

**THE GRAND CANYON TRUST**  
**AND NORTH RIM RANCH, LLC**

Consolidated Financial Statements As Of  
December 31, 2018 And 2017

Together With Independent Auditors' Report

**JDS** professional  
group  
certified public accountants, consultants and advisors

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The Grand Canyon Trust and North Rim Ranch, LLC:

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of The Grand Canyon Trust and North Rim Ranch, LLC (collectively known as the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, changes in net assets 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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.

*Members:*

*American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants*

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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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Grand Canyon Trust and North Rim Ranch, LLC as of December 31, 2018 and 2017, and the results of their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Effect of Adopting New Accounting Standard**

As discussed in Note 2, the Organization adopted the Financial Accounting Standards Board's Accounting Standards update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental consolidated schedule of financial position and schedule of activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of The Grand Canyon Trust and North Rim Ranch, LLC's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*JDS Professional Group*

May 20, 2019

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,547,831	\$ 5,908,809
Investments	1,812,768	-
Contributions receivable	702,189	662,049
Accounts receivable	90,330	26,350
Note receivable	23,720	23,019
Livestock inventory	60,492	27,005
Prepaid expenses	57,196	94,654
Total current assets	5,294,526	6,741,886
<b>Non-current assets:</b>		
Contribution receivable, net of current portion	272,976	-
Breeding herd, net of accumulated depreciation of \$198,743 and \$261,653, respectively	125,445	64,870
Property and equipment, net of accumulated depreciation of \$2,601,709 and \$2,482,042, respectively	1,469,257	1,452,936
Note receivable, net of current portion	-	12,297
Investments	12,535,025	11,036,219
Conservation easements	2,295,000	2,295,000
Beneficial interest in remainder trust	36,641	43,318
Total non-current assets	16,734,344	14,904,640
Total assets	\$ 22,028,870	\$ 21,646,526
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 62,753	\$ 90,354
Accrued expenses	200,622	126,544
Total current liabilities	263,375	216,898
<b>Net assets:</b>		
Without donor restrictions	16,041,430	16,535,753
With donor restrictions	5,762,365	4,943,598
Total net assets	21,803,795	21,479,351
Non-controlling interest	(38,300)	(49,723)
Total liabilities and net assets	\$ 22,028,870	\$ 21,646,526

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue:</b>			
Grants and contributions	\$ 2,941,244	\$ 2,316,901	\$ 5,258,145
In-kind contributions	804,125	-	804,125
Membership contributions	540,664	13,927	554,591
Investment loss	(647,755)	(67,488)	(715,243)
Cattle revenue, net of cost of sales of \$179,953	113,731	-	113,731
Change in value of beneficial interest in remainder trust	(6,677)	-	(6,677)
Other income loss	5,654	-	5,654
Net assets released from restrictions	1,444,573	(1,444,573)	-
Total support and revenue	<u>5,195,559</u>	<u>818,767</u>	<u>6,014,326</u>
<b>Expenses:</b>			
Program services	4,169,349	-	4,169,349
Education	368,255	-	368,255
Total program services	<u>4,537,604</u>	<u>-</u>	<u>4,537,604</u>
Development and membership	639,990	-	639,990
General and administrative	511,829	-	511,829
Total supporting services	<u>1,151,819</u>	<u>-</u>	<u>1,151,819</u>
Total expenses	<u>5,689,423</u>	<u>-</u>	<u>5,689,423</u>
Changes in net assets from operations before non-controlling interest	(493,864)	818,767	324,903
Less: change in net assets attributable to non-controlling interest	(459)	-	(459)
Changes in net assets for controlling interest	<u>\$ (494,323)</u>	<u>\$ 818,767</u>	<u>\$ 324,444</u>

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		
	Without donor restrictions	With donor restrictions	Total
Support and revenue:			
Grants and contributions	\$ 4,423,587	\$ 1,577,637	\$ 6,001,224
In-kind contributions	961,999	-	961,999
Membership contributions	601,740	245,982	847,722
Investment income	1,046,425	151,270	1,197,695
Cattle revenue, net of cost of sales of \$202,489	31,402	-	31,402
Change in value of beneficial interest in remainder trust	2,134	-	2,134
Other income	4,008	-	4,008
Net assets released from restrictions	2,092,036	(2,092,036)	-
Total support and revenue	<u>9,163,331</u>	<u>(117,147)</u>	<u>9,046,184</u>
Expenses:			
Program services	4,509,251	-	4,509,251
Education	207,265	-	207,265
Total program services	<u>4,716,516</u>	<u>-</u>	<u>4,716,516</u>
Development and membership	459,394	-	459,394
General and administrative	403,644	-	403,644
Total supporting services	<u>863,038</u>	<u>-</u>	<u>863,038</u>
Total expenses	<u>5,579,554</u>	<u>-</u>	<u>5,579,554</u>
Changes in net assets from operations before non-controlling interest	3,583,777	(117,147)	3,466,630
Less: change in net assets attributable to non-controlling interest	16,149	-	16,149
Changes in net assets for controlling interest	<u>\$ 3,599,926</u>	<u>\$ (117,147)</u>	<u>\$ 3,482,779</u>

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018				
	<i>Program Services</i>		<i>Supporting Services</i>		
	Program services	Education	Development and membership	General administrative	Total
Employee compensation and taxes	\$ 2,209,297	\$ 182,228	\$ 489,685	\$ 323,893	\$ 3,205,103
Advertising	5,384	10	1,029	3,370	9,793
Bank charges	130	-	-	9,773	9,903
Benefits	57,237	6,616	13,083	7,481	84,417
Board expense	228	-	-	8,995	9,223
Books, publications, slides, and maps	1,549	9,188	899	-	11,636
Depreciation and amortization	128,594	4,187	11,326	7,525	151,632
Fees, licenses, and dues	96,818	24,359	8,370	12,520	142,067
Grants and contributions	266,566	21,129	15,243	21,256	324,194
Honorarium	80,884	10,293	1,308	-	92,485
Insurance	3,805	-	-	26,129	29,934
Legal, consulting, and professional fees	806,988	-	-	17,080	824,068
Meeting, conferences, and events	123,398	61,712	1,661	17,423	204,194
Membership acquisition	463	951	11,454	-	12,868
Miscellaneous	1,958	-	2	586	2,546
Office expense	32,257	2,132	5,184	2,384	41,957
Office supplies	18,535	672	144	496	19,847
Printing and postage	20,586	16,760	40,823	7,143	85,312
Rent	-	-	-	27,025	27,025
Repairs and maintenance	21,917	1,742	4,712	3,131	31,502
Taxes	5,781	-	-	-	5,781
Travel and meals	239,671	24,233	30,436	12,838	307,178
Utilities	27,239	1,993	4,330	2,781	36,343
Vehicle expense	3,695	-	193	-	3,888
Volunteer expense	16,369	50	108	-	16,527
<b>Total</b>	<b>\$ 4,169,349</b>	<b>\$ 368,255</b>	<b>\$ 639,990</b>	<b>\$ 511,829</b>	<b>\$ 5,689,423</b>

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017				
	<i>Program Services</i>		<i>Supporting Services</i>		
	Program services	Education	Development and membership	General administrative	Total
Employee compensation and taxes	\$ 2,204,622	\$ 136,367	\$ 354,300	\$ 267,314	\$ 2,962,603
Advertising	5,578	979	720	514	7,791
Bank charges	-	-	-	7,135	7,135
Benefits	54,189	4,407	10,627	9,500	78,723
Board expense	-	-	-	7,123	7,123
Books, publications, slides, and maps	4,034	4,262	-	-	8,296
Depreciation and amortization	168,952	3,544	9,208	6,948	188,652
Fees, licenses, and dues	16,791	22,300	8,174	7,650	54,915
Grants and contributions	506,675	9,479	8,869	2,561	527,584
Honorarium	55,979	1,175	-	-	57,154
Insurance	15,068	-	-	27,894	42,962
Legal, consulting, and professional fees	973,958	-	-	20,067	994,025
Meeting, conferences, and events	136,584	1,047	12,364	12,433	162,428
Membership acquisition	-	568	3,604	-	4,172
Miscellaneous	17,715	9	-	61	17,785
Office expense	24,521	1,363	3,749	1,632	31,265
Office supplies	21,982	416	-	-	22,398
Printing and postage	25,074	15,867	32,358	2,441	75,740
Rent	-	-	-	19,019	19,019
Repairs and maintenance	16,315	1,069	2,565	1,924	21,873
Taxes	7,826	-	-	-	7,826
Travel and meals	203,201	2,716	9,699	7,201	222,817
Utilities	29,137	1,697	3,157	2,227	36,218
Vehicle expense	3,808	-	-	-	3,808
Volunteer expense	17,242	-	-	-	17,242
<b>Total</b>	<b>\$ 4,509,251</b>	<b>\$ 207,265</b>	<b>\$ 459,394</b>	<b>\$ 403,644</b>	<b>\$ 5,579,554</b>



THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Total net assets	Without donor restrictions	With donor restrictions	Non-controlling interest
Balance, December 31, 2016	\$ 17,996,572	\$ 13,405,705	\$ 5,060,745	\$ (469,878)
Changes in net assets	3,466,630	3,599,926	(117,147)	(16,149)
Transfer of equity to non- controlling interest	-	-	-	-
	-	(469,878)	-	469,878
Net contributions (distributions)	(33,574)	-	-	(33,574)
Balance, December 31, 2017	21,429,628	16,535,753	4,943,598	(49,723)
Changes in net assets	324,903	(494,323)	818,767	459
Net contributions (distributions)	10,964	-	-	10,964
Balance, December 31, 2018	<u>\$ 21,765,495</u>	<u>\$ 16,041,430</u>	<u>\$ 5,762,365</u>	<u>\$ (38,300)</u>

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 324,903	\$ 3,466,630
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Realized and unrealized (gain) loss on investments	1,468,516	(864,065)
Depreciation	151,631	188,652
Loss on disposal of assets	2,784	-
(Gain) loss on disposal of livestock	(61,359)	4,307
Loss on dead or missing livestock	11,721	20,339
Change in value of beneficial interest in remainder trust	6,677	(2,134)
(Increase) decrease in contributions receivable	(313,116)	360,420
Decrease in accounts receivable	(63,980)	20,854
Increase in inventory	(33,487)	(14,399)
(Increase) decrease in prepaid expenses	37,458	(10,990)
Increase (decrease) in accounts payable	(27,601)	28,986
Increase in accrued expenses	74,078	11,463
Net cash provided by operating activities	1,578,226	3,210,063
Cash flows from investing activities		
Proceeds on note receivable	11,596	11,423
Purchase of investments	(7,544,000)	(8,113,923)
Proceeds from sale of investments	2,763,910	5,383,853
Proceeds from sale of livestock	57,010	21,231
Purchase of assets	(141,084)	(55,805)
Purchase of livestock	(97,600)	(15,520)
Net cash used in investing activities	(4,950,168)	(2,768,741)
Cash flows from financing activities		
Proceeds from capital contributions	310,680	194,836
Distributions of capital	(299,716)	(228,410)
Net cash provided by (used in) financing activities	10,964	(33,574)
Net increase (decrease) in cash and cash equivalents	(3,360,978)	407,748
Cash and cash equivalents, as of December 31, 2017	5,908,809	5,501,061
Cash and cash equivalents, as of December 31, 2018	\$ 2,547,831	\$ 5,908,809

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

**Note 1 - Reporting Entity**

Consolidation

The financial statements have been consolidated to include all accounts of the Grand Canyon Trust (the "Trust"), and North Rim Ranch, LLC (the "Ranch"), and are collectively referred to as the "Organization." All significant inter-company accounts and transactions have been eliminated.

The Grand Canyon Trust

The Trust was organized in 1985 as a not-for-profit entity incorporated in the State of Arizona. The mission of Grand Canyon Trust is to safeguard the wonders of the Grand Canyon and the Colorado Plateau, while supporting the rights of its Native peoples. The Trust's main office is located in Flagstaff, Arizona. In addition, the Trust maintains representatives in Utah and Colorado.

North Rim Ranch, LLC

The Ranch is an Arizona limited liability company that began operations on September 28, 2005. The Trust was the sole member of the Ranch until October 7, 2011, on which date the Ranch accepted a partner. The Trust was allocated 88% of the net income or loss of the Ranch during the years ended December 31, 2018 and 2017. The Ranch is engaged in the business of owning, leasing, managing, conserving and improving certain properties known as the Kane Ranch and the Two Mile Ranch located in Coconino County, Arizona and Kane County, Utah. The activities of the Ranch include livestock grazing consistent with the requirements of state and federal grazing leases and permits.

**Note 2 - Summary of Significant Accounting Policies**

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

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

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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Measure of operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing conservation activities, interest and dividends earned on investments, and return from investments. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers cash and cash equivalents to be cash on hand, demand deposits and short-term investments with original maturities of 90 days or less. The Organization continually monitors its positions with, and the credit quality of, the financial institutions with which funds are held.

The Organization may hold funds with financial institutions in excess of the FDIC insured amounts. As of December 31, 2018, such deposits exceeded the FDIC insurance limit by approximately \$771,000, however the Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value Measurements

*Fair Value Measurements* requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- 1) Quoted prices for similar assets or liabilities in active markets;
- 2) Inputs other than quoted prices that are observable for the asset or liability;
- 3) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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Following is a description of the valuation methodologies used for assets measured at fair value.

*Stocks, options and securities:* Valued at the closing price reported on the active market on which the individual investments are traded.

*Mutual funds:* Valued at the published net asset value (NAV) of the shares held at the reporting date.

*Certificate of deposits:* Valued at cost plus accrued earnings which approximates market.

*Beneficial interest in trust:* Valued as reported by the organization holding the trust fund.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, receivables, accounts payable, and accrued liabilities approximates fair value due to the immediate or short term nature of these items.

#### Accounts Receivable

The Organization believes that its accounts receivable, recorded at fair value, are fully collectible, and therefore, no allowance has been established for the years ended December 31, 2018 and 2017. The Organization's policy for charging off accounts receivable is when future payments thereon are determined to be improbable.

#### Contributions and Contributions Receivable

Contributions received are recorded as either support without donor restrictions, or with donor restrictions, depending on the existence or nature of donor restrictions. Donor-restricted support, including contributions receivable, is recorded as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be received in more than one year. As of December 31, 2018, the discount on promises to give expected to be received in more than one year was not significant and accordingly, not reflected in the financial statements. As of December 31, 2017, all amounts were expected to be received within one year and as such have not been discounted. Unconditional contributions receivable are recognized as revenue in the period the promise to give is received. Conditional contributions receivable are recognized as receivables and revenue when the conditions on which they depend are substantially met. The Organization believes all contributions receivable are collectible. Accordingly, no allowance for uncollectible receivable has been recorded.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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Livestock Inventory

The livestock inventory is held for sale and is recorded at the lower of allocated production costs or market value.

Property and Equipment

The Organization capitalizes all property and equipment purchases over \$1,000. All property and equipment is stated at cost and depreciated over the following estimated useful lives using the straight line method:

*Estimated Useful Lives:*

Equipment 3-7 years

Buildings and improvements 10-30 years

Vehicles 5 years

Construction in progress assets will commence with depreciation once the asset is placed in service.

Breeding Herd

The breeding herd consists of purchased livestock and livestock raised on the ranch. Purchased livestock are initially recorded at cost. The cost of livestock raised is based on the accumulated cost of developing such livestock for production use. Livestock is considered mature at two years of age. Depreciation is computed using the straight-line method over their estimated lives of 5 years. Depreciation expense for the years ended December 31, 2018 and 2017, was \$29,653 and \$56,412, respectively.

Revenue Recognition

The Organization recognizes cattle sales revenue upon the shipment of the livestock, evidence of a sales arrangement, and the transfer of ownership in the livestock to the customer. Other revenue is recognized when earned.

Donated Materials and Services

Donated services and materials which meet the criteria for recognition are recorded in the accompanying financial statements at fair market value as of the date of donation.

Program Services

Program services presented in the accompanying consolidated financial statements represent the direct and allocated overhead expenses associated with performing the Organization's basic purposes. These services include: (i) research and study of issues affecting the public lands, water, and other natural resources of the Colorado Plateau; (ii) public education and advocacy on issues affecting the Colorado Plateau; (iii) analysis of and advocacy for public lands and natural resource policies and programs and monitoring of the federal and state agencies charged with administering the environmental laws governing the protection and use of the public lands on the Colorado Plateau; (iv) participation in the decision-making process for determining the use and management of publicly owned resources on the Colorado Plateau; (v) protection and restoration of critical lands, species, waters, air quality, and natural habitats of the Colorado Plateau; and (vi) collaboration with tribes across the Plateau aimed at pursuing sustainable economic development, cultural preservation, and conservation objectives on tribal and ancestral public lands.

Income Taxes

The Trust is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Internal Revenue Service has determined that the entity is not a private foundation under

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
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Section 509(a) of the Internal Revenue Code. Accordingly, donors are entitled to a charitable deduction for their contribution to the Organization. The accompanying consolidated financial statements do not include a provision for federal or state corporate income taxes.

The Organization follows *Accounting for Uncertainty in Income Taxes* which requires them to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the years ended December 31, 2018 and 2017, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

The Trust is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to December 31, 2015. The Ranch is no longer subject to U.S. federal and state income tax audits on its Form 1065 and related state return by taxing authorities for years prior to 2015 and 2014, respectively. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Trust believes no issues would arise

#### Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salaries and benefits	Time and effort
Contract services	Time and effort
Office expense	Time and effort
Repairs and maintenance	Time and effort
Telephone	Time and effort
Utilities	Time and effort
Depreciation	Time and effort

#### New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

#### Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect of the reported changes in net assets.

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Subsequent Events

The Organization has performed an evaluation of subsequent events through May 20, 2019, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

**Note 3 - Concentration of Credit Risk**

As of December 31, 2018 and 2017, 75% and 54%, respectively, of contributions receivable was from one donor. Additionally, during the year ended December 31, 2018 and 2017, 42% and 54%, respectively, of total contributions and grants was from two donors.

**Note 4 - Liquidity and Availability of Resources**

Financial assets available for general expenditures within one year of the balance sheet date comprise the following:

	2018	2017
Financial assets at year end:		
Cash and cash equivalents	\$ 2,547,831	\$ 5,908,809
Investments	1,812,768	-
Contributions receivable	702,189	662,049
Accounts receivable	90,330	26,350
Note receivable	11,423	23,019
Total financial assets	5,164,541	6,620,227
Less amounts not available to be used for general expenditures within one year:		
Cash subject to expenditure for specific purpose	1,546,131	972,992
Contribution receivable for specified purpose	547,853	-
	2,093,984	972,992
Financial assets available to meet general expenditures within one year	\$ 3,070,557	\$ 5,647,235

For purposes of the liquidity calculation, cash subject to expenditure for a specified purpose is subtracted from financial assets available for general expenditure within one year as those cash balances represent donor imposed restrictions to be fulfilled by the Organization. The Organization expects to fulfill those restrictions in the next year through its ongoing programs.

The Organization's goal is to maintain financial assets at a minimum of three months' worth of annual expense budget at any time over the coming year. Excess operating account cash is invested in short-term government-guaranteed securities, or funds holding such securities, with no individual security exceeding the limits covered by the guarantees for such securities. For cash held in bank savings or checking accounts, the Organization seeks to link such accounts to market-rate, interest-bearing funds with immediate penalty-free accessibility and government guarantees where possible. The Organization may also utilize long-term investments by converting them to cash if needed.



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**Note 5 - Net Assets with Donor Restrictions**

Net assets with donor restrictions were as follows for the years ended December 31, 2018 and 2017:

	2018	2017
Subject to expenditure for specified purpose:		
Uranium	\$ 99,530	\$ 6,874
Climate	73,095	-
Arizona forest conservation	76,555	126,540
Utah forest conservation	118,376	150,000
K2M habitat restoration	64,661	-
North Rim Ranch, LLC	-	85,000
Utah wildlands	52,657	-
Land conservation	75,000	75,000
Grand Canyon	1,000	-
Cultural landscapes	354,022	285,000
Future of colorado plateau	-	6,200
Monuments	-	251,482
Utah riparian forest	-	4,817
Intertribal gatherings	47,909	-
Bodoway alternative economics	-	18,308
Escalante watershed	18,000	30,169
NABIN	-	25,000
Change Labs	1,278,775	-
Utah volunteer	-	5,491
4FRI volunteer	493	-
4FRI students	-	3
Kane artist retreat	272	3,500
Education: Nat Geo	73,615	-
Development: Nat Geo	5,000	-
Publications	-	50
	<u>2,338,960</u>	<u>1,073,434</u>
Subject to passage of time:		
Timing restriction	182,336	561,607
Subject to spending policy and appropriation:		
Endowment earnings	446,069	513,557
Assets to be maintained in perpetuity	2,795,000	2,795,000
	<u>3,241,069</u>	<u>3,308,557</u>
	<u>\$ 5,762,365</u>	<u>\$ 4,943,598</u>

**Assets to be maintained in perpetuity**

Contributions from the Alice Wyss Fund, require, by donor restriction, the principal to be invested in perpetuity, with the income available for unrestricted purposes. The donor further stipulated income be reinvested until the principal reached \$500,000, and the principal of the endowment may be withdrawn in the event the Board of Directors determines a financial emergency exists. As discussed in Note 8, this endowment fund is subject to the State Prudent Management Investors Act.

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The Organization also holds conservation easements on lands in Utah, which are carried at \$2,295,000 as of December 31, 2018 and 2017, and are restricted in perpetuity for specified uses of the lands as discussed in Note 12. The conservation easements have no annual earnings.

**Note 6 - Investments**

The following table presents the Organizations's fair value hierarchy and major categories for those assets measured at fair value on a recurring basis as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 180,417	\$ -	\$ -	\$ 180,417
Equities, equity mutual funds, and ETFs -				
Large value funds	911,267	-	-	911,267
Large growth funds	973,641	-	-	973,641
Large blend funds	439,873	-	-	439,873
Small/mid cap funds	1,670,792	-	-	1,670,792
International funds	2,921,234	-	-	2,921,234
Emerging markets funds	643,226	-	-	643,226
Short term bond funds	545,746	-	-	545,746
Fixed income, fixed income funds, and ETFs -				
Certificates of deposit	4,042,633	-	-	4,042,633
Other debt securities and bond funds	746,587	-	-	746,587
Corporate bonds	206,750	-	-	206,750
Preferred stock - financial	224,381	-	-	224,381
Alternative investments-				
Real estate funds and REITs	408,682	-	-	408,682
Rate and high income	432,564	-	-	432,564
Beneficial interest in remainder trust	-	-	36,641	36,641
<b>Total investments</b>	<b>\$ 14,347,793</b>	<b>\$ -</b>	<b>\$ 36,641</b>	<b>\$ 14,384,434</b>

The following table presents the Organizations's fair value hierarchy and major categories for those assets measured at fair value on a recurring basis as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 52,364	\$ -	\$ -	\$ 52,364
Equities, equity mutual funds, and ETFs -				
Large value funds	983,289	-	-	983,289
Large growth funds	1,007,310	-	-	1,007,310
Large blend funds	460,250	-	-	460,250
Small/mid cap funds	1,529,718	-	-	1,529,718
International funds	1,871,499	-	-	1,871,499
Emerging markets funds	463,814	-	-	463,814
Fixed income, fixed income funds, and ETFs -				
Certificates of deposit	1,204,634	-	-	1,204,634
Other debt securities and bond funds	775,553	-	-	775,553
Corporate bonds	225,510	-	-	225,510
Preferred stock - financial	1,732,965	-	-	1,732,965
Alternative investments-				
Real estate funds and REITs	319,521	-	-	319,521
Rate and high income	409,792	-	-	409,792
Beneficial interest in remainder trust	-	-	43,318	43,318
<b>Total investments</b>	<b>\$ 11,036,219</b>	<b>\$ -</b>	<b>\$ 43,318</b>	<b>\$ 11,079,537</b>

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The changes in the investments for which the Organization has used Level 3 inputs:

Balance, December 31, 2016	\$	41,184
Change in value of beneficial interest in trust		2,134
Balance, December 31, 2017		<u>43,318</u>
Change in value of beneficial interest in trust		<u>(6,677)</u>
Balance, December 31, 2018	\$	<u><u>36,641</u></u>

For the years ended December 31, 2018 and 2017, investment income consisted of the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 797,624	\$ 368,468
Investment management fees	(44,351)	(34,838)
Net realized and unrealized gains (losses)	<u>(1,468,516)</u>	<u>864,065</u>
	<u>\$ (715,243)</u>	<u>\$ 1,197,695</u>

**Note 7 - Beneficial Interest in Remainder Trust**

During 2004, the Organization was informed that it was a beneficiary of various charitable remainder trusts administered by a financial institution. During the term of the charitable remainder trust, the financial institution will make distributions to the grantor or other designated beneficiaries as required in the Trust document. At the end of the charitable remainder trusts term, the assets will be distributed to the defined beneficiaries. The Organization has recorded its beneficial interest in the charitable remainder trusts at the Organization's share of the fair value of the assets, which was \$36,641 and \$43,318 as of December 31, 2018 and 2017, respectively. The Organization has recorded the change in value of the beneficial interest in the remainder trust as a component of the change in net assets without donor restrictions on the consolidated statement of activities and changes in net assets.

**Note 8 - Endowment Funds**

The State of Arizona enacted the State Prudent Management of Institutional Funds Act (SPMIFA), which was effective on September 1, 2009. SPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund in the absence of overriding, explicit donor stipulations and eliminates SMIFA's historic-dollar value threshold. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

General

The Organization's endowment consists entirely of donor-restricted endowment funds and are reported as net assets with donor restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment is also classified as net assets with

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donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Changes in Endowment Net Assets

Changes in endowment net assets for the year ended December 31, 2018, are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,013,557	\$ 1,013,557
Investment return (loss)	-	(67,488)	(67,488)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 946,069</u>	<u>\$ 946,069</u>

Changes in endowment net assets for the year ended December 31, 2017, are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 862,287	\$ 862,287
Investment return (loss)	-	151,270	151,270
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,013,557</u>	<u>\$ 1,013,557</u>

Endowment funds consist entirely of donor restricted funds.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. These deficiencies result from unfavorable market fluctuations that may occur after the investment of restricted contributions and appropriation that was deemed prudent by the Board. As of December 31, 2018 and 2017, the fund did not have a deficiency.

Return Objectives and Risk Parameters

The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a mix of relevant benchmarks, while assuming a moderate level of investment risk. The Organization may invest in cash and cash equivalents, equity, fixed income, and specialized investments.

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Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The assets held in the endowment are invested 30-70% in equities, 20-50% in fixed income, and 0-20% in cash. Non-US securities may make up 0-15% of total assets, while non-US equity securities may comprise 0-30% of total equity assets. The overall investment goals and investing strategy are subject to periodic review by the Finance Committee, but not less than once annually. Recommendations by the Finance Committee will be submitted to the full Board for approval.

Spending Policy and How The Investment Objectives Relate To Spending Policy

The objective is to maintain the purchasing power of the endowment assets over time as well as to provide additional real growth through new gifts and investment return. Prior to appropriating funds from the endowment to the Trust expenditure budget, the Executive Director shall inform the Board of Trustees, who may authorize such appropriation.

**Note 9 - Note Receivable**

During 2013, the Organization entered in to a note receivable agreement with Plateau Ranch in the amount of \$80,000 with an annual interest rate of 1.5% with final payment due December 15, 2019. The note was assigned to North Rim Ranch, LLC. As of December 31, 2018, the balance on the note was \$23,720.

**Note 10 - Property and Equipment**

Property and equipment consisted of the following as of December 31, 2018 and 2017:

	2018	2017
Land		
Office	\$ 119,500	\$ 119,500
Program	382,205	382,205
Improvements	1,260,661	1,253,218
Buildings	1,734,337	1,734,337
Equipment	379,487	340,941
Vehicles	104,776	104,776
Total	3,980,966	3,934,977
Less accumulated depreciation	(2,601,709)	(2,482,041)
Net depreciable property and equipment	1,379,257	1,452,936
Plus construction in progress	90,000	-
	\$ 1,469,257	\$ 1,452,936

Depreciation expense for the years ended December 31, 2018 and 2017, was \$121,979 and \$132,240, respectively.

The Organization reviews long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future un-discounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

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Assets to be disposed of are reported at the lower of carrying amount of fair value less costs to sell. Management does not believe that there were any asset impairments during the years ended December 31, 2018 and 2017.

**Note 11 - Donated Services**

As of December 31, 2018 and 2017, the Organization received donated legal services in the amount of \$804,125 and \$961,991 respectively, which is reflected in program services expense. Additionally, the Organization received approximately 5,600 and 11,000 hours of volunteer time during the years ended December 31, 2018 and 2017, respectively, to assist with its various programs. These hours are not recorded in the consolidated financial statements because they are not for specific professional services and are not readily quantifiable.

**Note 12 - Conservation Easements**

During 2000, the Organization received a conservation easement on 400 acres of land along the Virgin River near St. George, Utah. By receiving this easement, the Organization agrees to monitor the land in perpetuity to ensure that the land retains its character and is not used other than as specified in the conservation easement. This easement will help preserve habitat along a tributary of the Virgin River. The easement was valued at \$1,000,000, and contribution revenue of \$1,000,000 was recognized in 2000 and an asset with donor restrictions to be maintained in perpetuity was established.

During 2001, the Organization purchased a conservation easement on 100 acres of land along the Virgin River near Rockville, Utah for \$100,000. By receiving this easement, the Organization agrees to monitor the land in perpetuity to ensure that the land retains its character and is not used other than as specified in the conservation easement. This easement will help preserve key riparian habitat along the Virgin River. The easement is an asset with donor restrictions to be maintained in perpetuity.

During 2002, the Organization received a conservation easement on 176 acres of land adjacent to Zion National Park in Utah. By receiving this easement, the Organization agrees to monitor the land in perpetuity to ensure that the land retains its character and is not used other than as specified in the conservation easement. This easement will help protect Zion National Park from encroaching development. The easement was valued at \$195,000, and contribution revenue of \$195,000 was recognized in 2002 and an asset with donor restrictions to be maintained in perpetuity was established.

During 2015, the Organization purchased a conservation easement on 800 acres of land within the Grand Staircase-Escalante National Monument known as the Johnson Lakes Canyon Property (the "Property") near Kanab, Utah for \$1,000,000. By receiving this easement, the Organization agrees to monitor the land in perpetuity to ensure that the land retains its character and is not used other than as specified in the conservation easement. This easement will help preserve the habitat and open space within the Property. The easement is an asset with donor restrictions to be maintained in perpetuity.

No new easements were purchased during the years ended December 31, 2018 and 2017.

**Note 13 - Commitments Related to Grazing Leases and Permits**

The Organization holds grazing permits issued by the United States Forest Service, the Bureau of Land Management and Arizona State Land Department. The Organization is obligated to pay grazing fees to

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these government agencies which amounted to \$1,124 and \$962 during the years ended December 31, 2018 and 2017, respectively.

Additionally, during the years ended December 31, 2018 and 2017, the Organization obtained validation that terms and conditions required by the United States Forest Service were met related to grazing permits.

**Note 14 - Employee Benefit Plan**

The Organization established a qualified 401(k) salary defined plan (the "Plan"). The Plan covers all eligible employees as defined by the Plan. Participants may voluntarily contribute a portion of their annual wages up to the limits established by the Internal Revenue Service. The Organization contributes 4% of the participant's salaries. The Organization made contributions to the Plan of \$84,817 and \$78,723 during the years ended December 31, 2018 and 2017, respectively.

**Note 15 - Contingencies**

The Organization periodically is subject to claims and lawsuits that arise in the ordinary course of business. It is the opinion of management, the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial positions, results of operations, or liquidity of the Organization.

**Note 16 - Expenses**

Total expenses incurred during the years ended December 31, 2018 and 2017, are as follows:

	2018	2017
Total expenses as reported by function	\$ 5,689,423	\$ 5,579,554
Cost of cattle sales	179,593	202,489
Total expenses	\$ 5,869,016	\$ 5,782,043

**Note 17 - Adoption of Accounting Standards Update 2016-14**

The following financial statement line items for the year ended December 31, 2017, were reclassified as a result of the adoption of FASB Accounting Standards Update No. 2014-16, *Presentation of Financial Statements of Not-For-Profit Entities*, as well as a reclassification.

	As previously reported	Adoption of ASU No. 2016-14 and reclassification	As reclassified
Unrestricted net assets	\$ 15,780,673	\$ (15,780,673)	\$ -
Temporarily restricted net assets	2,903,678	(2,903,678)	-
Permanently restricted net assets	2,795,000	(2,795,000)	-
Net assets without donor restrictions	-	16,535,753	16,535,753
Net assets with donor restrictions	-	4,943,598	4,943,598
Total	\$ 21,479,351	\$ -	\$ 21,479,351

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The following financial statement line items for the year ended December 31, 2016, were reclassified as a result of the adoption of FASB Accounting Standards Update No 2014-16, *Presentation of Financial Statements of Not-For-Profit Entities*.

	As previously reported	Adoption of ASU No. 2016-14	As reclassified
Unrestricted net assets	\$ 13,405,705	\$ (13,405,705)	\$ -
Temporarily restricted net assets	2,265,745	(2,265,745)	-
Permanently restricted net assets	2,795,000	(2,795,000)	-
Net assets without donor restrictions	-	13,405,705	13,405,705
Net assets with donor restrictions	-	5,060,745	5,060,745
Total	<u>\$ 18,466,450</u>	<u>\$ -</u>	<u>\$ 18,466,450</u>

**Note 18 - New Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method.

In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606), which deferred the effective date of the new revenue recognition standard for one year. The new standard is effective for the Organization for the year ending December 31, 2019. Early application is permitted for the Organization. The Organization is evaluating the effect that ASU No. 2015-14 will have on its financial statement and related disclosures.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made, which clarifies how entities will determine whether to account for a transfer of assets as an exchange transaction or a contribution. The distinction is important because contributions are accounted for under Accounting Standards Codification (ASC) 958-605, Not-For-Profit Entities - Revenue Recognition, while exchange transactions are accounted for under other guidance such as ASC 606, Revenue from Contracts with Customers. The guidance also clarifies how entities will determine whether a contribution is conditional. The timing of revenue and expense recognition depends upon whether a contribution is conditional or unconditional. The new standard is effective for the Organization for the year ending December 31, 2019. Early adoption is permitted. The Organization is evaluating the effect that ASU No. 2018-08 will have on its financial statements and related disclosures.

In December of 2018, FASB issued ASU No. 2018-20, Leases. ASU No. 2018-20 which requires the Organization to recognize all leased assets as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosure as to the nature and extent of leasing activities. The requirements of this statement are effective for the Organization's year ending December 31, 2020. Such standard is not expected to have a material impact.



THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED SCHEDULE OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018

	The Grand Canyon Trust	North Rim Ranch	Eliminations	Consolidated
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,475,547	\$ 72,284	\$ -	\$ 2,547,831
Investments	1,812,768	-	-	1,812,768
Contributions receivable	702,189	-	-	702,189
Accounts receivable	118,380	13,175	(41,225)	90,330
Note receivable	-	23,720	-	23,720
Livestock inventory	-	60,492	-	60,492
Prepaid expenses	48,521	8,675	-	57,196
<b>Total current assets</b>	<b>5,157,405</b>	<b>178,346</b>	<b>(41,225)</b>	<b>5,294,526</b>
<b>Non-current assets:</b>				
Contribution receivable, net of current portion	272,976	-	-	272,976
Breeding herd, net	-	125,445	-	125,445
Property and equipment, net	784,031	685,226	-	1,469,257
Investments	12,535,025	-	-	12,535,025
Investment in partnership	986,012	-	(986,012)	-
Conservation easements	2,295,000	-	-	2,295,000
Beneficial interest in remainder trust	36,641	-	-	36,641
<b>Total non-current assets</b>	<b>16,909,685</b>	<b>810,671</b>	<b>(986,012)</b>	<b>16,734,344</b>
<b>Total assets</b>	<b>\$ 22,067,090</b>	<b>\$ 989,017</b>	<b>\$ (1,027,237)</b>	<b>\$ 22,028,870</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 62,673	\$ 41,305	\$ (41,225)	\$ 62,753
Accrued expenses	200,622	-	-	200,622
<b>Total current liabilities</b>	<b>263,295</b>	<b>41,305</b>	<b>(41,225)</b>	<b>263,375</b>
<b>Net Assets:</b>				
Without donor restrictions	16,041,430	986,012	(986,012)	16,041,430
With donor restrictions	5,762,365	-	-	5,762,365
<b>Total net assets</b>	<b>21,803,795</b>	<b>986,012</b>	<b>(986,012)</b>	<b>21,803,795</b>
Non-controlling interest	-	(38,300)	-	(38,300)
<b>Total liabilities and net assets</b>	<b>\$ 22,067,090</b>	<b>\$ 989,017</b>	<b>\$ (1,027,237)</b>	<b>\$ 22,028,870</b>

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC  
CONSOLIDATED SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	The Grand Canyon Trust	North Rim Ranch	Eliminations	Consolidated
<b>Support and revenue</b>				
Grants and contributions	\$ 5,258,145	\$ -	\$ -	\$ 5,258,145
In-kind contributions	804,125	-	-	804,125
Membership contributions	554,591	-	-	554,591
Investment income (loss)	(715,243)	-	-	(715,243)
Cattle revenue, net	-	113,731	-	113,731
Change in value of beneficial interest in remainder trust	(6,677)	-	-	(6,677)
Equity share of net loss of investee	3,534	-	(3,534)	-
Other income (loss)	15,016	3,103	(12,465)	5,654
<b>Total support and revenue</b>	<b>5,913,491</b>	<b>116,834</b>	<b>(15,999)</b>	<b>6,014,326</b>
<b>Expenses</b>				
Program services	4,068,996	112,818	(12,465)	4,169,349
Education	368,255	-	-	368,255
<b>Total program services</b>	<b>4,437,251</b>	<b>112,818</b>	<b>(12,465)</b>	<b>4,537,604</b>
Development and membership	639,990	-	-	639,990
General and administrative	511,829	-	-	511,829
<b>Total support services</b>	<b>1,151,819</b>	<b>-</b>	<b>-</b>	<b>1,151,819</b>
<b>Total expenses</b>	<b>5,589,070</b>	<b>112,818</b>	<b>(12,465)</b>	<b>5,689,423</b>
Changes in net assets from operations before non-controlling interest	324,421	4,016	(3,534)	324,903
Less: net income attributable to non-controlling interest	-	(459)	-	(459)
Changes in net assets for controlling interest	<b>\$ 324,421</b>	<b>\$ 3,557</b>	<b>\$ (3,534)</b>	<b>\$ 324,444</b>