

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE, etc.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report, etc.
C If the plan is a collectively-bargained plan, check here.
D Check box if filing under: Form 5558, automatic extension, the DFVC program, special extension, etc.
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

1a Name of plan: NATIONAL DANCE INSTITUTE - NM 401(K) PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/2024
2a Plan sponsor's name (employer, if for a single-employer plan): NATIONAL DANCE INSTITUTE NEW MEXICO
2b Employer Identification Number (EIN): 85-0431846
2c Plan Sponsor's telephone number: 505-983-7646
2d Business code (see instructions)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	101
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	101
	6a(2)	98
	6b	0
	6c	6
	6d	104
	6e	0
	6f	104
	6g(1)	0
6g(2)	104	
6h	0	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
 2E 2F 2G 2J 2K 2S 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input checked="" type="checkbox"/> Insurance	(1) <input checked="" type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached _____
- (5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) **H** (Financial Information)
- (2) **I** (Financial Information – Small Plan)
- (3) **A** (Insurance Information) – Number Attached 1
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<p>SCHEDULE A (Form 5500)</p> <p>Department of the Treasury Internal Revenue Service</p> <hr/> <p>Department of Labor Employee Benefits Security Administration</p> <hr/> <p>Pension Benefit Guaranty Corporation</p>	<p>Insurance Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ File as an attachment to Form 5500.</p> <p>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</p>	<p>OMB No. 1210-0110</p> <hr/> <p>2024</p> <hr/> <p>This Form is Open to Public Inspection</p>
---	--	--

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

<p>A Name of plan NATIONAL DANCE INSTITUTE - NM 401(K) PLAN</p>	<p>B Three-digit plan number (PN) ▶</p>	<p>001</p>
<p>C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL DANCE INSTITUTE NEW MEXICO</p>	<p>D Employer Identification Number (EIN) 85-0431846</p>	

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
84-0467907	68322	521226-01	0	01/01/2024	12/31/2024

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
---	--------------------------------------

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information
 Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	4
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b Premiums paid to carrier **6b**

c Premiums due but unpaid at the end of the year **6c**

d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
 Specify nature of costs ▶

e Type of contract: (1) individual policies (2) group deferred annuity
 (3) other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

- a** Type of contract: (1) deposit administration (2) immediate participation guarantee
 (3) guaranteed investment (4) other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year	7b	0	
c Additions: (1) Contributions deposited during the year	7c(1)	4	
	(2) Dividends and credits.....	7c(2)	0
	(3) Interest credited during the year.....	7c(3)	0
	(4) Transferred from separate account	7c(4)	0
	(5) Other (specify below).....	7c(5)	0
	▶ LOAN PAYMENTS		
(6) Total additions	7c(6)	4	
d Total of balance and additions (add lines 7b and 7c(6))	7d	4	
e Deductions:			
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0
	(2) Administration charge made by carrier.....	7e(2)	0
	(3) Transferred to separate account	7e(3)	0
	(4) Other (specify below).....	7e(4)	
▶			
(5) Total deductions	7e(5)	0	
f Balance at the end of the current year (subtract line 7e(5) from line 7d).....	7f	4	

Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** Health (other than dental or vision)
- b** Dental
- c** Vision
- d** Life insurance
- e** Temporary disability (accident and sickness)
- f** Long-term disability
- g** Supplemental unemployment
- h** Prescription drug
- i** Stop loss (large deductible)
- j** HMO contract
- k** PPO contract
- l** Indemnity contract
- m** Other (specify) ▶

9 Experience-rated contracts:

a	Premiums: (1) Amount received	9a(1)		
	(2) Increase (decrease) in amount due but unpaid	9a(2)		
	(3) Increase (decrease) in unearned premium reserve	9a(3)		
	(4) Earned ((1) + (2) - (3))		9a(4)	0
b	Benefit charges (1) Claims paid	9b(1)		
	(2) Increase (decrease) in claim reserves	9b(2)		
	(3) Incurred claims (add (1) and (2))		9b(3)	0
	(4) Claims charged		9b(4)	
c	Remainder of premium: (1) Retention charges (on an accrual basis) --			
	(A) Commissions	9c(1)(A)		
	(B) Administrative service or other fees	9c(1)(B)		
	(C) Other specific acquisition costs	9c(1)(C)		
	(D) Other expenses	9c(1)(D)		
	(E) Taxes	9c(1)(E)		
	(F) Charges for risks or other contingencies	9c(1)(F)		
	(G) Other retention charges	9c(1)(G)		
	(H) Total retention		9c(1)(H)	0
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)		9c(2)	
d	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
	(2) Claim reserves		9d(2)	
	(3) Other reserves		9d(3)	
e	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a	Total premiums or subscription charges paid to carrier	10a	
b	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	--	---

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan NATIONAL DANCE INSTITUTE - NM 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL DANCE INSTITUTE NEW MEXICO	D Employer Identification Number (EIN) 85-0431846	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

EMPOWER ANNUITY INSURANCE COMPANY O

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	2800	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY

1585 BROADWAY
NEW YORK, NY 10036

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	2128	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
 (complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan NATIONAL DANCE INSTITUTE - NM 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 NATIONAL DANCE INSTITUTE NEW MEXICO	D Employer Identification Number (EIN) 85-0431846

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	1282904
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	4
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation.....	1e	0	0
f Total assets (add all amounts in lines 1a through 1e).....	1f	0	1282908
Liabilities			
g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	0	1282908

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	113798	
(B) Participants.....	2a(1)(B)	216731	
(C) Others (including rollovers).....	2a(1)(C)	884230	
(2) Noncash contributions.....	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1214759
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities.....	2b(1)(B)	0	
(C) Corporate debt instruments.....	2b(1)(C)	0	
(D) Loans (other than to participants).....	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	0	
(F) Other.....	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)	0	
(B) Common stock.....	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	29110	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		29110
(3) Rents.....	2b(3)		0
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)	0	
(B) Other.....	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

	(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)	0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)	0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)	0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)	0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)	54837
c Other income	2c	0
d Total income. Add all income amounts in column (b) and enter total.....	2d	1298706

Expenses

e Benefit payment and payments to provide benefits:		
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	10871
(2) To insurance carriers for the provision of benefits	2e(2)	0
(3) Other.....	2e(3)	0
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)	10871
f Corrective distributions (see instructions)	2f	0
g Certain deemed distributions of participant loans (see instructions).....	2g	0
h Interest expense.....	2h	0
i Administrative expenses:		
(1) Salaries and allowances	2i(1)	0
(2) Contract administrator fees	2i(2)	0
(3) Recordkeeping fees	2i(3)	2799
(4) IQPA audit fees	2i(4)	0
(5) Investment advisory and investment management fees	2i(5)	2128
(6) Bank or trust company trustee/custodial fees	2i(6)	0
(7) Actuarial fees	2i(7)	0
(8) Legal fees	2i(8)	0
(9) Valuation/appraisal fees	2i(9)	0
(10) Other trustee fees and expenses	2i(10)	0
(11) Other expenses.....	2i(11)	0
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)	4927
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j	15798

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k	1282908
l Transfers of assets:		
(1) To this plan.....	2l(1)	
(2) From this plan	2l(2)	

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name:

(2) EIN:

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?		X	
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection.
--	---	--

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>NATIONAL DANCE INSTITUTE - NM 401(K) PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NATIONAL DANCE INSTITUTE NEW MEXICO</u>	D Employer Identification Number (EIN) <u>85-0431846</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1		0
---	--	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 84-1455663

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 11 / 14 / 2022 (MM/DD/YYYY) and the Opinion Letter serial number Q702518A.



Report of Independent Auditors
and Consolidated Financial Statements

National Dance Institute of New Mexico

August 31, 2024 and 2023

Table of Contents

	Page
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10

Report of Independent Auditors

The Board of Directors
National Dance Institute of New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of National Dance Institute of New Mexico, a new Mexico not-for-profit corporation, which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of National Dance Institute of New Mexico as of August 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Dance Institute of New Mexico and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

A handwritten signature in cursive script that reads "Moss Adams LLP".

Albuquerque, New Mexico
December 9, 2024

Consolidated Financial Statements

National Dance Institute of New Mexico
Consolidated Statements of Financial Position
August 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,100,418	\$ 863,430
Pledges receivable, short-term	304,597	36,945
Grants receivable	258,987	242,487
Accounts receivable	14,066	65,451
Investments, short-term	147,105	146,298
Other assets	85,718	46,996
Total current assets	1,910,891	1,401,607
NON-CURRENT ASSETS		
Pledges receivable, long-term	77,734	429,200
Investments, long-term	45,966,983	42,261,813
Property and equipment, net	7,757,985	8,045,345
TOTAL ASSETS	\$ 55,713,593	\$ 52,137,965
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 135,455	\$ 155,721
Accrued payroll and related liabilities	332,510	201,179
Other liabilities	1,000	1,000
Deferred revenue	300,074	269,672
Total current liabilities	769,039	627,572
NET ASSETS		
Without donor restrictions	9,179,167	9,498,097
Without donor restrictions board-designated endowment	22,082,069	19,409,303
With donor restrictions	23,683,318	22,602,993
Total net assets	54,944,554	51,510,393
TOTAL LIABILITIES AND NET ASSETS	\$ 55,713,593	\$ 52,137,965

See accompanying notes.

National Dance Institute of New Mexico
Consolidated Statements of Activities
Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions			
General donation	\$ 861,509	\$ 1,194,098	\$ 2,055,607
Nonfinancial assets	20,445	-	20,445
Total contributions	<u>881,954</u>	<u>1,194,098</u>	<u>2,076,052</u>
Grants			
Operating	770,454	-	770,454
Special events contributions and sales	1,176,708	-	1,176,708
Less direct benefit costs to donors	<u>(380,190)</u>	<u>-</u>	<u>(380,190)</u>
Total special events	<u>796,518</u>	<u>-</u>	<u>796,518</u>
Merchandise sales	34,331	-	34,331
Contract for services	2,803,866	-	2,803,866
Ticket sales	64,731	-	64,731
Tuition and fees	583,156	-	583,156
Rental income	39,770	-	39,770
Endowment spending distribution	<u>25,870</u>	<u>-</u>	<u>25,870</u>
Total revenue and other support, net	<u>6,000,650</u>	<u>1,194,098</u>	<u>7,194,748</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>156,993</u>	<u>(156,993)</u>	<u>-</u>
APPROPRIATION OF ENDOWMENT ASSETS FOR EXPENDITURE	<u>(25,870)</u>	<u>-</u>	<u>(25,870)</u>
EXPENSES			
Program services	5,512,647	-	5,512,647
General and administrative	1,935,076	-	1,935,076
Fundraising expenses	<u>1,118,431</u>	<u>-</u>	<u>1,118,431</u>
Total expenses	<u>8,566,154</u>	<u>-</u>	<u>8,566,154</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(2,434,381)</u>	<u>1,037,105</u>	<u>(1,397,276)</u>
OTHER INCOME			
Dividend and interest income	718,183	-	718,183
Net unrealized			
gain on investments	2,813,657	43,220	2,856,877
Net realized			
gain on investments	1,310,328	-	1,310,328
Investment expenses	<u>(53,951)</u>	<u>-</u>	<u>(53,951)</u>
Total other income	<u>4,788,217</u>	<u>43,220</u>	<u>4,831,437</u>
CHANGE IN NET ASSETS	2,353,836	1,080,325	3,434,161
NET ASSETS AT BEGINNING OF YEAR	<u>28,907,400</u>	<u>22,602,993</u>	<u>51,510,393</u>
NET ASSETS AT END OF YEAR	<u>\$ 31,261,236</u>	<u>\$ 23,683,318</u>	<u>\$ 54,944,554</u>

See accompanying notes.

National Dance Institute of New Mexico
Consolidated Statements of Activities
Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions			
General donation	\$ 1,273,226	\$ -	\$ 1,273,226
Nonfinancial assets	16,270	-	16,270
Total contributions	<u>1,289,496</u>	<u>-</u>	<u>1,289,496</u>
Grants			
Operating	800,266	-	800,266
Special events contributions and sales	1,081,674	-	1,081,674
Less direct benefit costs to donors	<u>(279,523)</u>	<u>-</u>	<u>(279,523)</u>
Total special events	<u>802,151</u>	<u>-</u>	<u>802,151</u>
Merchandise sales	30,795	-	30,795
Contract for services	1,398,132	-	1,398,132
Ticket sales	69,719	-	69,719
Tuition and fees	591,597	-	591,597
Rental income	25,054	-	25,054
Miscellaneous income	25,062	-	25,062
Endowment spending distribution	<u>1,959,879</u>	<u>-</u>	<u>1,959,879</u>
Total revenue and other support, net	<u>6,992,151</u>	<u>-</u>	<u>6,992,151</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>222,664</u>	<u>(222,664)</u>	<u>-</u>
APPROPRIATION OF ENDOWMENT ASSETS FOR EXPENDITURE	<u>(1,959,879)</u>	<u>-</u>	<u>(1,959,879)</u>
EXPENSES			
Program services	4,872,914	-	4,872,914
General and administrative	1,292,790	-	1,292,790
Fundraising expenses	<u>1,036,425</u>	<u>-</u>	<u>1,036,425</u>
Total expenses	<u>7,202,129</u>	<u>-</u>	<u>7,202,129</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>(1,947,193)</u>	<u>(222,664)</u>	<u>(2,169,857)</u>
OTHER INCOME			
Dividend and interest income	610,561	-	610,561
Net unrealized			
gain on investments	1,102,332	64,656	1,166,988
Net realized			
gain on investments	388,571	12,768	401,339
Investment expenses	<u>(57,316)</u>	<u>-</u>	<u>(57,316)</u>
Total other income	<u>2,044,148</u>	<u>77,424</u>	<u>2,121,572</u>
CHANGE IN NET ASSETS	96,955	(145,240)	(48,285)
NET ASSETS AT BEGINNING OF YEAR	<u>28,810,445</u>	<u>22,748,233</u>	<u>51,558,678</u>
NET ASSETS AT END OF YEAR	<u>\$ 28,907,400</u>	<u>\$ 22,602,993</u>	<u>\$ 51,510,393</u>

See accompanying notes.

National Dance Institute of New Mexico
Consolidated Statements of Functional Expenses
Year Ended August 31, 2024

	Program Services				Total Program	General and Administrative	Fundraising Expenses	Total
	Outreach	Advanced	Residency	Other				
Salaries and wages	\$ 1,481,142	\$ 1,079,882	\$ 403,479	\$ 230,651	\$ 3,195,154	\$ 516,917	\$ 588,235	\$ 4,300,306
Employee benefits	379,642	277,699	84,351	23,336	765,028	66,404	101,706	933,138
Payroll taxes	111,839	82,271	31,319	18,060	243,489	44,804	43,200	331,493
Contract labor	1,240	-	1,774	496	3,510	583,442	27,231	614,183
Total personnel expenses	1,973,863	1,439,852	520,923	272,543	4,207,181	1,211,567	760,372	6,179,120
Direct production expenses	89,608	67,487	38,436	64,007	259,538	8,836	20,987	289,361
Outside services	35,974	25,201	9,403	16,612	87,190	269,695	45,730	402,615
Promotions and public relations	7,559	26,458	-	4,285	38,302	-	123,112	161,414
Office expenses	45,800	97,151	7,108	19,693	169,752	86,469	61,070	317,291
Facilities and equipment	31,879	176,164	4,800	61,764	274,607	206,731	16,325	497,663
Travel expenses	31,393	13,251	96,879	35,839	177,362	15,660	6,543	199,565
Other expenses	19,687	27,199	1,858	19,871	68,615	77,671	13,442	159,728
Total expenses before depreciation	2,235,763	1,872,763	679,407	494,614	5,282,547	1,876,629	1,047,581	8,206,757
Depreciation	99,200	84,820	23,465	22,615	230,100	58,447	70,850	359,397
Total expenses	\$ 2,334,963	\$ 1,957,583	\$ 702,872	\$ 517,229	\$ 5,512,647	\$ 1,935,076	\$ 1,118,431	\$ 8,566,154

See accompanying notes.

National Dance Institute of New Mexico
Consolidated Statements of Functional Expenses
Year Ended August 31, 2023

	Program Services				Total Program	General and Administrative	Fundraising Expenses	Total
	Outreach	Advanced	Residency	Other				
Salaries and wages	\$ 1,303,773	\$ 987,005	\$ 335,454	\$ 217,904	\$ 2,844,136	\$ 521,124	\$ 661,600	\$ 4,026,860
Employee benefits	250,435	181,265	71,601	40,087	543,388	110,941	70,777	725,106
Payroll taxes	97,395	75,762	25,058	20,086	218,301	36,984	50,311	305,596
Contract labor	49,504	43,105	35,015	20,207	147,831	53,001	2,688	203,520
Total personnel expenses	1,701,107	1,287,137	467,128	298,284	3,753,656	722,050	785,376	5,261,082
Direct production expenses	16,689	24,428	5,970	14,693	61,780	12,407	2,418	76,605
Outside services	12,395	10,800	2,180	4,491	29,866	248,333	114,519	392,718
Promotions and public relations	8,697	27,573	1,745	16,560	54,575	7,571	65,091	127,237
Office expenses	28,280	77,459	7,876	24,318	137,933	46,935	32,475	217,343
Facilities and equipment	39,700	229,283	5,291	9,677	283,951	99,774	12,950	396,675
Travel expenses	48,933	23,563	133,011	14,787	220,294	11,256	2,728	234,278
Other expenses	10,061	16,543	1,108	6,417	34,129	108,146	1,003	143,278
Total expenses before depreciation	1,865,862	1,696,786	624,309	389,227	4,576,184	1,256,472	1,016,560	6,849,216
Depreciation	86,380	165,641	2,507	42,202	296,730	36,318	19,865	352,913
Total expenses	\$ 1,952,242	\$ 1,862,427	\$ 626,816	\$ 431,429	\$ 4,872,914	\$ 1,292,790	\$ 1,036,425	\$ 7,202,129

See accompanying notes.

National Dance Institute of New Mexico
Consolidated Statements of Cash Flows
Years Ended August 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,434,161	\$ (48,285)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	359,397	352,913
Investment income and realized/unrealized gains	(4,113,254)	(1,511,011)
Changes in assets and liabilities		
Pledges receivable	83,814	192,705
Grants receivable	(16,500)	670,620
Accounts receivable	51,385	43,340
Other assets	(38,722)	(43,047)
Accounts payable	(20,266)	129,614
Accrued payroll and related liabilities	131,331	51,393
Other liabilities	-	(16,033)
Deferred revenue	30,402	(29,039)
	<u>(98,252)</u>	<u>(206,830)</u>
Net cash from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(72,037)	(71,799)
Purchase of investments	(8,169,186)	(8,169,186)
Proceeds from sale of investments	8,576,463	8,920,863
	<u>335,240</u>	<u>679,878</u>
Net cash from investing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	236,988	473,048
CASH AND CASH EQUIVALENTS, beginning of year	<u>863,430</u>	<u>390,382</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,100,418</u>	<u>\$ 863,430</u>

See accompanying notes.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Note 1 – Description of Organization

National Dance Institute of New Mexico (NDI New Mexico or Organization) is a not-for-profit corporation which was incorporated in 1995 in the State of New Mexico. The mission of NDI New Mexico is based on the knowledge that the arts have a unique power to engage and motivate children. The purpose of the NDI New Mexico programs is to help children achieve discipline, a standard of excellence, and a belief in themselves that will carry over into all aspects of their lives. The Organization operates exclusively for charitable and educational purposes.

On September 8, 2016, NDI New Mexico created single member LLC, 307 Camino Alire, LLC (Camino Alire). The wholly owned subsidiary of NDI New Mexico is organized and shall be operated for the purpose of supporting and making distributions to NDI New Mexico. On September 12, 2016, 307 Camino Alire acquired a property of the same address adjacent to the NDI New Mexico Dance Barns. For tax purposes, Camino Alire is disregarded, and all of its activities are reported on NDI New Mexico's annual information return (Internal revenue Service (IRS) form 990).

Note 2 – Summary of Significant Accounting Policies

Consolidated financial statements presentation – The consolidated financial statements included the accounts and transactions of NDI New Mexico and Camino Alire (collectively, NDI New Mexico). NDI New Mexico's consolidated financial statements are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations (GAAP).

Basis of presentation – NDI New Mexico reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. NDI New Mexico has both classes of net assets as noted below:

Net assets without donor restrictions – Net assets without donor restriction are not subject to donor-imposed stipulations. Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulations or law. Expirations of donor restricted net assets, that is, the donor-imposed stipulated purpose has been accomplished and or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Net assets with donor restrictions – Donor restricted net assets include gifts, unconditional promises to give, income and gains which can be expended but for which restrictions have not yet been met. If the restriction expires in the same accounting period as the contribution is received, the revenue is shown as unrestricted. Such restrictions include restrictions where donors have specified the purpose for which the net assets are to be spent, or time limitations imposed by donors or implied by the nature of the gift (capital projects, unconditional promises to give to be paid in the future, life income funds).

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Net assets may be restricted by the donor in perpetuity, these net assets are donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise be removed by actions of NDI New Mexico. Under donor advisement of change in intent, these assets may be reclassified.

Cash and cash equivalents – NDI New Mexico considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. NDI New Mexico maintains the majority of its cash balances in financial institutions located in New Mexico. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution.

Pledges and grants receivable – Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NDI New Mexico uses the direct accounting write-off method; therefore, an allowance for doubtful accounts is not used. There were no pledges receivable written off during the years ended August 31, 2024 and 2023.

Property and equipment – Property and equipment are recorded at cost, and presented net of accumulated depreciation. Donated assets are reflected as contributions at their estimated fair value at the date of donation, as determined by management. Depreciation is computed using both straight-line and accelerated methods over estimated useful lives of the respective long-lived assets, ranging from 3 to 40 years.

Impairment of long-lived assets – NDI New Mexico reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to hold and use is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Assets to be disposed of, if any, are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of August 31, 2024 and 2023.

Deferred revenue – Student tuition payments and grants revenue received prior to August 31 and relating to the following period are recorded as deferred revenue.

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

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Revenue recognition – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. NDI New Mexico reports gifts of cash and other assets as net assets with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions support. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. The Organization reviews these promises for collectability, and, as of August 31, 2024 and 2023, all receivables and promises to give were determined to be collectible.

Contributed nonfinancial assets are reflected as contributions in the accompanying consolidated statements of activities at their estimated values at date of receipt, as determined by management.

Contract services and tuition and fees are recognized on a straight-line basis over the period of service. Other revenue is recognized at a point of time when the service is provided.

Grants receivable, accounts receivable and deferred revenue were \$913,107, \$108,791, and \$298,711 as of September 1, 2022, respectively. Revenue recognized for the year ended August 31, 2024 and 2023 was \$231,296 and \$237,033 from deferred revenue that were recoded as of September 1, 2024 and 2023, respectively.

Advertising – Advertising costs are expensed as incurred. Total advertising costs for the years ended August 31, 2024 and 2023 were \$86,371 and \$70,560, respectively.

Use of estimates – The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

Investment income – Investment income (including gains on investments, interest, and dividends) is included in the statements of activities as increases or decreases in without donor restriction net assets unless the income or loss is restricted by donor or law.

Fair value of assets and liabilities – NDI New Mexico's investments are accounted for under fair value accounting standards which provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Basis of fair value measurement

Level 1 – Quoted prices in active markets for identical assets or liabilities.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in non-active markets; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investments that do not have a readily determinable fair value and were issued by an investment company are measured using the net asset value (NAV) per share practical expedient.

Income taxes – NDI New Mexico is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) except to the extent of unrelated business taxable income as defined under IRC sections 511 through 515. NDI New Mexico had no unrecognized tax benefits which would require an adjustment as of August 31, 2024 or 2023. NDI New Mexico files an exempt organization return in the U.S. federal jurisdiction and with the State of New Mexico.

Net asset classifications – Endowments are recognized based on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA or the Act).

Concentrations – During the year ended August 31, 2023, NDI New Mexico received an endowment donation of \$1.8 million from one donor. There are no significant concentrations for the year ended August 31, 2024.

Recent accounting pronouncements – As of September 1, 2023, the Organization adopted guidance from FASB, Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Statements*. The guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The Organization has evaluated that the impact of adopting this guidance on the Organization consolidated financial statements is immaterial.

Subsequent events – Subsequent events are events or transactions that occur after the consolidated statements of financial position date but before the consolidated financial statements are issued. NDI New Mexico recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of functional position but arose after the consolidated statements of financial position date and before the consolidated financial statements are available to be issued. NDI New Mexico has evaluated subsequent events through December 9, 2024.

National Dance Institute of New Mexico
Notes to Consolidated Financial Statements

Note 3 – Contributions, Pledges, and Grants Receivables

Contributions, unconditional promises to give, and grants receivables as of August 31 were as follows:

	<u>2024</u>	<u>2023</u>
Contributions, pledges, and grants receivables due in less than one year		
Endowment pledges	\$ 139,632	\$ 17,763
Annual pledges	164,965	19,182
Grants receivable	<u>258,987</u>	<u>242,487</u>
Total receivables less than one year	<u>\$ 563,584</u>	<u>\$ 279,432</u>
Pledges and grants receivable due in one to five years		
Endowment pledges	\$ 77,734	\$ 409,200
Annual pledges	<u>-</u>	<u>20,000</u>
Total receivables from one to five years	<u>\$ 77,734</u>	<u>\$ 429,200</u>
Total contributions, pledges, and grants receivables	<u>\$ 641,318</u>	<u>\$ 708,632</u>

Note 4 – Property and Equipment

The following is a summary of property and equipment as of August 31:

	<u>2024</u>	<u>2023</u>
Equipment	\$ 1,482,588	\$ 1,410,550
Furniture and fixtures	476,940	476,940
Buildings	12,460,240	12,460,240
Software	125,991	125,991
Other	<u>36,000</u>	<u>36,000</u>
Total	14,581,759	14,509,721
Accumulated depreciation	<u>(6,823,774)</u>	<u>(6,464,376)</u>
Total property and equipment	<u>\$ 7,757,985</u>	<u>\$ 8,045,345</u>

Depreciation expense for the years ended August 31, 2024 and 2023 was \$359,397 and \$352,913, respectively.

Note 5 – Related-Party Transactions

Members of the board of directors made contribution pledges that were recorded as receivables for the capital campaign, annual pledges, and endowment at August 31, 2024 and 2023. The balances due to NDI New Mexico as of August 31, 2024 and 2023, were \$198,666 and \$358,358, respectively.

National Dance Institute of New Mexico
Notes to Consolidated Financial Statements

Note 6 – Investments

Investment securities at August 31 consisted of the following:

	2024	2023
Private equity funds	\$ 17,754,861	\$ 16,408,713
Real estate funds	2,998,057	3,384,219
Fixed income funds	7,730,154	4,943,054
Diversifying funds	4,535,928	4,190,331
Closed end funds	12,325,097	12,946,075
Certificates of deposit	147,105	146,298
Other	622,886	389,421
	46,114,088	42,408,111
Less long-term portion of investments	45,966,983	42,261,813
Investments, short-term	\$ 147,105	\$ 146,298

The net realized and unrealized gains on investments for the years ended August 31, 2024 and 2023, are \$4,113,254 and \$1,511,011, respectively.

Investment securities at August 31 by purpose consisted of the following:

	2024	2023
Endowment	\$ 44,636,602	\$ 40,769,738
Replacement reserve	1,291,609	1,406,474
Capital campaign	86,692	85,601
Held for statutory requirements	48,618	48,352
Other operating	50,567	97,946
Total	\$ 46,114,088	\$ 42,408,111

Note 7 – Fair Value Measurements

Investments held in equity funds, bond funds, common stock, bank common stock, and certificates of deposits values were determined based on quoted market prices available in an active market and, therefore, are considered Level 1 securities.

Private Equity Investments, Real Estate Funds, Fixed Income Investment, Diversifying Funds, and Closed End Funds are valued based on the fund's net asset value (NAV) per share practical expedient at the fund's reporting date using pricing inputs, including audited financial statements of the funds and over-the-counter transactions near year end.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

The following table presents the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2024 and 2023:

	Investment Assets at Fair Value as of August 31, 2024			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 147,105	\$ -	\$ -	\$ 147,105
Other	622,886	-	-	622,886
	\$ 769,991	\$ -	\$ -	769,991
Investments measured at net asset value (practical expedient)				45,344,097
Total investments				\$ 46,114,088
	Investment Assets at Fair Value as of August 31, 2023			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ 146,298	\$ -	\$ -	\$ 146,298
Other	389,421	-	-	389,421
	\$ 535,719	\$ -	\$ -	535,719
Investments measured at net asset value (practical expedient)				41,872,392
Total investments				\$ 42,408,111

National Dance Institute of New Mexico Notes to Consolidated Financial Statements

The following summarized the nature and risk of those investments that are reported at estimated fair value utilizing net asset value as of August 31, 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity funds (a)				
Schwab S&P 500 Index Fund	\$ 83,708	\$ -	daily	1 business days
Vanguard S&P 500 ETF	34,367	-	daily	1 business days
Commonfund OCIO Global Equity LLC	17,636,786	-	daily	1 business days
Total private equity funds	<u>17,754,861</u>	<u>-</u>		
Real estate funds (b)				
CF REIT Portfolio	1,937,330	-	monthly	5 business days
GMO Resources Class R6	1,060,727	-	monthly	5 business days
Total real estate funds	<u>2,998,057</u>	<u>-</u>		
Fixed income funds (c)				
iShares Core US Aggregate Bond ETF	68,610	-	daily	1 business days
Fidelity U.S. Bond Index Fund	89,662	-	daily	1 business days
CFI High Quality Bond Fund, LLC	5,070,535	-	weekly	5 business days
CF Credit Series	2,501,347	-	weekly	5 business days
Total fixed income funds	<u>7,730,154</u>	<u>-</u>		
Diversifying funds (d)				
State Street Institutional			Quarterly (Up to	
US Govt Money Market Fund	4,535,928	-	25% of shares/qr.)	95 calendar days
Total diversified funds	<u>4,535,928</u>	<u>-</u>		
Closed end funds (e)				
CCI-OCIO Global Private Equity Fund IV	637,954	660,000	none	-
OCIO Global Private Equity Fund V, L.P.	50,127	712,500	none	-
Venture Partners XIV	428,118	364,000	none	-
Venture Partners XV	17,914	482,500	none	-
Capital Partners VII, LP	4,127,047	360,886	none	-
Secondary Partners II	2,770,966	867,513	none	-
Commonfund Private Credit Fund II, L.P.	701,248	406,680	none	-
Commonfund Private Credit Fund III, L.P.	194,486	617,281	none	-
Environmental Sustainability Prtnrs 2020	986,208	285,000	none	-
Environmental Solutions Prtnrs II	316	750,000	none	-
Strategic Solutions Core Real Estate Fd.	1,588,500	-	none	-
Commonfund Real Estate Opportunity Fd II	822,213	726,092	none	-
Total closed end funds	<u>12,325,097</u>	<u>6,232,452</u>		
Total	<u>\$ 45,344,097</u>	<u>\$ 6,232,452</u>		

- a) Schwab and Vanguard S&P 500 fund's goal is to track the total return of the S&P 500 index and are straightforward, low-cost funds with no investment minimum and invests in some of the most well-known U.S. based companies. Commonfund OCIO Global was formed primarily for the purpose of providing endowment funds and nonprofit organizations the opportunity to invest primarily in investment funds, which in turn make investments in equity securities, warrants or other options that are generally not actively traded at the time of investment.
- b) CF REIT Portfolio seeks to offer actively managed exposure to real estate trusts (REITs). The Fund will primarily invest, directly or indirectly, in publicly traded REITs, but may also invest in other related U.S. and non-U.S. securities and derivatives. The investment objective of the Fund is to outperform the FTSE Nareit All Equity REITs Index over a full market cycle. GMO Resources Fund seeks to deliver total return by investing in the equities of companies in the natural resources sector.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

- c) The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. Fidelity U.S. Bond Index Fund seeks to provide investment results that correspond to the aggregate price and interest performance of the debt securities in the U.S. aggregate bond index. CFI High Quality Bond Fund, LLC seeks to obtain the highest total investment return within the policy limitations of investing in bonds and money market instruments rated A or better, and maintaining a dollar-weighted average maturity of ten years or less. The Fund invests in a broad range of corporate debt securities, U.S. Government and its agency's debt securities, and money market instruments, and intends to maintain an overall portfolio quality rating. CF Credit Series will invest in fixed income credit securities including global sovereign debt dollar-denominated high yield bonds, dollar denominated bank loans, non-U.S. currency exposure, non-agency residential mortgages, CMBS, ABS, and other structured credit commingled partnerships and registered investment companies. The Fund seeks to outperform its benchmark, the ICE Bofa Merrill Lynch High Yield Master II Index, over a full market cycle.
- d) The State Street Institutional U.S. Government Money Market Fund's investment objective is to seek to maximize current income, to the extent consistent with the preservation of capital and liquidity and the maintenance of a stable \$1.00 per share net asset value ("NAV").
- e) CCI-OCIO Global was formed primarily for the purpose of providing endowment funds and nonprofit organizations the opportunity to invest primarily in investment funds, which in turn make investments in equity securities, warrants or other options that are generally not actively traded at the time of investment. The Partnership may also invest in operating companies as direct investments or co-investment opportunities. Venture Partners primarily seeks to achieve long-term capital appreciation and invests globally in venture capital investments and target investments on either a primary or secondary basis. The Partnership may also make a limited number of investments directly in operating companies. Capital Partners provides investors the opportunity to invest in private investment funds, which in turn, make venture capital investments primarily in domestic and international private equity investments with the objective of obtaining long-term capital growth and in equity securities, warrants, or other options that are generally not actively traded at the time of investment. The Partnership may also invest in operating companies as direct investments or co-investment opportunities. Secondary Partners seeks to acquire investments principally in secondary market transactions in leveraged buyout, growth equity, distressed securities, mezzanine financing, natural resources, and venture capital investment funds on a global basis. The Partnership may also invest directly in pooled investment vehicles or fund of funds. The Partnership may also, to a lesser extent, make direct equity, equity-like, or debt investments acquired from third parties, and may acquire investments other than in privately negotiated secondary transactions, including through the primary markets. CF Private Credit is a manager-of-managers vehicle through which qualified institutional investors can invest in private credit funds that invest primarily in U.S. corporate middle market direct lending, with some exposure to non-U.S. corporate middle market direct lending, real estate-related lending, and other private credit opportunities. The investment objective of the Partnership is to deliver private credit exposure primarily through external managers advising portfolio funds that Commonfund Asset Management Company, Inc. believes to be high-quality managers. Environmental Sustainability Partners was formed for the purpose of providing investors the opportunity to invest in Target Funds, which in turn, make investments that provide environmental and sustainability benefits to society. The Partnership may also make a limited number of investments directly in operating companies. Strategic Solutions Core Real Estate Fund seeks to provide investors with net returns in excess of its benchmark, the NCREIF Fund Index – Open End Diversified Core Equity by allocating assets to investment managers and investing in

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

diversified portfolio of open-ended investments that focus on core real estate investing. CF Real Estate Opportunity Fund is a manager-of-managers vehicle through which qualified institutional investors can invest primarily in “Non-Core” private real estate funds. The investment objective of the Partnership is to deliver “Non-Core” real estate exposure primarily through external real estate managers advising portfolio funds Commonfund Asset Management Company, Inc. believes to be high-quality managers.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the estimated fair value of investments reported in the consolidated statements of financial position as of August 31, 2024. However, the diversification of the NDI New Mexico’s invested assets among these various asset classes should mitigate the impact of any dramatic change on any one asset class.

Note 8 – Net Assets

Net assets consisted of the following at August 31:

	2024	2023
Net assets without donor restrictions		
Operating	\$ 1,421,182	\$ 1,452,752
Property and equipment	7,757,985	8,045,345
Board-designated endowment	22,082,069	19,409,303
Total net assets without donor restrictions	31,261,236	28,907,400
Net assets with donor restrictions		
Subject to passage of time		
Operating	1,042,093	1,156,957
Capital campaign	86,692	85,601
Total net assets with donor restrictions	1,128,785	1,242,558
Endowment funds restricted in perpetuity	22,554,533	21,360,435
Total net assets with donor restrictions	23,683,318	22,602,993
Total net assets	\$ 54,944,554	\$ 51,510,393

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Note 9 – Endowments

The NDI New Mexico endowment consists of a pool of funds established to support operations. It includes donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets associated with individual donor restricted endowment funds could fall below the level that the donor or UPMIFA requires NDI New Mexico to retain as a fund of perpetual duration. In accordance with GAAP, no deficiencies of this nature have been reported in net assets with donor restriction as of August 31, 2024 and 2023.

The primary investment goal of NDI New Mexico is to obtain, without undue risk, a return on investment and yield of the endowment portfolio sufficient for NDI New Mexico to meet its perceived short- and long-term obligations. NDI New Mexico seeks to earn at least the spending rate of its endowment (currently 4.7%), plus the inflation rate, as measured by the Consumer Price Index for All Urban Consumers (All Items), plus the costs of administration and management of the investment portfolio, if any. An annual draw from the permanent endowment shall be permitted on an “as needed” basis, not to exceed 5% of the quarterly rolling average for the most recent 12 quarters except as the NDI New Mexico Board of Directors may determine from time to time. The spending rate in 2024 was 4.9% of the three-year quarterly rolling average on August 31, 2024. The spending rate in 2023 was 4.9% of the three-year quarterly rolling average on August 31, 2023.

In addition, during 2024 and 2023, NDI New Mexico drew \$2,131,710 and \$0, respectively, from its Operating Reserve, which is part of the without donor restricted, board-designated endowment.

Effective July 1, 2009, the State of New Mexico enacted the UPMIFA, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors of NDI New Mexico has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

National Dance Institute of New Mexico Notes to Consolidated Financial Statements

As a result of this interpretation, NDI New Mexico classifies as net assets restricted in perpetuity (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified net assets restricted by purpose or time until those amounts are appropriated for expenditure by NDI New Mexico in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, NDI New Mexico considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of NDI New Mexico and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of NDI New Mexico
- (7) The investment policies of NDI New Mexico

Endowment net assets at August 31 consisted of the following:

	2024	2023
Perpetual endowment - with donor restriction	\$ 22,554,533	\$ 21,360,435
Board-designated endowment - without donor restriction	22,082,069	19,409,303
Total funds	\$ 44,636,602	\$ 40,769,738

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Changes in the endowment net assets for the year ended August 31, 2024, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, August 31, 2023	\$ 19,409,303	\$ 21,360,435	\$ 40,769,738
Investment return			
Investment income	718,183	-	718,183
Net appreciation (realized and unrealized)	4,113,254	-	4,113,254
Total investment return	4,831,437	-	4,831,437
Gifts, bequests and contributions	-	1,194,098	1,194,098
Transfer to capital campaign, co-invested	(1,091)	-	(1,091)
Other transfers to operating net assets	(2,131,710)	-	(2,131,710)
Appropriation of endowment assets for expenditure	(25,870)	-	(25,870)
Endowment net assets, August 31, 2024	<u>\$ 22,082,069</u>	<u>\$ 22,554,533</u>	<u>\$ 44,636,602</u>

Changes in the endowment net assets for the year ended August 31, 2023, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, August 31, 2022	\$ 19,362,321	\$ 21,360,435	\$ 40,722,756
Investment return			
Investment income	35,603	-	35,603
Net appreciation (realized and unrealized)	1,971,258	-	1,971,258
Total investment return	2,006,861	-	2,006,861
Appropriation of endowment assets for expenditure	(1,959,879)	-	(1,959,879)
Endowment net assets, August 31, 2023	<u>\$ 19,409,303</u>	<u>\$ 21,360,435</u>	<u>\$ 40,769,738</u>

Total net endowed investment gains of \$4,113,254 and \$1,971,258 for the years ended August 31, 2024 and 2023, respectively, consist of unrestricted earnings on the investments held within both the restricted in perpetuity and without donor restriction endowment funds.

Included in endowment net assets is NDI New Mexico's operating reserve, which is a contingency reserve account from which NDI New Mexico pays for operations in the event of a shortfall in contributed or earned income, or for other purposes identified by the NDI New Mexico Board of Directors. The balance of this fund at August 31, 2024 and 2023, was \$763,428 and \$753,818, respectively.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Campaign and reserve funds are co-invested with the endowment. At the end of the fiscal year, the investment earnings are allocated to the funds. The earnings on co-invested campaign funds for the years ended August 31, 2024 and 2023, were \$1,091 and \$4,234, respectively. The earnings allocated to the replacement reserve for the years ended August 31, 2024 and 2023, were \$16,259 and \$73,190, respectively. The operating reserve is replenished at year end as needed. No such replenishment was required on August 31, 2024.

Note 10 – Commitments and Contingencies

NDI New Mexico has entered into various lease agreements including equipment leases which expire in 2024 through 2027.

Future minimum lease payments on these leases are as follows:

<u>Years Ending August 31,</u>			
2025	\$	2,492	
2026		1,083	
2027		632	
Total	\$	4,207	

NDI New Mexico entered into a lease agreement with the Board of Education of the Santa Fe Public Schools for real property (land) for a period of 50 years expiring February 6, 2052. The annual rent of \$1 is due on July 1 of each year. The nominal rent is based on the condition NDI New Mexico provides dance instruction to students in the Santa Fe School District during the term equivalent to or exceeding the leased value of the premise.

On January 13, 2009, NDI New Mexico entered into a lease agreement with Bernalillo County for the real property known as The Hiland Theater for a period of 30 years from the Commencement Date as determined by the issuance of a Certificate of Occupancy, with the option of renewing the lease for three additional terms of ten years.

During the lease term, NDI New Mexico shall pay the County the adjusted annual rent through (i) the provision by NDI New Mexico of services which demonstrate a consistent history of services to sick and indigent persons in the County or (ii) cash for the balance of the adjusted annual rent which is not paid through services and costs. The rent can be adjusted from time to time to appropriately reflect areas occupied by NDI New Mexico or increased to include the Consumer Price Index for US Cities in the "South Region" following each five-year anniversary of the commencement of the agreement. Rent was adjusted at the end of July 2016 to an annual rental rate of \$195,717. At July 31, 2024, the annual fair market rent was again adjusted to \$255,402.

The rental amount due in services or cash was \$255,402 and \$248,204 for the years ended August 31, 2024 and 2023, respectively. Services provided for the period July 2023 through June 2024 totaled \$1,343,503. A quarterly statement of services provided in lieu of rent for July 2024 through September 2024 is due to Bernalillo County on October 31, 2024. NDI New Mexico does not expect to owe rent to Bernalillo County based on services already performed.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

NDI New Mexico is eligible for the Employee Retention Credit (ERC) under the CARES Act. \$166,032 was received prior to August 31, 2023 as a credit to their payroll tax liability. Tax credits receivable for the ERC at August 31, 2024 and 2023 were \$258,987 and \$242,487, respectively, which represent refunds due on the Form 941-X Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund for the quarters ended December 31, 2020, March 31, 2021, and June 30, 2021.

Note 11 – Contributed Nonfinancial Assets

During the years ended August 31, 2024 and 2023, NDI New Mexico received contributions of nonfinancial asset with a market value of \$20,445 and \$16,270, respectively. The contributions included services to the Organization and donated supplies and materials. Contributions of nonfinancial asset consisted of the following:

	2024	2023
Marketing	\$ -	\$ 8,730
Flowers and gifts	-	5,000
Meals	-	1,400
Costumes	-	640
Other contract services	-	500
Business equipment	1,858	-
Clothing and household goods	3,000	-
Gifts	481	-
Services	12,150	-
Food Inventory	2,956	-
Total contributed nonfinancial assets	\$ 20,445	\$ 16,270

Costumes, flowers and gifts, meals, marketing, contract services, equipment, clothing and housing goods, and food inventory are valued at the replacement cost of the received goods or services for a price publicly available on a website or in a local store. Other contract services and marketing are valued at the cost for receiving similar services or the hourly rate of the professional, usually provided by the service provider.

Note 12 – Retirement Plan

NDI New Mexico has a contribution benefit SIMPLE plan covering all eligible employees. For any calendar year, instead of making matching contributions, NDI New Mexico may make non-elective contributions equal to 2% of compensation for the calendar year of each eligible employee who has at least \$5,000 in compensation for the calendar year. In addition, participants may make elective contributions up to the maximum amounts allowed under IRS regulations. All contributions are fully vested when made. NDI New Mexico's contribution to the plan for the years ended August 31, 2024 and 2023 were \$117,877 and \$71,139, respectively.

National Dance Institute of New Mexico

Notes to Consolidated Financial Statements

Note 13 – Liquidity and Funds Available

Financial assets available for general expenditure within one year of the consolidated statements of financial position date comprised the following:

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 1,100,418	\$ 863,430
Investments	46,114,088	42,408,111
Receivables	655,384	774,083
Total financial assets	47,869,890	44,045,624
Less those unavailable for general expenditure within one year due to		
Perpetual endowments not included below	(15,537,326)	(15,862,383)
Cash and investments held by others not available in one year	(14,302,228)	(11,308,819)
Investments held in trusts and state required reserves	(32,300)	(30,910)
Contributions receivable collectible beyond one year	(77,734)	(429,200)
Replacement reserve, donor and board designated	(1,291,609)	(1,406,474)
Board designations		
Operating reserve	(763,428)	(753,818)
Financial assets available to meet cash needs for general expenditures within one year	\$ 15,865,265	\$ 14,254,020

In addition to financial assets available to meet general expenditures over the next 12 months, NDI New Mexico operates with a board-approved budget that ensures that any deficit of expenditures over revenue is covered by approved draws from the endowment or other release of funds.

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

GA

National Dance Institute 401(k) Plan

01-JAN-24 to 31-DEC-24

24-JAN-25 13:16:06

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1LIRKX			43,544.08	42,485.57
1LINKX			67,264.32	69,605.27
1LIJKX			515,299.30	534,925.03
1LIKXX			219,338.40	228,125.11
1LIHXX			113,288.54	117,172.34
1LIPKX			48,755.81	49,671.47
1LIVKX			14,605.29	14,881.53
1LIZKX			31,930.19	32,751.71
1LIWXX			7,440.05	7,509.84
1FPADX			1,470.12	1,432.92
1FSMDX			2,379.78	2,442.39
1FXAIX			167,233.23	181,900.63
			1,232,549.11	1,282,903.81
FORFEITURES			4.03	4.03

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 85-0431846

LEGEND

INVESTMENT OPTION:

1LIRKX BlackRock LifePath Index Retirement K
1LIJKX BlackRock LifePath Index 2035 K
1LIHXX BlackRock LifePath Index 2045 K
1LIVKX BlackRock LifePath Index 2055 K
1LIWXX BlackRock LifePath Index 2065 K
1FSMDX Fidelity Mid Cap Index

1LINKX BlackRock LifePath Index 2030 K
1LIKXX BlackRock LifePath Index 2040 K
1LIPKX BlackRock LifePath Index 2050 K
1LIZKX BlackRock LifePath Index 2060 K
1FPADX Fidelity Emerging Markets Index
1FXAIX Fidelity 500 Index

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year