Southern Utah Wilderness Alliance

Year Ended December 31, 2019

Financial Statements

And

Independent Auditor's Report

SOUTHERN UTAH WILDERNESS ALLIANCE

Southern Utah Wilderness Alliance

Table of Contents

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, 2019, 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, 2019, 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.

BOUNTIFULPEAK.COM • 801-294-3155 PH • 801-294-3190 FAX • 1564 SOUTH 500 WEST, STE. 201, BOUNTIFUL, UT 84010

Report on Summarized Comparative Information

We have previously audited Southern Utah Wilderness Alliance's December 31, 2018 financial statements, and our report dated June 7, 2019, 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, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
June 6, 2020

Southern Utah Wilderness Alliance

Statement of Financial Position
December 31, 2019
With Comparative Totals For December 31, 2018

	12/31/2019	12/31/2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,861,209	$ 1,283,210
Accounts receivable	77	-
Investments, at fair value	13,400,303	9,931,848
Prepaid expenses	60,466	-
Total current assets	15,322,055	11,215,058
Fixed assets, at cost		
Building and improvements	1,227,973	1,227,973
Equipment	87,559	82,219
Database	24,618	24,618
Vehicle	87,473	80,473
Furniture	88,456	88,456
Total fixed assets	1,516,079	1,503,739
Less: accumulated depreciation	(685,145)	(633,111)
Net fixed assets	830,934	870,628
Other assets		
Investments, at fair value	357,678	357,678
Total other assets	357,678	357,678
Total assets	$ 16,510,667	$ 12,443,364
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ -	$ 70,075
Accrued liabilities	1,923	1,225
Total current liabilities	1,923	71,300
Net assets		
Without donor restrictions	16,151,066	12,014,386
With donor restrictions	357,678	357,678
Total net assets	16,508,744	12,372,064
Total liabilities and net assets	$ 16,510,667	$ 12,443,364

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance

Statement of Activities
Year Ended December 31, 2019
With Comparative Totals For The Year Ended December 31, 2018

	12/31/2019			
	Without Donor Restrictions	With Donor Restrictions	Total	12/31/2018 Total
REVENUES AND SUPPORT				
Individual donations	$ 2,183,887	$ -	$ 2,183,887	$ 2,364,393
Legacies and bequests	2,129,615	-	2,129,615	715,136
Unrealized gains (losses) on investments	1,775,923	-	1,775,923	(1,056,317)
Membership renewals	1,158,873	-	1,158,873	1,363,440
Interest and dividends	444,935	-	444,935	440,966
Other revenue	209,142	-	209,142	36,625
Grants	133,000	-	133,000	340,000
New memberships	120,175	-	120,175	110,457
Gain / (loss) on sale of investments	21,599	-	21,599	(3,598)
Loss on sale of assets	(719)	-	(719)	-
Total revenues and support	8,176,430	-	8,176,430	4,311,102
EXPENSES				
Program services	3,569,856	-	3,569,856	3,736,085
Management and general	237,783	-	237,783	224,063
Fundraising	232,111	-	232,111	229,932
Total expenses	4,039,750	-	4,039,750	4,190,080
Change in net assets	4,136,680	-	4,136,680	121,022
Net assets, beginning of year	12,014,386	357,678	12,372,064	12,251,042
Net assets, end of year	$ 16,151,066	$ 357,678	$ 16,508,744	$ 12,372,064

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance

Statement of Functional Expenses
Year Ended December 31, 2019
With Comparative Totals For The Year Ended December 31, 2018

	12/31/2019									
	Program Services						Supporting Activities			
	Energy	ORV	RS2477	RMP	Wilderness	Total	Management and General	Fundraising	12/31/2019 Total	12/31/2018 Total
Employee compensation	$ 67,558	$ 90,722	$ 247,248	$ 68,334	$ 1,280,237	$ 1,754,099	$ 95,200	$ 97,534	$ 1,946,833	$ 1,866,793
Legal and professional	11,209	-	469,916	-	64,510	545,635	-	-	545,635	616,242
Membership services	15,418	21,047	19,953	22,838	153,804	233,060	6,032	109,074	348,166	351,976
Grants	-	-	-	-	306,500	306,500	-	-	306,500	206,500
Grassroots organizing	-	-	50	-	114,700	114,750	-	-	114,750	73,366
Travel	482	-	6,612	480	105,939	113,513	-	851	114,364	87,022
Technology	11,357	11,586	13,127	11,366	23,295	70,731	4,095	7,529	82,355	76,675
Repairs and maintenance	2,581	3,464	9,441	2,609	48,885	66,980	3,635	3,724	74,339	63,858
Rent	2,247	3,019	8,227	2,273	42,600	58,366	3,168	3,246	64,780	64,885
Supplies	338	455	1,240	343	43,643	46,019	477	489	46,985	27,466
Public education costs	-	-	-	-	43,886	43,886	-	-	43,886	325,041
Investment Fees	-	-	-	-	-	-	43,568	-	43,568	39,231
Training and staff support	8,572	8,573	8,573	8,573	8,573	42,864	-	-	42,864	13,309
Event costs	5,875	5,876	5,876	5,876	15,424	38,927			38,927	51,530
Accounting and audit	-	-	-	-	-	-	33,183	-	33,183	32,514
Bank and credit card charges	-	-	-	-	-	-	32,664	-	32,664	31,397
Telephone	862	1,159	3,158	873	16,350	22,402	1,216	1,246	24,864	30,625
Board expenses	3,401	3,400	3,400	3,400	3,400	17,001	3,643	3,643	24,287	24,295
Copies and postage	1,269	898	2,447	676	14,270	19,560	942	965	21,467	28,520
Office expenses	82	107	293	81	8,542	9,105	2,489	115	11,709	86,908
Insurance	344	461	1,256	347	6,503	8,911	484	495	9,890	31,134
Utilities	297	397	1,083	299	5,609	7,685	417	427	8,529	8,227
Income taxes	-	-	-	-	-	-	3,864	-	3,864	-
Property taxes	-	-	-	-	-	-	-	-	-	1,333
Total expenses before depreciation	131,892	151,164	801,900	128,368	2,306,670	3,519,994	235,077	229,338	3,984,409	4,138,847
Depreciation	1,920	2,579	7,028	1,942	36,393	49,862	2,706	2,773	55,341	51,233
Total expenses	$ 133,812	$ 153,743	$ 808,928	$ 130,310	$ 2,343,063	$ 3,569,856	$ 237,783	$ 232,111	$ 4,039,750	$ 4,190,080

See accompanying notes to financial statements.

Southern Utah Wilderness Alliance

Statement of Cash Flows
Year Ended December 31, 2019
With Comparative Totals For The Year Ended December 31, 2018

	12/31/2019	12/31/2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 4,136,680	$ 121,022
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	55,341	51,233
Unrealized losses (gains) on investments	(1,775,923)	1,056,317
Realized losses (gains) on sales of investments	(21,599)	3,598
Donated securities	(152,604)	(414,411)
Loss on sale of assets	719	-
Changes in current assets and liabilities:		
Accounts receivable	(77)	2,070
Prepaid expenses	(60,466)	-
Accounts payable	(70,075)	70,075
Accrued liabilities	698	932
Net cash provided by operating activities	2,112,694	890,836
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(12,340)	(51,529)
Purchase of investments	(8,598,511)	(4,559,898)
Proceeds from sale of investments	7,076,156	3,310,209
Net cash used in investing activities	(1,534,695)	(1,301,218)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net change in cash and cash equivalents	577,999	(410,382)
Cash and cash equivalents, beginning of year	1,283,210	1,693,592
Cash and cash equivalents, end of year	$ 1,861,209	$ 1,283,210
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

See accompanying notes to financial statements.

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.

<u>Date of Management's Review</u>

Subsequent events were evaluated through June 6, 2020, 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.

<u>Estimates in the Financial Statements</u>

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.

<u>Classes of Net Assets</u>

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.

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 does 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 expended 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, 2019 was $55,341.

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

Contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

In-kind contributions are recorded as support at their estimated fair market value at the date of gift. These contributions are considered to be without donor restrictions unless restricted by the donor. Assets donated with donor-imposed restrictions regarding their use are considered net assets with donor restrictions until the asset is placed in service. In-kind donations consisted of donated investments and totaled $152,604 for the year ended December 31, 2019.

In accordance with FASB ASC 958-605-25-16, *Contributed Services*, the Organization recognizes contributed 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 provided by donation. There were no services donated during the year ended December 31, 2019.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At December 31, 2019, the Organization had bank deposits of $1,003,294 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 $13,672,713 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. 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. For the year ended December 31, 2019, the Organization incurred $3,864 in unrelated business income tax related to the sale of a mailing list to a related organization.

The Organization’s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2019, 2018, 2017, and 2016 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.

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.

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, 2019, 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, 2018 have been reclassified to conform to the December 31, 2019 presentation.

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	$ 1,861,209
Accounts receivable	77
Investments	13,757,981
Current financial assets, at year-end	15,619,267
Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions	(357,678)
Financial assets available to meet cash needs for general expenditure within one year	$ 15,261,589

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 $50,000, which it could draw upon.

4. FAIR VALUE MEASUREMENTS

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

Level 1	Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets
Level 2	Valuations based on quoted market prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets
Level 3	Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

The fair value of assets and liabilities measured on a recurring basis as of December 31, 2019 are as follows:

Assets at Fair Value as of December 31, 2019

	Level 1	Level 2	Level 3	Total
Asset-backed securities	$ -	$ 2,695,870	$ -	$ 2,695,870
Certificates of deposit	-	-	-	-
Mutual Funds	5,638,681	-	-	5,638,681
Corporate bonds	-	295,140	-	295,140
Exchange-traded funds	-	5,128,290	-	5,128,290
Totals	$ 5,638,681	$ 8,119,300	$ -	$ 13,757,981

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values of Level 2 investments are determined by reference to quoted prices for similar assets in less active markets. Fair values of Level 3 investments are determined from valuation techniques in which one or more inputs are unobservable. The Organization reviewed and evaluated the values and assumptions used in determining the fair value of Level 3 financial instruments. The carrying amounts of all other assets and liabilities reflected in the statements of financial position for the Organization's financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs.

The Organization's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

Certain of the Organization's investments classified as exchange-traded funds and hedge funds are recorded at net asset value in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fair value represents the net asset value (NAV) of shares or units held by the Organization at year end. The financial statements of these investments are prepared in accordance with U.S. GAAP and are audited annually by independent auditors. As of December 31, 2019, the Organization had no unfunded commitments to invest in these funds. Redemptions, at NAV, of shares in these investments are immediate with one-day notice.

Investment income consisted of the following for the year ended December 31, 2019:

Interest and dividend income	$ 444,935
Realized gain on sale of investments	21,599
Unrealized gains on investments	1,775,923
Total investment income	$ 2,242,457

5. NET ASSETS WITH DONOR RESTRICTIONS

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 a donor-restricted endowment held in perpetuity.

6. 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. 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, 2019, 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, 2019 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Wyss endowment	$ 2,710,778	$ 357,678	$ 3,068,456

Changes in endowment net assets for the fiscal years ending December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, December 31, 2018	$ 2,108,507	$ 357,678	$ 2,466,185
Investment return			
Investment income, net of fees	97,354	-	97,354
Investment expenses	(9,644)	-	(9,644)
Net appreciation	514,562	-	514,562
Total investment return	602,271	-	602,271
Appropriation of endowment assets for expenditure	-	-	-
Net assets, December 31, 2019	$ 2,710,778	$ 357,678	$ 3,068,456

7. 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 $54,363 for the year ended December 31, 2019.

8. 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 $5,847 for approximately 71 hours of editing services for the year ended December 31, 2019.

9. 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 $1,450 and is on a month-to-month basis. The Organization entered into an operating lease for the Washington D.C. location in January 2018. The lease agreement expires on June 30, 2025. The lease requires monthly payments of $4,490 which escalate each year by 2.75%. Future minimum operating lease payments are based on remaining terms of the agreement. The required minimum lease payments are as follows:

Year ending	
12/31/2020	$ 56,884
12/31/2021	58,448
12/31/2022	60,056
12/31/2023	61,707
12/31/2024	63,404
Thereafter	32,574
	$ 333,073

Total rent expense for the year ended December 31, 2019 was $64,885.

10. ALLOCATION OF EXPENSES

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

	Amount	%
Program services	$ 3,569,856	88.37
Management and general	237,783	5.88
Fundraising	232,111	5.75
	$ 4,039,750	100.00

11. 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, 2018 are presented for comparative purposes only. The notes presented herein contain information relating to December 31, 2019 only. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018 from which the summarized information was derived.

12. 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.