

BIG BEND CONSERVANCY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Big Bend Conservancy

Report on the Financial Statements

We have audited the accompanying financial statements of Big Bend Conservancy, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. The financial statements as of June 30, 2021 were audited by Hatter & Associates, LLP and whose report dated February 18, 2022 expressed an unqualified opinion on those statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2021, from which the summarized information was derived.



Ron Kirby, CPA
November 21, 2022



**BIG BEND CONSERVANCY
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 1,328,589	\$ 565,396
Grants and Contributions Receivable	-	133,037
Other Receivables	110,349	365,930
Security Deposit	8,000	8,000
Prepaid Expense	9,443	39,477
Cash and Cash Equivalents – Restricted for Endowments	42	1,102
Contributions Receivable – Restricted for Endowments	-	7,333
Beneficial Interest in Endowments		
Assets Held by Community Foundation	<u>290,530</u>	<u>330,165</u>
TOTAL CURRENT ASSETS	<u>\$ 1,746,953</u>	<u>\$ 1,450,440</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 66,766	\$ 39,428
Deferred Revenue – Ticket Sales	-	15,680
Advances on Conditional Contributions	<u>-</u>	<u>51,736</u>
TOTAL CURRENT LIABILITIES	<u>66,766</u>	<u>106,844</u>
NET ASSETS		
Without Donor Restrictions		
General Operations	262,596	129,536
Board Designated	<u>80,750</u>	<u>50,500</u>
	343,346	180,036
With Donor Restrictions		
Subject to Endowment Spending Policy	291,449	338,600
Restricted for Purpose or Future Periods	<u>1,045,392</u>	<u>824,960</u>
	1,336,841	1,163,560
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,746,953</u>	<u>\$ 1,450,440</u>

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

BIG BEND CONSERVANCY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Totals	
			<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT				
Contributions and State Grants	\$ 205,103	\$ 393,387	\$ 598,490	\$ 556,577
Membership Dues Income	69,083	-	69,083	117,337
Investment Returns, Net	618	(50,068)	(49,450)	64,678
Forgiveness of PPP Loan	-	-	-	18,600
Special Events, Net	73,582	-	73,582	-
In Kind	18,835	-	18,835	-
Other Income	<u>53,390</u>	<u>-</u>	<u>53,390</u>	<u>367,135</u>
TOTAL REVENUES AND SUPPORT	420,611	343,319	763,930	1,124,327
Satisfaction of Program Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE, SUPPORT AND RELEASE OF RESTRICTIONS	<u>420,611</u>	<u>343,319</u>	<u>763,930</u>	<u>1,124,327</u>
EXPENSES				
Program Services	116,637	170,038	286,675	206,517
Support Services	121,829	-	121,829	119,495
In Kind	<u>18,835</u>	<u>-</u>	<u>18,835</u>	<u>-</u>
TOTAL EXPENSES	257,301	170,038	427,339	326,012
CHANGE IN NET ASSETS	<u>163,310</u>	<u>173,281</u>	<u>336,591</u>	<u>798,315</u>
BEGINNING NET ASSETS	180,036	1,163,560	1,343,596	545,281
ENDING NET ASSETS	<u>\$ 343,346</u>	<u>\$ 1,336,841</u>	<u>\$ 1,680,187</u>	<u>\$ 1,343,596</u>

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

BIG BEND CONSERVANCY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>PROGRAM SERVICES</u>		<u>SUPPORT SERVICES</u>			
	<u>Promote Big Bend</u>	<u>General and</u>			<u>Total</u>	<u>Total</u>
	<u>National Park</u>	<u>Administrative</u>	<u>Fundraising</u>		<u>2022</u>	<u>2021</u>
Salaries & Wages	\$ 71,663	\$ 13,650	\$ 28,437		\$ 113,750	\$ 89,138
Payroll Taxes	5,467	1,041	2,169		8,677	6,819
Benefits	<u>-</u>	<u>512</u>	<u>-</u>		<u>512</u>	<u>-</u>
	77,130	15,203	30,606		122,939	95,957
Contract Services and Supplies	172,093	-	-		172,093	132,497
Public Event Supplies and Other	-	-	-		-	689
Grant to Others	15,088	-	-		15,088	3,815
Professional Fees	-	39,706	-		39,706	37,846
Administrative Supplies	152	512	-		664	3,143
Office Expenses	1,207	8,609	3,846		13,662	13,949
Telephone	-	1,455	-		1,455	1,636
Postage and Shipping	-	1,532	1,157		2,689	3,534
Liability Insurance	-	3,185	-		3,185	2,861
Outside Printing	10,484	-	-		10,484	11,046
Dues and Subscriptions	500	-	5,252		5,752	5,211
Advertising	90	-	-		90	5,518
Bank Service Charge	191	1,390	487		2,068	1,584
Travel	5,723	7,950	255		13,928	4,100
Board Meetings	4,017	684	-		4,701	2,626
In Kind	<u>-</u>	<u>-</u>	<u>18,835</u>		<u>18,835</u>	<u>-</u>
TOTAL EXPENSES	<u>\$ 286,675</u>	<u>\$ 80,226</u>	<u>\$ 60,438</u>		<u>\$ 427,339</u>	<u>\$ 326,012</u>

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

**BIG BEND CONSERVANCY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash collected from revenue and other support	\$ 1,123,080	\$ 585,408
Cash paid for operating expenses	(351,132)	(292,737)
Interest income	-	-
Interest paid	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATIONS	<u>771,948</u>	<u>292,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	<u>(9,815)</u>	<u>(119,300)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(9,815)</u>	<u>(119,300)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of Contributions Restricted for Endowment	<u>-</u>	<u>10,689</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>10,689</u>
Net increase (decrease) in cash	762,133	184,060
CASH, Cash Equivalents and Restricted Cash at Beginning of Year	<u>566,498</u>	<u>382,438</u>
CASH, Cash Equivalents and Restricted Cash at End of Year	<u>\$ 1,328,631</u>	<u>\$ 566,498</u>
RECONCILIATION OF INCREASE / (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Increase (Decrease) in net assets from operations	\$ 336,591	\$ 798,315
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Contributions Restricted for Endowments	(2,482)	(2,689)
Investment Income	49,450	(64,149)
Forgiveness of PPP Loan	-	(18,600)
Grants and Contributions Receivable	133,037	(112,091)
Other Receivables	255,581	(365,930)
Prepaid Expense	30,034	(34,876)
Security Deposit	-	(8,000)
Account Payable	27,338	33,275
Deferred Revenue	(15,680)	15,680
Advances on Conditional Contributions	<u>(51,736)</u>	<u>51,736</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 762,133</u>	<u>\$ 292,671</u>

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

**BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of Big Bend National Park, dba Big Bend Conservancy, (the Organization) is a non-profit corporation organized in the state of Texas in June 1996. The Organization's mission is to preserve, enrich, and conserve the unique resources of Big Bend National Park and the Rio Grande Wild and Scenic River through philanthropic effects and in partnership with National Park Service. The Organization works with the National Park Service to determine funding of projects to improve and preserve Big Bend National Park and the Rio Grande Wild and Scenic River.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as earned and expenses are recognized as incurred.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets Without Donor Restrictions**

Net Assets without donor restrictions are resources available to support operations. The only limits on the use of donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into on the course of its operations.

- **Net Assets With Donor Restrictions**

Net Assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to net assets without restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as donor restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Some net assets with donor restrictions are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

BIG BEND CONSERVANCY NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class. All are reported as Net Assets With Donor Restrictions.

All revenue and net gains are reported as increase in Net Assets Without Donor Restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in without donor restrictions net assets. Net losses on endowment investments reduce without donor restrictions net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses classified as decreases in without donor restrictions net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decrease in without donor restrictions.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Donor restricted net assets are primarily held in the investment accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They also affect the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in demand deposit accounts and highly liquid investments with maturity dates of three months or less.

Property and Equipment

Property and equipment is capitalized at cost and depreciated over their estimated useful lives, using the straight-line method. Donated assets are recorded at their fair market value on the date of donation.

Revenue and Expense Recognition

Revenues are reported as increases in without donor restrictions net assets unless uses of the related assets are limited by donor restrictions. Expenses are reported as decreases in without donor restrictions net assets. Expirations of restrictions on net assets (i.e. the donor restriction purpose has been fulfilled and/or the stipulated time period has elapsed) are classified to without donor restrictions net assets and are reported in the statement of activities as net assets without donor restrictions.

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional that is when the conditions are on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity.

Contributions received with donor restrictions that are met in the same year as received are reported as revenues of the without donor restrictions net asset class.

Contributed Services

The Organization receives substantial contributions of time from unpaid volunteers and the board of directors. No value has been assigned to these contributions since there is no reasonably determinable basis for recognition in the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited as listed in the statement of Functional Expenses.

Income Taxes

The Organization is exempt from federal taxes under section 501(c)3 of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2022.

Management is required to evaluate the tax positions taken by the Organization and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions of the Organization and has concluded that as of June 30, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization Forms 990, are subject to examination by the IRS, generally for the three years after they were filed. Management believes it is no longer subject to income tax examination for years prior to 2019.

Receivables

Receivables consist of unconditional promises to give, government grants, and funds directed from another organization earned but not collected at year end. Based on past experience and analysis of receivable collectability, management has determined that no allowance for doubtful accounts is necessary. Collection of all receivables is expected within one year.

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Beneficial Interest in Assets Held by Community Foundation

The Organization established an endowment fund during 2013 and another one during 2021. The endowment funds are perpetual in nature (the funds) with a community foundation (CF) and named the Organization as beneficiary. The Organization granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The funds are held and invested by the CF for the Organization's benefit and are reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Revenue Recognition

Revenue from registration fees and merchandise sales are recognized when control of these products or services is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled in exchange for those products and services. Sales and other taxes the Organization collects concurrent with revenue-producing activities are included in revenue. Shipping and handling fees charged to customers are reported within revenue. Incidental items that are immaterial to the contract are recognized as expense. The Organization does not have any significant financing components as payment is received before, at, or shortly after the point of sale.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived and it is not intended to be a complete financial statement presentation.

Concentration of Credit Risk

The Organization maintains its cash balances in multiple accounts in two institutions. During the year the amounts on deposit exceeded the \$250,000 federally insured limit. The Organization has not experienced any losses in such account. Management and the Board of Directors believe the Organization is not exposed to any significant credit risk related to cash.

Advertising Costs

Advertising costs are expensed when incurred and amounted to \$90 during the year ended June 30, 2022.

Cash, Cash Equivalents, and Restricted Cash

The following schedule provides a reconciliation of cash, cash equivalents, and restricted cash reported on the balance sheet to the total cash, cash equivalents, and restricted cash reported in the statement of cash flows.

**BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and Cash Equivalents	\$ 1,328,589
Cash and Cash Equivalents – Restricted for Endowments	<u>42</u>
	<u>\$ 1,328,631</u>

NOTE 2 – RESTRICTIONS ON NET ASSETS

Donor restricted net assets at June 30,2022 are available for the following purpose:

	<u>Board Designated Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Subject to Expenditure for Time or Purpose:		
Operating Reserve	\$ 80,750	\$ -
Castolon Recovery	-	421,363
Sustainability Project	-	233,320
Land Acquisition	<u>-</u>	<u>390,709</u>
	80,750	1,045,392
Subject to Appropriation from Endowment for:		
Trails	-	168,125
Fossil Discovery Exhibit	<u>-</u>	<u>123,324</u>
	-	291,449
	<u>\$ 80,750</u>	<u>\$ 1,336,841</u>

**BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – RESTRICTIONS ON NET ASSETS (Cont’d)

Net assets were released from restrictions by incurring expenditures that satisfy the purpose specified by donor as follows during the year ended June 30, 2022:

	Board Designated Without Donor Restrictions	With Donor Restrictions
Land Acquisition	\$ -	\$ 68,409
Castolon Recovery	-	2,553
Sustainability Project	-	99,076
	\$ -	\$ 170,038

NOTE 3 – ENDOWMENT

The Organization established two endowments, whose funds shall be used for the permanent and perpetual support of its mission, specifically for the maintenance, improvement, and construction of trails and Fossil Discovery Exhibit in Big Bend National Park. The underlying assets are reported as cash and cash equivalents – restricted for endowments, contributions receivable – restricted for endowments, and beneficial interest in endowment assets held by community foundation in the statement of financial position. 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.

The Board of Directors has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (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. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of 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 explicit donor stipulations. The remaining portion of the donor-restricted endowment fund that is not classified in the permanent endowment is available for appropriation for expenditure in a manner consistent with the standard of prudence prescribed by the Act.

The investment and spending policy attempts to provide a predictable amount of funding for programs supported by the endowment while seeking to maintain the level of endowment assets. The organization seeks to obtain a total return through capital appreciation and current income that allows the endowment to grow annually. Distributions will be made in

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – ENDOWMENT (Cont'd)

accordance with the distribution policy determined annually by the CF's Board of Governors. The Organization's Board of Directors determined no distributions may be made from each of the endowment funds until the average fund balance equals or exceeds \$100,000 during the year proceeding the first distribution.

Endowment net assets are comprised of the following at June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted Endowment Funds:			
Contributions to be Maintained in Perpetuity	\$ -	\$ 257,919	\$ 257,919
Accumulated Investment Gains	<u>-</u>	<u>33,530</u>	<u>33,530</u>
	<u>\$ -</u>	<u>\$ 291,449</u>	<u>\$ 291,449</u>

The changes in endowment net assets are as follow for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets at June 30, 2021	\$ -	\$ 338,600	\$ 338,600
Released by the board of directors	-	-	-
Contributions	-	2,917	2,917
Investment Return:			
Investment Income	-	6,939	6,939
Net Realized and Unrealized Loss	-	(51,551)	(51,551)
Investment and Admin Fees	<u>-</u>	<u>(5,456)</u>	<u>(5,456)</u>
Endowment Net Assets at June 30, 2022	<u>\$ -</u>	<u>\$ 291,449</u>	<u>\$ 291,449</u>

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 -FAIR VALUE MEASUREMENTS

The Organization reports the beneficial interest in endowment assets held by community foundation at fair value in accordance with FASB ASC 220, Fair Value Measurement and Disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 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 or liability 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 can be accessed 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, inputs are developed using the best information available in the circumstances.

The fair value of the beneficial interest in assets held by community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

The following is a reconciliation of the beginning and ending balance of the beneficial interest in assets held by community foundation measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2022:

Balance at June 30, 2021	\$ 330,165
Purchases of Investments	10,433
Investment Return, Net	<u>(50,068)</u>
Balance at June 30, 2022	<u>\$ 290,530</u>

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 -FAIR VALUE MEASUREMENTS (Cont'd)

The following schedule summarizes investment return, which is classified as net assets with donor restrictions subject to endowment spending policy in the financial statements for the year ended June 30, 2022:

Dividends and Interest	\$ 6,939
Realized Gain on Sales of Investments	14,172
Unrealized Gain (Loss) on Investments	(65,723)
Investment and Admin Fees	<u>(5,456)</u>
	<u>\$ (50,068)</u>

NOTE 5 - RETIREMENT PLAN

The Big Bend Conservancy provides retirement benefits to eligible employees who have completed one year of employment. The Big Bend Conservancy contributes 1% of eligible gross salaries. Contributions as of June 30, 2022 were \$512.

NOTE 6 - SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to the date of the statement of net assets (June 30, 2022) through November 21, 2022 the date these financial statements were suitable to be issued.

BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022, comprise the following:

Cash and Cash Equivalents	\$ 1,328,589
Grants and Contributions Receivable	110,349
Security Deposit	<u>8,000</u>
Total Financial Assets	1,446,938
Less Amount Not Available to be Used Within One Year:	
Board-Designated	<u>(80,750)</u>

Financial Assets Available to Meet General Expenditures Within One Year \$ 1,366,188

The Big Bend Conservancy considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. The Big Bend Conservancy's goal is generally to maintain financial assets to meet at least 90 days of operating expenses. As part of its liquidity plan, excess cash is maintained in a deposit account and an interest-bearing savings account.