

Theodore Roosevelt Conservation Partnership, Inc.

Financial Statements

Year Ended December 31, 2015, with Comparative Totals for 2014

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Independent Auditors' Report

Board of Directors
Theodore Roosevelt Conservation Partnership, Inc.
Washington, DC

We have audited the accompanying financial statements of Theodore Roosevelt Conservation Partnership, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Theodore Roosevelt Conservation Partnership, Inc. as of December 31, 2015, 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.



Report on Summarized Comparative Information

We have previously audited the Theodore Roosevelt Conservation Partnership, Inc.'s 2014 financial statements, and our report dated March 25, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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.

Dixon Hughes Goodman LLP

**Tysons, Virginia
May 6, 2016**

Theodore Roosevelt Conservation Partnership, Inc.
Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,828,231	\$ 1,644,456
Promises to give	155,367	294,416
Grants receivable, net of long-term portion	404,150	408,408
Prepaid expenses	97,101	103,344
Total current assets	<u>2,484,849</u>	<u>2,450,624</u>
Property, equipment and furniture :		
Office furniture	30,006	30,006
Office equipment	126,517	119,221
	<u>156,523</u>	<u>149,227</u>
Less - accumulated depreciation	<u>(123,638)</u>	<u>(108,986)</u>
Total property, equipment and furniture - net	<u>32,885</u>	<u>40,241</u>
Other assets:		
Grants receivable, long-term portion	<u>857,636</u>	<u>-</u>
Total assets	<u>\$ 3,375,370</u>	<u>\$ 2,490,865</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 48,667	\$ 191,090
Accrued salaries and related benefits	79,257	65,553
Total current liabilities	<u>127,924</u>	<u>256,643</u>
Net assets:		
Unrestricted :		
Undesignated	177,682	242,309
Board designated	388,452	385,952
Total unrestricted net assets	<u>566,134</u>	<u>628,261</u>
Temporarily restricted net assets	<u>2,681,312</u>	<u>1,605,961</u>
Total net assets	<u>3,247,446</u>	<u>2,234,222</u>
Total liabilities and net assets	<u>\$ 3,375,370</u>	<u>\$ 2,490,865</u>

See accompanying notes.

Theodore Roosevelt Conservation Partnership, Inc.
Statements of Activities
Year Ended December 31, 2015, with Comparative Totals for 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
Revenue:				
Grant revenue	\$ 110,000	\$ 4,147,644	\$ 4,257,644	\$ 2,716,497
Meeting sponsorships	362,790	60,000	422,790	413,282
Individual contributions	333,378	-	333,378	333,819
JR Conservation Fund	2,500	-	2,500	1,186
Non-profit and association contributions	500	31,650	32,150	81,500
Other revenue	171,328	17,197	188,525	569,195
Interest income	4,181	-	4,181	4,093
Net assets released from restrictions	3,181,140	(3,181,140)	-	-
Total revenue	<u>4,165,817</u>	<u>1,075,351</u>	<u>5,241,168</u>	<u>4,119,572</u>
Expenses:				
Program services	<u>3,410,759</u>	-	<u>3,410,759</u>	<u>3,551,593</u>
Supporting services:				
Management and general	403,718	-	403,718	431,491
Fundraising	<u>413,467</u>	-	<u>413,467</u>	<u>350,895</u>
Total supporting expenses	<u>817,185</u>	-	<u>817,185</u>	<u>782,386</u>
Total expenses	<u>4,227,944</u>	-	<u>4,227,944</u>	<u>4,333,979</u>
Change in net assets	(62,127)	1,075,351	1,013,224	(214,407)
Net assets - beginning of year	<u>628,261</u>	<u>1,605,961</u>	<u>2,234,222</u>	<u>2,448,629</u>
Net assets - end of year	<u>\$ 566,134</u>	<u>\$ 2,681,312</u>	<u>\$ 3,247,446</u>	<u>\$ 2,234,222</u>

See accompanying notes.

Theodore Roosevelt Conservation Partnership, Inc.
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,013,224	\$ (214,407)
Adjustments to reconcile to net cash from operating activities:		
Depreciation	14,652	12,895
Change in:		
Promises to give	139,049	(225,188)
Grants receivable	(853,378)	804,267
Prepaid expenses	6,243	(59,501)
Accounts payable and accrued liabilities	(142,423)	(86,849)
Accrued salaries and related benefits	13,704	(44,892)
Net cash from operating activities	<u>191,071</u>	<u>186,325</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(7,296)</u>	<u>(12,325)</u>
Net cash from investing activities	<u>(7,296)</u>	<u>(12,325)</u>
Net change in cash and cash equivalents	183,775	174,000
Cash and cash equivalents - beginning of year	<u>1,644,456</u>	<u>1,470,456</u>
Cash and cash equivalents - end of year	<u>\$ 1,828,231</u>	<u>\$ 1,644,456</u>

Notes to Financial Statements

1. Organization and Nature of Activities

The Theodore Roosevelt Conservation Partnership, Inc. (TRCP) was incorporated on July 30, 2002 and began business on August 1, 2002. TRCP's primary purpose is to ensure that America's lands, both public and private, will always provide clean water, healthy habitat, bountiful fish and wildlife populations and opportunities to fish, hunt and enjoy the outdoors. TRCP is a non-profit corporation incorporated in Delaware and located in the District of Columbia.

2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying policies of the organization are in accordance with accounting principles generally accepted in the United States of America applied on a basis consistent with that of the preceding years.

Basis of accounting

These financial statements are prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Revenue recognition

Grants and contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted grants and contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Cash and cash equivalents

For the purposes of the statements of cash flows, TRCP considers all highly liquid instruments, which are to be used for current operations and which have an original maturity of three months or less, to be cash and cash equivalents.

Concentrations of credit risk

Financial instruments that potentially subject TRCP to concentration of credit risk consist primarily of cash and cash equivalents. TRCP maintains its cash and cash equivalents, which at times may exceed the federally insured limit, in bank deposit accounts with high quality financial institutions. TRCP has not experienced any losses in such accounts.

Promises to give and grants receivable

Promises to give and grants receivable are recorded at net realizable value, which approximates fair value. Management periodically reviews the status of all promises to give and grants receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of and relationship with the grantor and the age of the receivable balance. As a result of these reviews, management's assessment was that all outstanding balances as of December 31, 2015 were deemed collectible and no allowance was required.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

Property and equipment

Acquisitions of property and equipment are stated at cost. Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred, but renewals and betterments are capitalized. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statement of activities.

Depreciation is based on estimated useful service lives and is computed on the straight-line method, generally five to seven years. TRCP's policy is to capitalize property and equipment purchased with a cost greater than \$1,000. Leasehold improvements are amortized over the lease term.

Classification of net assets

TRCP reports information regarding its financial position and activities according to the existence or absence of externally (donor) imposed restrictions into three classes of net assets. The net asset classes are unrestricted net assets, temporarily restricted net assets and permanently restricted net assets, defined as follows:

Unrestricted net assets impose no restriction on TRCP as to their use or purpose. Such net assets are available for the operation of TRCP and include both internally designated and undesignated reserves.

Temporarily restricted net assets include sponsorships and contributions subject to donor-imposed stipulations that will be met by the actions of TRCP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets were \$2,681,312 at December 31, 2015.

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which may be expensed to support the activities of the TRCP. TRCP did not have any permanently restricted net assets at December 31, 2015.

Advertising

TRCP expenses advertising costs as they are incurred. Advertising and promotion expense was \$237,003 for 2015.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

TRCP is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). TRCP qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization that is not a private foundation under Section 509(a)(1). There is no material net unrelated business income tax liability for 2015.

TRCP follows accounting standards for dealing with uncertainty in accounting for income tax provisions. TRCP has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2015.

Subsequent events

In preparing these financial statements, TRCP has evaluated events and transactions for potential recognition or disclosure through May 6, 2016, the date the financial statements were available to be issued.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

3. Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the TRCP's financial statements for 2014, from which the summarized information was derived.

4. Grants Receivable

As of December 31, 2015, TRCP has grants receivable totaling \$1,261,786. Grants due within one year are reported at their net realizable value. Grants due in future periods are discounted to their present value based on a discount rate of 2.35% for 2015. The grants receivable are due as follows:

Less than one year	\$ 404,150
One to two years	<u>878,275</u>
	1,282,425
Less - discounts to net present value	<u>(20,639)</u>
	<u>\$ 1,261,786</u>

5. Unconditional Promises to Give

Unconditional promises to give are recorded as receivables and revenue when received. TRCP distinguishes between contributions received for each net asset category in accordance with donor imposed restrictions. Contributions receivable at December 31, 2015 due in less than one year are \$155,367.

6. Property and Equipment

Major classes of property and equipment consisted of the following:

Furniture and fixtures	\$ 30,006
Computer equipment	126,517
Less - accumulated depreciation	<u>(123,638)</u>
	<u>\$ 32,885</u>

Depreciation expense on property and equipment was \$14,652 for 2015.

7. Line of Credit

TRCP has a \$350,000 revolving line of credit from SunTrust Bank. The line of credit bears interest at a rate of SunTrust Prime plus 2.0% per annum and is due on demand. At December 31, 2015, the interest rate was 5.25%. Advances under the line of credit are unsecured. The Board of Directors of TRCP limits the use of the line of credit to operating expenses.

The line of credit was not used during 2015; therefore there was no outstanding balance as of December 31, 2015.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

8. Board-Designated

During fiscal year 2009, TRCP established the Jim Range Conservation Fund, which will be used at the discretion of TRCP's Board of Directors to provide general operating support, particularly in the capacity building areas of communications and development, enhance TRCP's flexibility to seize unexpected opportunities or confront sudden challenges pertaining to TRCP's legislative agenda, and to supplement funding to TRCP's signature conservation programs in four major areas: Western public lands, agricultural private lands, responsible energy development and marine fisheries. The amount recognized as Board-designated as of December 31, 2015 is \$388,452.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31, 2015:

Western Lands	\$	1,847,246
Water		510,200
Agriculture		151,800
Fisheries/Marine		113,167
Conservation		45,833
Communications		<u>13,066</u>
	\$	<u>2,681,312</u>

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors.

Western Lands	\$	1,263,370
Conservation		383,313
Water		348,886
Fisheries/Marine		334,667
Energy		327,708
Agriculture		208,158
Wetlands		165,508
Partners		77,447
Alaska		63,000
Communications		<u>9,083</u>
	\$	<u>3,181,140</u>

10. Donated Goods and Services

During 2015, TRCP received donated goods consisting primarily of Capital Conservation Dinner auction items valued at \$70,104.

The value of the goods and services are recorded in the accompanying financial statements in other revenue and event promotion expenses.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

11. Operating Lease

TRCP has a noncancelable operating lease for its office space in the District of Columbia that expires October 2016. The lease agreement contains an escalation clause whereby rent is increased by 2 ½% each year.

Future minimum lease payments at December 31, 2015 are as follows:

2016	\$ <u>111,276</u>
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Rent expense was \$145,448 for 2015.

12. Retirement Plan

TRCP has a 401(k) plan which covers all employees who meet certain eligibility requirements. TRCP contributes a matching component on an annual basis. Employer contributions and related expenses for the year ended December 31, 2015 were \$63,480.

Supplementary Information

Theodore Roosevelt Conservation Partnership, Inc.
Schedule of Functional Expenses
Year Ended December 31, 2015, with Comparative Totals for 2014

	Program Services	Supporting Services			Total	
	Conservation Programs	Management and General	Fundraising	Total Supporting Services	2015	2014
Salaries	\$ 1,494,256	\$ 147,621	\$ 218,028	\$ 365,649	\$ 1,859,905	\$ 1,712,304
Employee benefits	300,186	39,313	39,709	79,022	379,208	361,935
Professional development	-	-	824	824	824	731
Administrative fee	55	-	-	-	55	1,220
Insurances	329	14,798	-	14,798	15,127	14,585
Dues and subscriptions	11,755	3,340	3,649	6,989	18,744	18,642
Equipment and maintenance	784	2,015	232	2,247	3,031	4,366
Postage	2,704	1,936	4,303	6,239	8,943	8,709
Printing and publications	34,846	2,651	9,685	12,336	47,182	53,274
Office expenses	2,831	6,984	330	7,314	10,145	17,042
Telephone	17,393	7,703	3,033	10,736	28,129	29,669
Website and IT services	50,721	48,799	17,986	66,785	117,506	127,844
Rent	1,400	142,448	1,600	144,048	145,448	130,817
Bank service charges	30	15,844	233	16,077	16,107	7,714
Event promotion	-	-	123,881	123,881	123,881	97,071
Education and advertising	71,218	-	7,563	7,563	78,781	40,542
Promotional items	133,037	-	25,185	25,185	158,222	31,685
Donations to other organizations	5,500	-	1,500	1,500	7,000	7,550
Travel	194,245	16,714	28,863	45,577	239,822	284,551
Conferences and meetings	167,465	67,852	34,071	101,923	269,388	189,076
Media summit	56,984	-	-	-	56,984	99,020
Consultants	526,564	-	-	-	526,564	513,972
Pass through grants	55,000	-	-	-	55,000	511,349
Professional services - legal and accounting	-	31,427	-	31,427	31,427	31,535
Professional services - GIS	2,988	-	-	-	2,988	5,128
Professional services - member fulfillment	-	-	1,027	1,027	1,027	6,586
Professional services - temporary services	2,104	-	-	-	2,104	4,204
State registrations and licenses	-	520	9,230	9,750	9,750	9,963
Depreciation	-	14,652	-	14,652	14,652	12,895
Subtotal	3,132,395	564,617	530,932	1,095,549	4,227,944	4,333,979
Reallocation of expenses	278,364	(160,899)	(117,465)	(278,364)	-	-
	<u>\$ 3,410,759</u>	<u>\$ 403,718</u>	<u>\$ 413,467</u>	<u>\$ 817,185</u>	<u>\$ 4,227,944</u>	<u>\$ 4,333,979</u>

See independent auditors' report.