CROW CANYON ARCHAEOLOGICAL CENTER, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

CROW CANYON ARCHAEOLOGICAL CENTER, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Crow Canyon Archaeological Center, Inc.
Cortez, Colorado

Opinion

We have audited the accompanying financial statements of **Crow Canyon Archaeological Center, Inc.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Crow Canyon Archaeological Center, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crow Canyon Archaeological Center, Inc.'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Report on Summarized Comparative Information

We have previously audited Crow Canyon Archaeological Center, Inc.'s financial statements for the year ended December 31, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company Pllc

Taylor, Roth and Company, PLLC
Certified Public Accountants
Albuquerque, New Mexico
June 6, 2023

CROW CANYON ARCHAEOLOGICAL CENTER, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Assets				
Cash and cash equivalents	$ 1,520,345	$ -	$ 1,520,345	$ 1,180,642
Prepaid expenses	5,403	-	5,403	6,327
Investments (Note 4)	2,656,307	22,673,857	25,330,164	30,240,919
Operating lease right-of-use asset	14,981	-	14,981	-
Property and equipment, net (Note 5)	1,713,127	-	1,713,127	1,686,035
Total assets	$ 5,910,163	$ 22,673,857	$ 28,584,020	$ 33,113,923
Liabilities and net assets				
Liabilities				
Accounts payable	$ 36,618	$ -	$ 36,618	$ 15,426
Accrued payroll expenses	65,805	-	65,805	58,892
Deferred revenue	41,081	-	41,081	35,636
Operating lease liability	14,981	-	14,981	-
Charitable gift split-interest annuities	9,011	-	9,011	11,730
Total liabilities	167,496	-	167,496	121,684
Net assets				
Without donor restrictions				
Undesignated	1,905,106	-	1,905,106	1,485,070
Net investment in property and equipment	1,713,127	-	1,713,127	1,686,035
Board-designated fund (Note 6)	2,124,434	-	2,124,434	2,360,797
	5,742,667	-	5,742,667	5,531,902
With donor restrictions (Notes 7 and 8)				
Time or purpose restrictions	-	1,503,707	1,503,707	6,318,187
Restricted for perpetuity	-	21,170,150	21,170,150	21,142,150
Total net assets	5,742,667	22,673,857	28,416,524	32,992,239
Total liabilities and net assets	$ 5,910,163	$ 22,673,857	$ 28,584,020	$ 33,113,923

The accompanying notes are an integral part of these financial statements

CROW CANYON ARCHAEOLOGICAL CENTER, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Contributions	$ 2,645,486	$ 142,293	$ 2,787,779	$ 2,089,954
Grants	-	245,903	245,903	1,331,725
Education programs, net (Note 9)	186,973	-	186,973	202,098
All other	25,443	-	25,443	16,598
Total revenue and other support before investment activity and reclassifications	2,857,902	388,196	3,246,098	3,640,375
Investment income(loss) (Note 4)	(390,098)	(3,547,353)	(3,937,451)	3,848,647
Net assets released from restrictions (Note 10)	1,627,323	(1,627,323)	-	-
Total revenue and support	4,095,127	(4,786,480)	(691,353)	7,489,022
Expenses				
Program services				
Archaeology	811,953	-	811,953	820,363
Campus services	411,754	-	411,754	313,923
Outreach	397,549	-	397,549	404,389
Cultural explorations	336,187	-	336,187	290,658
Research institute	319,219	-	319,219	334,864
Education	285,033	-	285,033	229,708
Native American initiatives	115,884	-	115,884	87,045
Total program services expense	2,677,579	-	2,677,579	2,480,950
Supporting services				
Management and general	785,971	-	785,971	688,455
Fund-raising	420,812	-	420,812	370,872
Total expenses	3,884,362	-	3,884,362	3,540,277
Change in net assets	210,765	(4,786,480)	(4,575,715)	3,948,745
Net assets, beginning of year	5,531,902	27,460,337	32,992,239	29,043,494
Net assets, end of year	$ 5,742,667	$ 22,673,857	$ 28,416,524	$ 32,992,239

The accompanying notes are an integral part of these financial statements

CROW CANYON ARCHAEOLOGICAL CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022											2021
	Program Services								Supporting Services			
	Archaeology	Campus Services	Outreach	Cultural Explorations	Research Institute	Education	American Indian Initiatives	Total	Management and General	Fund-raising	Total	Total
Salaries and wages	$ 443,460	$ 157,432	$ 190,017	$ 180,659	$ 202,983	$ 141,170	$ 67,028	$1,382,749	$ 363,410	$ 275,829	$2,021,988	$ 1,877,250
Payroll taxes and benefits	116,343	32,515	50,697	52,705	34,604	29,485	15,458	331,807	69,958	54,364	456,129	399,468
Professional services	8,724	31,324	(8,588)	-	17,522	9,199	14,700	72,881	230,992	10,015	313,888	181,477
Supplies	19,451	50,782	5,730	16,066	3,702	7,509	956	104,196	28,236	1,055	133,487	81,001
Communication services	-	-	124,000	-	-	-	-	124,000	-	-	124,000	168,000
Stipends and honorariums	81,593	-	-	16,182	-	12,600	-	110,375	-	-	110,375	177,968
Information technology	-	-	-	-	199	-	-	199	82,731	-	82,930	77,275
Insurance	-	8,234	-	-	-	-	-	8,234	73,267	-	81,501	66,686
Travel	8,034	6,161	878	8,164	18,942	5,062	951	48,192	1,396	1,354	50,942	33,800
Printing and postage	3,403	174	110	506	716	2,552	66	7,527	1,822	37,931	47,280	45,900
Utilities	-	46,071	-	-	-	-	-	46,071	-	-	46,071	40,243
Professional development	3,304	-	790	1,333	3,009	781	-	9,217	31,157	1,197	41,571	39,389
Maintenance	-	40,519	-	-	-	-	-	40,519	-	-	40,519	29,432
Legal services	-	-	-	-	-	-	-	-	37,068	-	37,068	12,053
Telephone	575	1,234	-	-	-	3,147	1,234	6,190	21,834	695	28,719	26,151
Accommodations/outfitters	8,030	-	-	17,314	1,280	-	955	27,579	-	-	27,579	19,032
Accounting services	-	-	-	-	-	-	-	-	21,550	-	21,550	19,773
Human resource services	-	-	-	-	-	-	-	-	19,174	-	19,174	42,033
All other	13,217	2,266	2,384	6,185	1,144	459	113	25,768	14,036	4,886	44,690	62,447
Total before depreciation and IT support allocation	706,134	376,712	366,018	299,114	284,101	211,964	101,461	2,345,504	996,631	387,326	3,729,461	3,399,378
Depreciation	45,696	15,490	4,647	7,745	7,745	45,696	4,647	131,666	18,588	4,647	154,901	140,899
IT support allocation	60,123	19,552	26,884	29,328	27,373	27,373	9,776	200,409	(229,248)	28,839	-	-
Total	$ 811,953	$ 411,754	$ 397,549	$ 336,187	$ 319,219	$ 285,033	$ 115,884	$2,677,579	$ 785,971	$ 420,812	$3,884,362	$ 3,540,277

The accompanying notes are an integral part of these financial statements

CROW CANYON ARCHAEOLOGICAL CENTER, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

Cash flows from operating activities	2022	2021
Change in net assets	$ (4,575,715)	$ 3,948,745
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions to the permanent endowment	(28,000)	$ (26,100)
(Gains)losses on investments	4,665,215	(3,292,748)
Donated stock	(39,611)	(81,792)
Operating lease right-of-use amortization	5,392	-
Depreciation	154,901	140,899
SBA Paycheck Protection Program loan forgiveness	-	(949,284)
Changes in operating assets and liabilities		
(Increase)decrease in receivables	-	43,292
(Increase)decrease in prepaid expenses	924	(2,199)
Increase(decrease) in accounts payable and accrued payroll expenses	28,105	(38,540)
Increase(decrease) in deferred revenue	5,445	(30,965)
Increase(decrease) in operating lease liability	(5,392)	-
Net cash provided(used) by operating activities	211,264	(288,692)
Cash flows from investing activities		
Purchases of investments	(8,087,488)	(7,811,609)
Proceeds from sales of investments	8,372,639	7,021,735
Purchases of property and equipment	(181,993)	(91,855)
Net cash provided(used) by investing activities	103,158	(881,729)
Cash flows from financing activities		
Payments against charitable gift split-interest annuity obligations	(2,719)	(4,187)
Investment in permanent endowment	28,000	26,100
Proceeds from SBA Paycheck Protection Program loan	-	474,642
Net cash provided(used) by financing activities	25,281	496,555
Net increase(decrease) in cash and cash equivalents	339,703	(673,866)
Cash and cash equivalents, beginning of year	1,180,642	1,854,508
Cash and cash equivalents, end of year	$ 1,520,345	$ 1,180,642

The accompanying notes are an integral part of these financial statements

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Crow Canyon Archaeological Center (the Center) is a not-for-profit organization located in rural Montezuma County, Colorado, near the town of Cortez. The mission of the Center is to advance knowledge of the human experience through archaeological research, education programs, and collaboration with American Indians. To achieve this mission, the Center conducts sustained field research in the American Southwest in collaboration with the public; develops and tests archaeological methods and theories; creates and delivers engaging and enriching educational materials and programs; involves American Indians in the development and implementation of its research and education programs; explores past and present cultures worldwide; collaborates with individuals and organizations with common interests; and disseminates its work through multiple media. The Center adheres to the highest standards of quality, integrity, and accountability in all its endeavors.

The Center's primary source of revenue is contributions from the public.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

   The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

   The financial statements of the Center have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

   Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and the board of trustees.

   Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

3. Cash and Cash Equivalents

   The Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for those amounts that are held in the investment portfolio and invested for long-term purposes.

4. Receivables

The Center records contributions and bequests receivable as contribution revenue in the year of notification when the gift is irrevocable and the value can be reasonably estimated. The receivable is recorded at the original pledge amount and discounted to present value, if material. Management periodically assesses the collectability of receivables to determine if an allowance for doubtful accounts is necessary. As of December 31, 2022, no receivables were due to the Center, and accordingly, no allowance for doubtful accounts has been recorded.

5. Revenue Recognition

Contributions

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 restriction. Conditional promises to give are not recognized until they become unconditional. As of December 31, 2022, the Center had no conditional promises to give.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributed materials are recorded as contributions, when received, at fair market value. Contributions of services are recognized at the fair value of the services received if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Center pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist the Center; however, these services do not meet the criteria for recognition as contributed services.

Governmental Grants and Contracts

Governmental grants and contract revenue are recognized when earned. Revenue is earned over time when eligible expenditures, as defined in each grant or contract, are made or when the substantial performance requirements are met. Deferred revenue is recorded for grant or contract revenue received but not yet expended or earned. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Center will record such disallowance at the time the final assessment is made. Management believes that any disallowances, if any, would not have a significant effect on the statements of financial position. As of year-end, the Center has three governmental grants awards with unspent balances totaling $206,160 ($93,063, $69,304, and $43,793). Management anticipates this revenue will be earned throughout the respective grant periods, which extend through March 2024, September 2025, and September 2027.

5. Revenue Recognition (concluded)

Education programs

The Center receives income from cultural travel programs and tuition charged for education and archaeological research programs offered to public participants ranging in age from ten years through adults. Revenue for cultural exploration and educational programs is recognized as the performance obligations are satisfied which is at the time the programs occur. Deferred revenue is recorded for deposits and payments received prior to the event.

6. Capitalization and Depreciation

Property and equipment are valued at cost, except for donated assets, which are valued at fair value at the time of donation. The Center capitalizes property and equipment acquisitions of $2,500 or more that have a useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 30 years. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are expensed in the period incurred.

7. Impairment of Long-Lived Assets

The Center accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. FASB ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such assets are considered impaired, the recognized impairment is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Management does not believe impairment indicators are present as of December 31, 2022.

8. Income Taxes

The Center is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

9. Functional Reporting of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. The direct costs of providing the Center's programs and other activities which are specifically identifiable have been charged directly to the program(s) or supporting service(s) benefitted. Indirect or shared costs are allocated among programs and supporting services by the method that best measures the relative degree of benefit. Payroll and related payroll expenses, information technology, and occupancy-related costs are the most significant costs allocated. Payroll and related costs are based on the time and effort of employees which is established at the time of hire based on the employee’s job description. This allocation is subsequently modified if the employee’s job description changes or other personnel actions, such as promotions, indicate the need for revisions. Information technology costs are based on estimates of usage which is largely driven by the number of employees (FTEs) working in various departments and activities. Occupancy costs, including utilities, maintenance and repairs, and certain insurance costs, are allocated based on consideration of the physical space used by the programs and supporting services.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Fair Value Measurements

The Center follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level l); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

12. Leases

The Center accounts for leases in accordance with Accounting Standards Update (ASU) No. 2016-02, *Leases* (ASC 842), as amended. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. Finance leases are included in property and equipment and finance lease liabilities on the statement of financial position.

ROU assets represent the Center's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Center uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Center has made an accounting policy election by asset class to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Operating lease ROU assets also include any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Center's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option.

The Center may have lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

The Center does not report ROU assets and leases 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

13. New Accounting Pronouncements

Effective January 1, 2022, the Center adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (ASC 842), as amended, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Center elected not to restate the comparative period (2021). It also elected not to reassess at adoption:

- expired or existing contracts to determine whether they are or contain a lease,
- the lease classification of any existing leases, or
- initial direct costs for existing leases.

14. Change in Accounting Principle

The Center changed its method of accounting for lease transactions due to adoption of the new accounting standard for leases (ASU No. 2016-02). The change has been applied as of January 1, 2022. As a result of implementing ASU No. 2016-02 on January 1, 2022, the Center recognized a right-of-use asset and an operating lease liability of $20,373 on its statement of financial position. There was no effect on net assets.

15. Summarized Prior-Year 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 Center's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

16. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

17. Subsequent Events

Management has evaluated subsequent events through June 6, 2023, the date the financial statements were available to be issued.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Center's financial assets at December 31, 2022:

Description	Amount
Cash and cash equivalents	$ 1,520,345
Investments	25,330,164
Total financial assets	26,850,509
Less amounts not available for operational use within one year:	
Net assets with donor restrictions —	
Endowment restricted for perpetuity (Note 7)	21,170,150
Endowment earnings (Note 7)	1,088,426
Restricted by the donor with purpose restrictions (Note 7)	415,281
Board-designated net assets —	
Board-designated fund (Note 6)	2,124,434
	24,798,291
Financial assets available to meet general expenditures over the next 12 months	$ 2,052,218

The Center's goal is generally to maintain financial assets to meet approximately 3 months of operating expenses, estimated at $750,000. Cash in excess of immediate operating needs is invested. In the event of unexpected circumstances, the Center has access to a $1.8 million line of credit (Note 12).

NOTE 4 - INVESTMENTS

Investments are carried at market value and consisted of the following as of December 31, 2022:

Description	Cost Basis	Fair Value	Unrealized Appreciation (Depreciation)
Mutual funds:			
Equities	$ 4,404,355	$ 5,531,440	$ 1,127,085
Non-U.S.	4,723,591	3,740,094	(983,497)
Fixed income	2,806,998	2,450,122	(356,876)
Real assets	763,038	669,403	(93,635)
Common stock	5,372,396	5,701,519	329,123
Corporate bonds	3,954,861	3,794,063	(160,798)
U.S. Treasuries	1,897,148	1,809,936	(87,212)
Corporate bonds - non-U.S.	99,150	99,050	(100)
Cash and cash equivalents	1,475,292	1,475,292	-
Accrued income	59,245	59,245	-
Total	$ 25,556,074	$ 25,330,164	$ (225,910)

NOTE 4 - INVESTMENTS (concluded)

Investment returns for the year ended December 31, 2022, are summarized as follows:

Description	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 93,026	$ 757,646	$ 850,672
Realized and unrealized gains(losses)	(467,824)	(4,197,391)	(4,665,215)
Investment fees	(15,300)	(107,608)	(122,908)
Total	$ (390,098)	$ (3,547,353)	$ (3,937,451)

The Center classifies its investments based on an established 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 fair value hierarchy are:

- Level 1 – unadjusted quoted prices for identical assets in active markets.
- Level 2 – quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; valuation methodology using other observable inputs or inputs derived from or corroborated by observable market data by correlation or other means.
- Level 3 – valuations methodology using unobservable inputs.

The asset'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. The carrying amount of cash, receivables, payables, accrued expenses, and other liabilities approximates fair value due to the short maturities of these instruments. The fair value of long-term debt is the carrying value due to the market rate of interest reflecting current market conditions.

The following table summarizes the levels in the fair value hierarchy for the Center's investments as of December 31, 2022:

Description	Total	Level 1	Level 2	Level 3
Mutual funds:				
Equities	$ 5,531,440	$ 5,531,440	$ -	$ -
Non-U.S.	3,740,094	3,740,094	-	-
Fixed income	2,450,122	2,450,122	-	-
Real assets	669,403	669,403	-	-
Common stock	5,701,519	5,701,519	-	-
Corporate bonds	3,794,063	-	3,794,063	-
U.S. Treasuries	1,809,936	-	1,809,936	-
Corporate bonds - non-U.S.	99,050	-	99,050	-
Total	$ 23,795,627	$ 18,092,578	$ 5,703,049	$ -

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2022:

Description	Amount
Land	$ 538,158
Building and improvements	3,897,486
Furniture and equipment	443,327
Vehicles	335,285
	5,214,256
Less: accumulated depreciation	(3,501,129)
Net property and equipment	$ 1,713,127

Depreciation expense was $154,901 for the year.

NOTE 6 - BOARD-DESIGNATED FUND

The Board-designated fund consists primarily of unrestricted estate gifts. The Board has designated the funds to be used as requested by management with Board approval. As of December 31, 2022, the fund had a balance of $2,124,434.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets Restricted for Time and/or Purpose

At year end, net assets restricted by donors for purpose or time consisted of the following:

Description	Amount
Purpose restrictions	
American Indian initiatives	$ 291,684
Information technology	79,606
Scholarships	43,245
Other	746
Endowment earnings	1,088,426
Total	$ 1,503,707

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS (concluded)

Net Assets Restricted for Perpetuity

Net assets with donor restrictions to be maintained in perpetuity include gifts to the Center's endowment. As of year-end, balances for each of the funds included in the Center's endowment are detailed below:

Description	Amount
C. Paul Johnson Family Fund	$ 3,009,816
Ricky R. Lightfoot Chair for Research	2,005,500
William D. Lipe Advances in Research Endowment Fund	2,000,000
William D. Lipe Chair in Research Endowment Fund	2,000,000
General Endowment	1,358,952
National Endowment for the Humanities I	1,140,040
Research Institute Endowment Fund	1,082,043
Stuart Struever Chair in Research	1,073,625
Sue Anschutz-Rodgers Research Fund	1,000,000
Eleanor and Robert A. McClevey Jr., Chair in Education	742,866
Four Corners Children's Education Fund	558,656
National Endowment for the Humanities II	500,000
National Youth Education Scholarship Fund	434,291
Mark D. Varien Endowment for Research	431,146
Education Endowment Fund	413,959
Dorothy Warner McEachren Memorial Fund	366,400
Segal Family Foundation	350,000
Albert G. Boyce, Jr. Family Fund	337,378
Richard G. and Mary Lyn Ballantine Fund	326,032
Alden C. Hayes Research Fund	272,250
Shirley and Reinhardt Jahn Education Fund	250,000
Grace M. and Thor E. Larsen Education Fund	230,000
Navajo Education Fund	194,469
Jan and Frank Cicero Research Fund	190,240
Gomer W. Walters Research Fund	156,950
Lew Matis Education Fund	129,723
Robert and Doris Haugen Research Fund	125,002
Robert H. Lister Memorial Fund	110,544
Pamela and Michael Reese Education Fund	100,000
Sidney and Iris Taylor Education Fund	100,000
Native American Endowment Fund	81,000
Flora W. Minium Memorial Fund	50,000
Katherine Carhart Graduate Research Fellowship	39,268
Fred G. Myers Research Fellowship	10,000
Total	$ 21,170,150

NOTE 8 - ENDOWMENT

The Center's endowment consists of 34 individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees ensures that in all aspects of institutional funds management, the Center acts in compliance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as stated in Colorado Revised Statutes 15-1-1101 through 1110, as well as all other applicable state and federal laws. The "prudent investor rule" states that in managing its institutional funds, the Center and its agents shall act in good faith with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. Primary consideration is given to donor intent as expressed in a gift instrument and as expressly enumerated in prudence factors in UPMIFA, in the preservation of the endowment fund.

The Center classifies the original value of gifts donated to the endowment and the original value of subsequent gifts to the endowment as net assets with donor restrictions maintained in perpetuity. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by UPMIFA. In making a determination to appropriate or accumulate net assets with donor restrictions, the Center shall act in good faith and if relevant, considers the following factors: (1) the duration and preservation of the endowment fund, (2) the purposes of the institution and the endowment fund, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the institution, and (7) the investment policy of the institution.

Endowment Investment Objective. The Center's primary objectives in managing endowments are to create a steady stream of revenue to support its mission, to preserve the purchasing power of the endowment in perpetuity, and to achieve the highest total return with a reasonable level of risk.

Endowment Spending Policy. To calculate the amount of the endowment to be appropriated for expenditure each year to meet operating expenses, the Center developed a variation of the Tobin spending rule. The Tobin spending rule sets the annual distribution in a particular year through a quantitative formula that has a stability factor - the prior year's spending adjusted for inflation, and a market factor - the long-term sustainable rate of distribution times the market value of the fund. By appropriately weighting these two factors, the Investment Committee can determine the pace at which variations in market value are incorporated into spending. A heavier weighting towards the market factor provides greater responsiveness to rising, but also falling, markets. Conversely, weighting the stability factor more heavily increases the buffering effect, sustaining the spending rate in the face of market declines, but slowing the response in market rallies. The Investment Committee may occasionally adjust the weighting of these factors to best suit the Center's needs.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees of the Center has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

NOTE 8 - ENDOWMENT (concluded)

Changes in endowment net assets for the year ended December 31, 2022, are as follows:

Description	With Donor Restrictions: Restricted for Time	With Donor Restrictions: Restricted for Perpetuity	Total
Endowment assets, beginning of year	$ 5,727,131	$ 21,142,150	$ 26,869,281
Contributions	-	28,000	28,000
Investment income, net (Note 4)	(3,547,353)	-	(3,547,353)
Earnings appropriated for expenditure	(1,091,352)	-	(1,091,352)
Endowment assets, end of year	$ 1,088,426	$ 21,170,150	$ 22,258,576

As of December 31, 2022, all net assets of the endowment are classified as investments (see Note 4).

At December 31, 2022, the Center had nine endowment funds with fair values less than original gift values. The total deficit for the nine funds was $190,189, and by fund, the deficits ranged from $686 to $71,341. These deficits were reported in net assets with donor restrictions and a result of overall market losses. The deficits are expected to be fully recovered when market conditions improve. Subsequent gains that restore the fair value of the assets of these endowment funds to their original gift value will be classified as increases in net assets with donor restrictions.

NOTE 9 - EDUCATION PROGRAMS

The Center sponsors various educational and archaeological research programs for which the participant is charged for tuition, room, and/or board fees. When resources are available, the Center provides financial aid or scholarships to participants using earnings from the Center's endowment funds or grant funding. During the year ended December 31, 2022, gross amounts charged for these educational programs included:

Description	Amount
School programs	$ 111,593
Cultural explorations	81,000
College Field School	21,300
Adult program	5,860
Total tuition	219,753
Less: financial aid and scholarships	(32,780)
Tuition, net	$ 186,973

NOTE 10 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, which included:

Description	Amount
Research Institute	$ 532,190
Education	455,591
Archaeology	364,634
General support	167,587
American Indian initiatives	103,941
All other	3,380
Total	$ 1,627,323

NOTE 11 - BOARD OF TRUSTEES SUPPORT

Members of the Center's Board of Trustees contribute a significant amount of revenue to the Center. Contributions directly from Board members or from charitable funds for which a board member is an advisor, totaled approximately $2,200,000 for the year ended December 31, 2022.

NOTE 12 - LINE OF CREDIT

The Center has an available revolving short-term bank line of credit totaling $1,800,000. Interest on the line of credit borrowings is payable at the bank's prime rate minus 1.50%; at December 31, 2022, the interest rate was 6.00%. Borrowings are secured by the KeyBank National Association Investment Management Account, and all assets held therein, except common trust funds, stock issued by Key Corp., qualified retirement funds, and series EE and HH bonds. Additional collateral includes all of the Center's property. No borrowings were outstanding on this line of credit at December 31, 2022. The line of credit matured on January 13, 2022, and was subsequently renewed to January 13, 2028, with the same terms.

NOTE 13 - RETIREMENT PLANS

During the year ended December 31, 2022, the Center sponsored a voluntary salary reduction plan to all eligible employees, and funds withheld are used to buy participant directed tax-deferred annuities as provided under Section 403(b) of the Internal Revenue Code. Employees become eligible to participate immediately following employment. The Center does not contribute directly to this plan.

The Center also offered a defined contribution plan in which employees could elect to defer, on a salary reduction (pre-tax) or salary deduction (after-tax) basis, a percentage of their salary as provided under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate after one year of service. The Center has the discretion to match employee contributions to the plan up to 4% of an employee's salary. As of May 2022, the Center terminated the 403(b) plan and instituted a 401(k) plan with generally the same benefits and conditions. For the year ended December 31, 2022, retirement plan contribution expense for the Center was $63,944.

NOTE 14 - CONCENTRATIONS OF RISK

Investments

The Center has significant investments in bonds, equities, and mutual funds that are subject to market value fluctuation.

Bank Deposits

At year-end, the Center maintained cash assets in a local banking institution that exceeded the coverage offered by the Federal Deposit Insurance Corporation (FDIC). The uninsured balance was $435,554.

Revenue

During the year ended December 31, 2022, one donor contributed approximately 54% of all revenue, after excluding investment income(losses).