THE GRAND CANYON TRUST
AND NORTH RIM RANCH, LLC

Consolidated Financial Statements As Of
December 31, 2015 And 2014

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, 2015 and 2014, and the related consolidated statements of activities, 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.

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, 2015 and 2014, 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.

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, schedule of activities and schedule of functional expenses 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

July 19, 2016

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC

Consolidated Statements of Financial Position
As Of December 31, 2015 And 2014

ASSETS	2015	2014
Current Assets:		
Cash and cash equivalents	$ 4,093,247	$ 3,590,716
Contributions receivable	1,160,800	1,054,398
Note receivable	11,423	11,003
Livestock inventory	104,159	34,220
Prepaid expenses	199,218	77,351
Total Current Assets	5,568,847	4,767,688
Non-Current Assets:		
Breeding herd, net of accumulated depreciation of $219,257 and $187,998, respectively	121,066	146,634
Property and equipment, net of accumulated depreciation of $2,326,830 and $2,190,764, respectively	1,651,344	1,747,896
Note receivable, net of current portion	35,316	47,063
Investments	7,157,095	7,157,975
Conservation easements	2,295,000	1,295,000
Beneficial interest in remainder trust	41,736	46,776
Total Non-Current Assets	11,301,557	10,441,344
TOTAL ASSETS	$ 16,870,404	$ 15,209,032
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 161,248	$ 155,003
Accrued liabilities	51,731	60,742
Total Current Liabilities	212,979	215,745
Net Assets:		
Unrestricted	11,615,084	10,904,136
Temporarily restricted	2,665,150	2,670,787
Permanently restricted	2,795,000	1,795,000
Total	17,075,234	15,369,923
Non-controlling interest	(417,809)	(376,636)
Total Net Assets	16,657,425	14,993,287
TOTAL LIABILITIES AND NET ASSETS	$ 16,870,404	$ 15,209,032

The accompanying notes are an integral part of the financial statements.

Consolidated Statement Of Activities
For The Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support And Revenue:				
Grants and contributions	$ 1,799,662	$ 2,042,029	$ 1,000,000	$ 4,841,691
In-kind contributions	841,114			841,114
Membership contributions	520,751	7,176		527,927
Investment income	10,357	(3,605)		6,752
Cattle revenue, net of cost of sales of $118,934	101,409			101,409
Change in value of beneficial interest in remainder trust	(5,040)			(5,040)
Other income	44,634			44,634
Net assets released from restrictions - Satisfaction of restrictions	2,051,237	(2,051,237)		
Total Support And Revenue	5,364,124	(5,637)	1,000,000	6,358,487
Expenses:				
Program services	3,609,605			3,609,605
Education	234,027			234,027
Total Program Services	3,843,632			3,843,632
Development and membership	389,950			389,950
General and administrative	452,153			452,153
Total Support Services	842,103			842,103
Total Expenses	4,685,735			4,685,735
CHANGES IN NET ASSETS BEFORE NON-CONTROLLING INTEREST	678,389	(5,637)	1,000,000	1,672,752
Less: change in net assets attributable to non-controlling interest	32,559			32,559
Changes In Net Assets For Controlling Entities	$ 710,948	$ (5,637)	$ 1,000,000	$ 1,705,311

The accompanying notes are an integral part of the financial statements.

Consolidated Statement Of Activities
For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support And Revenue:				
Grants and contributions	$ 1,384,682	$ 1,712,206	$	$ 3,096,888
In-kind contributions	384,216			384,216
Membership contributions	485,698	21,676		507,374
Investment income	208,362	44,055		252,417
Cattle revenue, net of cost of sales of $133,316	238,439			238,439
Change in value of beneficial interest in remainder trust	(1,315)			(1,315)
Loss on sale of land				0
Other income	3,986			3,986
Net assets released from restrictions - Satisfaction of restrictions	3,042,500	(3,042,500)		
Total Support And Revenue	5,746,568	(1,264,563)		4,482,005
Expenses:				
Program services	3,200,536			3,200,536
Education	338,175			338,175
Total Program Services	3,538,711			3,538,711
Development and membership	397,982			397,982
General and administrative	331,136			331,136
Total Support Services	729,118			729,118
Total Expenses	4,267,829			4,267,829
CHANGES IN NET ASSETS BEFORE NON-CONTROLLING INTEREST	1,478,739	(1,264,563)		214,176
Less: change in net assets attributable to non-controlling interest	(4,706)			(4,706)
Changes In Net Assets For Controlling Entities	$ 1,474,033	$(1,264,563)	$	$ 209,470

The accompanying notes are an integral part of the financial statements.

Consolidated Statements Of Changes In Net Assets
For The Year Ended December 31, 2015

	Total Net Assets	Unrestricted	Temporarily Restricted	Permanently Restricted	Non-Controlling Interest
Balance, December 31, 2013	$ 14,964,219	$ 9,430,103	$ 3,935,350	$ 1,795,000	$ (196,234)
Changes in net assets	214,176	1,474,033	(1,264,563)		4,706
Net contributions (distributions)	(185,108)				(185,108)
Balance, December 31, 2014	14,993,287	10,904,136	2,670,787	1,795,000	(376,636)
Changes in net assets	1,672,752	710,948	(5,637)	1,000,000	(32,559)
Net contributions (distributions)	(8,614)				(8,614)
Balance, December 31, 2015	$ 16,657,425	$ 11,615,084	$ 2,665,150	$ 2,795,000	$ (417,809)

The accompanying notes are an integral part of the financial statements.

Consolidated Statements Of Cash Flows
For The Years Ended December 31, 2015 And 2014

	2015	2014
Cash flows from operating activities:		
Changes in net assets	$ 1,672,752	$ 214,176
Adjustments to reconcile changes in net assets to net cash provided by operating		
Realized and unrealized (gains) losses on investments	226,093	(49,308)
Depreciation and amortization	184,190	264,381
(Gain) on dispositions of livestock	(19,300)	(29,929)
Loss on dead or missing livestock	11,010	
Changes in value of beneficial interest in remainder trust	5,040	1,316
(Increase) decrease in contributions receivable	(106,402)	1,707,328
Decrease in other receivables		
(Increase) in livestock inventory	(91,810)	(19,325)
Decrease in prepaid expenses	(121,867)	(46,324)
Increase (decrease) in accounts payable	6,245	(4,556)
(Decrease) in accrued expenses	(9,011)	(8,935)
Net cash provided by operating activities	1,756,940	2,028,824
Cash flows from investing activities:		
Payments on notes receivable	11,327	10,837
Purchases of investments	(1,891,258)	(3,639,191)
Proceeds from sale of investments	1,666,045	2,441,414
Proceeds from sale of livestock	14,853	44,984
Purchase of conservation easement	(1,000,000)	
Purchases of property and equipment	(39,512)	(149,222)
Purchase of livestock	(7,250)	(41,213)
Net cash (used in) investing activities	(1,245,795)	(1,332,391)
Cash flows from financing activities:		
Proceeds from capital contributions	217,994	179,695
Distributions of capital	(226,608)	(364,803)
	(8,614)	(185,108)
NET INCREASE IN CASH AND CASH EQUIVALENTS	502,531	511,325
Cash And Cash Equivalents, Beginning Of Year	3,590,716	3,079,391
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,093,247	$ 3,590,716

The accompanying notes are an integral part of the financial statements.

(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 the Grand Canyon Trust is to protect and restore the Colorado Plateau-its spectacular landscapes, flowing rivers, clean air, diversity of plants and animals, and areas of beauty and solitude. 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 is allocated 51% of the net income or loss of the Ranch. 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.

(2) **Summary Of Significant Accounting Policies**

Basis Of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis.

Basis Of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

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. Quoted prices for identical or similar assets or liabilities in inactive markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. 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.

Following is a description of the valuation methodologies used for assets measured at fair value.

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

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, 2015 and 2014. The Organization's policy for charging off accounts receivable is when future payments thereon are determined to be improbable.

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.

Contributions And Contributions Receivable

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of donor restrictions. Donor-restricted support, including contributions receivable, is recorded as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets 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 received in more than one year. As of December 31, 2015 and 2014, all amounts are 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.

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

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, 2015 and 2014, was $48,125 and $52,720, 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.

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; and (v) protection and restoration of critical lands, species, waters, air quality, and natural habitats of the Colorado Plateau.

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.

Subsequent Events

The Organization has performed an evaluation of subsequent events through July 19, 2016, 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.

(3) **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 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 included a provision for federal or state corporate income taxes.

During 2009, the Trust became the sole member of the Ranch. Accordingly, the Ranch was considered a disregarded entity, and accordingly, did not file a separate tax return. As of October 7, 2011, the Ranch added a new partner. Accordingly, the Ranch is no longer considered a disregarded entity, and began filing a separate tax return.

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, 2015 and 2014, 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, 2012. 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.

Prior to 2010, the Ranch filed a Form 1065 and related state return. As a disregarded entity, the Ranch did not file such returns for 2010. During 2011, due to the change in partnership, the Ranch began filing a Form 1065 and related state return again. 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 2012 and 2011, respectively. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and reductions as it relates to the amount and/or timing of income, deductions, and tax credits. Although the outcome of tax audits is uncertain, the Organization believes no significant material issues would arise.

(4) Concentration of Credit Risk

The Organization's cash demand deposits are held at several financial institutions at which deposits are insured up to $250,000 per institution by the FDIC. As of December 31, 2015, such deposits exceeded the FDIC insurance limit by $1,439,737.

As of December 31, 2015 and 2014, 86% and 95%, respectively, of contributions receivable was from one donor. Additionally, during the years ended December 31, 2015 and 2014, 21% and 32%, respectively, of total contributions and grants was from one donor.

(5) Temporarily Restricted Net Assets

As of December 31, 2015 and 2014, temporarily restricted net assets consisted of the following:

	2015	2014
Utah forest conservation	$ 65,780	$ 80,074
Arizona forest conservation	13,484	
Red Rock opportunity	300,000	300,000
Escalante watershed	150,008	
K2M volunteer program	1,533	
Utah volunteer program	3,974	17,500
Native American issues		29,062
Intertribal gathering	361,827	421,496
Native American volunteer	126	

K2M habitat restoration	76,416	127,850
K2M volunteers		27,710
Tar sands		4,998
Utah wildlands		34,258
Grazing reform	1,347	8,900
Citizen advocacy and outreach	1,394	104,481
Bodoway alternative economics		6,327
Sustainable economic	9,922	
Grand canyon fund	29,000	5,500
Escalante watershed		20,274
Business incubator	16,647	
Bear's Ears	61,978	
Wyss Fellowship	129	5,415
Land conservation	86,100	96,045
Endowment fund earnings	324,685	328,290
Timing restriction	1,160,800	1,052,607
Total temporarily restricted net assets	$ 2,665,150	$ 2,670,787

(6) **Permanently Restricted Net Assets**

Permanently restricted net assets include contributions from the Alice Wyss Fund, which 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 9, this endowment fund is subject to the State Prudent Management Investors Act.

Permanently restricted funds also include conservation easements on lands in Utah, which are carried at $2,295,000 as of December 31, 2015 and 2014, and are restricted in perpetuity for specified uses of the lands as discussed in Note 12. The conservation easements have no annual earnings.

(7) 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, 2015:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 498,488	$	$	$ 498,488
Certificate of deposits	1,632,553			1,632,553
Mutual funds -				
Government bond	37,057			37,057
High yield bond	182,028			182,028
Short term bond	452,094			452,094
Large value	776,284			776,284
Large growth	539,771			539,771
Mid cap	294,849			294,849
Small cap	72,591			72,591
International	684,297			684,297
Real estate	72,937			72,937
Rate & high income	328,830			328,830
Short term income	167,886			167,886
Government securities	50,609			50,609
Emerging markets	16,856			16,856
Exchange - traded funds	530,858			530,858
Real estate investment trust	104,640			104,640
Corporate bonds	714,467			714,467
Beneficial interest in remainder trust			41,736	41,736
Total investments	$ 7,157,095	$	$ 41,736	$ 7,198,831

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, 2014:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 551,156	$	$	$ 551,156
Certificate of deposits	2,024,013			2,024,013
Mutual funds -				
Government bond	36,838			36,838
High yield bond	10,556			10,556
Short term bond	448,778			448,778
Large value	802,883			802,883
Large growth	543,771			543,771
Mid cap	290,367			290,367
Small cap	74,788			74,788
International	724,090			724,090
Real estate	70,484			70,484
Rate & high income	333,958			333,958
Short term income	166,897			166,897
Government securities	50,831			50,831
Emerging markets	19,276			19,276
Exchange - traded funds	478,673			478,673
Corporate bonds	530,616			530,616
Beneficial interest in remainder trust			46,776	46,776
Total investments	$ 7,157,975	$	$ 46,776	$ 7,204,751

The changes in the investments for which the Organization has used Level 3 inputs to determine the fair value are as follows:

Balance, December 31, 2013	$ 48,092
Change in value of beneficial interest in trust	(1,315)
Balance, December 31, 2014	46,776
Change in value of beneficial interest in trust	(5,040)
Balance, December 31, 2015	$ 41,736

For the years ended December 31, 2015 and 2014, investment income consisted of the following:

	2015	2014
Interest and dividends	$ 253,454	$ 221,243
Investment expenses	(20,609)	(18,135)
Net realized and unrealized gains	(226,093)	49,309
	$ 6,752	$ 252,417

(8) 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 $41,736 and $46,776 as of December 31, 2015 and 2014, respectively. The Organization has recorded the change in value of the beneficial interest in the remainder trust as a component of the change in unrestricted net assets on the consolidated statement of activities and changes in net assets.

(9) 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 of donor-restricted endowment funds. 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 and are reported entirely as permanently restricted net assets.

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 permanently restricted net assets (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 fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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, 2015, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$	$ 328,290	$ 500,000	$ 828,290
Investment return		(3,605)		(3,605)
Endowment net assets, end of year	$	$ 324,685	$ 500,000	$ 824,685

Changes in endowment net assets for the year ended December 31, 2014, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$	$ 284,235	$ 500,000	$ 784,235
Investment return		44,055		44,055
Endowment net assets, end of year	$	$ 328,290	$ 500,000	$ 828,290

Endowment funds consist 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 unrestricted net assets. These deficiencies result from unfavorable market fluctuations that may occur after the investment of permanently restricted contributions and appropriation that was deemed prudent by the Board. As of December 31, 2015 and 2014, 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.

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 30-50% in equities, 30-50% in fixed income and 0-20% in cash. The overall investment goals and investing strategy are subject to periodic review by the Audit Committee, but not less than once annually. Recommendations by the Audit 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 on an annual basis if necessary.

(10) **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, 2015, the balance on the note was $46,739. The maturity schedule is as follows:

Year Ending December 31,	
2016	$ 11,423
2017	11,596
2018	11,771
2019	11,949
	$ 46,739

(11) **Property And Equipment**

Property and equipment consisted of the following as of December 31, 2015 and 2014:

	2015	2014
Land		
Office	$ 119,500	$ 119,500
Program	382,205	382,206
Improvements	1,251,068	1,233,715
Buildings	1,734,337	1,734,337
Equipment	392,792	370,630
Vehicles	98,272	98,272
	3,978,174	3,938,660
Less accumulated depreciation	2,326,830	2,190,764
	$1,651,344	$1,747,896

Depreciation expense for the years ended December 31, 2015 and 2014, was $136,066 and $211,662, 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.

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, 2015 and 2014.

(12) Donated Services

As of December 31, 2015 and 2014, the Organization received donated legal services in the amount of $841,114 and $344,067 respectively, which is reflected in program services expense.

Additionally, the Organization received approximately 15,000 hours of volunteer time during the years ended December 31, 2015 and 2014, 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.

(13) 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 a permanently restricted asset 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 a permanently restricted net asset.

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 a permanently restricted net asset 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 a permanently restricted net asset.

(14) 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 these government agencies which amounted to $12,131 and $12,685 during the years ended December 31, 2015 and 2014, respectively.

Additionally, during the years ended December 31, 2015 and 2014, the Organization obtained validation that terms and conditions required by the United States Forest Service were met related to grazing permits.

(15) 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 participants' salaries. The Organization made contributions to the Plan of $66,807 and $66,499 during the years ended December 31, 2015 and 2014, respectively.

(16) 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.

(17) **Expenses**

Total expenses incurred during the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Total expenses as reported by function	$ 4,685,735	$ 4,267,829
Cost of cattle sales	118,934	133,316
Total expenses	$ 4,804,669	$ 4,401,145

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC

Consolidated Schedule Of Financial Position
As of December 31, 2015

	The Grand Canyon Trust	North Rim Ranch	Eliminations	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 4,091,710	$ 1,537	$	$ 4,093,247
Contributions receivable	1,160,800			1,160,800
Note receivable		23,469	(12,046)	11,423
Livestock inventory		104,159		104,159
Prepaid expenses	193,743	5,475		199,218
Total Current Assets	5,446,253	134,640	(12,046)	5,568,847
Non-current Assets:				
Breeding herd, net		121,066		121,066
Property and equipment, net	811,142	840,202		1,651,344
Note receivable, net of current portion		35,316		35,316
Investments	7,157,095			7,157,095
Investment in partnership	1,541,400		(1,541,400)	
Conservation easements	2,295,000			2,295,000
Beneficial interest in remainder trust	41,736			41,736
Total Non-Current Assets	11,846,373	996,584	(1,541,400)	11,301,557
TOTAL ASSETS	$ 17,292,626	$ 1,131,224	$ (1,553,446)	$ 16,870,404
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	$ 153,615	$ 7,633	$	$ 161,248
Accrued expenses	63,777		(12,046)	51,731
Total Current Liabilities	217,392	7,633	(12,046)	212,979
Net Assets:				
Unrestricted	12,615,084	1,541,400	(1,541,400)	12,615,084
Temporarily restricted	2,665,150			2,665,150
Permanently restricted	1,795,000			1,795,000
Total Net Assets	17,075,234	1,541,400	(1,541,400)	17,075,234
Non-controlling interest		(417,809)		(417,809)
TOTAL LIABILITIES AND NET ASSETS	$ 17,292,626	$ 1,131,224	$ (1,553,446)	$ 16,870,404

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC

	The Grand Canyon Trust	North Rim Ranch	Eliminations	Consolidated
Support And Revenue:				
Grants and contributions	$ 4,841,691	$	$	$ 4,841,691
In-kind contributions	841,114			841,114
Membership contributions	527,927			527,927
Investment income	5,960	792		6,752
Cattle revenue, net		101,409		101,409
Change in value of beneficial interest in remainder trust	(5,040)			(5,040)
Equity share of net loss of investee	(33,096)		33,096	-
Other income (loss)	55,422	8,837	(19,625)	44,634
Total Support And Revenue	6,233,978	111,038	13,471	6,358,487
Expenses:				
Program services	3,454,737	176,693	(19,625)	3,611,805
Education	234,027			234,027
Total Program Services	3,688,764	176,693	(19,625)	3,845,832
Development and membership	389,950			389,950
General and administrative	449,953			449,953
Total Support Services	839,903			839,903
Total Expenses	4,528,667	176,693	(19,625)	4,685,735
CHANGES IN NET ASSETS BEFORE NON-CONTROLLING INTEREST	1,705,311	(65,655)	33,096	1,672,752
Add: net loss attributable to non-controlling interest		32,559		32,559
Changes in net assets for controlling interest	$ 1,705,311	$ (33,096)	$ 33,096	$ 1,705,311

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC

Schedule Of Functional Expenses
For The Year Ended December 31, 2015

	Program Services		Supporting Services		
	Program Services	Education	Development and Membership	General Administrative	Total
Employee compensation and taxes	$ 1,636,657	$ 131,253	$ 255,249	$ 265,655	$ 2,288,814
Benefits	45,323	3,835	8,114	9,534	66,807
Bank Charges	128			4,641	4,769
Advertising	4,243	5,556	1,642		11,441
Books, publications slides and maps	2,984	2,044	726	21	5,775
Depreciation and amortization	164,076	4,048	7,873	8,194	184,191
Fees, licenses and dues	27,764	13,586	7,466	5,256	54,071
Honorarium	57,251	1,320	480		59,051
Grants and contributions	326,159	44,493	10,828	15,905	397,386
Land Purchase	25,000				25,000
Legal, consulting, and professional fees	853,061		385	17,875	871,321
Meeting, conferences and events	41,424	1,031	3,876	7,753	54,084
Membership acquisition		2,457	12,983		15,440
Printing and postage	14,146	19,485	65,558	1,466	100,654
Board expense				11,459	11,459
Miscellaneous	9,570	264		12	9,846
Insurance	10,990			32,054	43,044
Rent				12,811	12,811
Taxes	6,846			(110)	6,736
Repairs and maintenance	3,943			20,455	24,398
Office supplies	11,520	101			11,620
Office expense	11,498	391	852	14,022	26,762
Utilities	9,491	371		18,548	28,411
Volunteer expense	17,588			123	17,710
Vehicle expense	5,068				5,068
Travel and meals	324,875	3,792	13,917	6,480	349,065
Total	$ 3,609,605	$ 234,027	$ 389,950	$ 452,153	$ 4,685,735

THE GRAND CANYON TRUST AND NORTH RIM RANCH, LLC

Schedule Of Functional Expenses
For The Year Ended December 31, 2014

	Program Services		Supporting Services		
	Program Services	Education	Development and Membership	General Administrative	Total
Employee compensation and taxes	$ 1,688,500	$ 147,186	$ 249,534	$ 252,446	$ 2,337,666
Benefits	51,216	3,359	7,310	4,614	66,499
Bank Charges	4,859	395	754	995	7,003
Advertising	8,723	3,391	80		12,194
Books, publications slides and maps	2,179	1,640	1,012	235	5,066
Depreciation and amortization	247,626	3,799	6,440	6,516	264,381
Fees, licenses and dues	9,439	1,548	12,148	3,923	27,058
Honorarium	41,456	100			41,556
Grants and contributions	394,300	151,468	11,025	2,182	558,975
Cattle operations cost	6,343				6,343
Legal, consulting, and professional fees	362,565			16,905	379,470
Meeting, conferences and events	42,224	38	3,655	14,751	60,668
Membership acquisition		1,970	9,061		11,031
Printing and postage	11,609	11,630	64,964	4,139	92,342
Board expense	6,076	504	924	3,723	11,227
Miscellaneous	4,954			4	4,958
Insurance	12,971	1,004	1,841	1,841	17,657
Rent	6,400			6,815	13,215
Taxes	6,039		30		6,069
Repairs and maintenance	29,607	1,276	2,321	2,257	35,461
Office supplies	6,853	6			6,859
Office expense	16,925	835	1,656	1,200	20,616
Utilities	18,904	1,173	1,894	1,894	23,865
Volunteer expense	11,982				11,982
Vehicle expense	21,860				21,860
Travel and meals	186,926	6,853	23,333	6,696	223,808
Total	$ 3,200,536	$ 338,175	$ 397,982	$ 331,136	$ 4,267,829