



FRIENDS OF SAGUARO
NATIONAL PARK, INC.
TUCSON, AZ

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2024 + 2023



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To the Board of Directors
Friends of Saguaro National Park, Inc.

Independent Auditor's Report

Opinion on the Financial Statements

We have audited the financial statements of Friends of Saguaro National Park, Inc. (the "Organization"), an Arizona nonprofit corporation, which comprise the statements of financial position as of December 31, 2024 and December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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, 2024 and 2023 and the results of its operations and cash flows for the years then ended in conformity 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my 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 presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined 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 for at least one year beyond this report date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Tucson, Arizona
August 1, 2025

STATEMENT 1

FRIENDS OF SAGUARO NATIONAL PARK, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS	2024	2023
Cash and cash equivalents	\$ 557,651	\$ 250,139
Accounts receivable	16,497	15,525
Prepaid insurance	1,495	2,404
Investments	801,838	1,052,979
TOTAL ASSETS	\$ <u>1,377,481</u>	\$ <u>1,321,047</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	9,182	28,599
Accrued payroll, taxes, and vested vacation pay	10,126	10,263
Deferred revenue	155,467	345,141
Custodial fund for Tumacacori NHP	1,204	1,808
Total current liabilities	<u>\$ 175,979</u>	<u>\$ 385,134</u>
Total liabilities	175,979	385,134
NET ASSETS		
Without donor restrictions	335,295	221,955
With donor restrictions	<u>866,207</u>	<u>713,958</u>
Total net assets	<u>1,201,502</u>	<u>935,913</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>1,377,481</u>	\$ <u>1,321,047</u>

These financial statements
should be read only in connection with the accompanying notes.

STATEMENT 2

FRIENDS OF SAGUARO NATIONAL PARK, INC.
STATEMENT OF ACTIVITIES
Years Ended December 31, 2024 and 2023

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**REVENUES AND SUPPORT:**

	<u>2024</u>	<u>2023</u>
U.S. Department of Interior Contract-Next Gen	\$ 629,930	\$ 504,787
Contributions and grants	360,414	265,926
Annual dinner fundraising event, net of expenses of \$41,107 and \$33,180, respectively	30,263	31,840
Other fundraising event, no expenses	1,300	267
Investment income	23,188	16,548
Total Revenues and Support Without Donor Restrictions	<u>1,045,095</u>	<u>819,368</u>

EXPENSES

Program services	900,398	732,235
General and administrative	35,176	42,193
Fundraising	21,286	19,352
Total expenses	<u>956,861</u>	<u>793,779</u>

Releases from restrictions	112,796	-
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Increase in Net Assets Without Donor Restrictions	201,030	25,589
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CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**REVENUES AND SUPPORT:**

Donations	89,664	65,908
Investment income	87,691	94,231
(Releases) from restrictions	<u>(112,796)</u>	<u>-</u>

(Decrease) Increase in Net Assets With Donor Restrictions	<u>64,559</u>	<u>160,140</u>
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(Decrease) Increase in Total Net Assets	265,589	185,729
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NET ASSETS, BEGINNING OF YEAR	<u>935,913</u>	<u>750,184</u>
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NET ASSETS, END OF YEAR	<u>\$ 1,201,502</u>	<u>\$ 935,913</u>
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These financial statements
should be read only in connection with the accompanying notes.

STATEMENT 3

FRIENDS OF SAGUARO NATIONAL PARK, INC.
STATEMENT OF CASH FLOWS
Years Ended December 31, 2024 and 2023

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2024</u>	<u>2023</u>
(Decrease) increase in total net assets	\$ 265,589	\$ 185,729
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized losses (gains) on investments	(70,080)	(79,368)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(972)	9,295
Decrease (increase) in prepaid insurance	909	(40)
(Decrease) increase in accounts payable	(19,417)	(3,009)
(Decrease) increase in accrued payroll, taxes, and vested vacation pay	(137)	(1,377)
(Decrease) increase in custodial funds held	(604)	4,424
(Decrease) increase in deferred revenue	<u>(189,674)</u>	<u>4,424</u>
Net cash provided by operating activities	<u>(14,386)</u>	<u>115,654</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	411,263	-
Purchases of investments	<u>(89,365)</u>	<u>(510,093)</u>
Net cash used in investing activities	321,898	(510,093)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	307,512	(394,439)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>250,139</u>	<u>644,578</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 557,651</u>	<u>\$ 250,139</u>
 COMPOSITION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents-unrestricted	\$ 494,807	\$ 205,104
Cash and cash equivalents-restricted	<u>62,844</u>	<u>45,035</u>
	<u>\$ 557,651</u>	<u>\$ 250,139</u>

These financial statements should be read only
in connection with the accompanying notes.

STATEMENT 4

FRIENDS OF SAGUARO NATIONAL PARK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Years Ended December 31, 2024 and 2023

<u>2024</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Next Gen Grant-Saguaro NP	\$ 645,365	-	-	645,365
Other Grants-Saguaro NP	162,413	-	-	162,413
Payroll, taxes and benefits	72,282	15,489	15,489	103,260
Publication expenses	7,291	-	3,125	10,415
Merchant fees	-	9,102	-	9,102
Professional fees	-	8,520	-	8,520
Office expenses	1,739	373	373	2,484
Office rent	2,100	450	450	3,000
Insurance	1,420	304	304	2,028
Postage	1,418	-	608	2,025
Telecommunications	972	208	208	1,389
Hospitality	1,992	-	-	1,992
Dues and memberships	1,277	274	274	1,824
Miscellaneous	2,131	457	457	3,044
TOTALS	\$ 900,398	\$ 35,176	\$ 21,286	\$ 956,861

<u>2023</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Next Gen Grant-Saguaro NP	\$ 541,847	\$	\$	541,847
Other Grants-Saguaro NP	122,929	-	-	122,929
Payroll,taxes and benefits	49,160	34,412	14,748	98,319
Publication expenses	5,820	776	1,164	7,762
Professional fees	3,298	2,310	990	6,599
Office expenses	640	448	192	1,280
Office rent	1,500	1,050	450	3,000
Insurance	1,188	158	238	1,584
Postage	1,868	249	374	2,490
Telecommunications	940	659	282	1,882
Dues and memberships	623	437	187	1,248
Miscellaneous	2,420	1,694	726	4,840
TOTALS	\$ 732,235	\$ 42,193	\$ 19,352	\$ 793,779

These financial statements
should be read only in connection with the accompanying notes.

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

NOTE 1 - NATURE OF OPERATIONS

Friends of Saguaro National Park, Inc. (the “Organization”) is a nonprofit corporation located near Tucson, Arizona and was incorporated November 12, 1996 under the laws of the State of Arizona. The Organization’s purpose is to raise and provide funding for non-appropriated projects within Saguaro National Park (the Park) in the areas of interpretation, maintenance, trails, resource management and law enforcement which will benefit the general public. The Organization accomplishes this purpose through solicitation of grants and donations as well as sale of annual memberships. The Organization is the fiscal administrator of the Park’s Future Ranger (Next Gen) Program through a contract with the U.S. Department of the Interior. The Organization also performs Buffel grass removal under cost reimbursement grants from Arizona Department of Forestry and Fire Management.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities, including Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, “Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities”.

The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization’s management believes that the estimates and assumptions are reasonable in the circumstances, however, the actual results could differ from those estimates.

CASH EQUIVALENTS

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

ACCOUNTS RECEIVABLE

The accounts receivable are from a donor giving website and the State of Arizona and are unsecured.

INVESTMENTS

Investments are carried at fair market value, as determined by market quotations.

CUSTODIAL FUND

The Organization has accepted funds on a custodial basis for the Friends of Tumacacori NHP while it reorganizes.

FIXED ASSETS

Purchases with a useful life of more than one year and a cost of more than \$2,500 are capitalized and depreciated on a straight-line basis over there expected useful lives. The organization currently has no fixed assets; useful lives for future fixed assets will be determined at the time of acquisition.

DEFERRED REVENUE

Deferred revenue represents funds received in advance from conditional grants, where the Organization has not yet met the conditions required to recognize the grant revenue.

RECENT NEW MAJOR ACCOUNTING PRONOUNCEMENT

In February 2016, the FASB issued ASU No. 2016-02, “Leases” (topic 842), requiring lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and to disclose key information about lease agreements. The guidance is effective for Organization’s fiscal years beginning after December 15, 2021 and therefore the Organization has adopted the new standard on its financial statements on a prospective basis.

In June 2016, FASB issued ASU No. 2016-12, Financial Instruments – Credit Losses (Topic 326), which requires entities to recognize credit losses on an expected loss model, which is referred to as the current expected credit loss (CECL) model. The CECL model is applicable to the measurement for credit losses on financial assets measured at amortized cost, including loan receivables, held-to maturity debt securities, and reinsurance receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor. The standard was effective for the Organization for the year ended December 31, 2024. The Organization does not own any assets which are impacted by the new standard for the year ended December 31, 2024.

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

NET ASSETS

Net assets are classified into one of two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Net assets with donor restrictions include contributed net assets for which donors have imposed future time and particular purpose restrictions or whose use by the Organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The Organization's unspent contributions are classified in this class if the donor limited their use.

When a donor 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.

ACCOUNTING FOR CONTRIBUTIONS

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

ACCOUNTING FOR GIFTS-IN-KIND CONTRIBUTIONS

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a contribution of property or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of the gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers that have donated significant amounts of time and services in the Organization's program operations and its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if the donated services create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. There were no such services recorded during the years ended December 31, 2024 and 2023, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the programs and other activities are summarized on a functional basis. Accordingly, costs are allocated among programs and supporting services benefited. 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>
Payroll, taxes and benefits	Time and effort
Publication expenses	Material content
Insurance	Time and effort
Postage	Material content
Telecommunications	Time and effort
Dues and memberships	Time and effort
Office/operational	Time and effort
Occupancy	Square footage and usage

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

TAX STATUS

The Organization is incorporated exempt from federal and state income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and is not classified as a private foundation. Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. Management believes that all tax positions the Organization has taken would be sustainable under audit by any taxing jurisdiction. The statute of limitations for tax examinations is three years for federal, four years for Arizona.

OTHER REVENUE AND EXPENSE RECOGNITION

Revenues from grants are recognized as earned and special events are recognized as received. Revenues from membership dues are recognized as received and not prorated over the service period since they are nonrefundable. The Organization does not record receivables for membership renewals as the related revenue is uncertain until the member renews. Expenses are recognized as incurred rather than paid.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

GAAP requires that entities use a three-level hierarchy to prioritize the inputs used to measure fair value, and maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Level 1 of the hierarchy utilizes quoted prices for identical assets in active markets to which the Organization had access at the measurement date. Level 2 would utilize quoted prices for similar assets in active markets or identical assets in inactive markets. Level 3 utilizes unobservable inputs for an asset's fair value measurement. Since the Organization has ready access to quoted prices from an active market for its endowment investments, it utilizes level 1 inputs to measure their fair value.

Endowment investments, recorded at fair market value at level 1 fair value hierarchy for equities and level 2 fair value hierarchy for certificates of deposit were as follows as of December 31st:

	<u>2024</u>	<u>2023</u>
Certificates of Deposit	\$ 114,080	\$ 435,102
Equities	<u>687,758</u>	<u>617,877</u>
	<u>\$ 801,838</u>	<u>\$ 1,052,979</u>

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS
(Continued)

The composition of the investment return reported in the restricted portion of the statement of activities as of December 31st is as follows:

	<u>2024</u>	<u>2023</u>
Dividends and capital gains	17,610	\$ 26,797
Change in unrealized gains (losses)	70,080	<u>79,368</u>
	<u>\$87,589</u>	<u>\$106,165</u>

NOTE 4 - CONCENTRATIONS OF RISK

The Organization held cash funds at a financial institution that as of December 31, 2024 was \$23,096.86 in excess of the federally (FDIC) insured limit. Management is not concerned about the financial viability of this financial institution. The investments are not FDIC insured.

NOTE 5 - OFFICE RENTAL AGREEMENT

The Organization has entered into a month-to-month agreement with the Park for an office location on the westside premises of the Park. The Organization pays the Park \$1,500 every six months for the use of its space and phone system. Rent expense was \$3,000 for each of the years ended December 31, 2024 and 2023.

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 1, 2025, which is the date the financial statements were made available for management review and issuance. Events occurring after that date have not been evaluated to determine whether a change to the financial statements would be required.

NOTE 7 - DONOR RESTRICTED NET ASSETS

In addition to these purpose restrictions, the Organization solicits an endowment fund to donors for the purposes of safeguarding the fund for future generations, specifying the amount of spending that can be maintained over the long term, ensuring fund withdrawals are as stable and enduring as possible, and ensuring that donors stated wishes are honored. The Organization is permitted to use investment income to fund operations but is limited to a percentage determined by an average ending balance of the preceding 3 years. In the case that the Organization does not use this amount to fund operations, the income becomes permanently restricted.

FRIENDS OF SAGUARO NATIONAL PARK, INC
NOTES TO FINANCIAL SYATEMENTS
December 31, 2024 and 2023

NOTE 7 - DONOR RESTRICTED NET ASSETS (continued)

The Organization had the following restricted net asset amounts as of December 31:

	2024	2023
Adopt a Saguaro	\$ 15,593	\$ 13,143
Tribal Storytelling	89,664	-
Environmental Education	5,623	19,223
Wildlife and Habitat	4,725	18,680
Permanently Restricted Endowment	<u>750,602</u>	<u>662,912</u>
Total Donor Restrictions	\$866,207	\$713,958

NOTE 8 - LIQUIDITY

Financial assets as of 12-31-24	\$ 1,375,986
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Subject to appropriation and satisfaction of donor restrictions	(115,605)
Permanantly restricted	<u>(750,602)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 509,779

The Organization is partially 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 become due. In the event of an unanticipated liquidity need, the Organization could solicit additional donations through an appeal from its members and donors.

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