

Continental Divide Trail Coalition

Financial Statements and Independent Auditor's Report
December 31, 2021

CONTINENTAL DIVIDE TRAIL COALITION

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To the Board of Directors of
Continental Divide Trail Coalition
Golden, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Continental Divide Trail Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Continental Divide Trail Coalition as of December 31, 2021, 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 Continental Divide Trail Coalition 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.

Management's Responsibility 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 Continental Divide Trail Coalition to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 Continental Divide Trail Coalition'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 Continental Divide Trail Coalition'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.

Artesian CPA, LLC

Artesian CPA, LLC

Denver, Colorado

March 2, 2022

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CONTINENTAL DIVIDE TRAIL COALITION
STATEMENT OF FINANCIAL POSITION
As of December 31, 2021

ASSETS

Current Assets:

Cash and equivalents - unrestricted	\$ 328,426
Accounts receivable	57,808
Inventory	3,535
Prepaid expenses	3,111
Total Current Assets	<u>392,880</u>

Non Current Assets:

Investments	<u>10,471</u>
Total Non Current Assets:	<u>10,471</u>

TOTAL ASSETS \$ 403,351

LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued expenses	\$ <u>38,767</u>
Total Current Liabilities	<u>38,767</u>

Net Assets:

Without donor restrictions	314,126
With donor restrictions	50,458
Total Net Assets	<u>364,584</u>

TOTAL LIABILITIES AND NET ASSETS \$ 403,351

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

CONTINENTAL DIVIDE TRAIL COALITION
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:			
Grant revenue	\$ 488,615	\$ 40,000	\$ 528,615
Contributions	395,425	10,458	405,883
In-kind revenue	33,489	-	33,489
Member dues	26,209	-	26,209
Shuttle rides	2,119	-	2,119
Other Revenue:			
Merchandise revenue	33,686	-	33,686
Merchandise costs of goods sold	(7,318)	-	(7,318)
Miscellaneous	10,779	-	10,779
Special events (integral and ongoing):			
Special events revenue	11,984	-	11,984
Special events - direct costs	(2,198)	-	(2,198)
Total public support and revenue	992,790	50,458	1,043,248
Expenses:			
Program activities:			
Stewardship	306,343	-	\$ 306,343
Outreach	188,990	-	188,990
Communities	65,830	-	65,830
Supporting services:			
Management and general	280,805	-	280,805
Fundraising	141,823	-	141,823
Total expenses	983,791	-	983,791
Change in net assets from operating activities	8,999	50,458	59,457
Non-Operating Activities:			
Interest income	165	-	165
Change in net assets from non-operating operating activities	165	-	165
Change in net asset	9,164	50,458	59,622
Net assets at beginning of year	304,962	-	304,962
Net assets at end of year	\$ 314,126	\$ 50,458	\$ 364,584

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

CONTINENTAL DIVIDE TRAIL COALITION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	Program Activities				Supporting Activities			Total
	Stewardship	Outreach	Communities	Program Subtotal	Management	Fundraising	Supporting Subtotal	
Payroll expense	\$ 219,777	\$ 122,098	\$ 36,629	\$ 378,504	\$ 140,413	\$ 91,574	\$ 231,987	\$ 610,491
Contractor expense	-	38,207	-	38,207	38,207	-	38,207	76,414
Payroll tax	15,669	8,705	2,612	26,986	10,011	6,529	16,540	43,526
Volunteer trail work	36,274	-	-	36,274	-	-	-	36,274
In-kind expenses	13,396	-	-	13,396	-	20,093	20,093	33,489
Community engagement expense	-	-	25,748	25,748	-	-	-	25,748
Membership and development expense	-	-	-	-	-	20,704	20,704	20,704
Occupancy expense	-	-	-	-	17,275	-	17,275	17,275
Meetings and training	-	-	-	-	16,812	-	16,812	16,812
Dues, subscriptions and licenses	-	-	-	-	16,803	-	16,803	16,803
Outreach expense	-	16,357	-	16,357	-	-	-	16,357
Insurance expense	-	-	-	-	12,193	-	12,193	12,193
Office expense	-	-	-	-	11,595	-	11,595	11,595
Advocacy expense	3,835	2,130	639	6,604	2,450	1,598	4,048	10,652
Technology expense	-	-	-	-	7,895	-	7,895	7,895
Miscellaneous expense	-	-	-	-	6,169	-	6,169	6,169
Land protection expenses	5,854	-	-	5,854	-	-	-	5,854
Volunteer administration	5,631	-	-	5,631	-	-	-	5,631
Trail Management expense	4,693	-	-	4,693	-	-	-	4,693
Terminus shuttle program	1,214	674	202	2,090	775	506	1,281	3,371
Website expense	-	819	-	819	-	819	819	1,638
Bank fees	-	-	-	-	207	-	207	207
	<u>\$ 306,343</u>	<u>\$ 188,990</u>	<u>\$ 65,830</u>	<u>\$ 561,163</u>	<u>\$ 280,805</u>	<u>\$ 141,823</u>	<u>\$ 422,628</u>	<u>\$ 983,791</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

CONTINENTAL DIVIDE TRAIL COALITION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 59,622
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Change in inventory	(2,339)
Change in accounts receivable	(57,676)
Change in prepaid expenses	(3,111)
Change in accrued expenses	21,622
Net cash provided by operating activities	<u>18,118</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	<u>(10,471)</u>
Net cash used in investing activities	<u>(10,471)</u>

Net increase in cash and equivalents 7,647

Cash and equivalents at beginning of year 320,779

Cash and equivalents at end of year \$ 328,426

Supplemental Disclosure of Cash Flow Information:

Cash paid for interest \$ -

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

CONTINENTAL DIVIDE TRAIL COALITION

NOTES TO THE FINANCIAL STATEMENTS

As of December 31, 2021 and for the year then ended

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Continental Divide Trail Coalition (the “Organization” or “CDTC”) is a non-profit organization incorporated on June 14, 2012. The Organization’s mission is to complete, promote, and protect the Continental Divide National Scenic Trail (“CDNST” or the “Trail”).

The Organization has the following program services:

Stewardship: The CDNST will be located and constructed to provide the most scenic, diverse and inspiring experience, sensitive to the environment, constructed to a high quality non-motorized standard, and signed. The work varies in difficulty due to location, topography, soils and weather conditions; and determines whether volunteers, youth corps, land manager crews or private contractors perform the work. CDTC works closely with our federal partners to foster communication with the public in an effort to find the most appropriate location for the Trail. Trail planning, which includes environmental assessments, public input and re-view, field surveys, engineering and trail layout, is the critical first step toward building and completing the Trail. This also includes active engagement in forest planning efforts, BLM resource management planning, and National Park Service Planning efforts.

Outreach: Outreach and education conducted through CDTC's programs, website and printed materials are critical to successfully build and preserve the Trail for future generations and will result in more knowledgeable and environmentally and socially responsible individuals, as well as the completion and preservation of an American treasure.

Communities: Through the CDT Gateway Community Program, we have designated 19 communities along the CDT including one in every Trail state.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was adopted effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

See accompanying Independent Auditor’s Report

CONTINENTAL DIVIDE TRAIL COALITION

NOTES TO THE FINANCIAL STATEMENTS

As of December 31, 2021 and for the year then ended

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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, except those designated for long-term purposes, to be cash equivalents. The Organization's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2021, the Organization's cash balances exceeded FDIC insured limits by \$60,380.

Grants and Pledges Receivable

Receivables, representing amounts due from grantors and contributions pledged by donors, are stated at amounts estimated by management to be the net realizable value. The Organization periodically evaluates the collectability of accounts receivable and establishes a reserve for uncollectible accounts based on an evaluation of the specific unpaid account balances.

Inventory

Inventory is stated at the lower of cost or market and accounted for using the first-in first-out method. The inventory balances as of December 31, 2021 consist of hats, maps and water bottles. The Organization evaluates its inventory for impairment and obsolescence based on future demand, market conditions, sales history, changes in product demand, regional economic conditions, and historical experience. When the estimated inventory market value is less than its carrying value, the carrying value is adjusted to market value and the resulting impairment is charged to costs of goods sold in the statement of activities.

Property and Equipment

Acquisitions of assets in excess of \$1,000 are capitalized at cost. Property and equipment is depreciated using the straight-line method over the assets estimated useful life.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

See accompanying Independent Auditor's Report

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

Contributions

The Organization accounts for contributions in accordance with generally accepted accounting principles (GAAP), where contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfaction of program restrictions. Contributions with restrictions met in the same reporting period received are classified as unrestricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as received and allowances are provided for pledges estimated to be uncollectible.

Contributed Services and Other In-Kind Contributions

Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have contributed significant amounts of their time in the Organization's program services but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria. For the year ended December 31, 2021 there were in-kind contributions totaling \$33,489.

Measure of Operation

The statement of activities reports 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 ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. The ASU is effective for annual and interim periods beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. We are continuing to evaluate the impact of this new standard on our financial reporting and disclosures.

Functional Allocation of Expenses

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

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll and payroll taxes	Time and Effort
Occupancy	Square Footage

All other expenses were allocated based on the specific identification method.

Income Tax

No provision has been made for income taxes, since the Organization is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3). There was no unrelated business taxable income during the year. The Organization has not recognized any cumulative adjustment relating to the adoption of FASB ASC Income Tax Topic, nor are there any unrecognized tax benefits to be disclosed as of December 31, 2021. Uncertainty in income taxes for a not-for-profit organization would include the status of its exemption from taxes, status of filings in local jurisdictions, and unrelated business income, if any. The Organization's information return filings for the years 2019 to 2021 remain subject to examination by the Internal Revenue Service.

NOTE 2: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Cash and money market accounts are listed at cost which approximates their fair value. The Organization values mutual funds using their adjusted close prices from the last day of trading before the balance sheet date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the Statement of Financial Position.

The carrying amount reported in the Statement of Financial Position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, investments, approximate fair value because of the immediate or short-term maturities of these financial instruments.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 1,372	\$ 1,372	\$ -	\$ -
Mutual fund	9,099	9,099	-	-
Total	<u>\$ 10,471</u>	<u>\$ 10,471</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3: LEASE OBLIGATIONS

In October, 2020 the Organization renewed their lease agreement, monthly lease obligations under this agreement are \$1,030 per month the lease is on a month-to-month basis. On April 20, 2021, the Organization entered into a lease with an unrelated party for office space. The lease term commenced on May 1, 2021 and is scheduled to expire on April 30, 2022. Monthly lease obligations under this agreement are \$250 per month. Rent expense for the year ended December 31, 2021 totaled \$17,275.

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

Future minimum lease payments under the lease as of December 31, 2021 are as follows:

2022	<u>\$ 1,000</u>
Total	<u><u>\$ 1,000</u></u>

NOTE 4: CONCENTRATIONS

The Organization's revenue sources carry significant concentrations. For the year ended December 31, 2021, there were two granting agencies that represented over 10% of revenues and each represented a concentration of risk which were approximately 16% and 10% of total revenues.

NOTE 5: COMMITMENTS AND CONTINGENCIES

The Organization has received grants for specific purposes that are subject to review and audit by grantor agencies. Such audits may result in grantor agencies requiring a reimbursement from the Organization for expenditures disallowed by the grant terms. Management does not expect any such disallowances to be material.

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, net assets with donor restriction consisted of the following:

<u>Subject to expenditure for specified purpose</u>	
US Forest Service	\$ 40,000
<u>Subject to spending policy and appropriation</u>	
Board Endowment	<u>10,458</u>
Total	<u><u>\$ 50,458</u></u>

NOTE 7: ENDOWMENT

General

The Organization's Endowment Fund was established by action of the Board of Directors (the "Board") to be maintained in perpetuity. The Endowment Fund may include both donor-restricted endowment funds as well as funds designated by the Board to function as endowments. The endowment funds may be established for either specific purposes or general operating use. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

Interpretation of Relevant Law

The Board 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 net assets with donor restrictions (a) the original value of gifts donated to the net assets with donor restrictions and (b) the original value of subsequent gifts to be held in perpetuity. The investment amount reflected in net assets with donor restrictions is adjusted for the annual appreciation or depreciation and distribution of the funds held by Vanguard. 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
- (2) The purposes of the Organization and the donor-restricted endowment fund
 - (3) General economic conditions
 - (4) The possible effect of inflation and deflation
 - (5) The expected total return from income and the appreciation of investments
 - (6) Other resources of the Organization
 - (7) The investment policies of the Organization

Return Objective and Risk Parameters

The Organization follows the investment and spending policies adopted by Vanguard for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Investments include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

Changes in Endowment Net Assets during the year ended December 31, 2021:

Balance, January 1, 2021	\$ -
Contributions	10,458
Distributions	-
Fees	-
Total gains and losses	13
Endowment net assets December 31, 2021	<u>\$ 10,458</u>

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Organization relies on the Vanguard's investment policy and strategy which strive to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The funds are held in a pooled investment portfolio which are invested with a long-term strategy with a balanced portfolio of mutual funds and cash.

See accompanying Independent Auditor's Report

CONTINENTAL DIVIDE TRAIL COALITION
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2021 and for the year then ended

Spending Policy and How the Investment Objectives Relate to Spending Policy

The principal balance of the Endowment may not be used. Once the fund has reached \$25,000, 3.5% of the donor restricted Endowment may be appropriated for distribution each year, calculated based on the average fair market value of the end of the prior 12 quarters from September 30th preceding the fiscal year in which the distribution is planned. For endowments that were established within the last 12 quarters, quarters for which the balance was zero will not be included in the calculation of fair market value. The portion of the distribution amount to be derived from the Organization's Endowment Fund shall not exceed their prior year earnings. (Including interest and dividends), unless explicitly authorized by the Organization's Board. If the rate of return is declining, the Finance Committee will determine whether or not to take distributions or reinvest dividends until the pattern reverses.

NOTE 8: LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial Assets	
Cash and equivalents	\$ 328,426
Accounts receivable	57,808
Inventory	3,535
Prepaid expenses	<u>3,111</u>
Total Financial Assets	\$ 392,880
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
US Forest Service	<u>(40,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 352,880</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has historically operated at approximately break-even results, and can adjust expenses as necessary should future revenues decline.

NOTE 9: SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions that occurred after the balance sheet date through March 2, 2022, the date the financial statements were available to be issued and has determined that no subsequent events occurred that require recognition or disclosure in the financial statements.