

**COLORADO NATIONAL MONUMENT ASSOCIATION**

**FINANCIAL STATEMENTS AND INDEPENDENT  
ACCOUNTANTS' REVIEW REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2022**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of  
Colorado National Monument Association

We have reviewed the accompanying financial statements of Colorado National Monument Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

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

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Colorado National Monument Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

 Ayako D. Saito, CPA, PLLC

Ayako D. Saito, CPA, PLLC  
Leadville, Colorado  
May 8, 2023

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$	335,094
Certificate of Deposit		24,372
Pledge Receivable		2,807
Inventory		209,053
Prepaid Expense		720

**Total Current Assets** 572,046

**Non-Current Assets**

**Restricted Cash**

Cash Restricted for Program Purposes		54,966
Cash Restricted in Endowment Fund		3,000

**Total Restricted Cash** 57,966

**Equipment**

Office Equipment		1,769
Less: Accumulated Depreciation		(990)

**Equipment: Net** 779

**Total Non-Current Assets** 58,745

**Total Assets** \$ 630,791

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$	15,032
Payroll Liabilities		4,066
Unredeemed Gift Certificates		3,354

**Total Current Liabilities** 22,452

**Total Liabilities** 22,452

**Net Assets**

Net Assets without Donor Restrictions		550,373
Net Assets with Donor Restrictions		57,966

**Total Net Assets** 608,339

**Total Liabilities and Net Assets** \$ 630,791

See accompanying notes and accountants'  
review report

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Book Store Sales	\$ 658,635	\$ 0	\$ 658,635
Less Cost of Book Store Sales	(320,743)	0	(320,743)
Gross Profit From Book Store	<u>337,892</u>	<u>0</u>	<u>337,892</u>
Grants and Donation	4,519	112,501	117,020
Membership Dues	27,871	0	27,871
Event Receipts	23,291	0	23,291
Other Receipts	2,239	0	2,239
<b>Total Revenue and Support</b>	<u>395,812</u>	<u>112,501</u>	<u>508,313</u>
Released from Restriction by Expenditure	87,459	(87,459)	0
<b>Functional Expenses</b>			
Program Services			
Natural and Cultural Education			
National Park Service Support	330,335	0	330,335
Total Program Expenses	<u>330,335</u>	<u>0</u>	<u>330,335</u>
Support Services			
General and Administrative	80,084	0	80,084
Fundraising	16,275	0	16,275
Total Support Services	<u>96,359</u>	<u>0</u>	<u>96,359</u>
<b>Total Functional Expenses</b>	<u>426,694</u>	<u>0</u>	<u>426,694</u>
<b>Change in Net Assets</b>	56,577	25,042	81,619
<b>Beginning Net Assets</b>	<u>493,796</u>	<u>32,924</u>	<u>526,720</u>
<b>Ending Net Assets</b>	<u>\$ 550,373</u>	<u>\$ 57,966</u>	<u>\$ 608,339</u>

See accompanying notes and accountants'  
review report

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2022**

	<u>PROGRAM</u>		<u>SUPPORT SERVICES</u>		<u>TOTAL</u>
	NATURAL & CULTURAL	MANAGEMENT	FUNDRAISING		
	<u>EDUCATION</u>	<u>&amp; GENERAL</u>			
Personnel Expense	\$ 137,740	\$ 68,870	\$ 0	\$ 206,610	
Direct Program Expense					
NPS Program Support	131,250	0	0	131,250	
Other Expenses					
Accounting & Fees	0	4,200	0	4,200	
Advertising	360	0	0	360	
Bank & Credit Card Fees	17,868	0	0	17,868	
Conferences & Training	5,375	0	0	5,375	
Depreciation	389	0	0	389	
Event Expenses	0	0	16,275	16,275	
Insurance	1,564	1,564	0	3,128	
Internet, Web Site & Computer	20,548	0	0	20,548	
Memberships	975	0	0	975	
Member Services	6,894	0	0	6,894	
Office Expense	4,405	4,406	0	8,811	
Other Expenses	880	0	0	880	
Payroll Processing	2,087	1,044	0	3,131	
Total Functional Expenses	<u>\$ 330,335</u>	<u>\$ 80,084</u>	<u>\$ 16,275</u>	<u>\$ 426,694</u>	

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**DECEMBER 31, 2022**

<b>Cash Flows from Operating Activities</b>	
Book Store Sales	\$ 658,635
Grants & Donations	114,213
Membership Dues	27,871
Other Receipts	25,530
Cash Paid to Vendors and Suppliers	(457,852)
Cash Paid to Employees	(209,275)
Cash Paid to NPS	(131,250)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>27,872</u>
<b>Net Increase (Decrease) in Cash</b>	<u>27,872</u>
<b>Beginning Cash and Cash Equivalents</b>	<u>365,188</u>
<b>Ending Cash and Cash Equivalents</b>	<u><u>\$ 393,060</u></u>
<b>Cash Reported on Statement of Financial Position</b>	
Cash Without Donor Restriction	\$ 335,094
Cash Restricted for Program Purposes	54,966
Cash Restricted in Endowment Fund	3,000
<b>Total</b>	<u><u>\$ 393,060</u></u>

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Colorado National Monument Association (the Organization) is a nonprofit corporation. The purpose of the Organization is to assist in the scientific, educational, historical and interpretive activities that are mutually beneficial to the National Park Service and the Organization. Most of the Organization's support comes from bookstore sales in the Visitor Center of the Colorado National Monument.

Cash Equivalents

The Organization's cash and cash equivalents consists primarily of cash on hand and cash in banks. For purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventory of educational and cultural items is stated at the lower of cost or market using the first-in, first-out method. At year's end, inventory consisted of mainly books, maps, T-shirts and souvenirs.

Property and Equipment

Expenditures for equipment are stated at cost. Donated assets are recorded at their estimated fair market values at the date of contribution. Depreciation is computed on the straight-line basis over estimated useful lives (5 to 10 years) of the respective assets. The Organization capitalizes assets costing \$500 or more. The Organization does not recognize an implied time restriction on then donation of long-lived assets. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.



**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The Organization operates a bookstore in the Colorado National Monument. All sales are in cash and revenue is recognized at the time of the sale.

Membership dues includes general member benefits that are a series of distinct obligations. The revenue is recognized over the membership period. There are several benefits received that are individual obligations such as subscriptions to publications; however, they are immaterial in nature to the contract and thus are included with the general member benefits. Any amounts received in advance are included in deferred revenue. General member benefits that are considered to be contributions follow AUS 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* and are bifurcated to contributions revenue when received.

Event receipts are recognized when performance obligations are met which is when the event takes place. Any amount received in advance is recognized as deferred revenue.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Advertising costs

Advertising costs are expensed as they are incurred.

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, related taxes, benefits, and related processing fees which are allocated on the basis of time and effort. Insurance and office expense are allocated based on management's estimate of usage among the functions.

Federal Income Tax

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public charity.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Shipping and Handling Costs

Freight billed to customers is considered sales revenue and the related freight costs as cost of sales.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to the limited amount carried in these accounts, if any, at any given time and high historical collection rates and because substantial portions of the outstanding amounts are due from local entities supportive of our mission.

New Accounting Policies

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements.

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**NOTES TO FINANCIAL STATEMENTS**  
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The Organization does not report Right-of-Use assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Organization assessed the effects of these new accounting policies on financial reporting and determined that there is no significant changes due to fact there was no material leases.

Also in 2022, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires more prominent presentation of contributed nonfinancial assets and enhanced disclosures about the valuation of those contributions and their use in programs and other activities.

**NOTES 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization’s financial assets as of December 31, 2022, reduced by amounts not available for general use by donor-imposed restrictions.

Financial assets at December 31, 2022	\$ 417,432
Less those unavailable for general expenditures within one year, due to:	
Donor restricted for programs	54,966
Donor restricted to endowment fund	<u>3,000</u>
Financial assets available to meet cash needs for expenditure within one year	<u>\$359,466</u>

The financial assets available to meet cash needs for expenditure within one year consist of cash of \$335,094 and a certificate of deposit of \$24,372. These financial resources are not subjected to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Annual operation expenses of approximately \$426,000 do not include bookstore purchases (which are financed by book store sales) or National Park Service support (which is financed by net assets, if any.)

**NOTE 3 – CERTIFICATES OF DEPOSIT**

At December 31, 2022, the Organization held a certificate of deposit with a local bank. The certificate is in the amount of \$24,372 will mature August 24, 2023 and bears interest at the rate of 0.25%.

**NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs

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used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

The Organization invests in CDs traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. The Organization has no Level 1 or 3 investments.

**NOTE 5 - ENDOWMENT**

The Endowment consists of a fund established by donors to provide funding for general operations.

The Organization's Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2022, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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NOTES TO FINANCIAL STATEMENTS  
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- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Investment and Spending Policies

Due to the small size of the Endowment, the Organization has not adopted a formal investment and spending policies for the Endowment. The Endowment is kept in an interest-bearing bank account and the very small amount of interest it earns is used for general operation.

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted forth following purposes or periods at December 31, 2022:

Permanent Endowment by the Terms of the Gift (see Note 5)	\$3,000
Subject to Expenditure for Specified Purpose:	
Riverside Educational Center	23,230
Project Coordinator	6,863
Junior Ranger Program	<u>24,873</u>
	<u>\$57,966</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2022:

Satisfaction of Purpose Restrictions:	
Junior Ranger Program	\$2,922
Amphitheater	9,350
Strategic Branding	25,000
Riverside Educational Center	30,770
Project Coordinator	6,505
Other	<u>12,912</u>
	<u>\$87,459</u>

**COLORADO NATIONAL MONUMENT ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – DONATED FACILITIES**

The Organization's store and office spaces are owned by the United States Federal Government. The value of the donated facilities is not reflected in the accompanying financial statements because there is no objective basis available by which to measure their value.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated events through May 8, 2023 the date the financial statements were available to be issued.