

***WESTERN LANDOWNERS' ALLIANCE, INC.***

**(A Not-for-Profit Corporation)**

**Financial Statements  
With Independent Auditor's Report**

**December 31, 2020**

***Carolyn H. Gonzales, Inc.  
Certified Public Accountant  
2213 Brothers Rd., Suite 200  
Santa Fe, NM 87505***

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**FINANCIAL STATEMENTS**  
December 31, 2020

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# Carolyn H. Gonzales CPA

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## *INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors of  
Western Landowners' Alliance, Inc.

We have audited the accompanying financial statements of Western Landowners' Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Landowners' Alliance, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Santa Fe, New Mexico

September 3, 2021

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**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2020

**ASSETS**

**Assets**

Current Assets	
Cash	\$ 507,367
Accounts receivable	2,250
Pledges and grants receivable	219,696
Total Current Assets	<u>729,313</u>
Investments	16,520
Pledges receivable long-term	55,000
Prepaid expenses	559
<b>Total Assets</b>	<b><u><u>\$ 801,392</u></u></b>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Current Liabilities	
Accounts payable	\$ 5,795
Accrued compensated absences	11,031
<b>Total Liabilities</b>	<u>16,826</u>

**Net assets**

<u>Without donor restrictions</u>	
Operating	413,914
<u>With donor restrictions</u>	
Purpose and time restricted	125,652
Pledges	245,000
Total with donor restrictions	<u>370,652</u>
<b>Total Net Assets</b>	<u>784,566</u>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 801,392</u></u></b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2020

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	<i>Total</i>
<b><u>Support and other revenue</u></b>			
Contributions	\$ 335,260	\$ 1,002,091	\$ 1,337,351
Program revenue	23,244	-	23,244
Other revenue	250	-	250
Investment income	581	-	581
Net assets released from restriction	1,008,378	(1,008,378)	-
	\$ 1,367,713	\$ (6,287)	\$ 1,361,426
 <b><u>Expenses</u></b>			
Program services			
<i>Stewardship</i>	\$ 416,882	\$ -	\$ 416,882
<i>Policy</i>	360,316	-	360,316
<i>Communication</i>	172,555	-	172,555
Total program services	949,753	-	949,753
Support services			
Development	116,666	-	116,666
Administrative	153,612	-	153,612
Total support services	270,278	-	270,278
Total expenses	\$ 1,220,031	\$ -	\$ 1,220,031
 <b>Change in net assets</b>	<b>\$ 147,682</b>	<b>\$ (6,287)</b>	<b>\$ 141,395</b>
 <b>Net assets, beginning of year</b>	<b>\$ 266,232</b>	<b>\$ 376,939</b>	<b>\$ 643,171</b>
 <b>Net assets, end of year</b>	<b>\$ 413,914</b>	<b>\$ 370,652</b>	<b>\$ 784,566</b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2020

	<b>Programs</b>			<b>Development</b>	<b>Administrative</b>	<b>Total</b>
	<i>Stewardship</i>	<i>Policy</i>	<i>Communication</i>			
Salary, wages & benefits	\$ 317,759	\$ 277,939	\$ 94,630	\$ 89,358	\$ 84,686	\$ 864,372
Professional fees	69,065	51,938	30,885	750	44,177	196,815
Computer fees	6,144	10,560	4,416	8,064	1,536	30,720
Printing & copying	3,493	751	18,496	3,239	508	26,487
Occupancy	4,675	5,036	3,509	6,336	3,969	23,525
Travel	7,108	9,716	392	617	2,226	20,059
Postage	734	50	10,549	649	80	12,062
Meetings & meals	2,260	736	161	867	7,950	11,974
Dues & subscriptions	1,302	537	2,406	2,105	2,291	8,641
Telephone	1,905	1,636	977	1,983	293	6,794
Miscellaneous	250	-	1,000	-	3,555	4,805
Business promotion	547	-	3,503	-	8	4,058
Supplies	653	372	1,102	857	280	3,264
Insurance	579	996	416	760	145	2,896
Bank charges	408	49	113	881	571	2,022
Continuing education	-	-	-	200	1,045	1,245
Licenses & fees	-	-	-	-	292	292
	<b>\$ 416,882</b>	<b>\$ 360,316</b>	<b>\$ 172,555</b>	<b>\$ 116,666</b>	<b>\$ 153,612</b>	<b>\$ 1,220,031</b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2020

<b>Cash flows from operating activities:</b>	
<b>Change in net assets</b>	<b>\$ 141,395</b>
 <i>Adjustments to reconcile change in net assets to net cash used by operating activities:</i>	
Effects of changes in operating assets and liabilities:	
Donated securities	(16,029)
Net realized and unrealized gains on investments	(491)
Accounts receivable	(2,250)
Pledges and grants receivable	(35,302)
Prepaid expenses	791
Other assets	1,500
Accounts payable	(4,043)
Accrued employee leave	3,130
Total adjustments	<u>(52,694)</u>
<b>Net cash provided by operating activities</b>	<b>88,701</b>
 <b>Net increase (decrease) in cash</b>	 <b>88,701</b>
 <b>Cash, beginning of year</b>	 <b>418,666</b>
<b>Cash, end of year</b>	<b><u>\$ 507,367</u></b>

The Accompanying Notes Are an Integral  
Part of These Financial Statements

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles**

***Organization and Nature of Activities***

Western Landowners Alliance, Inc. (the "Organization"), incorporated in Colorado, is a not-for-profit corporation organized in 2012 to work to advance policies and practices that sustain working lands, connected landscapes, and native species. The Organization's vision is to work with both leased public land and private landowners to ensure the land is resilient to stressors, healthy and biologically diverse, and provide profitable business for rural communities and critical ecological services.

The Organization's programs are dedicated to assisting communities through training, assistance and education. The primary support is obtained from the general public.

***Basis of Accounting***

The financial statements of Western Landowners Alliance, Inc. have been prepared on the accrual basis of accounting, and accordingly, reflect all accounts receivable and accounts payable as of December 31, 2020.

***Classification of Net Asset***

The accompanying financial statements are presented in accordance with the accounting and reporting standards required by Financial Accounting Standards Board (FASB), Accounting Standards Codification which requires not-for-profit entities to report information regarding its financial position and activities according to net assets as follows:

Without donor restriction - represent those resources or assets that the Organization may use at its discretion. Unrestricted net assets are not subject to donor-imposed restrictions.

With donor restriction - represent those resources subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time or a condition requirement.

Included also are donor-imposed stipulations that neither expire by the passage of time or can be fulfilled or otherwise removed by actions of the Organization. These relate to contributions which are required to be held in perpetuity and income from the assets held available for either general operations or a specific purpose, in accordance with donor stipulations, if applicable. None existed as of December 31, 2020.

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

***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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Certain costs have been allocated among the programs and supporting services benefited. Compensation, benefits and taxes are allocated based on measures of time allocated to each cost center. Costs benefiting more than one function, which include occupancy costs, telephone, office supplies, etc. are allocated based on management's estimate of occupancy square footage or other equitable methodology.

***Income Taxes***

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). As such, no provision for income taxes is reflected in the financial statements. The Organization believes that it has appropriate support for income tax positions taken. Therefore, management has not identified any uncertain income tax positions. Generally, income tax returns related to the current and three-year prior years remain open for examination by taxing authorities.

***Cash and cash equivalents***

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of twelve months or less. The cash includes money held in financial institutions, certificates of deposits accounts and money market accounts. For purposes of the statements of cash flows, the Organization considers all cash accounts to be cash equivalents.

***Pledges receivable***

Contributions are recognized when the donor makes a promise to give to the Organization which may be either unconditional or conditional. Unconditional promises to give are recorded as support in the period they are identified. Conditional promises are recorded when the conditions on which they depend are substantially met. The Organization uses the direct write-off method to determine uncollectible support.

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

***Property, Equipment and Depreciation***

Property and equipment are valued at cost at the date of purchase. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over their respective useful lives.

The Organization has a capitalization policy for purchases or donations with a value of \$500 or more. Items with values of less than \$500 are analyzed individually. No property and equipment existed as of December 31, 2020.

***Advertising***

The Organization expenses the cost of advertising as incurred.

***Accounting Pronouncements***

ASU 2016-02, *Leases* (Topic 842), Under this standard, lessees will be required to bring substantially all leases onto their balance sheets by recording a right-of-use asset and lease liability. Expense will be recognized on a straight-line basis for an operating lease. Recognition of expense for a finance lease will be similar to the current treatment of capital leases. The requirements of ASU 2016-02 are effective for the Organization's year ending December 31, 2021, extended from December 31, 2020.

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Under the new standard, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

- I. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a disclosure of the description of the programs or other activities in which they were used.
- II. The Policy, if any, about monetizing rather than utilizing contributed nonfinancial assets.
- III. A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 1 ~ Organization and Summary of Significant Accounting Principles (continued)**

***Accounting Pronouncements (continued)***

- IV. A description of the valuation techniques and inputs used to arrive at fair value measure, at initial recognition.
- V. The principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by donor-imposed restriction from selling or using the contributed financial assets.

The requirements of ASU 2020-07 are effective for the Organization's year ending December 31, 2022.

**Note 2 ~ Cash and Investments**

The Organization maintains cash accounts, including savings, and an investment account. The investment account was established to receive the donation of securities, which is then sold and transferred to the bank account.

Accounts consist of the following as of December 31:

	<u>Cost</u>	<u>Market</u>
Cash	\$507,367	\$507,367
Investments ~ publicly traded securities	<u>16,029</u>	<u>16,520</u>
Total	<u>\$523,396</u>	<u>\$523,887</u>

The Organization reflects the investments with readily determinable fair values at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the Statement of Activities. Realized gains and losses on sales of investments are determined on the specific identification basis. The investments that are publicly traded are classified at the Level 1 category, unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted investments. Market risk could occur and is dependent on future changes in market prices of the various investments held.

**Note 3 ~ Pledges and Grants Receivable**

The Organization has received commitments which are extend over a multi-year period. These funds may be used for general operations with no donor restrictions.

Pledges outstanding at December 31:

Due within 12 months	\$190,000
Due within 24 months	<u>55,000</u>
Total	<u>\$245,000</u>

Grant receivable at December 31:

Due within 12 months	\$ <u>29,696</u>
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**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 4 ~ Accrued Compensated Absences**

Employees accrue paid time off, which is different for part-time and full-time employees. All accrued time in excess of five days is to be forfeited at the end of the calendar year, allowing a maximum carryover of five days per employee. As of December 31, 2020, a total of \$11,031 is accrued for unpaid compensated absences.

**Note 5 ~ Net Assets**

**With donor restrictions**

The donor-restricted net assets relate to gifts, unconditional promises to give and project support outstanding but for which restrictions and/or stipulations have not been met. Some grants contain conditions that require the Organization to meet certain requirements that, if not met, could require a refund to the granting entity.

Donor-restricted net assets consists of the following at December 31:

Programs currently in-process	\$ 95,652
Pledges outstanding	245,000
Future programs for which funds have been received	<u>30,000</u>
Total	<u>\$370,652</u>

**Note 6 ~ Government Grants**

**Paycheck Protection Program**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed in 2020 to provide emergency relief for small- to medium-sized entities disrupted by COVID-19. The Act created the Paycheck Protection Program allowing financial institutions to provide federally-backed, forgivable loans to eligible entities, to assist during the pandemic. The proceeds were to be spent within an eight-week period, which was then extended to a twenty-four-week period, from the date the proceeds were received, which was April 23, 2020. The proceeds could be spent on a minimum of 75% for payroll costs and a maximum of 25% for various restrictive operating costs. The Organization received \$135,200 which was recorded as a "Conditional Contribution" in accordance with FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. In December, the Organization was notified that the total amount was forgiven through the Small Business Administration.

**National Fish and Wildlife Foundation**

The Organization has a cost-reimbursement grant with the National Fish and Wildlife Foundation for a period of performance from January 1, 2019 to December 31, 2021 with a total award of \$231,660 and a non-federal match requirement of \$315,000. The cost-reimbursement is recognized to the extent of expenditures incurred, not to exceed the grant or contract amount. The Organization carefully monitors grant requirements and believes it has met such conditions.

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 7 ~ Gifts In-Kind and Donated Services**

Gifts in-kind are recorded at market value on the date of donation. The in-kind donations result in an increase in contributions with a corresponding increase in either expenses or non-current assets in the accompanying statement of activities and financial position. The contributions are recorded as support without donor restrictions unless explicit stipulations specify how the donated assets must be used.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills, and would otherwise be purchased by the Organization.

There were no donated goods or services as of December 31, 2020. Securities donated during 2020 totaled \$16,029.

**Note 8~ Related Parties**

Various Western Landowners Alliance, Inc. board members made contributions to the Organization which aggregated \$144,068 for the year ended December 31, 2020. The support is used towards the Organization's exempt purpose and operations.

**Note 9 ~ Concentrations of Credit Risks**

The Organization maintains a depository account at a financial institution. Depository accounts at the financial institutions are generally insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. Balances in this account may at times exceed federally or commercially insured limits. The Organization has not experienced any losses in such accounts and maintains its cash with high quality financial institutions which the Organization believes limits the risks.

**Note 10 ~ Liquidity**

The Organization's financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position include:

Financial assets available at year-end	
Cash	\$507,367
Investments	16,520
Accounts receivable	2,250
Pledges and grant receivable	<u>274,696</u>
Total financial assets available	800,833
Less amounts not available to be used within one year:	
Funds committed to programs in-process	(125,652)
Pledges outstanding ~ long-term	<u>(55,000)</u>
Total amounts not available to be used	<u>(180,652)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$620,181</u>

**WESTERN LANDOWNERS' ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020

**Note 10 ~ Liquidity (continued)**

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and operating with a balanced budget and anticipating collecting sufficient revenue and/or support to cover general expenditures not covered by donor-restricted resources.

**Note 11 ~ Subsequent Events**

Generally accepted accounting principles require that subsequent events be evaluated after the calendar year-end. For purposes of these financial statements, subsequent events have been evaluated through September 3, 2021, the date the financial statements may be issued.

**Note 12 ~ Effect of Current Economic Conditions on Operations**

The Organization depends heavily on donations. The ability to maintain amounts comparable with prior years is dependent upon future overall economic conditions. While management believes that the Organization has the resources to continue its programs successfully, its ability to do so and the extent to which it continues may be dependent on the above factor.

**Note 13 ~ Covid-19 Pandemic**

Economic uncertainties have arisen as a result of the worldwide spread of the Covid-19 coronavirus which have impacted the Organization in various ways. The Santa Fe office was closed during 2020 so that all employees could work from home. Virtual programming was initiated during the year to continue the programs as a result of all travel being canceled. The ability to implement a long-needed major gift cultivation plan was limited due to the inability to perform in-person visits with prospective donors. In light of the pandemic, the full impact is unknown at this time. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.