

ROCKY MOUNTAIN CONSERVANCY

Financial Statements As Of December 31, 2023
(With Summarized Financial Information
As Of December 31, 2022)

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rocky Mountain Conservancy:

Opinion

We have audited the accompanying financial statements of Rocky Mountain Conservancy (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in 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 Auditors' 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 audits. 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 these 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.

Independent Auditors' Report (Continued)

Auditors' 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 auditors' 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 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.

Independent Auditors' Report (Continued)

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

May 1, 2024

ROCKY MOUNTAIN CONSERVANCY

Statement Of Financial Position

As Of December 31, 2023

(With Summarized Financial Information As Of December 31, 2022)

Page -5-

| ASSETS | Without Donor Restrictions | With Donor Restrictions | Total 2023 | Total 2022 |
|--|----------------------------------|-------------------------------|----------------------|----------------------|
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 6,399,940 | \$ 1,858,642 | \$ 8,258,582 | \$ 9,906,515 |
| Investments | 2,767,269 | 31,596 | 2,798,865 | 810,989 |
| Accounts receivable | | | | 69,525 |
| Government grants receivable | 28,243 | 93,956 | 122,199 | 82,595 |
| Contributions receivable | | 321,856 | 321,856 | 319,064 |
| Due to/(due from) | 225,166 | (225,166) | | |
| Prepaid expenses | 116,659 | | 116,659 | 105,064 |
| Inventory, net | 1,061,448 | | 1,061,448 | 1,425,304 |
| Total Current Assets | 10,598,725 | 2,080,884 | 12,679,609 | 12,719,056 |
| Other Assets: | | | | |
| Cash held for others | 7,928 | | 7,928 | 7,929 |
| Long-term contributions receivable | | 30,000 | 30,000 | 30,000 |
| Long-term investments | 9,506,169 | 1,746,484 | 11,252,653 | 9,987,912 |
| Assets restricted to investment in land: | | | | |
| Cash and cash equivalents | | 342,060 | 342,060 | 39,440 |
| Property and equipment, net | 3,320,243 | | 3,320,243 | 1,193,591 |
| TOTAL ASSETS | \$ 23,433,065 | \$ 4,199,428 | \$ 27,632,493 | \$ 23,977,928 |

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

ROCKY MOUNTAIN CONSERVANCY

Statement Of Financial Position (Continued)

As Of December 31, 2023

(With Summarized Financial Information As Of December 31, 2022)

Page -6-

| LIABILITIES AND NET ASSETS | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2023</u> | <u>Total 2022</u> |
|--|---|--|-----------------------|-----------------------|
| Current Liabilities: | | | | |
| Accounts payable | \$ 396,991 | \$ 15,290 | \$ 412,281 | \$ 401,780 |
| Accrued aid payable | 678,718 | | 678,718 | 599,058 |
| Accrued expenses payable | 230,646 | | 230,646 | 220,497 |
| Total Current Liabilities | <u>1,306,355</u> | <u>15,290</u> | <u>1,321,645</u> | <u>1,221,335</u> |
| Long Term Liabilities: | | | | |
| Custodial funds held for others | 7,928 | | 7,928 | 7,928 |
| Total Liabilities | <u>1,314,283</u> | <u>15,290</u> | <u>1,329,573</u> | <u>1,229,263</u> |
| Net Assets: | | | | |
| Without donor restrictions: | | | | |
| Undesignated: | | | | |
| Operating | 4,612,450 | | 4,612,450 | 3,138,114 |
| Designated: | | | | |
| Property and equipment | 3,320,243 | | 3,320,243 | 1,193,591 |
| Rocky Terraces | 791,516 | | 791,516 | 3,008,138 |
| Board designated operating reserve | 600,000 | | 600,000 | 600,000 |
| Quasi - endowments | 9,506,169 | | 9,506,169 | 8,416,345 |
| Rocky Mountain National Park funds | 3,288,404 | | 3,288,404 | 3,409,997 |
| Total Designated | <u>17,506,332</u> | | <u>17,506,332</u> | <u>16,628,071</u> |
| Total Net Assets Without Donor Restrictions | <u>22,118,782</u> | | <u>22,118,782</u> | <u>19,766,185</u> |
| With donor restrictions: | | | | |
| Purpose and time restrictions | | 2,437,654 | 2,437,654 | 1,410,913 |
| Perpetual in nature | | 1,746,484 | 1,746,484 | 1,571,567 |
| Total Net Assets With Donor Restrictions | | <u>4,184,138</u> | <u>4,184,138</u> | <u>2,982,480</u> |
| Total Net Assets | <u>22,118,782</u> | <u>4,184,138</u> | <u>26,302,920</u> | <u>22,748,665</u> |
| TOTAL LIABILITIES AND AND NET ASSETS | <u>\$ 23,433,065</u> | <u>\$ 4,199,428</u> | <u>\$ 27,632,493</u> | <u>\$ 23,977,928</u> |

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

ROCKY MOUNTAIN CONSERVANCY

Statement Of Activities

For The Year Ended December 31, 2023

(With Summarized Financial Information For The Year Ended December 31, 2022)

Page -7-

| | Without Donor Restrictions | With Donor Restrictions | Total 2023 | Total 2022 |
|--|----------------------------------|-------------------------------|----------------------|----------------------|
| Operating Activities: | | | | |
| Revenues And Other Support - | | | | |
| Sales | \$ 7,104,041 | \$ | \$ 7,104,041 | \$ 6,344,448 |
| Cost of goods sold | (3,296,279) | | (3,296,279) | (3,157,441) |
| Gross Profit | 3,807,762 | | 3,807,762 | 3,187,007 |
| Contributions | 1,012,267 | 2,158,420 | 3,170,687 | 1,796,992 |
| Government grants | 354,865 | 100,128 | 454,993 | 214,383 |
| Membership contributions | 195,122 | | 195,122 | 199,350 |
| Contributions of nonfinancial assets | 46,364 | 339,822 | 386,186 | 500,250 |
| Net investment return appropriated for spending | 440,008 | 57,000 | 497,008 | 483,039 |
| Gain (loss) on disposal of property | | | | 238,487 |
| Field Institute income | 55,207 | | 55,207 | 5,825 |
| Other income | 29,217 | | 29,217 | 29,336 |
| Total Revenues, Gains and Other Support | 5,940,812 | 2,655,370 | 8,596,182 | 6,654,669 |
| Net assets released from restriction: | | | | |
| Satisfaction of purpose and time restrictions | 1,610,741 | (1,610,741) | | |
| Total Revenues And Other Support | 7,551,553 | 1,044,629 | 8,596,182 | 6,654,669 |
| Expenses: | | | | |
| Program Services - | | | | |
| Educational product sales | 2,181,411 | | 2,181,411 | 1,666,969 |
| Communication and outreach | 245,004 | | 245,004 | 218,513 |
| Membership | 195,457 | | 195,457 | 180,631 |
| Field Institute | 178,409 | | 178,409 | 131,863 |
| RMNP and Partner support | 2,865,778 | | 2,865,778 | 2,382,579 |
| Total Program Services | 5,666,059 | | 5,666,059 | 4,580,555 |
| Supporting Services - | | | | |
| Fundraising | 255,168 | | 255,168 | 238,474 |
| General and administration | 489,891 | | 489,891 | 436,595 |
| Total Supporting Services | 745,059 | | 745,059 | 675,069 |
| Total Expenses | 6,411,118 | | 6,411,118 | 5,255,624 |
| Changes In Net Asset From Operations | 1,140,435 | 1,044,629 | 2,185,064 | 1,399,045 |
| Nonoperating activities: | | | | |
| Net investment return in excess of amounts appropriated for spending | 1,212,162 | 157,029 | 1,369,191 | (2,543,164) |
| CHANGES IN NET ASSETS | 2,352,597 | 1,201,658 | 3,554,255 | (1,144,119) |
| Net Assets, Beginning Of Year | 19,766,185 | 2,982,480 | 22,748,665 | 23,892,784 |
| NET ASSETS, END OF YEAR | <u>\$ 22,118,782</u> | <u>\$ 4,184,138</u> | <u>\$ 26,302,920</u> | <u>\$ 22,748,665</u> |

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

ROCKY MOUNTAIN CONSERVANCY

Statement Of Functional Expenses

For The Year Ended December 31, 2023

(With Summarized Comparative Totals for the Year Ended December 31, 2022)

Page -8-

| | Educational Product Sales | Comm and Outreach | Membership | Field Institute | RMNP and Partner Support | Total Program Services | Fundraising | General and Admin | Total Support Services | 2023 Total | 2022 Total |
|--|---------------------------------|-------------------------|-------------------|--------------------|--------------------------------|------------------------------|-------------------|----------------------|------------------------------|---------------------|---------------------|
| Aid - direct | \$ 287,389 | \$ | \$ | \$ | \$ 4,393 | \$ 291,782 | \$ | \$ | \$ | \$ 291,782 | \$ 242,792 |
| Appeals and marketing | | 5,810 | 375 | 3,896 | | 10,081 | 5,311 | | 5,311 | 15,392 | 11,747 |
| Bank and merchant fees | 193,276 | 2,064 | 4,699 | 802 | 25 | 200,866 | 8,940 | 1,783 | 10,723 | 211,589 | 178,256 |
| Board expenses | | | | | | | | 10,404 | 10,404 | 10,404 | 8,156 |
| Compensation and benefits | 1,378,853 | 119,853 | 128,905 | 127,246 | 503,550 | 2,258,407 | 155,674 | 334,489 | 490,163 | 2,748,570 | 2,205,514 |
| Depreciation | 52,069 | 1,315 | 2,263 | 1,052 | 13,457 | 70,156 | 2,263 | 17,181 | 19,444 | 89,600 | 68,338 |
| Education honorariums | | | | 12,775 | 2,400 | 15,175 | | | | 15,175 | 8,033 |
| Events | 252 | 8,394 | 2,530 | 2,298 | 7,626 | 21,100 | 5,868 | 66 | 5,934 | 27,034 | 16,079 |
| Exhibits and facilities improvement | | | | | 106,216 | 106,216 | | | | 106,216 | 4,341 |
| Facilities expense | 63,648 | 828 | 1,159 | 1,143 | 39,374 | 106,152 | 1,159 | 9,678 | 10,837 | 116,989 | 56,019 |
| Information technology | 70,874 | 21,111 | 10,903 | 16,418 | 20,063 | 139,369 | 27,595 | 17,524 | 45,119 | 184,488 | 144,719 |
| Insurance | 51,138 | 1,360 | 2,111 | 11,120 | 9,986 | 75,715 | 2,973 | 13,029 | 16,002 | 91,717 | 74,177 |
| Land protection | | | | | | | | | | | 500,000 |
| Legal and professional fees | 4,707 | 1,831 | 4,044 | 994 | 6,651 | 18,227 | 13,321 | 46,783 | 60,104 | 78,331 | 89,980 |
| Meetings, training, and conferences | 1,675 | 2,415 | 16 | 3,678 | 49,302 | 57,086 | 1,584 | 12,286 | 13,870 | 70,956 | 51,777 |
| Membership premiums | | | 6,856 | | | 6,856 | | | | 6,856 | 26,521 |
| Miscellaneous | 580 | 110 | | 430 | 200 | 1,320 | | 6,001 | 6,001 | 7,321 | 5,710 |
| Office expense | 22,905 | 10,355 | 3,072 | 3,767 | 13,751 | 53,850 | 14,458 | 16,389 | 30,847 | 84,697 | 68,805 |
| Printing and postage | 9,973 | 63,288 | 28,227 | 5,148 | 596 | 107,232 | 13,543 | 2,064 | 15,607 | 122,839 | 95,094 |
| Program reimbursement | | | | (20,000) | 22,950 | 2,950 | | | | 2,950 | |
| Project labor and housing | | | | 3,310 | 1,589,239 | 1,592,549 | | | | 1,592,549 | 1,009,446 |
| Project supplies | | | | | 349,221 | 349,221 | | | | 349,221 | 269,726 |
| Sales fulfillment | 34,185 | 36 | | | | 34,221 | | | | 34,221 | 25,473 |
| Vehicle and travel | 9,887 | 6,234 | 297 | 4,332 | 126,778 | 147,528 | 2,479 | 2,214 | 4,693 | 152,221 | 94,921 |
| Total | \$ 2,181,411 | \$ 245,004 | \$ 195,457 | \$ 178,409 | \$ 2,865,778 | \$ 5,666,059 | \$ 255,168 | \$ 489,891 | \$ 745,059 | \$ 6,411,118 | \$ 5,255,624 |

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

ROCKY MOUNTAIN CONSERVANCY

Statement Of Cash Flows

For The Year Ended December 31, 2023

(With Summarized Financial Information For The Year Ended December 31, 2022)

Page -9-

| | <u>2023</u> | <u>2022</u> |
|--|----------------------------|----------------------------|
| Cash flows from operating activities: | | |
| Changes in net assets | \$ 3,554,255 | \$ (1,144,119) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation expense | 89,600 | 68,338 |
| (Gain) loss on disposal of property | | (238,487) |
| Contributed property received | (329,000) | (485,000) |
| Donation of property | | 500,000 |
| Unrealized/realized (gain) loss in investments | (1,441,825) | 2,460,285 |
| Inventory obsolescence | 13,311 | 9,127 |
| Contributions restricted for long-term purposes | (1,000) | (14,275) |
| Changes in assets and liabilities - | | |
| (Increase) decrease in accounts receivable | 69,525 | (25,315) |
| (Increase) in government grants receivable | (39,604) | (30,745) |
| (Increase) decrease in contributions receivable | (2,792) | 73,810 |
| (Increase) in prepaid expenses | (11,595) | (33,792) |
| Decrease (increase) in inventory | 350,545 | (542,359) |
| Increase in accounts payable | 10,503 | 115,183 |
| (Decrease) increase in accrued aid payable | 79,660 | 90,118 |
| Increase in accrued expenses payable | 10,149 | 27,936 |
| Net cash provided by operating activities | <u>2,351,732</u> | <u>830,705</u> |
| Cash flows from investing activities: | | |
| Purchases of investments | (2,974,375) | (413,229) |
| Proceeds from sale of property | 329,000 | 717,718 |
| Purchases of property and equipment | (2,216,253) | (484,457) |
| Sales of investments | 1,163,582 | 507,085 |
| Net cash (used in) provided by investing activities | <u>(3,698,046)</u> | <u>327,117</u> |
| Cash flows from financing activities: | | |
| Proceeds from contributions to be held in perpetuity | 1,000 | 14,275 |
| Net cash provided by financing activities | <u>1,000</u> | <u>14,275</u> |
| NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH | (1,345,314) | 1,172,097 |
| Cash and Restricted Cash, Beginning Of Year | <u>9,953,884</u> | <u>8,781,787</u> |
| CASH AND RESTRICTED CASH, END OF YEAR | <u>\$ 8,608,570</u> | <u>\$ 9,953,884</u> |

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

ROCKY MOUNTAIN CONSERVANCY

Statement Of Cash Flows (Continued)

For The Year Ended December 31, 2023

(With Summarized Financial Information For The Year Ended December 31, 2022)

Page -10-

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Reconciliation of cash and restricted cash reported within the | | |
| Statement of Financial Position that sum to the total of the | | |
| same such amounts in the Statement of Cash Flows. | | |
| Cash and cash equivalents | \$ 8,258,582 | \$ 9,906,515 |
| Cash held for others | 7,928 | 7,929 |
| Cash and cash equivalents - restricted | 342,060 | 39,440 |
| | <u>\$ 8,608,570</u> | <u>\$ 9,953,884</u> |

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

ROCKY MOUNTAIN CONSERVANCY

Notes To Financial Statements
For The Year Ended December 31, 2023

Page -11-

(1) Nature Of The Organization

The Rocky Mountain Conservancy (the “Organization”) was organized in 1931. The Organization was incorporated in 1955 under the laws of the State of Colorado. In 1972, 2006, and 2019, the Articles of Incorporation of the Organization were restated under the Colorado Non-Profit Corporation Act for the following purposes:

- To stimulate interest in the interpretive activities of Rocky Mountain National Park (Park) and its cooperating issues.
- To encourage scientific investigation and research in the field of history, geology, natural history, and related subjects that has a bearing on the Park and its cooperating areas and adjacent territories.
- To assist in the development of the library of the Park and cooperating areas.
- To assist in the care and development of museums and other interpretive facilities and programs in the Park and cooperating areas.
- To assist in obtaining photographs, slides, films, and other materials and equipment for use in explaining and exhibiting the history, earth sciences, and other natural history portrayed in the Park and cooperating areas.
- To accept donations for and to maintain and use other funds for furthering the educational objectives of the National Park Service in the Park and cooperating areas, including the acquisition of private lands.
- To publish, or aid the publication of, material pertinent to the educational objectives of the National Park Service.
- To make available for sale at museums and other desirable outlets, in the Park and cooperating areas, publications, visual aids, photographs, or other material pertinent to the educational objectives of the National Park Service. The earnings from these buying and selling operations shall be used only for the furtherance of the Organization and to carry out the purpose of its existence, as outlined in the previous sections. The operations, property and assets of the Organization shall be strictly limited to the purposes for which it has been established, and no part of the net income of the Organization shall inure to the financial benefit of any officer or member thereof.
- To purchase, lease or otherwise acquire and to hold, own, sell, or dispose of real and personal property of all kinds and in particular lands, buildings, business concerns and undertakings, merchandise, and any interest in real or personal property.

- To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes, the attainment of any of the objects, or the furtherance of any of the powers hereinbefore set forth, either alone or in connection with other corporations, firms or individuals and either as principals or agents, and to do every other act or acts, thing or things, incidental or appurtenant to or growing out of or connected with the aforesaid objects purposes or powers, or any of them provided the same by not inconsistent with the laws under which this Organization is organized.

During 2014, the Organization changed its name from Rocky Mountain Nature Association, Inc. to Rocky Mountain Conservancy.

The Organization’s major sources of revenue are retail sales, contributions, and investment income.

The Organization is organized solely for public, charitable, and educational purposes, including such purposes as the making of distributions to the United States Government for the benefit of its national parks, and the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is classified as an organization that qualifies for charitable contribution deductions for individual donors. The administrative offices of the Organization are located at Rocky Mountain National Park Headquarters at Estes Park, Colorado. The Organization has retail outlets at the following locations, all of which are included in these financial statements:

National Park

| | |
|--|----------------------|
| Rocky Mountain National Park | Estes Park and Grand |
| Including East, West, and North locations and various smaller retail facilities located within the Park. | Lake, CO |

National Monument

| | |
|--|----------------|
| Florissant Fossil Beds National Monument | Florissant, CO |
|--|----------------|

U.S. Forest Service Locations

| | |
|--|------------------|
| Arrowhead Lodge Visitor Center | Bellevue, CO |
| Boulder Ranger District | Boulder, CO |
| Brush Creek Ranger District | Saratoga, WY |
| Canyon Lakes Ranger District | Fort Collins, CO |
| Centennial Visitor Center | Centennial, WY |
| Comanche National Grassland | Springfield, CO |
| Comanche National Grassland - Picketwire Canyonlands | La Junta, CO |
| Grand Mesa Visitor Center | Cedaredge, CO |
| Leadville Ranger District | Leadville, CO |
| Medicine Bow/Laramie Ranger District | Laramie, WY |
| Sopris Ranger District | Carbondale, CO |
| South Park Ranger District | Fairplay, CO |
| Sulphur Ranger District | Granby, CO |

White River National Forest

Glenwood Springs, CO

Bureau of Land Management

National Historic Trails Interpretive Center

Casper, WY

Other

Estes Park Visitors Center

Estes Park, CO

The Old Gallery

Allenspark, CO

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

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

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

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reported period. Actual results could differ from those estimates, and those differences could be material.

Cash, Restricted Cash, And Investments

The Board of Directors allows cash and investments to be invested in various accounts at the discretion of the Investment Committee. For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents except for funds held in the investment portfolio. Investments in marketable securities with readily determinable fair market values are valued at their fair market values in the Statement of Financial Position.

Fair Value Measurements

The Organization follows *Fair Value Measurements* accounting standard which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Fixed income, mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting 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, contributions receivable, accounts payable and accrued expenses payable, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Inventory

Inventory consisted of books, maps, apparel, etc. Inventory directly tracked by the Point of Sale and Inventory Stock System (items located at the Organization warehouse for the Rocky Mountain National Park (RMNP) locations and the Historic Trails Interpretive Center) are valued at the lower of net realizable value or average cost. All other outlets value inventory at the last purchased cost to the outlet unless it is an item transferred from the warehouse, in which case it is valued at average cost. Inventory is presented net of an allowance for obsolete inventory in the amount of \$55,360 and as of December 31, 2023.

Assets Restricted To Investment In Land

Cash restricted to purchase land has been restricted by donors and is not available for operating purposes. Land was restricted by the donor to be transferred to Rocky Mountain National Park.

Property And Equipment

The Organization capitalizes all asset purchases with an original cost in excess of \$2,000. Contributed property and equipment is recorded at fair market value at the date of donation. Contributions received for fixed asset acquisitions are recorded as net assets with donor restrictions. When these resources are used to acquire fixed assets, the Organization reports the resources as having been released from restriction. Construction in progress is not depreciated until it is placed in service. Depreciation is recorded using the straight-line method over the estimated useful life as follows:

| | |
|-----------------------|-------------|
| Buildings | 27-40 years |
| Building improvements | 7-39 years |

| | |
|-----------|------------|
| Equipment | 5-10 years |
| Vehicles | 5 years |
| Software | 3 years |

Custodial Funds Held for Others

The Organization holds funds for other agencies in a custodial capacity. The purpose of the fund and its related expenditures must be made in conformity to the Organization's mission, exclusively for charitable purposes. All disbursement requests are made by agency-designated coordinators or program managers in writing, and then approved by the Organization's Executive Director. The Organization provides an accounting of each fund balance to the agencies. The establishment of new accounts over \$10,000 requires Operations Committee approval. Custodial funds are maintained in separate bank and investment accounts and are presented as restricted cash and investments on the Statement of Financial Position.

Compensated Absences

The Organization accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated. The Organization accrues for vacation leave but not sick leave, as such amount cannot be reasonably estimated.

Measure Of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and net investment return appropriated for spending. Nonoperating activities are limited to net investment return in excess of amounts appropriated for spending and activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

The Organization recognizes sales revenue based when the performance obligation the exchange of goods or services is complete, generally at the point of sale. Field Institute income is recognized as the event occurs.

The Organization recognizes contributions when cash, securities or other assets, or an unconditional contributions receivable is received. Unconditional contributions receivable are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of December 31, 2023, there was no material difference between the present value of the contributions receivable and the amount recorded in the financial statements which is at face value. Management expects that all promises to give will be fully collectible; accordingly, there is no allowance for uncollectible contributions receivable. Conditional contributions

receivable with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of \$365,216 that have not been recognized at December 31, 2023, because qualifying expenditures have not yet been incurred.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization records donated land at market value using appraisal data and sales history of similar property.

Certain donated services and goods that meet the criteria for recognition, are reflected in the financial statements at fair market value at the time of the donation.

Employees of affiliated organizations provide donated services in the sales areas and other volunteers also donate significant amounts of time in the areas of secretarial, business consulting and Board of Directors functions. These donated services are not included in the financial statements as they do not meet the criteria for recognition.

Administrative Transfers

The Organization charges a 15% administrative transfer fee on most donations to cover administrative and fund raising expenses related to accepting and expending certain contributed income.

Methods Used For Allocation Of Expenses From Management And General Activities

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

The expenses that are allocated include the following:

| <u>Expense</u> | <u>Method of Allocation</u> |
|-------------------------------------|-----------------------------|
| Compensation and benefits | Time and effort |
| Depreciation | Time and effort |
| Facilities expense | Square footage |
| Information technologies | Full-time equivalent |
| Insurance | Time and effort |
| Meetings, training, and conferences | Time and effort |
| Office expense | Full-time equivalent |
| Printing and postage | Time and effort |
| Vehicle and Travel | Time and effort |

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. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Subsequent Events

The Organization has performed an evaluation of subsequent events through May 1, 2024, which is the date the financial statements were available to be issued and considered any relevant matters in the preparation of the financial statements and footnotes.

(3) **Income Taxes**

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Organization.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Organization is no longer subject to U.S. federal audits on its Form 990 by taxing authorities for years ending prior to 2020. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no material issues would arise.

(4) **Concentrations Of Credit Risk**

The Organization’s cash demand deposits are held at financial institutions at which deposits are insured up to \$250,000 by the FDIC. As of December 31, 2023, the Organization’s cash demand deposits exceeded the FDIC limit by approximately \$7,832,000. The Organization requires its cash account to exceed the FDIC limit in order to have cash available immediately for inventory purchases, use of undesignated funds, and for operations.

(5) **Contributions Receivable**

As of December 31, 2023, contributions receivable consisted of the following:

| | |
|--------------------------------------|-------------------|
| Receivables due within one year | \$ 321,856 |
| Receivables due in one to five years | 30,000 |
| Total receivables | <u>\$ 351,856</u> |

(6) **Fair Value Measurements**

The following table presents the Organization’s fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2023:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---------------------------|----------------------|----------------|----------------|----------------------|
| Investments: | | | | |
| Fixed income | | | | |
| Corporate bond | \$ 274,804 | \$ | \$ | \$ 274,804 |
| Intermediate core bond | 1,119,982 | | | 1,119,982 |
| Long-term bond | 268,137 | | | 268,137 |
| Short-term bond | 566,756 | | | 566,756 |
| World bond | 972,090 | | | 972,090 |
| Mutual Funds - | | | | |
| Foreign large blend | 3,205,634 | | | 3,205,634 |
| Large blend | 4,885,643 | | | 4,885,643 |
| Mix target all growth | 15,387 | | | 15,387 |
| Total | <u>\$ 11,308,433</u> | <u>\$</u> | <u>\$</u> | 11,308,433 |
| Cash and cash equivalents | | | | 2,743,085 |
| Total | | | | <u>\$ 14,051,518</u> |

(7) **Endowments**

The Organization’s endowments currently consist of a donor restricted fund of Land Acquisition for Rocky Mountain National Park (“RMNP”) for the preservation or restoration of buildings or land

protection. In addition, there are board designated endowments for the benefit of RMNP, Next Generation Fund and RMNP Greenhouse. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Quasi-Endowments

The Organization has several endowment funds which have elements of both donor restricted and board designated funds within the endowments. The Organization has defined these funds as quasi-endowments within its financial statements. Quasi-endowment funds are funds functioning as an endowment that were established by the Organization, and will be retained and invested rather than expended. The quasi-endowment must retain the purpose and intent as specified by the donor or Board of Directors, and earnings may be expended only for those purposes. Since the quasi-endowments were established by the Organization's Board of Directors rather than by a donor, the principal may be expended as stipulated by the donor provided the quasi-fund was not created by permanently restricted funds.

Interpretation Of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the Organization has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) 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, and (7) investment policies of the Organization.

Changes In Endowment Net Assets

Changes in endowment net assets for the year ended December 31, 2023, are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| Endowment Net Assets, Beginning of Year | \$ 8,416,345 | \$ 1,571,568 | \$ 9,987,913 |
| Contributions | 1,000 | | 1,000 |
| Investment return, net | 1,493,671 | 208,668 | 1,702,339 |
| Appropriation of assets for expenditure | (404,847) | (33,752) | (438,599) |
| Endowment Net Assets, End of Year | <u>\$ 9,506,169</u> | <u>\$ 1,746,484</u> | <u>\$ 11,252,653</u> |

As of December 31, 2023, endowment net assets consisted of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| Donor restricted endowment net assets | \$ | \$ 1,746,484 | \$ 1,746,484 |
| Board designated endowment net assets | 9,506,169 | | 9,506,169 |
| Total Endowments | <u>\$ 9,506,169</u> | <u>\$ 1,746,484</u> | <u>\$ 11,252,653</u> |

Underwater Funds

As of December 31, 2023, no funds were underwater.

Return Objectives And Risk Parameters

The Organization has adopted an investment policy that attempts to provide funding to programs supported by its endowment. Under this policy, as approved by the Board of Directors, the assets are invested in a manner that is intended to produce results that meet or exceed the market index, while assuming a moderate level of investment risk.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return 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). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The Organization policy permits spending up to 4% of a rolling three year average of the market value at the end of the prior fiscal year, subject to the limitation that no funds may be spent if such expenditure results in a reduction of asset value of the endowment to an amount less than the total of the original contribution received plus any future additional contributions. Only the accumulated net appreciation and income may be spent. Endowments from which no distribution has been made during the previous three consecutive years the distribution in any year shall not exceed 10% of the rolling average; provided, such a distribution may not reduce the market value of the endowment to an amount below the original corpus of that endowment after deducting the proposed distribution. During the year ended December 31, 2023, the Organization followed its spending policy.

Variance Power

The Board retains the power and the duty to modify and eliminate any designation, restriction, or condition on the distribution of funds for any specified charitable purposes only if in its sole judgement (without the necessity or approval of any donor, custodian or agent) such designation, restriction or condition becomes in effect unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with charitable needs of the Organization as stipulated in its mission statement.

(8) Property And Equipment

Property and equipment consisted of the following as of December 31, 2023:

| | |
|--------------------------------|----------------------------|
| Land | \$ 371,108 |
| Building and improvements | 481,524 |
| Equipment | 211,031 |
| Vehicles | 422,544 |
| Leasehold improvements | 34,899 |
| Less: accumulated depreciation | (516,952) |
| Net property and equipment | <u>1,004,154</u> |
| Construction in progress | 2,316,089 |
| Total property and equipment | <u><u>\$ 3,320,243</u></u> |

(9) Net Assets

Net assets are designated or restricted for the following purposes as of December 31, 2023:

| <u>Designated Net Assets:</u> | <u>Without Donor Restrictions</u> |
|---|---------------------------------------|
| Property and equipment | \$ 3,320,243 |
| Rocky Terraces | 791,516 |
| Operating reserve | 600,000 |
| Greenhouse Quasi-Endowment Fund | 397,817 |
| Land and Historical Preservation Quasi-Endowment Fund | 307,835 |
| Next Generation Quasi-Endowment Fund | 7,723,316 |
| Legacy Quasi-Endowment Fund | 749,156 |
| Sustainability Quasi-Endowment Fund | 328,045 |
| Rocky Mountain National Park Funds | 3,288,404 |
| Total Net Assets Without Donor Restrictions | <u>\$ 17,506,332</u> |
| | |
| <u>Subject to Expenditure for Specified Purpose:</u> | |
| Trails | \$ 306,133 |
| RMNP Fire Fund | 47,866 |
| RMNP license plate | 419,922 |
| Sister park | 29,216 |
| Bailey Fellowship | 9,900 |
| Trail River Ranch | 36,540 |
| Sessel Family Foundation | 33,955 |
| Wildlife conservation | 80,997 |
| Historic preservation generation | 44,661 |
| Brown Foundation Fellowship | 24,297 |
| Land Protection | 342,060 |
| Kawuneeche Valley Restoration Collaborative | 718,292 |
| Rocky Mountain National Park Funds | 220,446 |
| Total Subject to Expenditure for Specified Purpose | <u>2,314,285</u> |
| <u>Subject to the passage of time:</u> | |
| Time restricted contributions | <u>123,369</u> |
| <u>Subject to Spending Policy and Appropriation:</u> | |
| Land and Historical Preservation Quasi-Endowment Fund | 400,226 |
| Next Generation Quasi-Endowment Fund | 314,261 |
| Legacy Quasi-Endowment Fund | 345,346 |
| Sustainability Quasi-Endowment Fund | 328,245 |
| Investment in Perpetuity | 358,406 |
| Total Subject to Spending Policy and Appropriation | <u>1,746,484</u> |
| Total Net Assets With Donor Restrictions | <u>\$ 4,184,138</u> |

Quasi-Endowments

Quasi-endowments are defined as having elements of both donor restricted and board designated funds within the endowments.

(10) Retirement Plan

The Organization adopted a 401(k) profit sharing plan in September 2004. Eligibility requirements include that a participant has been employed with the Organization for at least one year, completed over 1,000 hours of service for the year, and be at least 21 years of age. Participants are 100% vested immediately.

The Organization matches participant contributions 100%, up to 4% of annual salary, and includes a discretionary profit sharing contribution. In 2023, the discretionary contribution was 5%. The Organization incurred \$86,020 in total contributions for the year ended December 31, 2023.

(11) Liquidity And Availability Of Financial Assets

The following reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in quasi-endowments and donor restricted endowments that are used solely to support Rocky Mountain National Park and not the operations of the Organization.

| | |
|--|---------------------|
| Financial assets, as of December 31, 2023 | \$ 22,754,155 |
| Less those unavailable for general expenditures within one year, due to: | |
| Contractual or donor-imposed restrictions: | |
| Donor restricted endowments | (1,746,484) |
| Board designations: | |
| Quasi-endowment fund, solely for non-operating activity | (9,133,767) |
| Rocky Mountain National Park support | (1,814,912) |
| Amounts set aside for operating reserve | <u>(600,000)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 9,458,992</u> |

The Organization is substantially supported by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. 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. Occasionally, the Board designates a portion of any

operating surplus to its operating reserve, which was \$600,000 as of December 31, 2023. This is a fund established by the Governing Board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

(12) **Expenses**

Total expenses incurred are as follows for the year ended December 31, 2023:

| | |
|-------------------------------------|---------------------|
| Total expenses reported by function | \$ 6,411,118 |
| Cost of goods sold | 3,296,279 |
| Total expenses | <u>\$ 9,707,397</u> |

(13) **Contribution Of Nonfinancial Assets**

Gifts-In-Kind

The Organization received gifts-in-kind for the year ended December 31, 2023:

| | |
|---------------------|-------------------|
| Land | \$ 329,000 |
| Supplies | 57,186 |
| Total gifts-in-kind | <u>\$ 386,186</u> |

During the year ended December 31, 2023, the Organization received a donation of a parcel of land. The land was capitalized based on appraised fair value.

Contributed supplies was valued using estimated U.S. retail prices (principal market) of identical products or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed project supplies was used to support the Organization’s programs.

Gifts-in-kind received by the Organization for the year ended December 31, 2023, were considered with and without donor restrictions as determined by the board of directors and management.

(14) **Commitments**

During the year ended December 31, 2022, the Organization entered into a contract for general contractor services in the amount of \$2,850,544. As of December 31, 2023, \$2,165,105 has been incurred with \$685,439 remaining.

(15) Cooperating Association Agreement

The Organization renewed the Cooperating Association Agreement (the “Agreement”) on April 19, 2022, with the National Park Service (“NPS”). The objective of this Agreement is for the Organization and NPS to work together to provide park visitors valuable interpretive and educational materials to facilitate an expanded appreciation of the National Park System. This Agreement dictates that NPS will approve all sales items available for sale at each park. It also states NPS will provide the Organization with a suitable sales area and other facilities to enable the Organization to conduct business. NPS reserves the right to relocate or withdraw any such facilities (upon reasonable notice) in order to meet the needs of NPS. The Organization and NPS also determine jointly the appropriate level of aid that the Organization will provide NPS based upon the nature and extent of the Organization’s activities and the needs of NPS. The Agreement is effective for a period of ten years unless it is terminated earlier by one of the parties in accordance with the terms of the Agreement. The Agreement may be renewed for an additional period, up to ten years, upon written agreement of the parties prior to expiration.

(16) Friends Group Agreement

The Organization renewed the Friends Group Agreement (the “Agreement”) on November 10, 2020. The Agreement between the Organization and NPS serves as a memorandum of understanding and is intended to provide a legal and policy framework for the philanthropic work the Organization provides for Rocky Mountain National Park. Both parties of the Agreement are responsible for promoting policies and best practices relating to philanthropy and donor appreciation as expressed within NPS Director’s Order #21 and its Reference Manual. Both parties agree to promote this relationship as a way of accomplishing mutual goals pursuant to this Agreement and recognize the partnership as a way of leveraging resources to accomplish philanthropic projects. Both parties agree to submit all materials intended for public distribution and that refer to the partnership or each other, to one another for advance review and approval. Both parties agree the Park Superintendent, or their designee, shall be a non-voting liaison to the Board of the Organization. NPS agrees to publically recognize the Organization as an official park support organization, support the Organization in its endeavors on behalf of NPS, and review proposed donations to ensure they meet NPS needs, requirements, and specifications. The Organization agrees to support the mission of NPS, establish and maintain a collaborative relationship with NPS, be qualified to solicit and accept philanthropic contributions under applicable state and federal laws, and insure that fundraising costs for Identified Projects do not exceed 20% of funds raised with no payment made as commissions or as a percentage of funds raised, and ensure that its Articles of Incorporation and Bylaws are consistent with the terms of this Agreement. The Agreement is effective through 2040 unless it is terminated earlier by one of the parties in accordance with the terms of the Agreement.