875 of the \$6,218,777 restricted by purpose or time for scholarships.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 ENDOWMENT FUNDS

The Foundation maintains several endowment funds, all of which are governed by donor-imposed restrictions, as follows:

Educational Enrichment Endowment – The purpose of this endowment is to support public school children in the vicinity of Los Alamos National Laboratory. In addition, a portion of the endowment earnings may support the operations of the Foundation. During 2025 and 2024, the disbursement of funds was focused in the areas of inquiry science education, as well as funding educational projects benefiting K-12 public education students.

Scholarship Endowment, Domenici Endowment, Leadership Endowment, and Named Endowments – These endowments all provide competitively awarded scholarships to college students in one- to four-year commitments.

As required by GAAP, net assets associated with endowments are classified and reported based on donor-imposed restrictions. The Foundation has no board-designated endowment funds. The Foundation has adopted investment and spending policies based on the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). According to the Foundation’s interpretation of UPMIFA, and in accordance with donor restrictions, contributions to the endowment funds are classified as with donor restricted net assets which are restricted in perpetuity. Net assets are valued at the original value of all gifts donated to the endowments.

The historic dollar value of endowment contributions received must be maintained inviolate. Income earned from endowment investments is classified with donor restriction net assets but restricted by purpose or time based upon the donor-imposed restrictions.

When a donor restriction is met, the net assets are reclassified to net assets without donor restrictions. Donor-restricted endowment earnings that are used to support the operations of the Foundation are reclassified to net assets without donor restrictions upon board approval of the annual operating budget.

The composition of endowment net assets by type of fund consisted of the following at December 31:

	2025		
	Restricted by Time or Purpose	Restricted in Perpetuity	Total
Donor-Restricted Funds	\$ 72,290,448	\$ 47,686,435	\$ 119,976,883
	2024		
	Restricted by Time or Purpose	Restricted in Perpetuity	Total
Donor-Restricted Funds	\$ 63,177,831	\$ 46,994,871	\$ 110,172,702

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law

UPMIFA requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies net assets restricted in perpetuity as:

1. The original value of gifts donated to the permanent endowment; and
2. The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as restricted in perpetuity is classified as net assets restricted by time or purpose until those amounts are appropriated for expenditure by the Foundation's board. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to spend:

1. The duration and preservation of the fund.
2. The purpose of the foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

The following are changes in endowment and similar net assets for the years ended December 31:

	2025		
	Restricted by Time or Purpose	Restricted in Perpetuity	Total
Endowment Net Assets - December 31, 2024	\$ 63,177,831	\$ 46,994,871	\$ 110,172,702
Investment Return			
Investment Gain	15,420,387	-	15,420,387
Contributions	-	691,564	691,564
Appropriations of Endowment Assets for Expenditures	(6,307,770)	-	(6,307,770)
Endowment Net Assets - December 31, 2025	<u>\$ 72,290,448</u>	<u>\$ 47,686,435</u>	<u>\$ 119,976,883</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

	2024		
	<u>Restricted by Time or Purpose</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Endowment Net Assets - December 31, 2023	\$ 55,631,347	\$ 46,280,416	\$ 101,911,763
Investment Return			
Investment Gain	13,059,281	-	13,059,281
Contributions	-	714,455	714,455
Appropriations of Endowment Assets for Expenditures	<u>(5,512,797)</u>	<u>-</u>	<u>(5,512,797)</u>
Endowment Net Assets - December 31, 2024	<u>\$ 63,177,831</u>	<u>\$ 46,994,871</u>	<u>\$ 110,172,702</u>

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the governing board. No deficiencies of this nature are reported at December 31, 2025 and 2024.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowments while not eroding the future purchasing power of the endowment assets. Endowment assets include donor contributions that the Foundation must hold in perpetuity, plus earnings restricted by time or purpose that have been reinvested. Under the board-approved investment policy, endowment assets are invested in a manner intended to produce a rate of return in excess of the spending rate plus the rate of inflation, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

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's investment objective is to diversify investments to maximize long-term growth of assets within prudent risk constraints. The Foundation has elected to invest in the University of California (UC) GEP and Short-Term Investment Pool (STIP). The GEP is an investment pool in which a large number of university-affiliated endowments participate in order to benefit from diversification and economies of scale. The GEP is a balanced portfolio and the primary investment vehicle offered by the UC for endowed gift funds. The investment policy of the fund is established by the regents of the university and carried out by the university's chief investment officer.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

Strategies Employed for Achieving Objectives (Continued)

The GEP includes absolute return hedge funds. Investments in these funds are valued by the University of California at the Foundation's pro rata interest in the GEP. The STIP investments are investments held at net asset value. Investments in these funds consist of approximately 0.53% of the entire portfolio at December 31, 2025 and 2024. Investment fees are eight basis points, netted from income earned before it is distributed. For information on the University of California's endowment investment policy, holdings, unit values and the annual endowment report, please visit www.ucop.edu/investment-office.

Spending Policy and How Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for annual distribution between 3% and 5% of the five-year average market value of endowment assets. In relation to the 3-year Strategic Plan of the Foundation for 2023-2025, the Board approved higher spending rates of 6% for 2025 and 5.9% for 2024. The decision to use a five-year average allows the spending stream from the Foundation to be less volatile than the underlying market, and thereby provides more steady and predictable funding to programs. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the accumulated earnings in the endowment accounts.

Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowments to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 10 CONTRIBUTIONS

Contributions consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Individuals and Business		
Scholarship Programs	\$ 711,761	\$ 658,011
Scholarship Endowments	652,627	707,530
General and Other	14,859	10,381
Total	<u>\$ 1,379,247</u>	<u>\$ 1,375,922</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 11 GRANTS AND CONTRACTS

Grants and contracts consisted of the following for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Future Focused Education	\$ 327,865	\$ 605,631
W. K. Kellogg Foundation	695,200	400,000
Battelle Memorial Institute	225,333	332,775
Regents of the University of California	225,333	332,775
Texas A&M University System	225,333	332,775
New Mexico Foundation	285,000	265,000
The Delle Foundation	450,000	150,000
New Mexico Early Childhood Education and Care Department	284,902	241,638
Anchorum Health Foundation	130,000	80,000
NM Governor's STEM Challenge (Multiple Grantors)	180,000	171,925
Aspen Institute	-	15,000
Amalgamated Foundation	150,000	-
Thornburg Foundation	120,000	221,000
Inquiry Science Education Consortium Schools	-	123,941
The Annie E. Casey Foundation	-	100,000
Conrad N. Hilton Foundation	1,920,000	100,000
Santa Fe Community Foundation	45,000	37,000
JF Maddox Foundation	50,000	30,000
Other	172,798	241,807
Total	<u>\$ 5,486,765</u>	<u>\$ 3,781,267</u>

NOTE 12 RETIREMENT PLAN

The Foundation has a 401(k) plan. All employees who work for 12 consecutive months and at least 1,000 hours are eligible for a discretionary employer-paid benefit. For both 2025 and 2024, the benefit was 5% of annual compensation. The retirement expense was \$133,205 and \$124,476 for the years ended December 31, 2025 and 2024, respectively.

NOTE 13 ADVERTISING AND INTEREST EXPENSE

The Foundation uses advertising to promote its programs among the public it serves. Advertising and interest expense are expensed as incurred. The Foundation included the following in the consolidated statements of activities for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Advertising	\$ 19,060	\$ 12,546
Interest	\$ 40,413	\$ 44,701

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 14 RELATED PARTY TRANSACTIONS

Members of the board and employees of the Foundation provide financial assistance to the Foundation through restricted and unrestricted support. Included in contributions is \$326,422 and \$50,865 from members of the board and employees for the years ended December 31, 2025 and 2024, respectively.

NOTE 15 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of the consolidated statements of financial position date comprise the following as of December 31:

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 1,675,263	\$ 2,839,480
Investments	130,962,260	117,506,087
Unconditional Promises to Give, Net	<u>2,503,152</u>	<u>879,274</u>
Total Financial Assets	135,140,675	121,224,841
Less: Those Unavailable for General Expenditure Within One Year Due to:		
Scholarship Commitments Greater Than One Year	(692,500)	(614,000)
Unconditional Promises to Give to be Collected in More Than One Year	(1,429,117)	-
Restrictions by Purpose or Time Subject to Appropriation Beyond One Year	(79,985,468)	(68,643,036)
Add: Allowable Amount as per Endowment Spending Policy	6,411,648	5,849,218
Perpetual Endowments	<u>(47,686,435)</u>	<u>(46,994,871)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within one Year	<u>\$ 11,758,803</u>	<u>\$ 10,822,152</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation has a cash management policy to hold cash in the STIP account with UC to cover approximately three months of operating expenses. The Foundation can draw on the endowment quarterly up to the spending policy, which was 6% and 5.9% for the years ended December 31, 2025 and 2024, respectively. The Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 16 CONTINGENCY

The Foundation has received funds from federal agencies in the past. These funds are subject to audit and adjustment by the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded. Management does not believe any disallowed amounts would be material.

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025**

	Foundation	Building Equity, LLC	Elimination Entries	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 1,654,098	\$ 21,165	\$ -	\$ 1,675,263
Investments	12,758,126	-	-	12,758,126
Unconditional Promises to Give, Net	1,074,035	-	-	1,074,035
Due from LLC	576,835	-	(576,835)	-
Inventory	25,857	-	-	25,857
Prepaid Expenses	89,491	-	-	89,491
Total Current Assets	<u>16,178,442</u>	<u>21,165</u>	<u>(576,835)</u>	<u>15,622,772</u>
NONCURRENT ASSETS				
Investments - Long Term	118,204,134	-	-	118,204,134
Unconditional Promises to Give, Net - Long Term	1,429,117	-	-	1,429,117
Property and Equipment, Net	209,713	2,246,099	-	2,455,812
Investment in LLC	750,838	-	(750,838)	-
Right-of-Use Lease Assets, Net	38,704	-	-	38,704
Total Noncurrent Assets	<u>120,632,506</u>	<u>2,246,099</u>	<u>(750,838)</u>	<u>122,127,767</u>
Total Assets	<u>\$ 136,810,948</u>	<u>\$ 2,267,264</u>	<u>\$ (1,327,673)</u>	<u>\$ 137,750,539</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 1,075,731	\$ -	\$ -	\$ 1,075,731
Grants Payable	200,000	-	-	200,000
Due to Foundation	-	576,835	(576,835)	-
Current Portion of Notes Payable	-	109,342	-	109,342
Current Portion of Lease Liability	31,279	-	-	31,279
Total Current Liabilities	<u>1,307,010</u>	<u>686,177</u>	<u>(576,835)</u>	<u>1,416,352</u>
LONG-TERM LIABILITIES				
Notes Payable, Less Current Portion	-	830,249	-	830,249
Lease Liability, Less Current Portion	8,054	-	-	8,054
Total Long-Term Liabilities	<u>8,054</u>	<u>830,249</u>	<u>-</u>	<u>838,303</u>
Total Liabilities	1,315,064	1,516,426	(576,835)	2,254,655
NET ASSETS	<u>135,495,884</u>	<u>750,838</u>	<u>(750,838)</u>	<u>135,495,884</u>
Total Liabilities and Net Assets	<u>\$ 136,810,948</u>	<u>\$ 2,267,264</u>	<u>\$ (1,327,673)</u>	<u>\$ 137,750,539</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS	<u>Foundation</u>	<u>Building Equity, LLC</u>	<u>Elimination Entries</u>	<u>Consolidated Total</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,827,706	\$ 11,774	\$ -	\$ 2,839,480
Investments	8,749,658	-	-	8,749,658
Unconditional Promises to Give, Net	878,642	632	-	879,274
Due from LLC	717,872	-	(717,872)	-
Inventory	25,643	-	-	25,643
Prepaid Expenses	33,799	-	-	33,799
Total Current Assets	<u>13,233,320</u>	<u>12,406</u>	<u>(717,872)</u>	<u>12,527,854</u>
NONCURRENT ASSETS				
Investments - Long Term	108,756,429	-	-	108,756,429
Property and Equipment, Net	65,709	1,841,045	-	1,906,754
Investment in LLC	90,905	-	(90,905)	-
Right-of-Use Lease Assets, Net	68,316	-	-	68,316
Total Noncurrent Assets	<u>108,981,359</u>	<u>1,841,045</u>	<u>(90,905)</u>	<u>110,731,499</u>
Total Assets	<u>\$ 122,214,679</u>	<u>\$ 1,853,451</u>	<u>\$ (808,777)</u>	<u>\$ 123,259,353</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 979,321	\$ 59	\$ -	\$ 979,380
Grants Payable	20,000	-	-	20,000
Due to Foundation	-	717,872	(717,872)	-
Current Portion of Notes Payable	-	105,004	-	105,004
Current Portion of Lease Liability	29,453	-	-	29,453
Total Current Liabilities	<u>1,028,774</u>	<u>822,935</u>	<u>(717,872)</u>	<u>1,133,837</u>
LONG-TERM LIABILITIES				
Notes Payable, Less Current Portion	-	939,611	-	939,611
Lease Liability, Less Current Portion	39,333	-	-	39,333
Total Long-Term Liabilities	<u>39,333</u>	<u>939,611</u>	<u>-</u>	<u>978,944</u>
Total Liabilities	1,068,107	1,762,546	(717,872)	2,112,781
NET ASSETS	<u>121,146,572</u>	<u>90,905</u>	<u>(90,905)</u>	<u>121,146,572</u>
Total Liabilities and Net Assets	<u>\$ 122,214,679</u>	<u>\$ 1,853,451</u>	<u>\$ (808,777)</u>	<u>\$ 123,259,353</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Foundation	Building Equity, LLC	Elimination Entries	Consolidated Total
SUPPORT AND REVENUE				
Contributions	\$ 1,379,247	\$ -	\$ -	\$ 1,379,247
Grants and Contracts	5,486,765	-	-	5,486,765
Net Investment Income	17,102,448	-	-	17,102,448
Other Income (Loss)	219,363	138,475	(148,299)	209,539
Foundation's Increase in LLC Capital	-	650,109	(650,109)	-
Total Support and Revenue	<u>24,187,823</u>	<u>788,584</u>	<u>(798,408)</u>	<u>24,177,999</u>
EXPENSES				
Program:				
K-12 Programming	2,179,957	-	-	2,179,957
Policy and Impact	916,968	-	-	916,968
Early Childhood	954,632	-	-	954,632
Scholarships	1,207,585	-	-	1,207,585
Triad Initiatives	681,080	-	-	681,080
Educational Enrichment and Outreach Grants	1,237,828	-	-	1,237,828
Other Miscellaneous Programs	1,029,957	-	-	1,029,957
Total Program Expenses	<u>8,208,007</u>	<u>-</u>	<u>-</u>	<u>8,208,007</u>
General and Administrative	1,452,214	128,651	(138,475)	1,442,390
Fundraising	178,290	-	-	178,290
Total Expenses	<u>9,838,511</u>	<u>128,651</u>	<u>(138,475)</u>	<u>9,828,687</u>
CHANGE IN NET ASSETS	14,349,312	659,933	(659,933)	14,349,312
Net Assets - Beginning of Year	<u>121,146,572</u>	<u>90,905</u>	<u>(90,905)</u>	<u>121,146,572</u>
NET ASSETS - END OF YEAR	<u>\$ 135,495,884</u>	<u>\$ 750,838</u>	<u>\$ (750,838)</u>	<u>\$ 135,495,884</u>

**LOS ALAMOS NATIONAL LABORATORY FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Foundation	Building Equity, LLC	Elimination Entries	Consolidated Total
SUPPORT AND REVENUE				
Contributions	\$ 1,375,922	\$ -	\$ -	\$ 1,375,922
Grants and Contracts	3,781,267	-	-	3,781,267
Net Investment Income	14,262,062	-	-	14,262,062
Other Income (Loss)	8,946	274,007	(226,308)	56,645
Total Support and Revenue	<u>19,428,197</u>	<u>274,007</u>	<u>(226,308)</u>	<u>19,475,896</u>
EXPENSES				
Program:				
K-12 Programming	2,296,126	-	-	2,296,126
College, Career and Community Pathways	985,912	-	-	985,912
Other Miscellaneous Programs	997,127	-	-	997,127
Early Childhood	1,169,409	-	-	1,169,409
Scholarships	1,082,074	-	-	1,082,074
Triad Initiatives	483,512	-	-	483,512
Educational Enrichment and Outreach Grants	748,368	-	-	748,368
Community Outreach Grants	143,200	-	-	143,200
Total Program Expenses	<u>7,905,728</u>	<u>-</u>	<u>-</u>	<u>7,905,728</u>
General and Administrative	1,144,366	165,071	(117,372)	1,192,065
Fundraising	152,494	-	-	152,494
Total Expenses	<u>9,202,588</u>	<u>165,071</u>	<u>(117,372)</u>	<u>9,250,287</u>
CHANGE IN NET ASSETS	10,225,609	108,936	(108,936)	10,225,609
Net Assets - Beginning of Year	<u>110,920,963</u>	<u>(18,031)</u>	<u>18,031</u>	<u>110,920,963</u>
NET ASSETS - END OF YEAR	<u>\$ 121,146,572</u>	<u>\$ 90,905</u>	<u>\$ (90,905)</u>	<u>\$ 121,146,572</u>



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