

# **Southern Utah Wilderness Alliance**

**Year Ended December 31, 2025**

**Financial Statements**

**And**

**Independent Auditor's Report**



# **Southern Utah Wilderness Alliance**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Southern Utah Wilderness Alliance  
Salt Lake City, Utah

### *Opinion*

We have audited the accompanying financial statements of Southern Utah Wilderness Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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 Southern Utah Wilderness Alliance as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southern Utah Wilderness Alliance 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 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 the 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 Southern Utah Wilderness Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southern Utah Wilderness Alliance'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 Southern Utah Wilderness Alliance'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 Southern Utah Wilderness Alliance's December 31, 2024 financial statements, and our report dated September 22, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bountiful Peak Advisors*

Bountiful, Utah  
July 21, 2026

# Southern Utah Wilderness Alliance

## Statement of Financial Position

December 31, 2025

With Comparative Totals For December 31, 2024

|                                           | <u>12/31/2025</u>           | <u>12/31/2024</u>           |
|-------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                             |                             |                             |
| Current assets                            |                             |                             |
| Cash and cash equivalents                 | \$ 1,564,307                | \$ 3,933,365                |
| Investments, at fair value                | 35,940,443                  | 24,849,458                  |
| Prepaid expenses                          | <u>104,248</u>              | <u>90,215</u>               |
| Total current assets                      | <u>37,608,998</u>           | <u>28,873,038</u>           |
| Fixed assets, at cost                     |                             |                             |
| Building and improvements                 | 857,740                     | 857,740                     |
| Land                                      | 416,000                     | 416,000                     |
| Equipment                                 | 58,498                      | 66,860                      |
| Database                                  | 44,618                      | 44,618                      |
| Vehicle                                   | 367,303                     | 330,809                     |
| Furniture                                 | <u>88,456</u>               | <u>88,456</u>               |
| Total fixed assets                        | 1,832,615                   | 1,804,483                   |
| Less: accumulated depreciation            | <u>(978,274)</u>            | <u>(917,950)</u>            |
| Net fixed assets                          | <u>854,341</u>              | <u>886,533</u>              |
| Other assets                              |                             |                             |
| Investments, at fair value                | 4,321,518                   | 2,355,701                   |
| Right of use assets                       | <u>276,056</u>              | <u>21,164</u>               |
| Total other assets                        | <u>4,597,574</u>            | <u>2,376,865</u>            |
| Total assets                              | <u><u>\$ 43,060,913</u></u> | <u><u>\$ 32,136,436</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>         |                             |                             |
| Current liabilities                       |                             |                             |
| Accrued liabilities                       | \$ 1,050                    | \$ -                        |
| Current portion of lease liabilities      | <u>21,800</u>               | <u>21,800</u>               |
| Total current liabilities                 | <u>22,850</u>               | <u>21,800</u>               |
| Lease liabilities, net of current portion | <u>262,639</u>              | <u>-</u>                    |
| Total liabilities                         | <u>285,489</u>              | <u>21,800</u>               |
| Net assets                                |                             |                             |
| Without donor restrictions                | 38,453,906                  | 29,758,935                  |
| With donor restrictions                   | <u>4,321,518</u>            | <u>2,355,701</u>            |
| Total net assets                          | <u>42,775,424</u>           | <u>32,114,636</u>           |
| Total liabilities and net assets          | <u><u>\$ 43,060,913</u></u> | <u><u>\$ 32,136,436</u></u> |

See accompanying notes to financial statements.

**Southern Utah Wilderness Alliance**  
**Statement of Activities**  
**Year Ended December 31, 2025**  
**With Comparative Totals For The Year Ended December 31, 2024**

|                                   | <u>12/31/2025</u>                     |                                    |                      | <u>12/31/2024</u>    |
|-----------------------------------|---------------------------------------|------------------------------------|----------------------|----------------------|
|                                   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>         | <u>Total</u>         |
| <b>SUPPORT AND REVENUES</b>       |                                       |                                    |                      |                      |
| <b>Support</b>                    |                                       |                                    |                      |                      |
| Legacies and bequests             | \$ 5,199,486                          | \$ -                               | \$ 5,199,486         | \$ 4,806,997         |
| Individual donations              | 2,122,760                             | 1,965,817                          | 4,088,577            | 3,837,726            |
| Membership renewals               | 2,878,611                             | -                                  | 2,878,611            | 2,337,569            |
| Grants                            | 223,319                               | -                                  | 223,319              | 297,480              |
| New memberships                   | 127,630                               | -                                  | 127,630              | 78,501               |
| <b>Total support</b>              | <u>10,551,806</u>                     | <u>1,965,817</u>                   | <u>12,517,623</u>    | <u>11,358,273</u>    |
| <b>Revenues</b>                   |                                       |                                    |                      |                      |
| Unrealized gains on investments   | 2,196,520                             | -                                  | 2,196,520            | 817,181              |
| Interest and dividends            | 904,041                               | -                                  | 904,041              | 883,277              |
| Gain on sales of investments      | 95,135                                | -                                  | 95,135               | 407,496              |
| Other revenue                     | 40,949                                | -                                  | 40,949               | 17,384               |
| Gain on sale/disposal of assets   | 1,707                                 | -                                  | 1,707                | 4,000                |
| <b>Total revenues</b>             | <u>3,238,352</u>                      | <u>-</u>                           | <u>3,238,352</u>     | <u>2,129,338</u>     |
| <b>Total support and revenues</b> | <u>13,790,158</u>                     | <u>1,965,817</u>                   | <u>15,755,975</u>    | <u>13,487,611</u>    |
| <b>EXPENSES</b>                   |                                       |                                    |                      |                      |
| Program services                  | 4,525,619                             | -                                  | 4,525,619            | 5,325,741            |
| Management and general            | 339,584                               | -                                  | 339,584              | 260,185              |
| Fundraising                       | 229,984                               | -                                  | 229,984              | 192,762              |
| <b>Total expenses</b>             | <u>5,095,187</u>                      | <u>-</u>                           | <u>5,095,187</u>     | <u>5,778,688</u>     |
| Change in net assets              | 8,694,971                             | 1,965,817                          | 10,660,788           | 7,708,923            |
| Net assets, beginning of year     | <u>29,758,935</u>                     | <u>2,355,701</u>                   | <u>32,114,636</u>    | <u>24,405,713</u>    |
| Net assets, end of year           | <u>\$ 38,453,906</u>                  | <u>\$ 4,321,518</u>                | <u>\$ 42,775,424</u> | <u>\$ 32,114,636</u> |

See accompanying notes to financial statements.

**Southern Utah Wilderness Alliance**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2025**  
**With Comparative Totals For The Year Ended December 31, 2024**

|                                    | 12/31/2025       |              |            |            |              |              |                        |             |                  |                  |
|------------------------------------|------------------|--------------|------------|------------|--------------|--------------|------------------------|-------------|------------------|------------------|
|                                    | Program Services |              |            |            |              |              | Supporting Activities  |             |                  |                  |
|                                    | Energy           | ORV          | RS2477     | RMP        | Wilderness   | Total        | Management and General | Fundraising | 12/31/2025 Total | 12/31/2024 Total |
| Employee compensation              | \$ 194,750       | \$ 811,459   | \$ 64,917  | \$ 162,292 | \$ 1,785,209 | \$ 3,018,627 | \$ 97,375              | \$ 129,833  | \$ 3,245,835     | \$ 3,076,763     |
| Membership services                | 57,070           | 21,334       | 17,259     | 24,451     | 104,904      | 225,018      | 8,636                  | 68,982      | 302,636          | 326,333          |
| Legal and professional             | 7,205            | 8,548        | 90,146     | -          | 68,557       | 174,456      | -                      | -           | 174,456          | 189,048          |
| Travel                             | -                | 2,918        | -          | -          | 161,123      | 164,041      | -                      | 2,471       | 166,512          | 112,379          |
| Grassroots organizing              | -                | -            | -          | -          | 133,003      | 133,003      | -                      | -           | 133,003          | 46,294           |
| Public education costs             | -                | 22,607       | -          | -          | 99,277       | 121,884      | -                      | -           | 121,884          | 251,903          |
| Investment fees                    | -                | -            | -          | -          | -            | -            | 116,826                | -           | 116,826          | 93,020           |
| Technology                         | 15,544           | 21,760       | 14,235     | 15,216     | 31,576       | 98,331       | 4,140                  | 7,877       | 110,348          | 106,654          |
| Rent                               | 7,203            | 23,763       | 1,901      | 4,753      | 52,280       | 89,900       | 2,852                  | 3,802       | 96,554           | 81,002           |
| Supplies                           | 3,291            | 13,717       | 1,097      | 2,744      | 59,078       | 79,927       | 1,646                  | 2,196       | 83,769           | 62,953           |
| Insurance                          | 4,041            | 16,839       | 1,347      | 3,368      | 37,045       | 62,640       | 2,021                  | 2,694       | 67,355           | 44,798           |
| Repairs and maintenance            | 3,934            | 16,395       | 1,312      | 3,279      | 36,069       | 60,989       | 1,968                  | 2,623       | 65,580           | 78,438           |
| Training and staff support         | 11,382           | 11,381       | 11,381     | 11,381     | 11,381       | 56,906       | -                      | -           | 56,906           | 100,253          |
| Accounting and audit               | -                | -            | -          | -          | -            | -            | 47,101                 | -           | 47,101           | 38,946           |
| Bank and credit card charges       | -                | -            | -          | -          | -            | -            | 35,513                 | -           | 35,513           | 33,515           |
| Office expenses                    | 8,429            | 928          | 774        | 332        | 5,190        | 15,653       | 13,505                 | 106         | 29,264           | 19,001           |
| Board expenses                     | 3,551            | 3,551        | 3,552      | 3,552      | 3,552        | 17,758       | 3,805                  | 3,805       | 25,368           | 36,220           |
| Miscellaneous                      | 21,291           | -            | -          | -          | -            | 21,291       | -                      | -           | 21,291           | -                |
| Special projects                   | -                | -            | -          | -          | 20,001       | 20,001       | -                      | -           | 20,001           | 60,356           |
| Copies and postage                 | 851              | 3,543        | 283        | 709        | 12,035       | 17,421       | 425                    | 567         | 18,413           | 17,283           |
| Grants                             | -                | -            | -          | -          | 18,061       | 18,061       | -                      | -           | 18,061           | 873,961          |
| Telephone                          | 806              | 3,361        | 269        | 672        | 7,393        | 12,501       | 403                    | 538         | 13,442           | 11,766           |
| Utilities                          | 787              | 3,280        | 262        | 656        | 7,216        | 12,201       | 394                    | 525         | 13,120           | 10,900           |
| Event costs                        | 2,565            | 2,565        | 2,565      | 2,565      | 2,565        | 12,825       | -                      | -           | 12,825           | 24,846           |
|                                    |                  |              |            |            |              |              |                        |             |                  |                  |
| Total expenses before depreciation | 342,700          | 987,949      | 211,300    | 235,970    | 2,655,515    | 4,433,434    | 336,610                | 226,019     | 4,996,063        | 5,696,632        |
| Depreciation                       | 5,948            | 24,781       | 1,982      | 4,956      | 54,518       | 92,185       | 2,974                  | 3,965       | 99,124           | 82,056           |
|                                    |                  |              |            |            |              |              |                        |             |                  |                  |
| Total expenses                     | \$ 348,648       | \$ 1,012,730 | \$ 213,282 | \$ 240,926 | \$ 2,710,033 | \$ 4,525,619 | \$ 339,584             | \$ 229,984  | \$ 5,095,187     | \$ 5,778,688     |

See accompanying notes to financial statements.

**Southern Utah Wilderness Alliance**  
**Statement of Cash Flows**  
**Year Ended December 31, 2025**  
**With Comparative Totals For The Year Ended December 31, 2024**

|                                                                                             | <u>12/31/2025</u>   | <u>12/31/2024</u>   |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                     |                     |
| Change in net assets                                                                        | \$ 10,660,788       | \$ 7,708,923        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                     |                     |
| Depreciation                                                                                | 99,124              | 82,056              |
| Unrealized (gains) on investments                                                           | (2,196,520)         | (817,181)           |
| Realized (gains) on sales of investments                                                    | (95,135)            | (407,496)           |
| Donated securities                                                                          | (2,247,012)         | (2,272,803)         |
| (Gain) on sale/disposal of assets                                                           | (1,707)             | (4,000)             |
| Amortization of right of use assets                                                         | (254,891)           | 61,512              |
| Amortization of lease liabilities                                                           | 262,639             | (68,395)            |
| Changes in operating assets and liabilities:                                                |                     |                     |
| Prepaid expenses                                                                            | (14,032)            | (43,623)            |
| Accrued liabilities                                                                         | <u>1,050</u>        | <u>-</u>            |
| Net cash provided by operating activities                                                   | <u>6,214,304</u>    | <u>4,238,993</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                     |                     |
| Purchases of fixed assets                                                                   | (74,227)            | (190,373)           |
| Proceeds from sale/disposal of assets                                                       | 3,000               | 4,000               |
| Purchase of investments                                                                     | (30,477,433)        | (16,020,774)        |
| Proceeds from sale of investments                                                           | <u>21,965,298</u>   | <u>11,727,077</u>   |
| Net cash used in investing activities                                                       | <u>(8,583,362)</u>  | <u>(4,480,070)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                 | <u>-</u>            | <u>-</u>            |
| Net change in cash and cash equivalents                                                     | (2,369,058)         | (241,077)           |
| Cash and cash equivalents, beginning of year                                                | <u>3,933,365</u>    | <u>4,174,442</u>    |
| Cash and cash equivalents, end of year                                                      | <u>\$ 1,564,307</u> | <u>\$ 3,933,365</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                     |                     |                     |
| Cash paid for interest                                                                      | <u>\$ -</u>         | <u>\$ -</u>         |
| Cash paid for income taxes                                                                  | <u>\$ -</u>         | <u>\$ -</u>         |

See accompanying notes to financial statements.

# Southern Utah Wilderness Alliance

## Notes to Financial Statements

December 31, 2025

### 1. ORGANIZATION

Southern Utah Wilderness Alliance (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on December 12, 1983. The principal purpose of the Organization is the preservation and the management of the outstanding Southern Utah wild lands in their natural state. The Organization’s major sources of revenue come from donations from the general public and non-governmental grants.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared on the accrual basis. The Association follows the provisions of Accounting Standards Codification (ASC) 958, Not-for-Profit Entities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### Date of Management’s Review

Subsequent events were evaluated through July 21, 2026, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

#### Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- a. ***Net Assets Without Donor Restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- b. ***Net Assets With Donor Restrictions*** – Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

### Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Therefore, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

### Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

|         |                                                                                                                                                         |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.                                       |
| Level 2 | Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.           |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques. |

### Fixed Assets

Fixed assets are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$10,000. Minor repairs and maintenance that do not extend the useful lives of the assets are expensed as incurred. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from five to thirty-nine years. Depreciation expense for the year ended December 31, 2025 was \$99,124.

The Organization reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as measured by a comparison of estimated future cash flows (undiscounted and without interest charges) to the carrying value of the asset. Assets held for sale are written down to their fair value, less cost to sell.

### Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amounts of the assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted future cash flows associated with them. When future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying amounts of the assets, the assets are adjusted to their fair values.

### Revenue Recognition

**Contributions** – Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which

they depend have been substantially met. Contributions are considered to be without donor restrictions unless restricted by the donor.

**Memberships** - Memberships entitle the members three issues of the Organization's Redrock Wilderness newsletter. Memberships typically last one year.

**Contributed Nonfinancial Assets** – Contributed goods, use of facilities, and services that either 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 donation are recorded at fair value at the date of donation.

#### Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At December 31, 2025, the Organization had bank deposits of \$611,831 that exceeded the FDIC insurance limit of \$250,000 per financial institution, and therefore were not insured. The Organization also holds cash and securities at investment firms. The cash and investments held at those firms are insured through the Securities Investor Protection Corporation (SIPC) up to \$500,000 per institution. The Organization had cash and securities in the amount of \$40,064,144 that exceeded the insurance limit. The Organization has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and securities.

For the year ended December 31, 2025, approximately 32% and 13% of the Organization's total revenue came from Donor A and Donor B, respectively.

#### Income taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2022.

#### Functional Allocation of Expenses

The cost of providing programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, professional fees, occupancy, and depreciation, which are allocated on the basis of estimated time and effort.

#### Reclassifications

Certain items from December 31, 2024 have been reclassified to conform to the December 31, 2025 presentation.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, certain of which are held for trading purposes. Financial instruments held for trading purposes are carried at fair value in the accompanying statement of financial position, with realized and unrealized gains and losses included in the statement of activities for the period in which the change occurs, in accordance with U.S. GAAP. The fair value of these instruments is measured using the fair value hierarchy established by ASC 820, Fair Value Measurement, which prioritizes inputs to valuation techniques into three levels — quoted prices in active markets for identical assets (Level 1), observable inputs other than quoted prices (Level 2), and unobservable inputs (Level 3).

For all other financial instruments not held for trading purposes, the Organization estimates that the fair value at December 31, 2025, does not differ materially from the aggregate carrying values of such financial instruments recorded in the accompanying statement of financial position.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

|                                                                                                                      |                      |
|----------------------------------------------------------------------------------------------------------------------|----------------------|
| Cash and cash equivalents                                                                                            | \$ 1,564,307         |
| Investments                                                                                                          | <u>40,261,961</u>    |
| Current financial assets, at year-end                                                                                | 41,826,268           |
| Less those unavailable for general expenditure within one year,<br>due to donor-imposed time or purpose restrictions | <u>(4,321,518)</u>   |
| Financial assets available to meet cash needs for general expenditure<br>within one year                             | <u>\$ 37,504,750</u> |

As part of its liquidity management plan, the Organization structures 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 savings and short-term investments. To help manage unanticipated liquidity needs, the Organization credit cards with an aggregate credit limit of \$79,000, which it could draw upon.

**4. FAIR VALUE MEASUREMENTS**

The fair value of assets and liabilities measured on a recurring basis as of December 31, 2025 are as follows:

| <b>Assets at Fair Value as of December 31, 2025</b> |                      |                |                |                      |
|-----------------------------------------------------|----------------------|----------------|----------------|----------------------|
|                                                     | <u>Level 1</u>       | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u>         |
| Mutual Funds                                        | \$ 12,499,980        | \$ -           | \$ -           | \$ 12,499,980        |
| Stocks                                              | 9,331,272            | -              | -              | 9,331,272            |
| U.S. Treasury Securities                            | 17,267,708           | -              | -              | 17,267,708           |
| Exchange-traded funds                               | <u>1,163,001</u>     | <u>-</u>       | <u>-</u>       | <u>1,163,001</u>     |
| Totals                                              | <u>\$ 40,261,961</u> | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 40,261,961</u> |

Investment income / (loss) consisted of the following for the year ended December 31, 2025:

|                                       |                     |
|---------------------------------------|---------------------|
| Interest and dividend income          | \$ 904,041          |
| Realized gains on sale of investments | 95,135              |
| Unrealized gains on investments       | <u>2,196,520</u>    |
| Total investment income               | <u>\$ 3,195,696</u> |

## 5. NET ASSETS WITH DONOR RESTRICTIONS

In December 1995 and December 2024 and throughout 2025, investments totaling \$357,678, \$1,998,023, and \$1,965,817 were respectively contributed to the Organization for the establishment of an endowment funds and are therefore considered to be a donor-restricted endowment held in perpetuity.

## 6. ENDOWMENT FUND

The Organization's endowment funds consists of the Wyss endowment and the Thompson Endowment. The Wyss and Thompson endowments consists of donor-restricted funds, \$357,678 and \$3,963,840 both of which are permanently restricted. The remainder of the Wyss and Thompson endowments are unrestricted. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### *Interpretation of Relevant Law*

The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2025, there were no such donor stipulations. As a result of this interpretation, the organization retains in perpetuity:

- The original value of gifts donated to the endowment, and
- Any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other sources of the Organization
- The investment policies of the Organization

### *Return Objectives and Risk Parameters*

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce returns that are 2% to 3% higher than the rate of inflation, while assuming a moderate level of investment risk.

### *Spending Policy*

The Organization has a policy which allows all portions of the endowment fund that are not donor-restricted in perpetuity to be appropriated for expenditure at the discretion of the board of directors.

*Strategies Employed for Achieving Objectives*

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The organization targets a diversified asset allocation that emphasizes common stocks and fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of December 31, 2025 was as follows:

|                             | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|-----------------------------|-------------------------------|----------------------------|---------------------|
| Wyss endowment              | \$ 4,207,029                  | \$ 357,678                 | \$ 4,564,707        |
| Thompson endowment          | <u>515,879</u>                | <u>3,963,840</u>           | <u>4,479,719</u>    |
| Total endowments net assets | <u>\$ 4,722,908</u>           | <u>\$ 4,321,518</u>        | <u>\$ 9,044,425</u> |

Changes in endowment net assets for the fiscal years ending December 31, 2025 are as follows:

|                                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|------------------------------------------------------|-------------------------------|----------------------------|---------------------|
| Net assets, December 31, 2024                        | \$ 3,683,353                  | \$ 2,355,701               | \$ 6,039,054        |
| Endowment additions                                  | -                             | 1,965,817                  | 1,965,817           |
| Investment return                                    |                               |                            |                     |
| Investment income                                    | 208,084                       | -                          | 208,084             |
| Investment expenses                                  | (29,464)                      | -                          | (29,464)            |
| Realized losses on sale of investments               | (65,393)                      | -                          | (65,393)            |
| Net appreciation / (depreciation)                    | <u>926,327</u>                | <u>-</u>                   | <u>926,327</u>      |
| Total investment return                              | 1,039,554                     | -                          | 1,039,554           |
| Appropriation of endowment assets<br>for expenditure | <u>-</u>                      | <u>-</u>                   | <u>-</u>            |
| Net assets, December 31, 2025                        | <u>\$ 3,683,353</u>           | <u>\$ 4,321,518</u>        | <u>\$ 9,044,425</u> |

**7. ALLOCATION OF EXPENSES**

Based on management's allocation of expenses, operating expenses have been allocated in the following manner:

|                        | Amount              | %             |
|------------------------|---------------------|---------------|
| Program services       | \$ 4,525,619        | 88.82         |
| Management and general | 339,584             | 6.67          |
| Fundraising            | <u>229,984</u>      | <u>4.51</u>   |
|                        | <u>\$ 5,095,187</u> | <u>100.00</u> |

**8. RETIREMENT PLAN**

The Organization has a 403(b) Retirement Plan, which is a contributory plan and covers all employees. The Organization is entitled to make discretionary contributions to the plan. The Organization made contributions totaling \$80,148 for the year ended December 31, 2025.

## 9. COMMITMENTS AND CONTINGENCIES

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

## 10. LEASE COMMITMENTS

The Organization leases office space for its satellite offices in Moab, Utah and Washington D.C. under operating lease agreements. The Organization entered into an operating lease for the Moab location in December 2025. The lease agreement will expire on December 31, 2027. The lease requires monthly payments of \$3,200 which escalate in the 2<sup>nd</sup> year by 10%.

The Organization entered into an operating lease for the Washington D.C. location in January 2023. The lease agreement expires on December 31, 2030. The lease requires monthly payments of \$3,754 which escalate each year by 2.5%. Future minimum operating lease payments are based on remaining terms of the agreement. The following is supplemental information related to leases at December 31, 2025:

|                                       |                   |
|---------------------------------------|-------------------|
| Right of use assets                   | \$ 390,509        |
| Less: amortization                    | <u>(144,453)</u>  |
|                                       | <u>\$ 276,056</u> |
| Lease liabilities                     | <u>\$ 284,439</u> |
| Weighted average remaining lease term | 4.40 years        |
| Weighted average discount rate        | 3.82%             |
| Lease maturity table:                 |                   |
| <u>Year ending</u>                    |                   |
| 12/31/2026                            | \$ 83,448         |
| 12/31/2027                            | 88,415            |
| 12/31/2028                            | 47,329            |
| 12/31/2029                            | 48,512            |
| 12/31/2030                            | <u>49,725</u>     |
| Total lease payment                   | <u>317,429</u>    |
| Less: present value discount          | <u>(32,990)</u>   |
| Total lease liabilities               | <u>\$ 284,439</u> |

Lease expense during the year ended December 31, 2025 consisted of the following:

|                                                                  |                  |
|------------------------------------------------------------------|------------------|
| Operating lease expense, included in the statement of operations | <u>\$ 84,660</u> |
| Total lease expense                                              | <u>\$ 84,660</u> |

## **11. PRIOR YEAR INFORMATION**

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2025 from which the summarized information was derived.