SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

ANIMAL PROTECTION NEW MEXICO

APNM FOUNDATION

Combined Financial Statements
and
Independent Auditor's Report

December 31, 2025 and 2024

Animal Protection New Mexico, Inc. and Affiliate

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SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Animal Protection New Mexico, Inc. and Affiliate

Opinion

We have audited the accompanying combined financial statements of Animal Protection New Mexico, Inc. and affiliate (APNM) (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of APNM 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 these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about APNM's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

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Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined 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 APNM's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

SJT Group LLC

Albuquerque, New Mexico
July 8, 2026

Combined Financial Statements

Animal Protection New Mexico, Inc. and Affiliate

Combined Statements of Financial Position

December 31,

	2025	2024
Assets		
Current assets		
Cash	**$ 258,855**	$ 234,878
Grants and contributions receivable, current portion	**184,806**	971,837
Due from APV	**73,696**	101,653
Prepaid expenses	**42,640**	43,320
Other assets	**12,273**	12,273
Total current assets	**572,270**	1,363,961
Property and equipment, net	**1,851,746**	1,895,744
Grants and contributions receivable, net of current portion	**-**	35,000
Endowment fund investments	**4,989,752**	4,621,704
Other long-term assets	**340**	340
Total assets	**$ 7,414,108**	$ 7,916,749
Liabilities and Net Assets		
Current liabilities		
Accounts payable	**$ 101,193**	$ 143,866
Accrued expenses	**158,520**	212,167
Unearned revenue	**-**	6,000
Total current liabilities	**259,713**	362,033
Net assets		
Without donor restrictions	**5,213,246**	4,731,582
With donor restrictions	**1,941,149**	2,823,134
Total net assets	**7,154,395**	7,554,716
Total liabilities and net assets	**$ 7,414,108**	$ 7,916,749

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

Animal Protection New Mexico, Inc. and Affiliate

Combined Statement of Activities

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grants and contributions	$ 2,518,125	$ 231,961	$ 2,750,086
In-kind contributions	76,856	-	76,856
Other income	19,562	-	19,562
Net assets released from restrictions	1,113,946	(1,113,946)	-
Total support and revenue	3,728,489	(881,985)	2,846,504
Expenses			
Program services			
Advocacy campaigns	1,381,613	-	1,381,613
Public assistance - education and outreach	731,486	-	731,486
Direct animal service programs	232,034	-	232,034
Wildlife campaigns	36,477	-	36,477
Total program services	2,381,610	-	2,381,610
Supporting services			
Management and general	895,301	-	895,301
Fundraising	358,290	-	358,290
Total supporting services	1,253,591	-	1,253,591
Total expenses	3,635,201	-	3,635,201
Change in net assets before investment income	93,288	(881,985)	(788,697)
Investment income	388,376	-	388,376
Change in net assets	481,664	(881,985)	(400,321)
Net assets, beginning of year	4,731,582	2,823,134	7,554,716
Net assets, end of year	$ 5,213,246	$ 1,941,149	$ 7,154,395

Animal Protection New Mexico, Inc. and Affiliate
Combined Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grants and contributions	$ 2,068,419	$ 1,454,825	$ 3,523,244
In-kind contributions	32,257	-	32,257
Other income	8,003	-	8,003
Net assets released from restrictions	573,635	(573,635)	-
Total support and revenue	2,682,314	881,190	3,563,504
Expenses			
Program services			
Advocacy campaigns	1,172,803	-	1,172,803
Public assistance - education and outreach	750,362	-	750,362
Direct animal service programs	231,547	-	231,547
Wildlife campaigns	36,772	-	36,772
Total program services	2,191,484	-	2,191,484
Supporting services			
Management and general	876,481	-	876,481
Fundraising	356,070	-	356,070
Total supporting services	1,232,551	-	1,232,551
Total expenses	3,424,035	-	3,424,035
Change in net assets before investment income	(741,721)	881,190	139,469
Investment income	491,277	-	491,277
Change in net assets	(250,444)	881,190	630,746
Net assets, beginning of year	4,982,026	1,941,944	6,923,970
Net assets, end of year	$ 4,731,582	$ 2,823,134	$ 7,554,716

Animal Protection New Mexico, Inc. and Affiliate
Combined Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 957,712	$ 664,959	$ 183,786	$ 1,806,457
Contributions to other organizations	518,530	-	-	518,530
Payroll taxes and fringe benefits	209,586	88,925	26,347	324,858
Contract services	140,913	16,931	113,546	271,390
Animal and veterinarian services	249,825	-	-	249,825
Office supplies	48,515	42,514	13,303	104,332
Public education and outreach	83,206	-	5,138	88,344
Depreciation	34,431	7,957	1,610	43,998
Employee education	23,421	11,243	3,535	38,199
Professional fees	6,913	26,719	128	33,760
Occupancy	23,337	7,092	612	31,041
Travel	22,262	3,287	1,147	26,696
Hardware support	11,823	9,343	2,362	23,528
Insurance	16,269	5,673	396	22,338
Telephone	10,569	7,705	1,756	20,030
Printing	14,904	61	2,921	17,886
Postage	3,270	665	1,703	5,638
Other	2,811	2,227	-	5,038
Graphic design	3,313	-	-	3,313
Total expenses	$ 2,381,610	$ 895,301	$ 358,290	$ 3,635,201

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

Animal Protection New Mexico, Inc. and Affiliate

Combined Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 1,018,548	$ 656,626	$ 149,141	$ 1,824,315
Contributions to other organizations	372,680	-	-	372,680
Payroll taxes and fringe benefits	183,657	85,935	21,280	290,872
Contract services	96,339	6,705	127,760	230,804
Animal and veterinarian services	213,473	-	-	213,473
Office supplies	54,225	41,593	22,200	118,018
Public education and outreach	62,244	-	11,370	73,614
Depreciation	37,476	8,074	5,664	51,214
Employee education	22,938	11,594	3,361	37,893
Professional fees	234	22,288	-	22,522
Occupancy	19,553	5,558	2,182	27,293
Travel	29,020	3,020	1,033	33,073
Hardware support	13,032	11,524	2,241	26,797
Insurance	17,821	6,038	1,833	25,692
Telephone	11,821	7,481	1,817	21,119
Printing	30,295	2,124	4,752	37,171
Postage	4,103	877	963	5,943
Other	2,675	586	473	3,734
Graphic design	1,350	6,458	-	7,808
Total expenses	$ 2,191,484	$ 876,481	$ 356,070	$ 3,424,035

Animal Protection New Mexico, Inc. and Affiliate

Combined Statements of Cash Flows

For the Years Ended December 31,

	2025	2024
Cash flows from operating activities		
Cash received from grants and contributions	**$ 3,594,074**	$ 2,773,140
Cash received from other	**20,527**	7,480
Cash paid to employees and suppliers	**(3,610,952)**	(3,265,231)
Net cash provided (used) by operating activities	**3,649**	(484,611)
Cash flows from investing activities		
Distributions from endowment	**413,358**	1,538,780
Contributions to endowment	**(393,030)**	(1,418,586)
Net cash provided by investing activities	**20,328**	120,194
Net increase (decrease) in cash	**23,977**	(364,417)
Cash, beginning of year	**234,878**	599,295
Cash, end of year	**$ 258,855**	$ 234,878
Reconciliation of change in net assets to net cash provided (used) by operating activities		
Change in net assets	**$ (400,321)**	$ 630,746
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	**43,998**	51,214
Net realized and unrealized gain on investments	**(353,667)**	(445,081)
Reinvested interest and dividends	**(84,232)**	(79,759)
Investment fees paid from endowment assets	**49,523**	33,563
Gain on disposal of equipment	**-**	(1,488)
Changes in assets and liabilities		
Accounts and contributions receivable	**849,988**	(758,662)
Prepaid expenses	**680**	7,269
Other assets	**-**	2,558
Accounts payable	**(42,673)**	65,372
Accrued expenses	**(53,647)**	3,657
Unearned revenue	**(6,000)**	6,000
Total adjustments	**403,970**	(1,115,357)
Net cash provided (used) by operating activities	**$ 3,649**	$ (484,611)

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

Animal Protection New Mexico, Inc. and Affiliate
Notes to Combined Financial Statements
December 31, 2025 and 2024

1) Nature of Organization

Animal Protection New Mexico, Inc. and affiliate (APNM) have been working to promote the humane treatment of animals since 1979. APNM is a nonprofit, 501(c)(3) organization supported by donations, volunteers, and grants. APNM provides public assistance through consultation, education, communication, and outreach on animal protection issues. It promotes animal advocacy campaigns with an effort to improve public policies and practices related to the treatment of animals through legislative and non-legislative means, by implementing humane strategies and by establishing partnerships with agencies. APNM provides financial assistance to agencies involved in investigating and prosecuting animal cruelty, to organizations rehabilitating victims of animal cruelty, to individuals for companion animal spay/neuter and other veterinary services, and for equine feed and veterinary assistance.

Animal Protection New Mexico Foundation, Inc. (Foundation) was incorporated as a non-profit organization in 2001. The Foundation is considered an affiliate organization of APNM, as it was organized exclusively for the benefit of, to perform the functions of, and to carry out the purposes of APNM, a New Mexico nonprofit corporation located in Albuquerque, New Mexico, and any legal successor-in-interest.

2) Summary of Significant Accounting Policies

Principles of Combination
The combined financial statements include the accounts of APNM and the Foundation, collectively referred to as the “Organization”. The Foundation’s financial information is combined with APNM’s information since APNM has both an economic interest and control of the Foundation through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated.

Basis of Accounting and Presentation
The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

2) Summary of Significant Accounting Policies — continued

- *Net Assets With Donor Restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statements of activities.

Revenue Recognition
Revenue recognition for the Organization is as follows:

Contributions and Grants - Contributions received are recognized as revenues when the unconditional pledge is made and as assets or decreases of liabilities, depending on the form of the benefits received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions. Contributions of significant long-lived assets and significant gifts to acquire long-lived assets with donor-imposed restrictions are reported as net assets with donor restrictions until the asset is placed in service and donor-imposed restrictions are satisfied. The Organization received and recognized $76,856 and $32,257 of contributed animal boarding, veterinary, legal, printing services, and other professional services during the years ended December 31, 2025 and 2024, respectively.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Contributed Services—Contributed 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 Organization. The Organization has a substantial number of volunteers that have donated their services to the Organization. These donated services, which do not meet the above criteria for revenue recognition, have not been recognized as support in the combined financial statements.

2) Summary of Significant Accounting Policies — continued

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents, except for money market accounts designated for long-term investment and on deposit with investment firms in accounts designated as long term investments, which are included in investments.

At December 31, 2025 and 2024, the cash bank balances totaled $254,136 and $188,437, respectively. Cash bank balances of $4,136 and $0 were uninsured and uncollateralized at December 31, 2025 and 2024, respectively. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk related to the uninsured cash balance.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the combined statements of financial position, and changes in fair value are reported as investment return in the combined statements of activities.

Grants and Contributions Receivable

Grants and contributions receivable are reported at their outstanding balances which approximate fair value. The Organization considers all receivables to be collectible. Accordingly, no allowance for credit losses has been recorded. Management determines whether an allowance is necessary based on the evaluation of the collectability of the receivables, including the nature of the receivable, historical losses, and economic conditions. If amounts become uncollectible, they will be charged to expense when that determination is made. The Organization considers all receivables outstanding for over 90 days to be past due.

Property and Equipment

Purchased property and equipment are stated at cost and donations of property and equipment are stated at their estimated fair value at the date of donation. It is the policy of the Organization to capitalize expenses for property and equipment in excess of $5,000 and a useful life of greater than one year. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is calculated using the straight-line method over the estimated useful lives which typically range from five to forty-five years.

2) Summary of Significant Accounting Policies — continued

Advertising

The Organization expenses advertising as incurred. Advertising expense was $9,680 and $12,831 for the years ended December 31, 2025 and 2024, respectively, and is included in the public education and outreach line item on the accompanying statements of functional expenses.

Functional Allocation of Expenses

The cost of providing program and other activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

Significant expenses that are allocated include the following:

Expense	Allocation Method
Salaries, payroll taxes, and fringe benefits	Time and effort
Contract services	Time and effort
Office supplies	Time and effort
Depreciation	Square footage
Occupancy	Square footage
Printing	Time and effort
Hardware support	Time and effort
Telephone	Time and effort

Fair Value of Financial Instruments

For financial statement purposes, cash equivalents, accounts and contributions receivable, prepaid expenses, accounts payable, and accrued expenses are considered financial instruments. The Organization estimated that the fair value of all financial instruments at December 31, 2025 and 2024, did not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying combined statements of financial position because of their short-term nature.

2) Summary of Significant Accounting Policies — continued

Income Taxes
The Organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation. The Organization has adopted FASB ASC 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. The Organization has not recognized any changes to its financial statements for uncertain tax positions resulting from this adoption. The Organization's income tax filings for the years ended December 31, 2022, and thereafter are subject to audit by various taxing authorities.

Subsequent Events
Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined statements of financial position, including estimates inherent in the process of preparing the combined financial statements.

Subsequent events through July 8, 2026, the date on which the combined financial statements were available to be issued, were evaluated for recognition and disclosure in the combined financial statements.

Estimates
Financial statement preparation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3) Grants and Contributions Receivable

Grants and contributions receivable consist of the following at December 31:

	2025	2024
Contributions receivable	**$ 125,451**	$ 986,692
Grants receivable	**59,355**	20,145
	$ 184,806	$ 1,006,837

4) Property and Equipment

Property and equipment consist of the following at December 31:

	2025	2024
Building	$ 1,503,040	$ 1,503,040
Office equipment and software	51,866	51,866
Furniture and fixtures	220,601	220,601
Subtotal	1,775,507	1,775,507
Less accumulated depreciation	(620,721)	(576,723)
Total property and equipment being depreciated, net	1,154,786	1,198,784
Land	696,960	696,960
Total property and equipment, net	$ 1,851,746	$ 1,895,744

Depreciation expense was $43,998 and $51,214 during the years ended December 31, 2025 and 2024, respectively.

5) Investment Income

The following summarizes the investment income in the combined statements of activities, and includes income from interest bearing cash accounts, investments, beneficial interest in assets held by others, and endowment fund investments for the years ended December 31:

	2025	2024
Interest and dividend income	$ 84,232	$ 79,759
Net realized and unrealized gains	353,667	445,081
Investment management fees	(49,523)	(33,563)
Total investment income	$ 388,376	$ 491,277

6) Endowment Fund Investments and Spending Policy

APNM has endowment funds that are held by its affiliate, the Foundation, and by the Albuquerque Community Foundation (ACF) as a part of their pooled investments.

The Foundation follows its governing documents in administering the Foundation's investment assets and spending policy. The Board of Directors has determined that the majority of the Foundation's contributions are subject to the terms of its governing documents. Under these terms, the Board of Directors has the ability to disburse or accumulate the income or principal of the funds as it sees fit in its sole discretion.

The Foundation has adopted investment and spending policies approved by the Board of Directors. The investment policy is intended not only to provide funds for the Endowment's immediate and near-term goals, but also to preserve and grow the Endowment's assets to meet future spending needs. The Endowment's assets shall be invested to provide for the distributions described above plus modest real growth above inflation. The Foundation's assets cannot be invested in investments that are counter to its purpose. The investment policy establishes an achievable return objective through diversification of assets. Currently, the long-term return objective is 6% to 7%. However, the Foundation has the discretion to adjust the return it requires based on market conditions, the Endowment's needs, and future spending expectations. The investments' liquidity and risk profile should be commensurate with the net asset classification of the assets and the specific objectives of that classification.

The Foundation Board determines the distribution to APNM each calendar year. The Board may direct the distribution from the investments of up to 4% of the market value of the investments as of the end of the prior fiscal year.

APNM also has endowment funds that are held by the Albuquerque Community Foundation as a part of its pooled investments. Variance power has been granted to ACF. These assets will be returned to APNM if the ACF ceases to be a charitable organization. These investments are stated at fair value.

Annual distributions can be made pursuant to current ACF policy. Current policy states that distributions will be based on 4.0% of the average twelve quarters' fund balance if requested by APNM. Distributions from the fund were $453 and $438 for the years ended December 31, 2025 and 2024, respectively.

6) Endowment Fund Investments and Spending Policy — continued

Endowment net asset composition by type of fund is as follows at December 31:

	2025	2024
Without donor restrictions	**$ 3,430,055**	$ 3,062,007
With donor restrictions	**1,559,697**	1,559,697
Total endowment funds	**$ 4,989,752**	$ 4,621,704

Changes in endowment net assets during the years ended December 31, 2025 and 2024 are as follows:

December 31, 2025	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Endowment Net Assets**
Endowment net assets, beginning of year	**$ 3,062,007**	**$ 1,559,697**	**$ 4,621,704**
Contributions	**393,030**	**-**	**393,030**
Distributions	**(413,358)**	**-**	**(413,358)**
Interest and dividends	**84,232**	**-**	**84,232**
Net appreciation in value	**353,667**	**-**	**353,667**
Investment fees paid from endowment assets	**(49,523)**	**-**	**(49,523)**
Endowment net assets, end of year	**$ 3,430,055**	**$ 1,559,697**	**$ 4,989,752**

December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	$ 3,091,177	$ 1,159,444	$ 4,250,621
Contributions	1,018,333	400,253	1,418,586
Distributions	(1,538,780)	-	(1,538,780)
Interest and dividends	79,759	-	79,759
Net appreciation in value	445,081	-	445,081
Investment fees paid from endowment assets	(33,563)	-	(33,563)
Endowment net assets, end of year	$ 3,062,007	$ 1,559,697	$ 4,621,704

APNM is the beneficiary of a fund established at the New Mexico Community Foundation. The fund allows the Organization to receive distributions to support APNM's Equine Protection program. Since these funds are held, and ultimately controlled by the New Mexico Community Foundation, the value of the account has not been shown on the combined statements of financial position. The value of the fund was $1,687,803 and $1,618,076 at December 31, 2025 and 2024, respectively. Fund distributions for the Equine Protection program were $55,645 and $49,725 for the years ended December 31, 2025 and 2024, respectively.

7) Fair Value Measurements

Generally accepted accounting principles (GAAP) establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of assets whose values are derived from observable market data but for which there is not a quoted price for the specific asset; and Level 3 inputs consist of assets that are not traded in an active market and for which no significant observable market inputs are available and have the lowest priority. The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because it generally provides the most reliable evidence of fair value. The Organization has no Level 3 investments at December 31, 2025 and 2024.

Fair value of assets measured on a recurring basis at December 31, 2025, are as follows:

	Fair Value	Level 1	Level 2
Equities	**$ 2,982,128**	**$ 2,982,128**	**$ -**
Bonds	**1,493,750**	**1,493,750**	**-**
Commodities	**230,256**	**230,256**	**-**
Real estate investment trusts (REIT)	**3,628**	**3,628**	**-**
Beneficial interest in investments held by others	**13,066**	**-**	**13,066**
	$ 4,722,828	**$ 4,709,762**	**$ 13,066**
Cash equivalents	**266,924**		
	$ 4,989,752		

Fair value of assets measured on a recurring basis at December 31, 2024, are as follows:

	Fair Value	Level 1	Level 2
Equities	$ 2,926,658	$ 2,926,658	$ -
Bonds	1,148,351	1,148,351	-
Commodities	166,343	166,343	-
Real estate investment trust (REIT)	8,214	8,214	-
Beneficial interest in investments held by others	12,036	-	12,036
	$ 4,261,602	$ 4,249,566	$ 12,036
Cash equivalents	360,102		
	$ 4,621,704		

8) Related Party Transactions

There is a cost sharing agreement for shared services for staff, office space and office equipment between APNM and Animal Protection Voters (APV). APV's portion of shared services incurred by APNM was $432,434 and $384,897 during the years ended December 31, 2025 and 2024, respectively.

Unrelated to shared services, APNM contributed $446,846 and $303,763 to APV during the years ended December 31, 2025 and 2024, respectively, to support APV in its advocacy to enhance legislation for the prevention of cruelty to animals. Amounts owed from APV were $73,696 and $101,653 at December 31, 2025 and 2024, respectively, and are shown as due from APV on the accompanying combined statements of financial position.

9) Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations consist principally of cash and cash equivalents, investments, and accounts receivable.

The revenue and support from two donors, excluding contributed goods and services, was approximately 47% and 43% of the organization's total support and revenue during the years ending December 31, 2025 and 2024, respectively. If the Organization does not continue to receive comparable contribution amounts the negative impact on the Organization's operations would be significant.

10) Availability and Liquidity

The following represents the Organization's financial assets at December 31:

	2025	2024
Cash	**$ 258,855**	$ 234,878
Accounts and contributions receivable, current	**184,806**	971,837
Endowment investments	**4,989,752**	4,621,704
Total financial assets	**5,433,413**	5,828,419
Less amounts not available to be used within one year:		
Endowment investments - restricted	**(1,559,697)**	(1,559,697)
Financial assets available to meet general expenditures over the next twelve months	**$ 3,873,716**	$ 4,268,722

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is invested in a portfolio of well diversified investments and in a manner such that investment funds are easily accessed in times of unanticipated liquidity needs. At December 31, 2025 and 2024, investments available for spending at management and the board's discretion were $3.4 million and $3.1 million, respectively.

11) Net Assets

Net assets with donor restrictions are available for the following purposes or periods at December 31:

	2025	2024
Restricted for time:		
Grants receivable	**$ 64,859**	$ 689,500
Restricted for time and/or purpose:		
Permanent endowment fund	**1,559,697**	1,559,697
Equine protection fund	**180,807**	296,866
Administrative succession	**50,000**	-
Humane communities and humane citizens fund	**31,725**	34,254
Plant based eating program	**12,853**	30,000
Companion Animal Rescue Effort	**11,020**	-
Chimps to Sanctuary campaign	**8,792**	65,000
Disaster relief fund	**8,342**	16,886
Other	**4,576**	4,576
Education	**4,500**	40,728
Factory farming	**3,978**	4,263
Animal control officer training	**-**	32,088
Humane science	**-**	29,276
Pet food pilot project	**-**	20,000
Total net assets with donor restrictions	**$ 1,941,149**	$ 2,823,134

11) Net Assets – continued

Net assets released from restrictions are as follows for the years ended December 31:

	2025	2024
Restricted for time:		
Grants receivable	**$ 689,500**	$ -
Use restrictions:		
Equine protection fund	**214,903**	60,336
Chimps to Sanctuary campaign	**56,208**	22,424
Education	**40,729**	35,794
Animal control officer training	**32,089**	27,911
Humane science	**29,276**	245,323
Pet food pilot project	**20,000**	20,000
Plant based eating	**19,883**	100,000
Disaster relief fund	**8,543**	586
Humane communities and humane citizens fund	**2,529**	3,828
Factory farming	**286**	721
Helpline	**-**	23,264
Subsequent years operations	**-**	19,122
Other	**-**	14,326
Total net assets released from restrictions	**$ 1,113,946**	$ 573,635

12) Accrued Compensated Absences

APNM provides eligible full-time and part-time regular status employees with "Paid Vacation Time Off" (PVTO) to use for vacation and personal reasons based on eligible years of service, up to specified limits. Employees are eligible for PVTO after thirty (30) days of employment. Beginning in fiscal year 2018, an employee whose employment is terminated for any reason after the PVTO eligibility date will be compensated for unused accrued PVTO. These accrued amounts are included in accrued expenses on the accompanying combined statements of financial position and the related change in liability is reflected as an expense in the year in which the change occurred. Accrued compensated absences were $92,920 and $92,475 at December 31, 2025 and 2024, respectively, and are included in accrued expenses on the statement of financial position.