HINKLE + LANDERS
Certified Public Accountants + Business Consultants

VENTANA FUND

INDEPENDENT AUDITOR'S REPORT

For The Year Ended September 30, 2025
With Comparative Totals for 2024

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VENTANA FUND

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025, WITH COMPARATIVE TOTALS FOR 2024

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VENTANA FUND
OFFICIAL ROSTER
AS OF SEPTEMBER 30, 2025

Board of Directors

Todd Clarke	Board Chair
Kamal Ali	Vice-Chair
Holly Barela	Treasurer
Jessica Kuhn	Secretary
Steve Anaya	Member
Elizabeth Bernal	Member
Shawn Colbert	Member
Peter Gineris	Member
Hannah Feil Greenhood	Member
Leann Kemp	Member
Robbie Levey	Member
Jacobo Martinez	Member
Tasha Martinez	Member

Administration

Todd Clarke	Interim Executive Director
Michelle Corley	Finance Manager
Alexandrea Porras	Operations Manager
Jen Mulliniks	Compliance and Investor Relations Manager

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors and Management of
Ventana Fund
Albuquerque, New Mexico

Opinion

We have audited the accompanying financial statements of the Ventana Fund (the "Organization"), a nonprofit organization, which comprise the Statement of Financial Position as of September 30, 2025, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits as contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or errors.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Prior Year Summarized Comparative Information

We have previously audited the Organization's consolidated financial statements for the year ended September 30, 2024, which included Valencia Park, LLC, and we expressed an unmodified audit opinion on those financial statements in our report dated March 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards ("SEFA") is presented for purposes of additional analysis and is not a required part of the financial statements. The SEFA is required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the SEFA is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
March 20, 2026

VENTANA FUND
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2025, WITH COMPARATIVE TOTALS FOR 2024

	Notes	2025	2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	C	$ 6,265,741	8,282,355
Restricted Cash and Cash Equivalents	C	2,653,708	1,485,719
Interest Receivable		5,562	5,238
Grants Receivable		15,000	-
Mortgage Servicer Receivables	F	524,370	234,731
Prepaid Insurance and Expenses		15,636	16,419
Conditional Contribution Receivable	E	43,000	-
Mortgages Receivable, Net of Allowance of $48,136 and $14,811, Respectively	D	3,975,987	1,198,693
Total Current Assets		13,499,004	11,223,155
Non-Current Assets			
Security Deposit		1,144	2,227
Mortgages Receivable, Net of Allowance of $955,260 and $793,772, Respectively	D	35,146,426	27,493,600
Property and Equipment, Net		781,856	-
Total Non-Current Assets		35,929,426	27,495,827
TOTAL ASSETS		$ 49,428,430	38,718,982
LIABILITIES AND NET ASSETS			
Current Liabilities			
Advances on Grants		$ 58,549	62,463
Accounts Payable		47,909	266,474
Payroll Liabilities		13,056	26,408
Accrued Wages		10,426	5,651
Accrued Leave		8,424	4,701
Accrued Interest Payable		194,365	133,615
Programmatic Long-Term Debt	M	2,092,874	953,896
Total Current Liabilities		2,425,603	1,453,208
Long-Term Liabilities			
Programmatic Long-Term Debt	M	36,117,126	26,694,068
Total Long-Term Liabilities		36,117,126	26,694,068
TOTAL LIABILITIES		38,542,729	28,147,276
Net Assets			
Without Donor Restrictions:			
Undesignated		4,500,484	4,292,364
With Donor Restrictions			
Restricted for Purpose and Time	I	2,785,217	2,679,342
Restricted for Perpetuity	H	3,600,000	3,600,000
Total Net Assets		10,885,701	10,571,706
TOTAL LIABILITIES AND NET ASSETS		$ 49,428,430	38,718,982

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

VENTANA FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025, WITH COMPARATIVE TOTALS FOR 2024

		2025					
		Without	With Donor Restrictions				
		Donor	Purpose/Time	Perpetually			2024
	Notes	Restrictions	Restricted	Restricted	Total	Total	Totals
REVENUE							
Interest Income – Program Loans		$ 1,307,677	178,220	-	178,220	1,485,897	1,074,726
Investment Interest		296,207	-	-	-	296,207	272,452
Program Loan Fee Income		194,039	-	-	-	194,039	175,518
Other Grants		15,000	-	-	-	15,000	-
Contract Revenue		7,500	-	-	-	7,500	-
Other Operating Income		5,575	-	-	-	5,575	1,971
Federal Grants		-	3,913	-	3,913	3,913	2,575,021
Rental Income		2,754	-	-	-	2,754	-
Satisfaction of Program Restrictions	I	76,258	(76,258)	-	(76,258)	-	-
Total Support, Revenue, & Reclassifications		1,905,010	105,875	-	105,875	2,010,885	4,099,688
EXPENSES							
Programs		1,217,962	-	-	-	1,217,962	1,006,613
General and Administrative		464,191	-	-	-	464,191	453,517
Fundraising		14,737	-	-	-	14,737	20,800
Total Expenses		1,696,890	-	-	-	1,696,890	1,480,930
Change in Net Assets		208,120	105,875	-	105,875	313,995	2,618,758
Net Assets, Beginning		4,292,364	2,679,342	3,600,000	6,279,342	10,571,706	7,952,948
Net Assets, Ending		$ 4,500,484	2,785,217	3,600,000	6,385,217	10,885,701	10,571,706

VENTANA FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025, WITH COMPARATIVE TOTALS FOR 2024

	2025				
	Program	General and Administrative	Fundraising	Total	2024
Salaries	$ 87,850	87,663	12,604	188,117	265,681
Benefits	8,103	10,848	1,163	20,114	24,559
Payroll Taxes	6,759	6,745	970	14,474	21,155
Total Personnel Costs	102,712	105,256	14,737	222,705	311,395
Interest Expense – Programmatic Debt	668,749	-	-	668,749	463,426
Contract Services and Professional Fees	173,874	222,884	-	396,758	348,234
Loan Loss Provisions	194,812	-	-	194,812	188,369
Marketing and Outreach	32,449	19,744	-	52,193	51,028
Repairs, Maintenance, and Building Costs	19,725	19,724	-	39,449	18,000
Office Expense	-	25,953	-	25,953	24,106
Rent	7,961	7,962	-	15,923	25,009
Insurance	-	15,192	-	15,192	8,717
Computer Equipment and Software	-	12,707	-	12,707	10,783
Bank Fees	-	8,855	-	8,855	4,956
Professional Development	-	8,347	-	8,347	11,880
Administrative and Service Fees	7,165	580	-	7,745	3,012
Dues and Subscriptions	-	4,777	-	4,777	3,342
Travel and Mileage	1,389	2,891	-	4,280	5,250
Utilities	1,793	1,793	-	3,586	1,303
Property Taxes	1,518	1,519	-	3,037	-
Miscellaneous Expenses	1,372	1,565	-	2,937	2,120
Total Expenses before Depreciation	1,213,519	459,749	14,737	1,688,005	1,480,930
Depreciation Expense	4,443	4,442	-	8,885	-
Total Expenses	$ 1,217,962	464,191	14,737	1,696,890	1,480,930

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

VENTANA FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2025, WITH COMPARATIVE TOTALS FOR 2024

		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest Income – Program Loans	$	1,195,934	1,075,718
Investment Interest		296,207	272,452
Program Loan Fee Income		194,039	175,518
Grants		3,913	2,575,021
Contract Revenue		7,500	-
Rental Income		2,754	-
Other Operating Income		5,575	1,971
		1,705,922	4,100,680
Cash Paid to Suppliers and Employees		(804,827)	(780,049)
Cash Owed to Suppliers and Employees		(223,419)	(400,043)
Programmatic Interest Expense Paid		(668,749)	(463,426)
Net Cash Provided (Used) by Operating Activities		8,927	2,457,162
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Received from Escrow Receivable		-	32,049
Cash Paid for Property and Equipment		(790,741)	-
Cash Disbursements of Loan Principal		(16,005,486)	(13,149,293)
Cash Receipts from Loan Principal Repayments		5,380,553	5,617,119
Net Cash Provided (Used) by Investing Activities		(11,415,674)	(7,500,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Use) of Advances of Grant Restricted for Loan Purposes		(3,914)	(2,575,021)
Proceeds from Line of Credit		10,562,036	11,891,197
Net Cash Provided (Used) by Financing Activities		10,558,122	9,316,176
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash		(848,625)	4,273,213
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year		9,768,074	5,494,861
Cash, Cash Equivalents, and Restricted Cash, End of Year	$	8,919,449	9,768,074

Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities

		2025	2024
Change in Net Assets	$	313,995	2,618,758
Loan Loss Provisions		194,812	188,369
Depreciation		8,885	-
Changes in Assets and Liabilities:			
Interest Receivable		(324)	992
Grants Receivable		(15,000)	-
Mortgage Servicer Receivables		(289,639)	-
Prepaid Insurance and Expenses		783	(3,297)
Conditional Contribution Receivable		(43,000)	-
Security Deposit		1,083	(1,452)
Accounts Payable and Accrued Liabilities		(223,419)	(400,043)
Accrued Interest Payable		60,750	53,835
Rounding		1	-
Net Cash Provided (Used) by Operating Activities	$	8,927	2,457,162

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

NOTE A—NATURE OF OPERATIONS

Organization

Ventana Fund

Ventana Fund (the "Organization") was formed on February 27, 2014. It was organized and incorporated as a New Mexico nonprofit corporation by private citizens and housing professionals who are dedicated to increasing the number of decent, affordable homes available to New Mexico's low-income residents.

The mission of Ventana Fund is to meet the critical need for an increased supply of early-stage financing for affordable housing construction and rehabilitation in New Mexico. Ventana Fund is committed to dramatically increasing the amount of low-interest rate loans available to qualified housing developers who build and rehabilitate affordable housing. Ventana Fund was certified as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury in March 2015.

Former Subsidiary

Valencia Park, LLC

Valencia Park, LLC was a limited liability company formed by Ventana Fund to own and operate a 20-unit multifamily property in Albuquerque, New Mexico. Ventana Fund was the sole member and managing entity.

The property was sold to an outside party on September 29, 2023. As part of the sale agreement, $45,000 of the purchase price was placed in escrow for 90 days following the closing date. The purpose of this escrow account was to allow the property management firm to address outstanding resident-related matters, including eviction proceedings, collection of delinquent rent, and preparation of units for occupancy. At the end of the 90-day period, the escrow holder distributed the funds to either the buyer or seller in accordance with the terms of the agreement.

All remaining financial activity related to Valencia Park, LLC, including the escrow receivable, was settled during fiscal year 2024. On September 4, 2024, Valencia Park, LLC was formally dissolved upon receipt of a Certificate of Dissolution. Upon dissolution, all remaining assets, including cash, were transferred to Ventana Fund as a liquidating distribution. All assets and liabilities of the entity had been accounted for prior to dissolution.

Target Markets

The Organization is committed to financing affordable housing in low-income communities, economically distressed communities, and market niches that are underserved by traditional financial institutions. Communities served by Ventana Fund include the following:

- Low-income populations earning less than 80% of area median income
- Tribal communities
- Rural communities
- CDFI investment areas

Ventana Fund also focuses on hard-to-finance projects, such as older rental projects needing rehabilitation.

Basis of Presentation and Comparative Information

The accompanying financial statements for the year ended September 30, 2025, present Ventana Fund only, as the Organization no longer owns or controls any subsidiary.

Comparative financial information for the year ended September 30, 2024, reflects consolidated totals that included Ventana Fund and its former wholly owned subsidiary, Valencia Park, LLC. The change in presentation results from the sale and subsequent dissolution of Valencia Park, LLC during fiscal year 2024.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958—*Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding their financial position and activities according to two classes of net assets:

Net assets with donor restrictions, and net assets without donor restrictions are defined as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The Organization's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions - Temporary in Nature

Net assets with donor restrictions that are temporary in nature are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions can be fulfilled and removed by actions of the Organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. See Note I—Net Assets with Donor Restrictions (Purpose and Time Restrictions).

Net Assets With Donor Restrictions - Perpetual in Nature

Net assets with donor restrictions that are perpetual in nature result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of the Organization. See Note H—Net Assets with Donor Restrictions (Perpetual in Nature).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Cash, Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent grant funds received that are required by the grantor to be used for providing mortgage loans to qualified borrowers. See Note C for details.

Liquidity and Availability of Financial Resources

The Organization regularly monitors liquidity to meet their cash flow requirements and operating needs. The availability of financial assets is primarily affected by management's designations, the nature of the underlying assets, and external limitations imposed by donors or contracts with others. The Organization is substantially supported by restricted grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, they have a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due. In addition, the Organization can invest cash in excess of daily requirements in short-term investments. Occasionally, the board designates a portion of any operating surplus to their liquidity reserve.

Liquidity is as follows:

		2025	2024
Total Cash	$	8,919,449	9,768,074
Interest Receivable		5,562	5,238
Mortgage Servicer Receivables		524,370	234,731
Mortgage Receivables Expected to Be Received within One Year, Net of Allowance		3,975,987	1,198,693
Less Those Unavailable for General Expenditures within One Year, Due to:			
Advances on Grants (Restricted for Qualifying Expenses)		(58,549)	(62,463)
Restricted by Donor with Purpose Restrictions		(2,785,217)	(2,679,342)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$	10,581,602	8,464,931
Undrawn Line of Credit	$	-	3,277,036

Donor restricted funds are available for expenditure upon satisfaction of the restriction, the expected timing of which is not generally determinable in advance.

Mortgages Receivable

Mortgages receivable are recorded at net realizable value. Management has determined that the impact of discounting is not material.

Collection is enforced through a promissory note and a mortgage deed both of which are recorded in public records. Default occurs upon the failure of the borrower to pay any installment on the loan when it becomes due.

The terms of duration and historical prevailing interest rates are as follows:

Original Maturity of Mortgages	Interest Rates on Mortgages
2-10 Years	0% - 5.35%

Mortgage Interest Income

Mortgage interest income is recognized upon receipt, with interest amounts determined by the loan terms. Interest may be received monthly, quarterly, annually, upon maturity, or on another approved payment schedule. Interest income is presented net of loan service fees. Application and origination fees, including a minimum 1% loan fee, are assessed on each loan request and recognized as revenue upon receipt. Periodic loan payments are typically interest only, with all unpaid interest, plus unpaid fees and outstanding principal balance, due on or before the loan maturity date.

Allowance for Loan Losses

An allowance for loan losses is estimated by Ventana Fund's management based on risk ratings assigned to each mortgage note. Risk ratings are adjusted no more frequently than quarterly, but no less than annually, based on the performance and analysis of each note's collection history.

Loan risk ratings on Ventana Fund's loans are as follows:

		2025	2024
Rating	Category	# of Loans	# of Loans
1	Excellent Repayment Probability	46	35
2	Good Repayment Probability	5	6
3	Impaired Payment Ability	0	0
4	Significantly Impaired Repayment Ability	0	0
		51	41

The allowance for loan losses is calculated based on these risk ratings and historical loss expectations and current economic conditions, as further detailed in Note D.

Programmatic Long-Term Debt

Programmatic long-term debt consists of borrowings incurred to support the Organization's affordable housing lending programs, including construction and rehabilitation lending, rather than to finance general operations. Debt service on programmatic long-term debt is expected to be supported primarily by principal repayments, interest income, and fee income from the related loan portfolio, rather than by general operating revenue. See Note M for additional information regarding the Organization's programmatic long-term debt arrangements, including balances, terms, and maturities.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the use of management's estimates. Estimates and assumptions may be required by management that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates that are particularly susceptible to significant changes in the near term which could have a material effect on the financial statements include:

- Allocation of expenses by function to program and administration.
- Allowance for loan losses based on risk ratings, historical experience, current economic conditions and current performance of collections.

Accrued Leave

Ventana Fund has a Paid Time Off (PTO) plan that incorporates vacation, personal and sick leave into one program. The number of PTO hours awarded each pay period is based on the number of hours worked during the pay period. Exempt employees will accrue PTO based on the number of hours per workweek for which they are regularly scheduled irrespective of the number of actual hours worked.

PTO may be taken for any reason and it is accrued based on the years of service according to the following schedule:

Years of Service	PTO Accrual
First and Second Year	0.07692 (20 days)
Third, Fourth, and Fifth Years	0.09615 (25 days)
Sixth Year and Beyond	0.11538 (30 days)

Employees will be paid out their accrued and unused PTO at their regular rate of pay.

Employee Benefit Plan

Ventana Fund sponsors a 401(k) retirement plan for its employees, which was established during the year ended September 30, 2024. The plan is a cash or deferred profit-sharing plan under which employees may elect to contribute a percentage of their eligible compensation, subject to Internal Revenue Service (IRS) limits.

The plan also provides for employer contributions. For the years ended September 30, 2025 and 2024, Ventana Fund made non-elective contributions equal to 10% and 5% of employees' eligible compensation, respectively. Employer contributions to the plan totaled $8,047 and $5,736 for the years ended September 30, 2025 and 2024, respectively.

The plan is administered by Ventana Fund, and the plan's assets are held by American Funds. Employees are immediately vested in their contributions and the related earnings. Employer contributions vest based on years of service, with employees becoming fully vested after three years.

Fair Value Measurements

The carrying amounts of cash and cash equivalents, receivables (other than mortgage receivables), payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments.

Revenue Recognition

In accordance with accounting principles generally accepted in the United States of America, revenue is recognized in accordance with the applicable accounting guidance based on the nature of the underlying transaction. The following summarizes the revenue recognition policies for major classifications of revenue:

- ***Loan Program Grant***—These grant funds are considered conditional contribution type transactions as Ventana Fund must meet certain performance goals before the revenue is recognized. The funds will be maintained as revolving lines of credit to be used for future lending under the program. All principal payments received from borrowers will be retained by Ventana Fund and used to fund subsequent loans. All such subsequent loans will require approval of the Board of Directors and must be in accordance with the provisions of the CDFI or other loan program guidelines. Due to the requirement that the Board of Directors must approve all subsequent loans under these grants, such grants will be recorded as net assets with donor restrictions. Ventana Fund retains all of the interest collected and loan fees, a portion of which is to be used for future loan programs and a portion to cover administration costs.
- ***Rental Income***—During year ended September 30, 2025, the Organization recognized rental income related to a short-term leaseback arrangement with the seller of an office building acquired during the year. The arrangement was temporary in nature and allowed the seller to occupy the building for a brief period following the sale. Rental income was recognized as earned over the lease period in accordance with the lease terms.

Property, Equipment and Depreciation

Property and equipment are recorded at cost. The current capitalization policy requires acquisitions to have a cost of $5,000 or more and an estimated useful life of greater than one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred, while major improvements and replacements are capitalized.

Leases

Ventana Fund capitalizes all lease agreements with a lease term of more than 12 months and a present value of lease payments exceeding $10,000. Lease agreements with a total present value of payments below this threshold are expensed as operating expenses in the period in which the lease payments are made.

For the years ended September 30, 2025 and 2024, no lease agreements met the capitalization threshold.

Contributions

Contributions are recognized when unconditional. Conditional contributions are recognized when the conditions are substantially met. Amounts advanced to other organizations that are contingent upon the occurrence of specified conditions are recorded as receivables and recognized as contribution expense when the conditions are satisfied.

Marketing and Outreach

The Organization records marketing and outreach costs as incurred. Marketing and outreach expenses for the years ended September 30, 2025 and 2024 were as follows:

	2025	2024
Marketing and Outreach	$ 52,193	51,028

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more services provided by the Organization. Expenses and support services that can be identified with a specific service are charged directly to a program according to the natural expenditure classification. Direct costs are recorded to the functional classification to which the expense relates to. All other expenses require allocation on a reasonable basis that is consistently applied.

These expenses are allocated among the services on the following basis:

Type of Expense	Basis *
Employees and Contract Services	A
Space, Occupancy, and Insurance	B
Legal Expense, Advertising, Marketing, Outreach, Building Maintenance and Depreciation	C
Provisions for Loan Losses and Travel	D
Other	E

* Legend for Basis of Allocation of Expenses

A. Time and Effort
B. Number of Employees
C. Ratio of Program Expenses
D. Direct to Program
E. Appropriate Allocation

The functional allocation ratios for the years ended September 30 are as follows:

	Ventana Fund		Valencia Park
Expense Allocation	2025	2024	2024
Program	72%	68%	100%
General and Administrative	27%	31%	0%
Fundraising	1%	1%	0%
	100%	100%	100%

Income Taxes

Income taxes are not provided for in the financial statements because the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation and had no taxable unrelated business income for the years ended September 30, 2025 or 2024. The Organization files its Federal Form 990 tax returns in the U.S. federal jurisdiction and completes its charitable registration with the New Mexico Department of Justice.

Prior Year Comparative Financial Statements

The financial statements include prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles and should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2024, from which the summarized information was derived. The 2024 consolidated financial statements included Valencia Park, LLC, which was sold and dissolved during fiscal year 2024.

Reclassifications

Certain reclassifications may have been made to 2024 amounts to conform to the 2025 presentation.

Evaluation of Subsequent Events

The Organization evaluated subsequent events through March 20, 2026, the date the financial statements were available to be issued. Subsequent events that provide additional evidence about conditions that existed at the statement of financial position date are recognized in the financial statements. Events that provide evidence about conditions that arose after the statement of financial position date are disclosed if material.

NOTE C—CASH, RESTRICTED CASH AND CASH EQUIVALENTS

Cash, restricted cash, and cash equivalents consisted of the following as of September 30:

Type of Account		2025	2024
Unrestricted			
Enterprise Bank and Trust		2,877,654	6,939,574
Washington Federal		1,617,372	834,584
First Citizen's Bank		1,259,942	-
Sunflower Bank		260,783	258,207
Lea County State Bank		249,990	249,990
Total Unrestricted Cash		6,265,741	8,282,355
Restricted			
Enterprise Bank and Trust		2,653,708	1,485,719
Total Restricted Cash		2,653,708	1,485,719
Total Cash	$	8,919,449	9,768,074

NOTE D—MORTGAGES RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

Mortgages receivable for Ventana Fund are composed of the following as of September 30:

		2025		
		Principal Due within One Year	Principal Due after One Year	Total
Mortgages Receivable	$	4,024,123	36,101,686	40,125,809
Less Allowance for Loan Losses		(48,136)	(955,260)	(1,003,396)
Mortgages Receivable, Net	$	3,975,987	35,146,426	39,122,413

		2024		
		Principal Due within One Year	Principal Due after One Year	Total
Mortgages Receivable	$	1,213,504	28,287,372	29,500,876
Less Allowance for Loan Losses		(14,811)	(793,772)	(808,583)
Mortgages Receivable, Net	$	1,198,693	27,493,600	28,692,293

Ventana Fund's loan portfolio consists solely of mortgages receivable. Management estimates an allowance for loan losses using a model that incorporates historical loss experience, current economic conditions, reasonable and supportable forecasts, and the credit risk ratings assigned to each loan.

The rollforward of the allowance is as follows:

Allowance for Loan Losses		2025	2024
Beginning Balance	$	808,583	636,900
Provision for Loan Losses		194,813	171,683
Loan Charge-Offs		-	-
Recoveries		-	-
Ending Balance	$	1,003,396	808,583

As described in Note B, Ventana Fund assigns risk ratings to its loan portfolio based on an assessment of credit risk. The allowance for credit losses is estimated at 2-5% of each loan balance, considering these risk ratings along with historical and current economic factors.

NOTE E—CONDITIONAL CONTRIBUTION RECEIVABLE

During the year ended September 30, 2025, the Organization advanced $43,000 to Hexagon Housing Fund, a related nonprofit entity formed to provide financing for attainable workforce housing in New Mexico.

The advance is contingent upon Hexagon Housing Fund obtaining recognition as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Upon receipt of the determination letter, the advance will be forgiven and recognized as a contribution by the Organization.

Because the forgiveness is subject to this condition, the amount has been recorded as a conditional contribution receivable as of September 30, 2025. If the condition is not satisfied, the Organization retains the right to repayment of the advance.

Hexagon Housing Fund is a related party of the Organization (see Note N).

NOTE F—MORTGAGE SERVICER RECEIVABLES

Ventana Fund works with outside mortgage servicers to track and maintain its loans receivable. From time to time, a loan may be repaid to a servicer, but the funds might not yet be received by Ventana Fund as of the end of the fiscal year. These funds in transit are treated as receivables on the Statement of Financial Position.

NOTE G—PROPERTY, EQUIPMENT, AND DEPRECIATION

Ventana property and equipment at September 30, 2025 consist of the following:

		2024	Additions	Deletions	2025
Land	$	-	47,300	-	47,300
Buildings and Improvements		-	743,441	-	743,441
Total		-	790,741	-	790,741
Less accumulated depreciation		-	(8,885)	-	(8,885)
Total property and equipment, net	$	-	781,856	-	781,856

In February 2025, the Organization purchased an office building that now serves as its administrative headquarters. The building was briefly leased back to the seller following the purchase while the Organization completed minor renovations and prepared the space for occupancy.

Depreciation expense for the year ended September 30, 2025 was $8,885. There was no depreciation expense for the year ended September 30, 2024.

NOTE H—NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL RESTRICTIONS

Net assets with donor restrictions, perpetual in nature, were comprised of the following as of September 30:

Revolving Loan Fund	2024	Additions	Deletions	2025
Mortgage Receivables	$ 2,298,602	-	(977,057)	1,321,545
Cash and Cash Equivalents	1,301,398	977,057	-	2,278,455
Total	$ 3,600,000	977,057	(977,057)	3,600,000

NOTE I—NET ASSETS WITH DONOR RESTRICTIONS – PURPOSE AND TIME RESTRICTIONS

Net assets with donor restrictions for specific purposes or time restrictions were comprised of the following as of September 30:

Donor Restricted Funds	2024	Additions	Released	2025
Mortgage Receivables	$ 3,482,484	785,000	(613,970)	3,653,514
Cash and Cash Equivalents	62,463	88,970	(3,913)	147,520
Interest Income from Loan Repayments (Cash)	121,858	178,220	(72,345)	227,733
2021 Financial Assistance Loan	(525,000)	-	525,000	-
2022 Financial Assistance Loan	(400,000)	(160,000)	-	(560,000)
2024 Financial Assistance Loan	-	(625,000)	-	(625,000)
Less: Advance on Grants	(62,463)	-	3,913	(58,550)
Total	$ 2,679,342	267,190	(161,315)	2,785,217

During the years ended September 30, 2025, and 2024, Ventana Fund satisfied the compliance requirements associated with certain CDFI Assistance Agreements. As a result, donor-restricted funds were released from restrictions as follows:

Program	Fiscal Year Ended September 30		Amount
CDFI-FA 21 Assistance Agreement	2025	$	625,000
CDFI-RRP Assistance Agreement	2024		1,826,265
CDFI-FA 19 Assistance Agreement	2024	$	565,000

NOTE J—CONCENTRATIONS OF CREDIT, MARKET AND BUSINESS RISK

Credit and Market Risk Concentration

Financial instruments that potentially expose Ventana Fund to concentrations of credit risk consist primarily of cash and mortgages receivable for the years ended September 30, 2025 and 2024. Bank deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable limits. At times, Ventana Fund's cash balances may exceed these insured limits. As of September 30, 2025, and 2024, cash balances in excess of FDIC insurance limits totaled $2,388,098 and $592,792, respectively. Ventana Fund maintains a sweep account with Enterprise Bank for its primary operating account to help manage deposits in excess of FDIC insurance limits.

Concentration from a Single Grantor

Ventana Fund has a concentration of funding from the U.S. Department of the Treasury. For the years ended September 30, 2025, and 2024, the Organization received $3,913 and $2,575,021, respectively, in Treasury grant funding. In addition, Treasury-funded loan programs represented outstanding loan balances of $3,653,514 and $3,482,484 at September 30, 2025, and 2024, respectively. The loss, reduction, or delayed availability of Treasury funding could have a significant adverse effect on the Organization's operations and lending activities.

Revenue Concentration

Ventana Fund received its revenue and support from the following sources:

		2025		2024	
Concentration of Funding Sources		Amount	%	Amount	%
Interest Income – Program Loans	$	1,485,897	74.0%	1,074,726	26.2%
Investment Interest		296,207	14.7%	272,452	6.6%
Program Loan Fee Income		194,039	9.6%	175,518	4.3%
Grants		18,913	0.9%	2,575,021	62.9%
Contract Revenue		7,500	0.4%	-	0.0%
Other Operating Income		5,575	0.3%	1,971	0.0%
Rental Income		2,754	0.1%	-	0.0%
	$	2,010,885	100%	4,099,688	100%

Borrower Concentration

Ventana Fund's mortgage receivable portfolio is diversified among multiple borrowers and projects. As of September 30, 2025, and 2024, no single borrower represented a significant concentration of the total mortgage receivable portfolio.

Geographical Concentration

The Organization's operations are limited to the State of New Mexico.

NOTE K—RELATIONSHIP WITH INTERESTED DONOR

Loan Program Grant

Ventana Fund received a multi-year loan program grant from Housing New Mexico (formerly known as the Mortgage Finance Authority) beginning in April 2014 to provide direct lending to eligible recipients to support the development of affordable housing for low- and moderate-income persons.

All but $100,000 of the cash grant funds have been allocated to Ventana Fund's perpetually restricted revolving loan fund.

NOTE L—PROFESSIONAL SERVICES CONTRACTS

Ventana Fund utilizes Housing New Mexico (formerly known as the Mortgage Finance Authority) to service some of its mortgage receivables for a fee in the amount of 0.35% of the interest rate on each loan, until such loans are fully paid. The agreement may be terminated by either party, regardless of cause, upon 30 days' written notice. Loan service fees paid to Housing New Mexico are netted against interest income.

During the year ended September 30, 2021, Ventana Fund executed an agreement with NM Escrow to serve as its loan servicer. Loan servicing fees are paid by the borrowers.

NOTE M—PROGRAMMATIC LONG-TERM DEBT

The Organization classifies its long-term borrowings as programmatic long-term debt because they are incurred to support its affordable housing lending programs, including construction and rehabilitation lending, rather than to finance general operations.

Changes in long-term obligations for the year ended September 30, 2025, were as follows:

	Balance 2024	Additions	Retirements	Balance 2025	Amounts Due Within One Year
SBIC Promissory Note	$ 25,722,964	8,940,760	(163,724)	34,500,000	2,092,874
Enterprise PRI Loan – 2021	1,000,000	-	-	1,000,000	-
Enterprise PRI Loan – 2025	-	1,000,000	-	1,000,000	-
2021 CDFI-FA Federal Loan	525,000	-	-	525,000	-
2022 CDFI-FA Federal Loan	400,000	160,000	-	560,000	-
2024 CDFI-FA Federal Loan	-	625,000	-	625,000	-
Total	$ 27,647,964	10,725,760	(163,724)	38,210,000	2,092,874

A five-year schedule of payments is not presented because a significant portion of programmatic long-term debt consists of a revolving line of credit, and the amounts outstanding and timing of repayment vary from year to year based on utilization.

SBIC Revolving Loan Agreement and Promissory Note

In December 2019, a loan agreement was established between Ventana Fund and the New Mexico Small Business Investment Corporation (SBIC), a New Mexico nonprofit corporation. As part of the loan agreement, a promissory note was obtained by Ventana Fund to support its programmatic lending activities, including issuing construction and rehabilitation loans to qualified housing developers. The promissory note serves as a revolving line of credit. The promissory note was amended on March 31, 2025, to increase the line of credit to $34.5 million. All unpaid principal and interest under this note shall be due and payable on December 31, 2033. Interest payments are due quarterly, and the interest rate on the loan is 2%.

Collateral for the loan includes, but is not limited to, the assignment of all loans made by the Ventana Fund with funds obtained from this loan agreement, as well as security interests, deeds of trust, and other items described in Schedule A of the Loan Agreement.

Program Related Investment Loans

Ventana Fund entered into Program Related Investment (PRI) loan agreements with Enterprise Bank & Trust Foundation (Enterprise) to support its programmatic affordable housing loan fund. These loans were referred to as "EQ2" loans in prior financial statements; however, in connection with the extension of the existing loan and execution of an additional loan agreement during the year, they are more appropriately described as Program Related Investments structured as loans.

Enterprise PRI Loan – 2021 Agreement

On October 25, 2021, Enterprise agreed to lend Ventana Fund $1,000,000. The loan bears interest at 3.0% per annum on the outstanding principal balance for the first three years following the disbursement date. Interest is payable quarterly, and payments received are applied first to accrued but unpaid interest and then to principal.

The outstanding principal balance and any accrued interest are due three years after the disbursement date. Ventana Fund has the option to extend the maturity date for four additional one-year periods upon written request to the lender. During the year ended September 30, 2025, Ventana exercised an extension option, extending the maturity date to October 25, 2026.

Enterprise PRI Loan – 2025 Agreement

On July 7, 2025, Enterprise entered into an additional Program Related Investment agreement with Ventana Fund to lend $1,000,000. The loan bears interest at 4.0% per annum on the outstanding principal balance for the first three years following the disbursement date. Interest is payable quarterly.

The principal balance and accrued interest are due three years after the disbursement date, with four optional one-year extensions available upon written request.

Both PRI loans are subordinated to other creditors of Ventana Fund but rank equally with other programmatic equity-equivalent investments or program related investments structured as loans on concessionary terms.

CDFI-FA Federal Loans

Ventana Fund entered into loan agreements with the Community Development Financial Institutions Fund (CDFI Fund), a wholly owned government corporation within the U.S. Department of the Treasury, to support its programmatic lending activities. The loans require semiannual interest payments due June 30 and December 31 of each year. Principal payments begin in year eleven of each agreement and continue semiannually through the maturity date.

Loan	Agreement Date		Maximum Loan Amount	Interest Rate	Maturity Date
2021 CDFI-FA Federal Loan	March 22, 2022	$	525,000	0.66%	March 22, 2035
2022 CDFI-FA Federal Loan	July 29, 2023	$	560,000	1.39%	July 31, 2036
2024 CDFI-FA Federal Loan	February 4, 2025	$	625,000	4.19%	February 4, 2038

Interest accrues daily on the outstanding principal balance. Beginning in year eleven of each loan agreement, Ventana Fund is required to make semiannual principal payments equal to one-sixth of the outstanding principal balance as of the beginning of year eleven, with the final payment due on the maturity date.

NOTE N—RELATED PARTIES

Board Chair – Brokerage Relationship

The Board Chair's company served as the listing broker for 12 of the 51 outstanding mortgage receivables. While the Organization did not provide direct compensation to the Board Chair's company, the company earned commissions from third-party sellers as part of these transactions. To avoid any conflict of interest, the Board Chair abstains from voting when such transactions are reviewed and approved by the Board of Directors.

Hexagon Housing Fund

The Organization maintains a relationship with Hexagon Housing Fund, a nonprofit entity formed in 2024 to provide financing for attainable workforce housing in New Mexico. One member of the Organization's Board of Directors also serves as Board President of Hexagon Housing Fund.

During the year ended September 30, 2025, the Organization provided seed funding to Hexagon Housing Fund. See Note E for additional information regarding the conditional contribution receivable associated with this funding. The Organization also entered into an administrative services arrangement under which the Organization provides operational support for a monthly fee of $1,000. In addition, Hexagon Housing Fund reimburses the Organization for certain legal and accounting costs incurred on its behalf.

The Organization does not control Hexagon Housing Fund, and Hexagon Housing Fund maintains an independent governing board.

VENTANA FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title		Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Direct				
Department of the Treasury				
Community Development Financial Institutions Program				
Program Expenditures	*	21.020	n/a	$ -
Loans	*	21.020	n/a	1,710,000
Total 21.020				1,710,000
Community Development Financial Institutions Emergency Response Program (CDFI ERP)				
Program Expenditures		21.033	n/a	3,913
Loans		21.033	n/a	2,557,484
Total 21.033				2,561,397
Total Department of the Treasury				4,271,397
Total Expenditures of Federal Awards				$ 4,271,397

Reconciliation to Financial Statements	
Federal Grant Revenue Per Statement of Activities	$ 3,913
Loan Balance, Beginning of the Year	3,482,484
Value of New Loans Issued	785,000
Total Federal Grant Revenue and Federal Loan Fund Activity	4,271,397
Federal Expenditures Per SEFA	4,271,397
Difference	$ -

*denotes major federal program

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation and Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") presents the federal award activity of Ventana Fund for the year ended September 30, 2025. The SEFA is presented on the accrual basis of accounting and in accordance with the requirements of *2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* . For purposes of the SEFA, federal awards are recognized as expended in accordance with 2 CFR §200.502. Grant awards are recognized when the related expenditure or expense transactions occur. Federal loan programs are recognized based on new loans made during the year plus the beginning-of-year balance of prior loans for which continuing compliance requirements remained in effect. Amounts reported in the SEFA are derived from and are a component of Ventana Fund's underlying accounting records used to prepare the financial statements.

Note 2. Subrecipients

Ventana Fund did not provide federal awards to subrecipients during the year ended September 30, 2025.

Note 3. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended September 30, 2025.

Note 4. De Minimis Indirect Cost Rate

Ventana Fund did not elect to use the de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5. Federal Loan Program

Federal loan programs listed below are administered directly by Ventana Fund, and balances and transactions relating to these programs are included in Ventana Fund's financial statements. Federal expenditures for loan programs included in the SEFA represent the value of new loans made during the year plus the beginning-of-year balance of loans from prior years for which the federal government imposes continuing compliance requirements, plus any related interest subsidy, cash, or administrative cost allowance received.

The loan activity related to Federal Funding at September 30, 2025 consist of:

	Assistance Listing Number 21.020	Assistance Listing Number 21.033	Total
Loan Balance, Beginning of the Year	$ 925,000	2,557,484	3,482,484
Value of New Loans Issued	785,000	-	785,000
Principal Repayments Received	-	(88,970)	(88,970)
Loan Restrictions Released by CDFI	(525,000)	-	(525,000)
Balance of Loans at September 30, 2025	$ 1,185,000	2,468,514	3,653,514
Total Expenditures of Federal Awards Presented for Loan	$ 1,710,000	2,557,484	4,267,484

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

The Board of Directors and Management of
Ventana Fund
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ventana Fund (the "Organization"), which comprise the Statement of Financial Position as of September 30, 2025, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hinkle + Landers, P.C.

Hinkle + Landers, PC
Albuquerque, NM
March 20, 2026

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

The Board of Directors and Management of
Ventana Fund
Albuquerque, New Mexico

Opinion on Each Major Federal Program

We have audited Ventana Fund's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Ventana Fund's major federal programs for the year ended September 30, 2025. Ventana Fund's major federal programs are identified in the summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Ventana Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ventana Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ventana Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Ventana Fund's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Hinkle + Landers, P.C.

Hinkle + Landers, PC
Albuquerque, NM
March 20, 2026

VENTANA FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	☐Yes ☒No
Significant deficiency(ies) identified	☐Yes ☒No
Noncompliance material to financial statements	☐Yes ☒No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified	☐Yes ☒No
Significant deficiency(ies) identified	☐Yes ☒No
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of 2 CFR part 200?	☐Yes ☒No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster	Funding Source
21.020	Community Development Financial Institutions Program	Department of the Treasury

Dollar threshold used to distinguish between Type A and Type B programs	$1,000,000
Auditee qualified as low-risk auditee?	☒Yes ☐No

VENTANA FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION II AND III—SUMMARY OF FINANCIAL AND FEDERAL AWARD FINDINGS

Findings				
Reference #	Description	Current or Prior Year Finding	Status of Findings	Type of Finding *
None	n/a	n/a	n/a	n/a

* Legend for Type of Findings

Section II - Financial Statement Findings

A. Material Weakness in Internal Control Over Financial Reporting
B. Significant Deficiency in Internal Control Over Financial Reporting
C. Finding That Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting
D. Instance of Non-Compliance Material to the Financial Statements

Section III - Major Federal Programs Findings

E. Material Weakness in Internal Control Over Compliance of Federal Awards
F. Significant Deficiency in Internal Control Over Compliance of Federal Awards
G. Material Non-Compliance Related to Federal Awards
H. Instance of Non-Compliance Related to Federal Awards
I. Instance of Material Non-Compliance

SECTION IV—STATUS OF PRIOR YEAR FINDINGS

None

VENTANA FUND
IDENTIFICATION OF AUDIT PARTNER
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Audit Firm: Hinkle + Landers, PC

Auditor's FEIN: 85-0232815

Office Address: 2500 9th Street NW, Albuquerque, NM 87102

Audit Partner: Farley Vener

Audit Partner's Telephone # 505-883-8788

Audit Period: For the Year Ended September 30, 2025