

GRAND STAIRCASE ESCALANTE PARTNERS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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Independent Auditors' Report

To the Board of Trustees of
Grand Staircase Escalante Partners, Inc.

We have audited the accompanying financial statements of Grand Staircase Escalante Partners, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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.

Auditors' 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 from 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 have 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 Grand Staircase Escalante Partners, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



HintonBurdick, PLLC

St. George, Utah

June 30, 2021

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statements of Financial Position
December 31, 2020 and 2019

<u>ASSETS</u>		
	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 876,653	\$ 938,414
Receivables	-	10,000
Total current assets	<u>876,653</u>	<u>948,414</u>
Property and equipment		
Land	30,500	-
Building	230,478	-
Equipment	4,200	4,200
Vehicles	26,124	26,124
Accumulated depreciation	<u>(28,902)</u>	<u>(19,498)</u>
Total property and equipment, net	<u>262,400</u>	<u>10,826</u>
Total assets	<u><u>\$ 1,139,053</u></u>	<u><u>\$ 959,240</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 3,832	\$ 31,638
Accrued payroll expenses and liabilities	15,677	3,433
Current portion of building loan	<u>4,354</u>	<u>-</u>
Total current liabilities	<u>23,863</u>	<u>35,071</u>
Long-term liabilities:		
Building loan, net of current portion	<u>128,020</u>	<u>-</u>
Total long-term liabilities	<u>128,020</u>	<u>-</u>
Total liabilities	<u>151,883</u>	<u>35,071</u>
Net assets		
Without donor restrictions	\$ 602,749	\$ 482,234
Without donor restrictions-board designated	160,055	176,268
With donor restrictions	<u>224,366</u>	<u>265,667</u>
Total net assets	<u>987,170</u>	<u>924,169</u>
Total liabilities and net assets	<u><u>\$ 1,139,053</u></u>	<u><u>\$ 959,240</u></u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions and grants	\$ 178,703	\$ 446,053	\$ 624,756
In-kind donations	-	397,775	397,775
Program service fees	4,880	-	4,880
Event income	5,876	-	5,876
PPP loan forgiveness	-	70,500	70,500
Interest income	632	-	632
Other	9,170	-	9,170
Net assets released from restrictions	955,629	(955,629)	-
Total revenues, gains and other support	1,154,890	(41,301)	1,113,589
Expenses			
Program	818,389	-	818,389
Management and general	147,793	-	147,793
Fundraising	84,406	-	84,406
Total expenses	1,050,588	-	1,050,588
Change in net assets	104,302	(41,301)	63,001
Net assets at beginning of year	658,502	265,667	924,169
Net assets at end of year	\$ 762,804	\$ 224,366	\$ 987,170

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions and grants	\$ 201,712	\$ 600,155	\$ 801,867
In-kind donations	-	477,040	477,040
Program service fees	90,908	-	90,908
Event income	15,143	-	15,143
Interest income	3,521	-	3,521
Other	3,803	-	3,803
Net assets released from restrictions	1,262,242	(1,262,242)	-
Total revenues, gains and other support	1,577,329	(185,047)	1,392,282
Expenses			
Program	1,158,371	-	1,158,371
Management and general	178,588	-	178,588
Fundraising	67,884	-	67,884
Total expenses	1,404,843	-	1,404,843
Change in net assets	172,486	(185,047)	(12,561)
Net assets at beginning of year	486,016	450,714	936,730
Net assets at end of year	\$ 658,502	\$ 265,667	\$ 924,169

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2020

Expense category	Program	Management & General	Fundraising	Total
Contractual expenses	\$ 113,687	\$ 1,433	\$ -	\$ 115,120
Donations and assistance to others	254	1,142	57	1,453
Depreciation expense	9,404	-	-	9,404
Fees and licenses	5,826	2,688	5,398	13,912
Field supplies and equipment	10,094	-	910	11,004
Insurance	262	3,366	-	3,628
Interest	-	3,386	-	3,386
Occupancy	7,742	7,505	-	15,247
Office supplies and expense	14,221	-	4,940	19,161
Other	3,815	1,661	520	5,996
Payroll taxes and insurance	27,380	14,235	6,714	48,329
Payroll benefits	1,200	3,859	-	5,059
Printing, copying and postage	574	725	7,022	8,321
Professional fees	344,957	48,429	-	393,386
Salaries and wages	254,448	49,154	58,788	362,390
Telephone and internet	6,329	1,725	-	8,054
Travel and meetings	6,487	7,795	57	14,339
Vehicle expense	11,709	690	-	12,399
Total	\$ 818,389	\$ 147,793	\$ 84,406	\$ 1,050,588

GRAND STAIRCASE ESCALANTE PARTNERS, INC.**Statement of Functional Expenses
For the Year Ended December 31, 2019**

Expense category	Program	Management & General	Fundraising	Total
Contractual expenses	\$ 422,288	\$ 3,600	\$ -	\$ 425,888
Donations and assistance to others	1,900	1,500	-	3,400
Depreciation expense	5,825	-	-	5,825
Equipment and vehicle rental	65	-	-	65
Fees and licenses	1,964	3,043	4,693	9,700
Field supplies and equipment	17,701	34	-	17,735
Insurance	-	2,475	-	2,475
Occupancy	6,655	6,880	-	13,535
Office supplies and expense	4,933	2,925	7,305	15,163
Other	1,847	1,191	-	3,038
Payroll taxes and insurance	21,116	7,732	3,205	32,053
Payroll benefits	1,800	3,600	400	5,800
Printing, copying and postage	3,076	3,853	7,096	14,025
Professional fees	444,675	49,403	380	494,458
Salaries and wages	210,296	73,412	39,916	323,624
Telephone and internet	1,594	4,526	-	6,120
Travel and meetings	7,536	13,128	4,889	25,553
Vehicle expense	5,100	1,286	-	6,386
Total	\$ 1,158,371	\$ 178,588	\$ 67,884	\$ 1,404,843

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 63,001	\$ (12,561)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	9,404	5,825
Donated property and equipment	(20,000)	-
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	10,000	55,100
Increase (decrease) in accounts payable	(27,806)	27,048
Increase (decrease) in accrued payroll	12,244	356
Increase (decrease) in deferred revenue	-	(7,209)
Net cash flows from operating activities	46,843	68,559
Cash flows from investing activities:		
Acquisition of property and equipment	(240,978)	-
Net cash flows from investing activities	(240,978)	-
Cash flows from financing activities:		
Proceeds from long-term debt	135,000	-
Payments on long-term debt	(2,626)	-
Cash flows from financing activities	132,374	-
Change in cash and cash equivalents	(61,761)	68,559
Cash and cash equivalents, beginning of year	938,414	869,855
Cash and cash equivalents, end of year	\$ 876,653	\$ 938,414
Supplemental disclosures		
Interest paid	\$ 3,386	\$ -
Non cash investing activities:		
Donation of property (discount on purchase)	\$ 20,000	\$ -

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1. Significant Accounting Policies

Organization and Nature of Activities

The Grand Staircase Escalante Partners, Inc. (the Organization), a 501(c)(3) non-profit organization, was established in 2004. According to the mission statement, the Organization is committed to honoring the past and safeguarding the future of Grand Staircase-Escalante National Monument through science, conservation, and education. The Organization's vision is to honor the land. Learn its lessons.

The Organization meets this mission by working with the Bureau of Land Management (BLM), other agencies, universities and other partner organizations on conservation, restoration, education and research projects within the Monument and on public lands within the greater landscape region of the Monument and with other units of the Conservation Lands System that are managed by the BLM. The Organization has the following strategies to guide its efforts:

- Science: Expanding our knowledge and understanding of the natural wonders, biodiversity, and unique ecosystems with which this landscape is endowed by actively supporting and participating in scientific and historical investigation. This includes conducting climate change research as well as launching a climate change mitigation campaign aimed at raising awareness and inspiring action related to the protection of Grand Staircase-Escalante National Monument and all public lands.
- Conservation: Ensuring that Grand Staircase-Escalante's assets —culture, ecology, history, recreation, and science—are recognized, sustained, and enhanced for posterity through collaborative on-the-ground restoration work and invasive species removal.
- Education: Providing places and spaces where adults and youth can meet, exchange ideas, and participate in learning activities, resulting in the building of knowledge and expertise needed to advance local, national, and international interests in the Grand Staircase-Escalante region.

Vacancies in the board of directors are filled by majority vote of the remaining board members. The Organization is managed according to the articles of incorporation, bylaws and policies and procedures with the operations manual.

The Organization's major source of revenues consists of grants and contributions.

Date of Management's Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 30, 2021, the date the financial statements were available to be issued.

Income Taxes

No provision has been made for federal income taxes because the Organization is exempt from federal income tax as a public charity organization under Section 501(c)(3) of the Internal Revenue Code. The Organization has implemented accounting guidance associated with accounting for uncertainty in income taxes. There was no impact to the Organization's financial statements as a result of the implementation of this guidance. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2017 through 2020 are subject to examination by the IRS, generally for three years after they were filed.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1. Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Credit Risk

The Organization's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of the statement of cash flows. Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions. At times, the balances in cash accounts may have been in excess of FDIC insurance limits.

Promises to Give and Grants Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor 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.

Conditional contributions, including certain grants, are recognized when the Organization overcomes the donor/grantor stipulations that represents a barrier to being entitled to the assets transferred or promised. A transfer of assets that is a conditional contribution is recognized as an advance until the conditions have been substantially met or explicitly waived by the donor/grantor.

All receivables are due within one year from the dates of the financial statements. Management considers all receivables to be collectible; therefore, an allowance is not considered necessary.

Property and Equipment

The Organization capitalizes property and equipment with estimated useful lives greater than two years. Assets with lesser lives are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Buildings are depreciated using straight line over 30 years. Equipment and vehicles are depreciated using the straight-line method over estimated useful lives of seven years.

Revenue Recognition

Program service fees, including private landowner contracts, are recognized when the related services are performed. For private landowner contracts, the Organization receives payment (and recognizes revenue) once the related contract item obligation is completed and inspected (see Note 4 regarding related board designations). The Organization recognizes a liability for payments received in advance, if any, of performing the related services.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1. Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributed Services and Facility Use

Except as noted below, no amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

A professional law firm provided legal services relating to the Organization's programs and exempt purpose for the years ended December 31, 2020 and 2019. The services relate to the Monument's protected status, advocacy for long-term protection of the Monument and enhanced cooperation with the BLM. The Organization recognized revenue and associated expense (i.e. professional fees) for this in-kind donation that totaled \$377,775 and \$477,040 for the years ended December 31, 2020 and 2019, respectively.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, insurance, and some other shared expenses which are allocated on the basis of estimates of time and effort. Generally, professional fees are allocated directly. However, the donated legal services mentioned above are allocated 90% to program and 10% to management and general, based on management's estimates.

Use of Estimates

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

New Pronouncements

For the year ended December 31, 2020, the Organization did not implement any new provisions.

For the year ended December 31, 2019, the Organization implemented the provisions of ASU 2014-09 (Topic 606), *Revenue from Contracts with Customers*. This ASU supersedes most previous revenue recognition guidance, including industry-specific guidance. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Adoption of this new pronouncement did not have a material impact on the Organization's financial statements.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1. Significant Accounting Policies (Continued)

For the year ended December 31, 2019, the Organization also implemented the provisions of ASU 2018-08 (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU 2018-08 update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Although this new pronouncement clarifies how to account for and report on the Organization's grant activity, the adoption did not have a material impact on the Organization's financial statements.

Reclassifications

Certain reclassifications have been made to the 2019 financial statement presentation to conform to the current-year presentation. These reclassifications had no effect on the change in net assets for 2019.

NOTE 2. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets available within one year of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts with contractual or donor restrictions are deemed available for general expenditures even though the resources must be used in a particular manner. The Organization is substantially supported by restricted grants and contributions that relate to the primary and ongoing activities of the Organization, and the Organization expects to use the majority of the restricted resources in the normal course of operations within one year of the financial statement date.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 876,653	\$ 938,414
Receivables	-	10,000
Subtotal	876,653	948,414
Less those unavailable for general expenditures within one year, due to:		
Board designations:		
Restoration - private landowner contracts (see Note 4 for details)	<u>(160,055)</u>	<u>(176,268)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 716,598</u>	<u>\$ 772,146</u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 2. Liquidity and Availability of Financial Assets (Continued)

The Organization typically has significant cash to meet the cash needs for general expenditures. The Organization has set aside a cash reserve (no formal board designation; part of cash and cash equivalents and included above), which is expected to continue to grow. This reserve is meant for emergencies and is not needed for general operating expenditures.

NOTE 3. Restrictions on Net Assets

As of December 31, 2020 and 2019, net assets with donor restrictions consist of the following:

	<u>2020</u>	<u>2019</u>
Wander Project	\$ 16,509	\$ -
Artifact recovery funds	8,250	8,250
ERWP Walton	45,662	50,155
Site Steward Donation	960	1,050
CLF - payroll: admin, education & advocacy	20,952	46,225
TNC watershed coordinator and other	5,304	10,000
Education Program Donation Fund	2,204	5,183
GSENM Science	4,492	-
Maxi Fuxjager Foundation	-	6,365
Kendeda - defense/capacity	2,652	4,897
Patagonia - defense/conservation	14,100	25,729
Advocacy Program	6,694	6,232
Tamarisk Coalition ROR	73,163	73,235
Conservation Program (Russian Olive)	22,932	19,316
Visitor Center Donation Boxes	-	7,005
Paleo program	492	2,025
Total net assets with donor restrictions	<u>\$ 224,366</u>	<u>\$ 265,667</u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 4. Board-Designated Net Assets

Board-designated net assets are net assets without donor restrictions subject to self-imposed limits by action of the Organization. Board-designated net assets consist of the following at December 31, 2020 and 2019:

	2020	2019
Restoration - private landowner contracts	\$ 160,055	\$ 176,268
Net assets - without donor restrictions - board designated	\$ 160,055	\$ 176,268

The Boulder Escalante restoration private landowner contracts designation is to be used for specific private landowner contracts (see Note 1). The designation is to ensure that these projects are funded through their contractual obligation and beyond until restoration can be achieved. Restoration is defined as less than 5% invasive canopy cover and recruitment of native plants, which may take multiple years of intervention to achieve.

NOTE 5. Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2020.

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020	Current Portion
Zions building loan	\$ -	\$ 135,000	\$ (2,626)	\$ 132,374	\$ 4,354
Total long-term debt	\$ -	\$ 135,000	\$ (2,626)	\$ 132,374	\$ 4,354

Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2021	\$ 4,354	\$ 5,953	\$ 10,307
2022	4,556	5,750	10,306
2023	4,769	5,538	10,307
2024	4,976	5,331	10,307
2025	5,223	5,084	10,307
2026-2030	29,985	21,550	51,535
2031-2035	37,655	13,879	51,534
2036-2040	40,856	4,323	45,179
Total	\$ 132,374	\$ 67,408	\$ 199,782

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 5. Long-term Liabilities, Continued

Long-term debt consists of the following:

\$135,000 loan from Zions First National Bank for the purchase of building in Escalante, Utah. Interest rate of 4.5 percent per annum with principal and interest payments due monthly. The term of the note is borrower will pay in 240 payments of \$859. First payment is due June 28, 2020. Final payment will be due on May 28, 2040. Secured by property.

\$ 132,374

Total long-term debt

\$ 132,374

NOTE 6. Retirement Plan

The Organization maintains a 401k Retirement Plan. The Organization may make matching contributions to the plan, although not required. Employees must make elective deferrals to the plan to receive a matching contribution. The percentage of the elective deferrals to be matched will be determined by the organization at the end of the plan year. Employees must be eligible and employed on December 31 to receive a matching contribution. For the years ended December 31, 2020 and 2019, employer contributions were \$13,340 and \$0, respectively.

NOTE 7. PPP Loans and Subsequent Events

The COVID-19 pandemic has had a significant impact on the Organization's operations, activities and financial resources.

In April 2020, the Organization obtained an SBA loan under the Payroll Protection Program (PPP) in the amount of \$70,500 to help keep the Organization's staff employed during the pandemic. This PPP loan was fully forgiven by the SBA in November 2020. In light of guidance provided by the AICPA (TQ&A Section 3200), the Organization accounts for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution (see Note 1). Since the Organization had met the conditions of PPP loan forgiveness and had incurred the related expenses as of December 31, 2020, the loan forgiveness grant is recognized in these financial statements.

In February 2021, the Organization obtained a second SBA PPP loan in the amount of \$70,486, which is expected to be forgiven in 2021.

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