COLORADO OPEN LANDS
AND COL FOUNDATION

Consolidated Financial Statements As Of March 31, 2024
(With Summarized Financial Information For
The Year Ended March 31, 2023)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Colorado Open Lands and COL Foundation:

Opinion

We have audited the accompanying financial statements of Colorado Open Lands and COL Foundation (collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of March 31, 2024, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of March 31, 2024, and the consolidated changes in net assets and its consolidated 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.

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.

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.

Independent Auditors' Report (Continued)

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of financial position, consolidated schedule of activities on pages 22-23 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Reporting on Summarized Comparative Information

We have previously audited the Organization's March 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

October 1, 2024

COLORADO OPEN LANDS AND COL FOUNDATION

Consolidated Statement Of Financial Position
As Of March 31, 2024
(With Summarized Financial Information As Of March 31, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents:		
Without donor restrictions	$ 296,095	$ 99,310
With donor restrictions		162,876
Total cash and cash equivalents	296,095	262,186
Unconditional promises to give, net	180,570	427,071
Government grants receivable	50,979	31,869
Accounts receivable - projects:		
Without donor restriction, net	384,773	183,619
With donor restrictions	244,590	167,432
Prepaid expenses	83,969	22,235
Investments:		
Without donor restrictions	11,542,345	10,378,442
With donor restrictions	8,936,947	7,480,748
Investments held by the Denver Foundation	1,490,245	1,370,616
Assets held under split interest agreement (Note 8)	208,000	208,000
Investments held for others	519,534	446,064
Beneficial interest in assets held in cash	71,998	72,045
Beneficial interest in assets held by the Summit Foundation		536,297
Beneficial interest in assets held by CFNC	748,152	647,725
Property and equipment, net	1,098,660	572,341
TOTAL ASSETS	$ 25,856,857	$ 22,806,690
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 77,218	$ 96,521
Accrued liabilities	95,616	88,653
Refundable advance	153,068	29,467
Liabilities under split interest agreement (Note 8)	81,009	87,946
Funds held on behalf of others	519,534	446,064
Finance lease liabilities	41,475	50,293
Operating lease liabilities (Note 10)	837,169	195,030
Total Liabilities	1,805,089	993,974
Net Assets:		
Without donor restrictions:		
Operating	8,258,609	7,819,138
Board designated reserves	5,245,493	3,989,828
Net investment in property and equipment	220,016	327,018
Total Without Donor Restrictions	13,724,118	12,135,984
With donor restrictions	10,327,650	9,676,732
Total Net Assets	24,051,768	21,812,716
TOTAL LIABILITIES AND NET ASSETS	$ 25,856,857	$ 22,806,690

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

COLORADO OPEN LANDS AND COL FOUNDATION

Consolidated Statement Of Activities
For The Year Ended March 31, 2024
(With Summarized Financial Information For The Year Ended March 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support And Revenue:				
Contributions	$ 1,816,837	$ 776,770	$ 2,593,607	$ 2,633,277
Contributed conservation easements	19,753,254		19,753,254	36,959,977
Grants	9,902,258		9,902,258	6,769,964
Special events, net of direct benefit to donor	11,245		11,245	326,389
Loss on disposal of property	(60,582)		(60,582)	(180,006)
Investment income (loss), net	1,201,655	1,428,961	2,630,616	(438,126)
Change in value of split interest agreement		(6,938)	(6,938)	6,749
Change in value of beneficial interests		154,249	154,249	(80,064)
Program income	542,933		542,933	374,080
Net assets released from restrictions:				
Release by donor	590,165	(590,165)		
Satisfaction of program and time restrictions	1,111,959	(1,111,959)		
Total Support And Revenue	34,869,724	650,918	35,520,642	46,372,240
Expenses:				
Program Services -				
Conservation easements	28,911,800		28,911,800	42,364,800
Other program activities	3,449,224		3,449,224	3,490,220
Total Program Services	32,361,024		32,361,024	45,855,020
Supporting Services -				
General and administrative	467,946		467,946	440,484
Fundraising	452,620		452,620	550,952
Total Supporting Services	920,566		920,566	991,436
Total Expenses	33,281,590		33,281,590	46,846,456
CHANGES IN NET ASSETS FROM OPERATIONS	1,588,134	650,918	2,239,052	(474,216)
Net Assets, Beginning Of Year,	12,135,984	9,676,732	21,812,716	22,286,932
NET ASSETS, END OF YEAR	$ 13,724,118	$ 10,327,650	$ 24,051,768	$ 21,812,716

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

COLORADO OPEN LANDS AND COL FOUNDATION

Consolidated Statement Of Functional Expenses
For The Year Ended March 31, 2024
(With Summarized Financial Information for the Year Ended March 31, 2023)

	Conservation Easements	Other Program Services	General & Admin	Fundraising	2024 Total	2023 Total
Salaries	$	$ 1,352,820	$ 259,902	$ 263,381	$ 1,876,103	$ 1,891,991
Staff benefits		184,387	27,259	34,661	246,307	273,591
Payroll taxes		108,857	21,614	24,326	154,797	136,307
Total salaries and related expenses	-	1,646,064	308,775	322,368	2,277,207	2,301,889
Bad debt expense		40,350		3,000	43,350	24,775
Board appreciation			3,804	112	3,916	2,592
Conservation easements	28,911,800				28,911,800	42,364,800
Conferences and training		2,503	353	75	2,931	5,871
Depreciation		14,957	2,664	2,868	20,489	17,960
Dues and subscriptions		19,114		1,342	20,456	21,943
Fundraising/public relations		47,947	105	8,457	56,509	17,302
Information technology		53,508	25,312	8,117	86,937	87,357
Insurance		40,973	41,339	512	82,824	84,966
Office expenses		7,166	15,521	14,604	37,291	62,607
Printing		17,720	24	9,112	26,856	23,392
Professional fees		96,716	44,427	22,782	163,925	129,856
Project expenses		1,261,694			1,261,694	1,469,291
Lease expense		130,100	22,557	31,819	184,476	128,110
Taxes and licenses		1,594	1,140	1,575	4,309	3,034
Travel and meals		68,818	1,925	25,877	96,620	100,711
Total	$ 28,911,800	$ 3,449,224	$ 467,946	$ 452,620	$ 33,281,590	$ 46,846,456

COLORADO OPEN LANDS AND COL FOUNDATION

Consolidated Statement Of Cash Flows
For The Year Ended March 31, 2024
(With Summarized Financial Information For The Year Ended March 31, 2023)

	2024	2023
Cash flows from operating activities:		
Changes in net assets from operations	$ 2,239,052	$ (474,216)
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:		
Depreciation	20,489	17,960
Net realized and unrealized (gain) on investments	(2,020,384)	717,493
Donated property		(1,870,000)
Amortization of right-of-use asset	113,731	117,772
Change in value of beneficial interest	(154,249)	4,625
Change in value of split interest agreement	6,938	(6,749)
Loss on disposal of property	60,582	180,006
Changes in assets and liabilities -		
Decrease in unconditional promises to give	246,501	2,072,584
(Increase) in accounts receivable - projects	(278,312)	(145,676)
(Increase) decrease in government grants receivable	(19,110)	156,618
(Increase) decrease in prepaid expenses	(61,734)	30,530
Increase (decrease) in accounts payable	(19,303)	25,906
(Decrease) in deferred revenue		(38,655)
Increase in accrued liabilities	6,963	19,417
(Decrease) in lease liabilities	(94,737)	(115,864)
Increase (decrease) in refundable advance	123,601	(104,105)
Net cash provided by operating activities	170,028	587,646
Cash flows from investing activities:		
Proceeds from sale of investments	3,743,526	5,859,934
Purchases of investments	(4,469,810)	(14,993,829)
Proceeds from sale of beneficial interest in assets held by the Summit Foundation	590,165	
Proceeds from sale of property		1,716,694
Acquisition of property and equipment		(11,572)
Net cash (used in) investing activities	(136,119)	(7,428,773)
Cash flows from financing activities:		
Payments on note payable		(6,101)
Net cash (used in) financing activities		(6,101)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,909	(6,847,228)
Cash And Cash Equivalents, Beginning Of Year	262,186	7,109,414
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 296,095	$ 262,186

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

(1) Nature Of The Organizations

The Organization is a Colorado not-for-profit corporation incorporated in 1981. In 1987, due to expanded activities, the Organization was restructured into the following entities:

Colorado Open Lands
Colorado Open Lands operates as a not-for-profit, public charity (501)(c)(3) corporation, and receives donations in the furtherance of its goal to preserve significant open lands through private and public partnerships, innovative land conservation techniques and strategic leadership.

COL Foundation
COL Foundation is a not-for-profit corporation which operates as a support foundation for Colorado Open Lands, receiving donations and contributions. The COL Foundation was formed by the Board of Directors of Colorado Open Lands to create an entity with greater flexibility to hold property, manage investments and produce income for the benefit of Colorado Open Lands. Currently all of the directors of COL Foundation are appointed by the Board of Directors of Colorado Open Lands.

The majority of the Organization's support and revenue is derived from conservation easements, contributions, and grants. All significant inter-company accounts and transactions have been eliminated.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The consolidated 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.

Recently Adopted Accounting Standards

On April 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses* (Topic 326) (ASC 326) and all related subsequent amendments thereto using the modified retrospective approach. Results for the reporting periods beginning after April 1, 2023 are presented under current expected credit loss ("CECL") while prior period amounts continue to be reported in accordance with previously applicable accounting standards. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the CECL methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts and notes receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The adoption did not have an impact to the financial statements for the year ended March 31, 2024.

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 consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Cash And Cash Equivalents

The Organization considers cash and cash equivalents to be cash on hand, demand deposits and repurchase accounts with maturities of 90 days or less, except those held for long-term investments. Cash paid for the operating lease for the year ended March 31, 2024, was $124,656.

Accounts Receivable

The Organization's policy for charging off receivables is when future payments thereon are determined to be improbable. In determining the amount of the allowance as of the statement of financial position date, the Organization develops a loss rate. The loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions and based on a specific assessment of the creditworthiness of each customer. As of March 31, 2024, there was an allowance for credit losses on accounts receivable balances of $10,000. Additionally, there was no change in this allowance during the year ended March 31, 2024.

Fair Value Measurements

The Organization follows *Fair Value Measurements* 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.

Mutual funds, fixed income and exchange traded products: Valued at the closing price reported on the active market on which the individual securities are traded.

Investments held by the Denver Foundation: Valued as reported by the Denver Foundation.

Beneficial interests in assets held by the Community Foundation of Northern Colorado: Valued as reported by the Community Foundation of Northern Colorado.

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 statements of financial position. The carrying amount reported in the consolidated statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Property And Equipment

Property and equipment additions over $2,500 are capitalized and recorded at cost, or if donated, at the estimated fair value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of assets and related accumulated depreciation are removed from the accounts, and any resulting gains or loss is included in the statement of activities. Repairs and maintenance costs are charged to expense when incurred.

Management assess the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount by which the carrying value exceeds fair value. Management does not believe that any indicators of impairment occurred during the year ended March 31, 2024.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Measure Of Operations

The statements 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 investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

Program income from project fee services is recognized as performance obligations are met. The performance obligation consists of completing a project or providing program services. Payments are due to the Organization within 30 days once invoiced. As of March 31, 2024, the timing of transfer of goods or services was over time ($382,533) and at a point in time ($160,400) for program income. Special events revenues are recognized as the events are held.

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give 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 the March 31, 2024, all unconditional promises to give are due within one year. Management expects that all promises to give will be fully collectible; accordingly, there is no allowance for uncollectible promises to give.

Conditional promises to give 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.

As of March 31, 2024, contributions approximating $2,047,725, have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met. The conditional contributions depend upon projects being completed.

A portion of the Organization's revenue is derived from cost-reimbursable government 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 $22,016,590 that have not been recognized as of March 31, 2024, 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 receives gifts of conservation easements, which represent numerous restrictions over the use and development of land not owned by the Organization. The donated value of conservation easements are recorded, based on the appraised value when available, as revenue when received and an expense is recorded for an equal amount whether the conservation easement is held by the Organization or transferred to an eligible entity. Donated conservation easements are recorded at the estimated fair value when an appraisal is not available. The Organization's policy for conservation easements is that the benefits flow through to the general public and therefore are not capitalized on the statement of financial position. The Organization monitors activities on the land and enforces restrictions contained in both donated and purchased conservation easements.

The Organization holds 695 conservation easements protecting approximately 519,704 acres in 50 counties throughout Colorado. Conservation easements are interests in land which possess conservation value, but not economic value to the Organization.

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. Salaries and related payroll, benefits, and contracted services are allocated based on time and effort. Insurance, utilities, repairs and maintenance, and depreciation are allocated based on headcount of employees in each department.

Comparative Financial Information

The consolidated 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 consolidated financial statements for the year ended March 31, 2023, from which the summarized information was derived.

Evaluation Of Subsequent Events

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

(3) Income Taxes

Colorado Open Lands and COL Foundation are not-for-profit corporations 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)(1) 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.

Colorado Open Lands and COL Foundation are no longer subject to U.S. federal and state audits on its Form 990 and Form 112 by taxing authorities for fiscal years ending prior to 2021 and 2020, respectively. 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 has cash deposits held at financial institutions in which deposits are insured up to $250,000 per institution by the FDIC. As of March 31, 2024, the Organization's cash demand deposits did exceed FDIC insurance limit by approximately $34,000.

(5) Investments

Fair value of investments which are valued on a recurring basis, have been categorized within the fair value hierarchy as of March 31, 2024, and are summarized as follows:

	Level 1	Level 2	Level 3	Total
Investments held by the Denver Foundation	$	$	$ 1,490,245	$ 1,490,245
Beneficial interests in assets held by CFNC			748,152	748,152
Mutual funds and ETP's -				
Money market fund	2,233,582			2,233,582
Short term funds	49,653			49,653
Equity	9,446,275			9,446,275
Fixed income	3,315,420			3,315,420
Fixed income -				
US Treasury bonds	5,847,677			5,847,677
Total investments at fair value	$ 20,892,607	$	$ 2,238,397	23,131,004
Money markets				106,579
Total Investments				$ 23,237,583

The changes in the investments for which the Organization has used Level 3 inputs to determine the fair values are as follows:

Balance, April 1, 2023	$ 2,554,638
Purchases	20,729
Sales	(684,936)
Interest	49,887
Realized and unrealized gains	332,115
Fees	(34,036)
Balance, March 31, 2024	$ 2,238,397

As of March 31, 2024, the investment portfolio did not have a concentration in any one specific geographical area or industry sector.

(6) Investments Held By The Denver Foundation

The Organization entered into an advised fund (the "Fund") within the Denver Foundation (the "Foundation") for the benefit of the Organization. The Foundation has sole power to invest and reinvest all property held in the Fund in such manner as the Foundation determines from time to time, after taking into consideration any recommendations made in writing to the Foundation by the Advisory Committee. The Advisory Committee is appointed by the Organization. There are no withdrawal limitations on the Fund. As of March 31, 2024, the investments held by the Denver Foundation was $1,490,245.

(7) Beneficial Interest In Assets Held By CFNC

The Organization entered into an agreement with Community Foundation of Northern Colorado ("CFNC") to create the Colorado Open Lands Stewardship Endowed Fund (the "Endowed Fund"). The purpose of this Endowed Fund is to build and provide a stable source of funding for the operational and capital needs of the stewardship program and legal defense. The Organization granted variance power to the Endowed Fund which allows the Endowed Fund to modify any restriction or condition on its distributions for any specified organizations if, in the sole judgment of CFNC's Board of Trustees such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. The transfer was not considered to be a contribution from the Organization to the Endowed Fund, but rather was accounted for as reciprocal transfer between the Organization and Endowed the Fund. Therefore, the transfers are reflected collectively in the Statement of Financial Position as Beneficial Interest in Assets Held by CFNC.

The Endowed Fund is held and invested by CFNC for the benefit of the Organization. Distributions from the Endowed Fund shall be limited to a sustainable annual amount. The Organization is limited to an annual distribution of no greater than 5% of the Endowed Fund's total market value. As of March 31, 2024, the fair value of the assets of the Endowed Fund was $748,152.

(8) Split Interest Agreement

Life Interest In Real Estate

The Organization is the beneficiary of a real estate gift subject to a retained life estate. This gift is a remainder interest in a personal residence where an individual irrevocably transfers title to the Organization with a retained right to the use of the property for a term that is specified in the life estate agreement. At the conclusion of the measuring term, all rights in the property are transferred to the Organization and it is used in accordance with the applicable gift instrument.

At the inception of the real estate gift subject to a retained life estate, the Organization recorded a contribution equal to the fair value of the property less the estimated discounted present value of the use interest. The Organization records the amortization of the life estate interest, initially recorded as deferred revenue, based upon the life expectancy of the donor.

(9) Property And Equipment

Property and equipment consisted of the following as of March 31, 2024:

Land	$ 225,000
Office equipment	80,136
Finance lease right-of-use-asset	50,563
Operating lease right-of-use asset	1,035,256
Vehicles	78,096
	1,469,051
Less accumulated depreciation and amortization	(370,391)
Total	$ 1,098,660

(10) Leases

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU asset represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of the future minimum lease payments over the lease term. The Organization made an accounting policy election to use a risk-free rate in lieu of its current incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities as of March 31, 2024, was 2.61%.

The Organization's operating lease is a noncancellable lease for office space commencing April 1, 2017 and ending June 30, 2030. For the year ended March 31, 2024, total operating lease cost was

$152,719. As of March 31, 2024, the weighted-average remaining lease term for the Organization's operating lease was 5.76 years.

Future maturities of the lease liability are as follows:

2025	$ 143,010
2026	143,010
2027	143,010
2028	143,010
2029	143,010
Thereafter	178,763
Total lease payments	893,813
Less present value discount	(56,644)
Total lease obligation	$ 837,169

(11) **Endowment**

General

The Organization's endowment is held with the Community Foundation of Northern Colorado, as discussed in Note 7.

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 fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board 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 March 31, 2024, are as follows:

	With Donor Restrictions
Balance, April 1, 2023	$ 1,184,022
Investment income, net	179,066
Distributions	(614,936)
Balance, March 31, 2024	$ 748,152

Underwater Funds

As of March 31, 2024, no funds were underwater.

Return Objectives And Risk Parameters

The Organization follows the investment and spending policies adopted by CFNC 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. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

Strategies Employed For Achieving Objectives

To satisfy its long-term objectives for the Colorado Open Lands Stewardship Endowment Fund (the "Endowed Fund"), the Organization relies on the CFNC and investment policies and strategies, as discussed in Note 7.

Spending Policy And How The Investment Objectives Relate To Spending Policy

The Organization can receive annual distributions of no greater than five percent of the total market value of the Endowed Fund held by the CFNC.

(12) Board Designated Reserves

As of March 31, 2024, Board designated reserves consisted of the following:

Designated for investment reserve purposes	$	893,066
Designated for conservation easement purposes		4,325,495
Designated for loan fund		26,932
	$	5,245,493

(13) Net Assets With Donor Restrictions

As of March 31, 2024, net assets with donor restrictions were available for the following purposes:

Subject to Expenditure for Specified Purpose:	
Stewardship of conservation easements	$ 8,485,731
Bluff fund, principal and income distributions available	71,998
Land loan fund	309,815
Gates loan fund	76,000
Conservation	390,933
Communications, outreach, and education (COE)	4,800
Land preservation	126,991
Grant management	35,000
Total Subject to Expenditure for Specified Purpose	9,501,268
Subject to Passage of Time:	
Time restrictions	78,230
Subject to Spending Policy and Appropriation:	
Investments held in perpetuity -	
Beneficial interests in assets held by CFNC	748,152
Total Subject to Spending Policy and Appropriation	748,152
Total Net Assets With Donor Restrictions	$ 10,327,650

(14) Retirement Plan

The Organization maintains a Safe Harbor 401(k) retirement plan for its eligible employees who can contribute the lesser of their gross wages or the maximum contribution limit established annually by the IRS. The Organization will make a non-elective discretionary contribution of up to 4% of the eligible employees' gross wages. The Organization contributed $70,232 to the Safe Harbor 401(k) for the year ended March 31, 2024.

(15) Liquidity And Availability Of Financial Assets

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 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 that could be drawn upon if the governing board approves that action. However, amounts already appropriated from either the donor-restricted endowment or investments for general expenditures within one year of the statement of financial position date have not been subtracted as unavailable.

Financial assets at year end March 31, 2024:	
Cash and cash equivalents	$ 296,095
Unconditional promises to give	180,570
Government grants receivable	50,979
Accounts receivable - projects	629,363
Investments	20,479,292
Total financial assets	21,636,299
Less amounts not available to be used within one year, due to:	
Designated for investment reserve purposes	(893,066)
Designated for conservation easement purposes	(4,325,495)
Designated for loan fund	(26,932)
Restricted by donor with time or purpose restrictions not expected to be spent within one year	(8,017,845)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,372,961

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. In addition, the Organization invests cash in excess of daily requirements in short-term investments. There 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. Reserve liquidity needs will be met by maintaining a minimum cash balance of $500,000. These funds may be only invested in money market funds or equivalent short-term investment vehicles. With the permission of the COL Board, the cash balance may decrease to $150,000 on a temporary basis. In the event of an unanticipated liquidity need, the Organization also could draw upon its board designated net assets.

Consolidated Schedule Of Financial Position
As Of March 31, 2024
(With Summarized Financial Information As Of March 31, 2023)

	Colorado Open Lands	COL Foundation	Eliminations	2024 Total	2023 Total
ASSETS					
Cash and cash equivalents:					
Without donor restrictions	$ 296,095	$	$	$ 296,095	$ 99,310
With donor restrictions					162,876
Unconditional promises to give	128,230	184,077	(131,737)	180,570	427,071
Government grant receivable	50,979			50,979	31,869
Accounts receivable - projects:					
Without donor restrictions, net	384,773			384,773	183,619
With donor restrictions	244,590			244,590	167,432
Prepaid expenses	83,969			83,969	22,235
Investments:					
Without donor restrictions	7,216,850	4,325,495		11,542,345	10,378,442
With donor restrictions	865,085	8,071,862		8,936,947	7,480,748
Investments held by the Denver Foundation	1,490,245			1,490,245	1,370,616
Assets held under split interest agreement	208,000			208,000	208,000
Investments held for others	519,534			519,534	446,064
Beneficial interest in assets held in cash	71,998			71,998	72,045
Beneficial interest in assets held by the Summit Foundation					536,297
Beneficial interest in assets held by CFNC		748,152		748,152	647,725
Net property and equipment	1,098,660			1,098,660	572,341
TOTAL ASSETS	$ 12,659,008	$ 13,329,586	$ (131,737)	$ 25,856,857	$ 22,806,690
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	$ 208,955	$	$ (131,737)	$ 77,218	$ 96,521
Accrued liabilities	95,616			95,616	88,653
Refundable advance	153,068			153,068	29,467
Liabilities under split interest agreement	81,009			81,009	87,946
Funds held on behalf of others	519,534			519,534	446,064
Finance lease liabilities	41,475			41,475	50,293
Operating lease liabilities	837,169			837,169	195,030
Total Liabilities	1,936,826		(131,737)	1,805,089	993,974
Net Assets:					
Without Donor Restrictions:					
Operating	8,258,609			8,258,609	7,819,138
Board designated reserves	919,998	4,325,495		5,245,493	3,989,828
Net investment in property and equipment	220,016			220,016	327,018
Total Without Donor Restrictions	9,398,623	4,325,495		13,724,118	12,135,984
With donor restrictions	1,323,559	9,004,091		10,327,650	9,676,732
Total Net Assets	10,722,182	13,329,586		24,051,768	21,812,716
TOTAL LIABILITIES AND NET ASSETS	$ 12,659,008	$ 13,329,586	$ (131,737)	$ 25,856,857	$ 22,806,690

COLORADO OPEN LANDS AND COL FOUNDATION

Consolidated Schedule Of Activities
For The Year Ended March 31, 2024
(With Summarized Financial Information for the Year Ended March 31, 2023)

	Colorado Open Lands	COL Foundation	Eliminations	2024 Total	2023 Total
Support And Revenue:					
Contributions	$ 2,182,163	$ 411,444	$	$ 2,593,607	$ 2,633,277
Conservation easements	19,753,254			19,753,254	36,959,977
Grants	10,320,964	665,897	(1,084,603)	9,902,258	6,769,964
Special events, net	11,245			11,245	326,389
Loss on disposal of land	(60,582)			(60,582)	(180,006)
Investment income (loss), net	541,092	2,089,524		2,630,616	(438,126)
Change in value of split interst agreement	(6,938)			(6,938)	6,749
Change in value of beneficial interests	16,126	138,123		154,249	(80,064)
Program income	542,933			542,933	374,080
Total Support and Revenue	33,300,257	3,304,988	(1,084,603)	35,520,642	46,372,240
Expenses:					
Program Services -					
Conservation easements	28,911,800			28,911,800	42,364,800
Other program activitities	4,113,121	420,706	(1,084,603)	3,449,224	3,490,220
Total Program Services	33,024,921	420,706	(1,084,603)	32,361,024	45,855,020
Supporting Services -					
General and administrative	467,946			467,946	440,484
Fundraising	452,620			452,620	550,952
Total Supporting Services	920,566			920,566	991,436
Total Expenses	33,945,487	420,706	(1,084,603)	33,281,590	46,846,456
CHANGES IN NET ASSETS FROM OPERATIONS	(645,230)	2,884,282		2,239,052	(474,216)
Net Assets, Beginning Of Year	11,367,412	10,445,304		21,812,716	22,286,932
NET ASSETS, END OF YEAR	$ 10,722,182	$ 13,329,586	$	$ 24,051,768	$ 21,812,716