

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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Independent Accountants' Review Report

To the Board of Directors
Colorado National Monument Association, Inc.
Grand Junction, Colorado

We have reviewed the accompanying financial statements of Colorado National Monument Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and 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 entity 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.

Accountants' 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, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

A handwritten signature in cursive script, appearing to read 'Soronen Donley Patterson'.

Soronen, Donley, Patterson, CPA's PC
February 3, 2024

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	
Cash	\$501,100
Certificate of Deposit	25,000
Total Cash and Cash Equivalents	<u>526,100</u>
Pledges Receivable	663
Inventory	201,660
Prepaid Expenses	525
TOTAL CURRENT ASSETS	<u>728,948</u>
PROPERTY & EQUIPMENT	
Office Equipment	1,769
Less: Accumulated Depreciation	<u>(1,379)</u>
NET PROPERTY & EQUIPMENT	<u>390</u>
OTHER ASSETS	
Cash Restricted for Program Purposes	39,586
Cash Restricted in Endowment Fund	3,000
TOTAL OTHER ASSETS	<u>42,586</u>
TOTAL ASSETS	<u>\$771,924</u>

LIABILITIES & NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	\$55,931
Unredeemed Gift Certificates	2,292
TOTAL CURRENT LIABILITIES	<u>58,223</u>
NET ASSETS	
Without Donor Restrictions	
Designated by the Board of Directors for a Reserve	25,000
Undesignated	646,115
Total Without Donor Restrictions	<u>671,115</u>
With Donor Restrictions	42,586
TOTAL NET ASSETS	<u>713,701</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$771,924</u>

See accompanying notes to the financial statements and independent accountants' review report

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Book Store Sales	\$728,446	\$0	\$728,446
Less Cost of Book Store Sales	(358,984)	0	(358,984)
Gross Profit from Book Store	<u>369,462</u>	<u>0</u>	<u>369,462</u>
Grants and Contributions	22,385	77,400	99,785
Membership Dues	28,315	0	28,315
Special Event Income	19,633	0	19,633
Other	1,738	0	1,738
Net Assets Released from Restrictions	92,780	(92,780)	0
TOTAL REVENUE AND SUPPORT	<u>534,313</u>	<u>(15,380)</u>	<u>518,933</u>
EXPENSES			
Program Services			
National Park Support	230,351	0	230,351
CNMA Community Programs	31,450	0	31,450
Supporting Services			
Management & General	113,921	0	113,921
Fund-Raising	37,849	0	37,849
TOTAL EXPENSES	<u>413,571</u>	<u>0</u>	<u>413,571</u>
CHANGE IN NET ASSETS	120,742	(15,380)	105,362
NET ASSETS - BEGINNING	<u>550,373</u>	<u>57,966</u>	<u>608,339</u>
NET ASSETS - ENDING	<u>\$671,115</u>	<u>\$42,586</u>	<u>\$713,701</u>

See accompanying notes to the financial statements and independent accountants' review report

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>National Park Support</u>	<u>CNMA Community Programs</u>	<u>Total Program Services</u>	<u>Management & General</u>	<u>Fund-Raising</u>	
Compensation and Related Expenses						
Compensation	\$90,621	\$10,069	\$100,690	\$72,497	\$28,193	\$201,380
Payroll Taxes	7,893	877	8,770	6,315	2,456	17,541
Employee Benefits	12,023	1,336	13,359	9,618	3,740	26,717
Total Compensation and Related Expenses	<u>110,537</u>	<u>12,282</u>	<u>122,819</u>	<u>88,430</u>	<u>34,389</u>	<u>245,638</u>
Advertising	438	2,285	2,723	0	26	2,749
Bank and Credit Card Fees	19,841	0	19,841	0	0	19,841
Conferences and Training	164	7	171	8,113	7	8,291
Depreciation	175	19	194	140	55	389
Educational Program Expense	4,049	0	4,049	0	0	4,049
Event Expenses	0	15,594	15,594	0	0	15,594
Information Technology	5,732	637	6,369	4,586	1,783	12,738
Insurance	2,727	303	3,030	2,182	848	6,060
Member Services	5,993	0	5,993	0	0	5,993
Memberships	0	0	0	465	0	465
Miscellaneous	413	136	549	165	0	714
NPS Program Support	77,031	0	77,031	0	0	77,031
Office Expenses	3,251	187	3,438	2,343	741	6,522
Professional Fees	0	0	0	7,497	0	7,497
TOTAL EXPENSES	<u>\$230,351</u>	<u>\$31,450</u>	<u>\$261,801</u>	<u>\$113,921</u>	<u>\$37,849</u>	<u>\$413,571</u>

See accompanying notes to the financial statements and independent accountants' review report

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$105,362
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:	
Operating Activities:	
Depreciation	389
(Increase) Decrease in Operating Assets:	
Pledges Receivable	2,144
Inventory	7,393
Prepaid Expenses	195
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	36,833
Unredeemed Gift Certificates	(1,062)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>151,254</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	151,254
BEGINNING CASH AND CASH EQUIVALENTS	<u>417,432</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$568,686</u></u>
CASH REPORTED ON STATEMENT OF FINANCIAL POSITION	
Cash and Cash Equivalents Without Donor Restriction	\$526,100
Cash Restricted for Program Purposes	39,586
Cash Restricted for Endowment Fund	3,000
Total	<u><u>\$568,686</u></u>

See accompanying notes to the financial statements and independent accountants' review report

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE A – NATURE OF ACTIVITIES

Description of the Organization:

The Colorado National Monument Association (the Organization) is the official nonprofit partner of the Colorado National Monument (the Park). The purpose of the Organization is to assist in the scientific, educational, historical, and interpretive activities of the Park and the National Park Service. The Organization accomplishes its philanthropic purpose by funding priority projects that protect, preserve, and enhance the Park and fundraising for the Organization's educational operations.

The Organization also accomplishes its philanthropic purpose by providing in-kind aid through the Walks and Talks program, engagement of visitors and communities in and around the Park, and operation of the Organization's retail store located in the Visitor Center of the Park.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation

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

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

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

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a 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 restrictions.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's program services. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of twelve months or less.

Inventory

Inventory of educational and cultural items is stated at the lower of cost or market using the first-in, first-out method. Inventory consisted mainly of books, maps, T-shirts, and souvenirs as of December 31, 2023.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$500 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 5-10 years for office equipment.

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – continued

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. This includes all contributions, grants, and resiliency income.

The Organization operates a retail store in the Park. All sales are in cash and revenue is recognized at the time of the sale.

Membership dues include 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.

Advertising Costs

The Organization uses advertising to provide awareness and solicit donations. Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2023, were \$2,749.

Shipping and Handling Costs

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

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501 (c) (3).

Functional Expense

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

The expenses that are allocated include the following:

Expense	Method of Allocation
Compensation and Related Expenses	Time and effort
Advertising	Direct Costs
Depreciation	Time and effort
Conferences and Training	Time and effort
Information Technology	Time and effort
Insurance	Time and effort
Miscellaneous	Direct Costs
Office Expenses	Time and effort

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – continued

Estimates

The preparation of 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.

Leases

The Organization does not report Right-of-Use assets and lease 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.

Subsequent Events

Management has evaluated subsequent events through February 3, 2024, the date the financial statements were available to be issued.

NOTE C – 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 the price is directly observable or estimated using another valuation technique. Inputs 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 D – 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. As of December 31, 2023, 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:

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE D – ENDOWMENT – continued

- 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 E – CONCENTRATIONS

The Organization maintains its cash accounts in a financial institution. Accounts are guaranteed by Federal Deposit Insurance up to \$250,000. At various times during the year, cash accounts may exceed the Federal Deposit Insurance Limit. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

NOTE F – 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 G – NET ASSETS

Net assets with donor restrictions were as follows for the year ended:

	<u>Specific Purpose</u>
Permanent Endowment	\$ 3,000
NPS Support	38,621
Strategic Branding	965
Total	<u>\$ 42,586</u>

Net assets released from net assets with donor restrictions are as follows for the year ended:

Satisfaction of Purpose Restrictions	
NPS Support	\$ 62,385
Event Expenses	10,000
Resiliency Ranger	10,000
Other	10,395
Total	<u>\$ 92,780</u>

COLORADO NATIONAL MONUMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE H – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets as of December 31, 2023:

Financial assets at year-end:

Cash and Cash Equivalents	\$ 543,686
Certificate of Deposit	25,000
Pledges Receivable	663
Prepaid Expenses	<u>525</u>
Total	<u>\$ 569,874</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	\$ 42,586
Less net assets with purpose restrictions to be met in less than a year	<u>(39,586)</u>
	<u>\$ 3,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 566,874</u>

The Organization’s goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$125,000). As part of its liquidity plan, the board has designated a reserve of \$125,000 to be invested in certificates of deposit. As of December 31, 2023, \$25,000 of the reserve has been funded.