

Southern Utah Wilderness Alliance

Year Ended December 31, 2015

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

Financial Statements

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, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2015, 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.

Report on Summarized Comparative Information

We have previously audited Southern Utah Wilderness Alliance's December 31, 2014 financial statements, and our report dated June 3, 2015, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Shaw & Co PC

Bountiful, Utah
May 12, 2016

Southern Utah Wilderness Alliance
Statement of Financial Position
December 31, 2015
With Comparative Totals For December 31, 2014

	<u>12/31/2015</u>	<u>12/31/2014</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,454,896	\$ 1,861,411
Investments, at fair value	<u>5,857,790</u>	<u>4,737,591</u>
Total current assets	<u>7,312,686</u>	<u>6,599,002</u>
Fixed assets, at cost		
Building and improvements	1,227,973	1,205,103
Equipment	81,904	76,131
Database	24,618	24,618
Vehicle	47,422	39,000
Furniture	<u>88,456</u>	<u>88,456</u>
Total fixed assets	<u>1,470,373</u>	<u>1,433,308</u>
Less: accumulated depreciation	<u>(516,507)</u>	<u>(482,543)</u>
Net fixed assets	<u>953,866</u>	<u>950,765</u>
Other assets		
Investments, at fair value	<u>357,678</u>	<u>357,678</u>
Total other assets	<u>357,678</u>	<u>357,678</u>
Total assets	<u>\$ 8,624,230</u>	<u>\$ 7,907,445</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	<u>87</u>	<u>15</u>
Total current liabilities	<u>87</u>	<u>15</u>
Net assets		
Unrestricted	8,266,465	7,549,752
Temporarily restricted	-	-
Permanently restricted	<u>357,678</u>	<u>357,678</u>
Total net assets	<u>8,624,143</u>	<u>7,907,430</u>
Total liabilities and net assets	<u>\$ 8,624,230</u>	<u>\$ 7,907,445</u>

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance
Statement of Activities
Year Ended December 31, 2015
With Comparative Totals For The Year Ended December 31, 2014

	12/31/2015				12/31/2014
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUES AND SUPPORT					
Individual donations	\$ 1,520,807	\$ -	\$ -	\$ 1,520,807	\$ 1,316,391
Membership renewals	612,078	-	-	612,078	590,154
Legacies and bequests	489,846	-	-	489,846	869,343
Grants	306,000	-	-	306,000	146,000
Realized gains on sales of investments	206,952	-	-	206,952	246,667
Interest and dividend income	198,293	-	-	198,293	193,965
New memberships	62,623	-	-	62,623	68,369
Other revenue	18,400	-	-	18,400	28,286
Loss on sale of assets	(1,760)	-	-	(1,760)	(485)
Unrealized losses on investments	(241,178)	-	-	(241,178)	(6,334)
 Total revenues and support	 <u>3,172,061</u>	 <u>-</u>	 <u>-</u>	 <u>3,172,061</u>	 <u>3,452,356</u>
EXPENSES					
Program services	2,097,542	-	-	2,097,542	2,079,223
Management and general	187,895	-	-	187,895	189,475
Fundraising	169,911	-	-	169,911	237,945
 Total expenses	 <u>2,455,348</u>	 <u>-</u>	 <u>-</u>	 <u>2,455,348</u>	 <u>2,506,643</u>
 Change in net assets	 716,713	 -	 -	 716,713	 945,713
 Net assets, beginning of year	 <u>7,549,752</u>	 <u>-</u>	 <u>357,678</u>	 <u>7,907,430</u>	 <u>6,961,717</u>
 Net assets, end of year	 <u>\$ 8,266,465</u>	 <u>\$ -</u>	 <u>\$ 357,678</u>	 <u>\$ 8,624,143</u>	 <u>\$ 7,907,430</u>

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance
Statement of Functional Expenses
Year Ended December 31, 2015
With Comparative Totals For The Year Ended December 31, 2014

12/31/2015

	Program Services						Supporting Activities		12/31/2015 Total	12/31/2014 Total
	Energy	ORV	RS2477	RMP	Wilderness	Total	Management and General	Fundraising		
Employee compensation	\$ 46,497	\$ 62,443	\$ 170,177	\$ 47,033	\$ 881,169	\$ 1,207,319	\$ 65,568	\$ 67,133	\$ 1,340,020	\$ 1,303,540
Legal and professional	8,627	1,153	261,372	1,830	29,438	302,420	-	-	302,420	234,842
Membership services	18,198	17,214	20,505	17,076	79,510	152,503	5,950	78,339	236,792	380,751
Travel	1,181	868	6,382	555	61,402	70,388	-	4,176	74,564	59,634
Bank and credit card charges	-	-	-	-	-	-	64,954	-	64,954	60,328
Technology	8,639	8,777	9,711	8,643	15,877	51,647	3,726	7,151	62,524	53,628
Public education costs	4,668	-	-	-	46,618	51,286	-	-	51,286	100,190
Rent	1,758	2,361	6,434	1,778	33,314	45,645	2,477	2,538	50,660	48,550
Repairs and maintenance	1,173	1,575	4,291	1,186	22,220	30,445	1,652	1,693	33,790	22,278
Accounting and audit	-	-	-	-	-	-	32,554	-	32,554	33,660
Insurance	877	1,178	3,211	888	16,628	22,782	1,237	1,267	25,286	25,808
Event costs	4,740	4,740	4,741	4,741	4,740	23,702	-	-	23,702	17,643
Copies and postage	860	790	3,024	595	13,919	19,188	829	920	20,937	15,973
Board expenses	2,396	2,395	2,395	2,395	2,395	11,976	2,566	2,566	17,108	14,970
Telephone	571	768	2,093	578	10,836	14,846	806	826	16,478	17,947
Grassroots organizing	-	-	-	-	14,182	14,182	-	-	14,182	34,468
Supplies	299	402	1,095	302	7,384	9,482	421	432	10,335	7,328
Grants	-	-	-	-	8,150	8,150	-	-	8,150	1,304
Training and staff support	1,514	1,513	1,513	1,513	1,513	7,566	-	-	7,566	11,829
Utilities	231	310	844	233	4,373	5,991	325	333	6,649	7,564
Office expenses	92	154	319	88	4,016	4,669	1,150	126	5,945	9,791
Property taxes	-	-	-	-	-	-	1,327	-	1,327	1,339
Total expenses before depreciation	102,321	106,641	498,107	89,434	1,257,684	2,054,187	185,542	167,500	2,407,229	2,463,365
Depreciation	1,670	2,242	6,111	1,689	31,643	43,355	2,353	2,411	48,119	43,278
Total expenses	\$ 103,991	\$ 108,883	\$ 504,218	\$ 91,123	\$ 1,289,327	\$ 2,097,542	\$ 187,895	\$ 169,911	\$ 2,455,348	\$ 2,506,643

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance
Statement of Cash Flows
Year Ended December 31, 2015
With Comparative Totals For The Year Ended December 31, 2014

	<u>12/31/2015</u>	<u>12/31/2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 716,713	\$ 945,713
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	48,119	43,278
Unrealized losses on investments	241,178	6,334
Realized gains on sales of investments	(206,952)	(246,667)
Donated securities	(85,564)	(99,504)
Loss on sale of assets	1,760	485
Changes in current assets and liabilities:		
Accrued liabilities	<u>72</u>	<u>(204)</u>
Net cash provided by operating activities	<u>715,326</u>	<u>649,435</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(38,825)	(24,781)
Purchase of investments	(3,850,107)	(2,926,658)
Proceeds from sale of investments	<u>2,767,091</u>	<u>2,787,767</u>
Net cash used in investing activities	<u>(1,121,841)</u>	<u>(163,672)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>-</u>	<u>-</u>
Net change in cash and cash equivalents	(406,515)	485,763
Cash and cash equivalents, beginning of year	<u>1,861,411</u>	<u>1,375,648</u>
Cash and cash equivalents, end of year	<u>\$ 1,454,896</u>	<u>\$ 1,861,411</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
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, 2015

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, memberships and 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 May 12, 2016, 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. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.
- b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.
- c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

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

The Organization has adopted the provisions of FASB ASC 958-320, *Investments—Debt and Equity Securities*. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Endowment Funds

The Organization's endowments consist of two funds established to support the social service mission of the Organization. The endowments consist of donor-restricted and board-designated endowment funds. 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. Consequently, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees. In accordance with 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 in which the general rule of appropriating for distribution each year of its investment income. In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long-term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

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 equities and fixed income securities to achieve its long-term objectives within prudent risk constraints.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable will be fully collectible.

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 \$1,000. 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, 2015 was \$48,119.

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.

Contributions

Unconditional promises to give are recognized as contributions when received at the net present value of the amounts expected to be collected. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-imposed time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same year the contribution is received are reported as unrestricted. Capital campaign contributions are considered temporarily restricted until the asset is placed into service.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At December 31, 2015, the Organization had bank deposits of \$635,136 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 \$4,677,567 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.

Income taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2015, 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Organization's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Organization's tax filings and does not believe that any material uncertain tax positions exist.

In-Kind Donations

A portion of the Organization's support is derived from donated materials and services. In accordance with FASB ASC 958-605-25-16, *Contributed Services*, the Organization recognizes contributions of services only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provide by donation. There were no services donated during the year ended December 31, 2015.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2015, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Reclassifications

Certain items from December 31, 2014 have been reclassified to conform to the December 31, 2015 presentation.

3. FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable market inputs, but the inputs lack the consistency of Level 1 inputs. They may not be regularly quoted, actively traded, or representative of identical assets. Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization had no Level 3 inputs during the year.

Level 1

Mutual funds: Mutual funds are valued at the closing price reported by the fund in the active market.

Common stock: Valued at the closing price reported in the active market in which the individual security is traded.

Level 2

Asset-backed Securities: Valued based on sales of similar securities and pricing models whose inputs are observable.

Certificates of Deposit: Valued based on sales of similar certificates and pricing models whose inputs are observable.

Preferred Stock: Valued based on sales of similar securities and pricing models whose inputs are observable.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015:

Assets at Fair Value as of December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset-backed securities	\$ -	\$ 896,527	\$ -	\$ 896,527
Certificates of deposit	-	485,456	-	485,456
Mutual Funds	1,389,874	-	-	1,389,874
Preferred stocks	-	1,374,502	-	1,374,502
Common stocks	<u>2,069,109</u>	<u>-</u>	<u>-</u>	<u>2,069,109</u>
Totals	<u>\$ 3,458,983</u>	<u>\$ 2,756,485</u>	<u>\$ -</u>	<u>\$ 6,215,468</u>

Interest and dividend income on investments was \$198,293 for the year ended December 31, 2015. Unrealized losses on investments were \$241,178 for the year ended December 31, 2015. Realized gains on the sale of investments were \$206,952 for the year ended December 31, 2015.

A review of current market fluctuations showed that share values decreased by \$87,839 as of 3/5/2016.

4. PERMANENTLY RESTRICTED NET ASSETS

In December 1995, investments totaling \$357,678 were contributed to the Organization for the establishment of an endowment fund and are therefore considered to be permanently restricted.

5. ENDOWMENT FUND

The Organization's endowment fund consists of the Wyss endowment. The Wyss endowment consists of donor-restricted funds, \$357,678 of which are permanently restricted. The remainder of the Wyss endowment is unrestricted. Endowment net asset composition by type of fund as of December 31, 2015 was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Wyss endowment	\$ 1,527,261	\$ -	\$ 357,678	\$ 1,884,939

Changes in endowment net assets for the fiscal years ending December 31, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, December 31, 2014	\$ 1,527,261	\$ -	\$ 357,678	\$ 1,884,939
Contributions	55,148	-	-	55,148
Investment return				
Investment income, net of fees	38,095	-	-	38,095
Realized gains from sale	206,951	-	-	206,951
Net depreciation,	<u>(201,065)</u>	<u>-</u>	<u>-</u>	<u>(201,065)</u>
Total investment return	43,981	-	-	43,981
Appropriation of endowment assets for expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, December 31, 2015	<u>\$ 1,626,390</u>	<u>\$ -</u>	<u>\$ 357,678</u>	<u>\$ 1,984,068</u>

6. 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 \$37,467 for the year ended December 31, 2015.

7. RELATED PARTY TRANSACTIONS

In 2007, the Board of Directors for the Organization unanimously voted for a board member to edit the Organization's three newsletters. The board member received \$7,101 for approximately 109 hours of editing services for the year ended December 31, 2015.

8. LEASE COMMITMENTS

The Organization leases office space for its satellite offices in Moab, Utah and Washington D.C. under operating lease agreements. The Moab office requires monthly payments of \$1,230 and is on a month-to-month basis. The Organization entered into an operating lease for the Washington D.C. location in March 2014 and March 2015. The lease agreements expire on February 28, 2015 and February 28, 2016. The lease requires monthly payments of \$2,712 and \$2,848, respectively. Future minimum operating lease payments are based on remaining terms of the agreements. The required minimum lease payments are as follows:

<u>Year ending</u>	
12/31/2016	\$ <u>5,696</u>
	\$ <u>5,696</u>

Total rent expense for the year ended December 31, 2015 was \$50,660.

9. ALLOCATION OF EXPENSES

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

	<u>Amount</u>	<u>%</u>
Program services	\$ 2,097,542	85.43
Management and general	187,895	7.65
Fundraising	<u>169,911</u>	<u>6.92</u>
	<u>\$ 2,455,348</u>	<u>100.00</u>

10. PRIOR YEAR INFORMATION

The accompanying 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 in the United States of America. The financial statements for the year ended December 31, 2014 are presented for comparative purposes only. The notes presented herein contain information relating to December 31, 2015 only. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014 from which the summarized information was derived.

11. COMMITMENTS AND CONTIGENCIES

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