

**FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY**

FINANCIAL STATEMENTS

June 30, 2023

Randy Walker & Co., Certified Public Accountants

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
FINANCIAL STATEMENTS
June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of Big Bend National Park
dba Big Bend Conservancy
Big Bend National Park, Texas

Opinion

We have audited the accompanying financial statements of Friends of Big Bend National Park dba Big Bend Conservancy (the Organization), a nonprofit corporation, which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Randy Walker & Co.

San Antonio, Texas
November 20, 2023

FINANCIAL STATEMENTS

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	2,114,030
Cash and Cash Equivalents - Restricted for Endowments		55
Accounts Receivable		19,336
Prepaid Expenses		7,391
Other Assets		8,000
Total Current Assets		2,148,812

LONG-TERM ASSETS

Beneficial Interest in Endowments:		
Assets Held by Community Foundation		304,844
Total Long-Term Assets		304,844
TOTAL ASSETS	\$	2,453,656

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	165,848
Accrued Expenses		10,100
Total Current Liabilities		175,948
TOTAL LIABILITIES		175,948

NET ASSETS

Without Donor Restrictions:		
Undesignated		188,309
Board-Designated		163,250
Total Without Donor Restrictions		351,559
With Donor Restrictions:		
Purpose-Restricted		1,621,249
Perpetually Restricted		304,900
Total With Donor Restrictions		1,926,149
TOTAL NET ASSETS		2,277,708
TOTAL LIABILITIES AND NET ASSETS	\$	2,453,656

The accompanying notes are an integral part of this financial statement.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>OPERATING SUPPORT AND REVENUES</u>			
Grants	\$ 54,635	\$ 746,775	\$ 801,410
Contributions	186,507	-	186,507
Membership Dues	91,864	-	91,864
Interest Income	6,587	-	6,587
Special Event Income - net of direct expenses of \$2,974	6,312	-	6,312
Other Income	3,251	-	3,251
Net Assets Released from Restrictions	183,366	(183,366)	-
TOTAL OPERATING SUPPORT AND REVENUES	<u>532,522</u>	<u>563,409</u>	<u>1,095,931</u>
 <u>OPERATING EXPENSES</u>			
Program	394,354	-	394,354
General and Administrative	123,312	-	123,312
Fundraising	6,643	-	6,643
TOTAL OPERATING EXPENSES	<u>524,309</u>	<u>-</u>	<u>524,309</u>
 CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITY			
	<u>8,213</u>	<u>563,409</u>	<u>571,622</u>
 <u>NON-OPERATING ACTIVITY</u>			
Investment Income - net	-	25,899	25,899
TOTAL NON-OPERATING ACTIVITY	<u>-</u>	<u>25,899</u>	<u>25,899</u>
 CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITY			
	8,213	589,308	597,521
NET ASSETS - Beginning of Year	<u>343,346</u>	<u>1,336,841</u>	<u>1,680,187</u>
NET ASSETS - End of Year	<u>\$ 351,559</u>	<u>\$ 1,926,149</u>	<u>\$ 2,277,708</u>

The accompanying notes are an integral part of this financial statement.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
<u>OPERATING EXPENSES</u>				
Payroll Wages	\$ 91,165	\$ 49,089	\$ -	\$ 140,254
Payroll Taxes	6,658	3,585	-	10,243
Employee Benefits	920	496	-	1,416
Total Payroll Expenses	<u>98,743</u>	<u>53,170</u>	<u>-</u>	<u>151,913</u>
Awards and Grants	255,823	-	-	255,823
Professional Services	2,418	43,016	-	45,434
Travel	29,934	-	-	29,934
Bank and Registration Fees	-	15,207	-	15,207
Membership Dues and Subscriptions	250	955	6,643	7,848
Telephone and Communications	3,243	2,021	-	5,264
Printing and Reproduction	1,900	2,503	-	4,403
Postage	1,090	1,642	-	2,732
Facilities and Equipment	-	2,166	-	2,166
Insurance	-	1,622	-	1,622
Office Supplies	91	958	-	1,049
Advertising	565	-	-	565
Miscellaneous	297	52	-	349
TOTAL OPERATING EXPENSES	\$ <u>394,354</u>	\$ <u>123,312</u>	\$ <u>6,643</u>	\$ <u>524,309</u>

The accompanying notes are an integral part of this financial statement.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 597,521
Adjustments to Reconcile Net Change to Net Cash	
Provided by Operations:	
Realized/Unrealized Loss on Investments	22,595
Decrease in Assets:	
Accounts Receivable	91,013
Prepaid Expenses	2,052
Increase in Liabilities:	
Accounts Payable	99,082
Accrued Expenses	10,100
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>822,363</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	<u>(36,909)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(36,909)</u>

NET INCREASE IN CASH FLOWS 785,454

**CASH AND CASH EQUIVALENTS
AND RESTRICTED CASH - Beginning of Year** 1,328,631

**CASH AND CASH EQUIVALENTS
AND RESTRICTED CASH - End of Year** \$ 2,114,085

The accompanying notes are an integral part of this financial statement.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - 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 efforts and in partnership with the 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 accompanying statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (the Board) are reported as net assets without donor restrictions, board-designated.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization's mission and purpose. 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

The Organization considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of June 30, 2023, the tax years that remain subject to examination by taxing authorities begin with 2020.

Grants and Contributions

The Organization records grants and contributions (including membership dues) in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Grants and contributions received are recorded as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Beneficial Interest in Assets Held by Community Foundation

The Organization established an endowment fund during 2013 and another one during 2015. The endowment funds are perpetual in nature and are held by a community foundation (CF), which named the Organization as the 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.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with terms of more than twelve months. Management has evaluated this pronouncement and determined it is not applicable as the Organization does not have leases for the year ended June 30, 2023. Therefore, it will not be adopted for fiscal year 2023.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This pronouncement requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The pronouncement includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new pronouncement, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Management has evaluated this pronouncement and determined it is not applicable as the Organization had no material in-kind contributions for the year ended June 30, 2023. Therefore, it will not be adopted for fiscal year 2023.

FRIENDS OF BIG BEND NATIONAL PARK
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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This pronouncement provides guidance regarding revenue recognition effective for reporting periods beginning after December 15, 2019. The pronouncement affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets. The core principle of this update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The Organization adopted this pronouncement effective July 1, 2022.

In 2016, the FASB issued ASU 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This update was followed up in 2018 by ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* and ASU 2018-09, *Codification Improvements*. These pronouncements provide guidance regarding the reporting and disclosure requirements of investments, effective for periods beginning after December 15, 2018. The Organization adopted these pronouncements effective July 1, 2022.

In 2018, the FASB issued ASU 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*, effective for periods beginning after December 15, 2019. This pronouncement improves the effectiveness of fair value measurement disclosures in the notes to the financial statements. The Organization adopted this pronouncement effective July 1, 2022.

Revenue - Exchange Transactions

The Organization receives revenue through special events, which are exchange transactions. Revenue is recorded at the close of the event when the performance obligation has been completed. Any amount received in excess of the benefit provided to the attendees is recorded as a contribution. Consideration is variable depending upon the nature of the event. There were no receivables, contract assets, or contract liabilities related to these exchange transactions at June 30, 2023 and July 1, 2022. For the year ended June 30, 2023, substantially all special event income consisted of contributions (non-exchange) which are recognized as revenue when received and are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restriction. Disaggregation of revenue is presented on the face of the statement of activities.

Functional Allocation of Expenses

The costs of providing the services and other activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as awards and grants, professional services, and various other expenses which are allocated on some other reasonable basis.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2023 was \$565.

FRIENDS OF BIG BEND NATIONAL PARK
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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in accounts at two financial institutions. The Federal Deposit Insurance Corporation insures account balances up to \$250,000 per bank. The Organization's uninsured cash balances totaled \$1,660,875 at June 30, 2023, without regard to reconciling items.

NOTE 3 - ENDOWMENT

The Organization has the following donor-restricted endowments:

James A. "Buddy" Davidson Big Bend Trails Endowment - This endowment was established in 2013 to provide long-term support in perpetuity to repair trails damaged by weather, add new extensions to existing trails, re-route trails that are dangerous or unused, and create new trails to explore new areas of the park.

Fossil Discovery Endowment - This endowment was established in 2015 to provide long-term support in perpetuity for the maintenance and educational costs of the Fossil Discovery Exhibit and paleontology programs in Big Bend National Park.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 perpetually restricted net assets (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 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 as perpetually restricted net assets is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 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

Return Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the level of the endowment assets.

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 - ENDOWMENT (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

Consistent with the Organization's objective to maintain the level of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return, the Organization has a policy of appropriating for distribution each year as follows:

Distributions will be made in accordance with the distribution policy determined annually by the CF's Board of Directors. 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.

The endowment net assets composition by type was as follows as of June 30, 2023:

Donor-Restricted Endowment Funds:	
Perpetually Restricted	\$ 304,900
Purpose-Restricted	<u>2,099</u>
Total	<u>\$ 306,999</u>

Changes in the Organization's endowment net assets were as follows for the year ended June 30, 2023:

	Without Donor Restrictions	Purpose Restricted	Perpetually Restricted	Total
Endowment Net Assets at Beginning of Year	\$ -	\$ -	\$ 291,449	\$ 291,449
Investment Income	-	-	30,405	30,405
Contributions	-	-	2,429	2,429
Amount Appropriated for Expenditure	-	(11,901)	(4,506)	(16,407)
Other	-	<u>14,000</u>	<u>(14,877)</u>	<u>(877)</u>
Endowment Net Assets at End of Year	<u>\$ -</u>	<u>\$ 2,099</u>	<u>\$ 304,900</u>	<u>\$ 306,999</u>

Following is a description of amounts classified as perpetually restricted and purpose-restricted net assets (endowment only) as of June 30, 2023:

Perpetually Restricted Net Assets

The portion of perpetual endowment funds required to be retained permanently, either by explicit donor stipulation or by UPMIFA

\$ <u>304,900</u>

FRIENDS OF BIG BEND NATIONAL PARK
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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 - ENDOWMENT (continued)

Purpose-Restricted Net Assets

The portion of perpetual endowment funds subject to a purpose restriction under UPMIFA

	\$ <u>2,099</u>
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NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2023:

Purpose-Restricted:	
Terlingua Creek Project	\$ 612,019
Sustainability Projects	532,472
Castolon Recovery Fund	421,939
Parks Video Project	50,000
Professional Skills and Development	2,720
James A. "Buddy" Davidson Big Bend Trails Endowment	<u>2,099</u>
Total Purpose-Restricted	<u>1,621,249</u>
Perpetually Restricted:	
James A. "Buddy" Davidson Big Bend Trails Endowment	170,119
Fossil Discovery Endowment	<u>134,781</u>
Total Perpetually Restricted	<u>304,900</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,926,149</u>

NOTE 5 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without restrictions were designated for the following purposes as of June 30, 2023:

General Operating Reserve*	\$ 93,250
Terlingua Creek Project **	<u>70,000</u>
Total Board-Designated Net Assets	<u>\$ 163,250</u>

* The contributions were received without restrictions from the donors. The Board decided to designate the contributions for the Organization's operations and activities.

** The contributions were received without restrictions from the donors. The Board decided to designate the contributions for the Terlingua Creek Project.

NOTE 6 - PENSION PLAN

The Organization provides pension benefits to eligible employees who have completed one year of employment. The Organization contributes 2% of eligible gross salaries. Contributions as of June 30, 2023 were \$1,416.

FRIENDS OF BIG BEND NATIONAL PARK
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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization adopted the provisions of ASC 820, “Fair Value Measurements and Disclosures” (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Organization’s financial position or results of operations.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Organization’s current assets and liabilities as presented in the statement of financial position are Level 1. The Organization has no Level 2 or Level 3 current assets or liabilities. The carrying amounts reported in the statement of financial position approximate their fair values because of the short maturities of those instruments.

The Organization’s financial instruments also include a beneficial interest in assets held by a community foundation that are classified as Level 3. The fair value of the beneficial interest in assets held by a community foundation is based on inputs that are unobservable and supported by little or no market activity.

The following table represents the beneficial interest in assets held by a community foundation measured at fair value as reported on the statement of financial position as of June 30, 2023, as well as by level within the fair value measurement hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
James A. “Buddy” Davidson Big Bend Trails Endowment	\$ -	\$ -	\$ 170,119	\$ 170,119
Fossil Discovery Endowment	-	-	134,725	134,725
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,844</u>	<u>\$ 304,844</u>

Return on the beneficial interest in assets held by a community foundation comprised the following for the year ended June 30, 2023:

Interest and Dividends	\$ 7,810
Realized/Unrealized Losses	22,595
Investment Fees	<u>(4,506)</u>
Total Investment Return	<u>\$ 25,899</u>

FRIENDS OF BIG BEND NATIONAL PARK
dba BIG BEND CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 20, 2023, which is the date the financial statements were available to be issued.

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions and internal designations that are amounts set aside for operating and other reserves that could be drawn upon if the Organization's Board approves that action.

Cash and Cash Equivalents	\$ 2,114,085
Accounts Receivable	<u>19,336</u>
Total Financial Assets	2,133,421
Donor Restrictions (excluding perpetually restricted)	(1,621,249)
Board Designations	<u>(163,250)</u>
Total Financial Assets Available to Meet Cash	
Needs for Expenditures Within One Year	\$ <u>348,922</u>

The Organization's primary sources of cash flows are membership dues, grants, and contributions. These revenue sources provide a consistent inflow of cash throughout the year to cover normal operating expenses.