

FINANCIAL STATEMENTS

**THEODORE ROOSEVELT
CONSERVATION PARTNERSHIP**

**FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2009**

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

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GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Theodore Roosevelt Conservation Partnership
Washington, D.C.

We have audited the accompanying statement of financial position of the Theodore Roosevelt Conservation Partnership (TRCP) as of December 31, 2010, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of TRCP's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from TRCP's 2009 financial statements and, in our report dated May 25, 2010, we expressed an unqualified opinion on those statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TRCP's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TRCP as of December 31, 2010, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

August 15, 2011

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THEODORE ROOSEVELT CONSERVATION PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

ASSETS		<u>2010</u>	<u>2009</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,157,295	\$ 1,495,494
Accounts receivable		42,798	55,205
Grants receivable, net of long-term portion (Note 6)		554,400	646,131
Prepaid expenses		<u>32,602</u>	<u>19,645</u>
Total current assets		<u>1,787,095</u>	<u>2,216,475</u>
FIXED ASSETS			
Furniture		6,048	6,048
Computer equipment		<u>76,117</u>	<u>94,555</u>
		82,165	100,603
Less: Accumulated depreciation		<u>(56,555)</u>	<u>(60,990)</u>
Net fixed assets		<u>25,610</u>	<u>39,613</u>
OTHER ASSETS			
Grants receivable, long-term portion (Note 6)		<u>96,156</u>	<u>188,835</u>
TOTAL ASSETS		<u>\$ 1,908,861</u>	<u>\$ 2,444,923</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 104,506	\$ 392,396
Accrued salaries and related benefits		<u>65,610</u>	<u>99,574</u>
Total current liabilities		<u>170,116</u>	<u>491,970</u>
NET ASSETS			
Unrestricted (Note 4)		545,002	300,109
Temporarily restricted (Note 2)		<u>1,193,743</u>	<u>1,652,844</u>
Total net assets		<u>1,738,745</u>	<u>1,952,953</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,908,861</u>	<u>\$ 2,444,923</u>

See accompanying notes to financial statements.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	<u>2010</u>			<u>2009</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Foundation grants	\$ 386,700	\$ 1,886,297	\$ 2,272,997	\$ 1,836,698
Donations	262,634	-	262,634	484,038
Contributions	-	46,202	46,202	2,586,509
Other revenue (Note 7)	248,051	14,619	262,670	173,307
Interest income	3,876	847	4,723	8,413
Net assets released from donor restrictions (Note 3)	<u>2,407,066</u>	<u>(2,407,066)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,308,327</u>	<u>(459,101)</u>	<u>2,849,226</u>	<u>5,088,965</u>
EXPENSES				
Program Services	<u>2,264,807</u>	<u>-</u>	<u>2,264,807</u>	<u>3,916,282</u>
Supporting Services:				
Management and General	722,329	-	722,329	667,740
Communications	-	-	-	113,369
Fundraising	<u>76,298</u>	<u>-</u>	<u>76,298</u>	<u>153,475</u>
Total supporting services	<u>798,627</u>	<u>-</u>	<u>798,627</u>	<u>934,584</u>
Total expenses	<u>3,063,434</u>	<u>-</u>	<u>3,063,434</u>	<u>4,850,866</u>
Change in net assets	244,893	(459,101)	(214,208)	238,099
Net assets at beginning of year	<u>300,109</u>	<u>1,652,844</u>	<u>1,952,953</u>	<u>1,714,854</u>
NET ASSETS AT END OF YEAR	<u>\$ 545,002</u>	<u>\$ 1,193,743</u>	<u>\$ 1,738,745</u>	<u>\$ 1,952,953</u>

See accompanying notes to financial statements.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009**

	2010			
	Program Services			
	Conservation Programs	Unions	TV Show	Total Program Services
Salaries	\$ 581,006	\$ 230,563	\$ 14,853	\$ 826,422
Employee benefits (Note 8)	107,271	39,998	2,817	150,086
Administrative fee	-	34,081	-	34,081
Dues and subscriptions	7,520	1,337	-	8,857
Equipment and maintenance (Note 7)	1,364	28,924	-	30,288
Postage/express mail	1,309	19,166	-	20,475
Printing and publications	54,432	26,034	-	80,466
Office expense	3,826	11,321	177	15,324
Telephone	10,498	3,731	223	14,452
Website and IT services	39,870	26,488	-	66,358
Rent and insurance (Notes 5 and 7)	-	9,594	-	9,594
Event promotion	-	17,024	-	17,024
Education and advertising	19,362	-	-	19,362
Promotional items (Note 7)	-	33,934	-	33,934
TV production	-	-	19,002	19,002
Donations to other organization	-	10	-	10
Travel	60,561	37,350	58	97,969
Conferences and meetings	90,876	9,908	-	100,784
Consultant	475,104	24,996	-	500,100
Professional services - legal and accounting (Note 7)	17,404	324	-	17,728
Professional services - member fulfillment	-	17,060	-	17,060
Depreciation	-	-	-	-
Subtotal	1,470,403	571,843	37,130	2,079,376
Overhead allocation	185,431	-	-	185,431
TOTAL	\$ 1,655,834	\$ 571,843	\$ 37,130	\$ 2,264,807

See accompanying notes to financial statements.

Supporting Services					2009
Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses	
\$ 204,578	\$ 88,344	\$ 292,922	\$ 1,119,344	\$ 1,954,713	
30,695	16,360	47,055	197,141	300,105	
(34,081)	-	(34,081)	-	-	
(2,593)	806	(1,787)	7,070	27,260	
1,096	-	1,096	31,384	5,462	
1,679	3,295	4,974	25,449	55,202	
1,607	11,039	12,646	93,112	207,962	
18,534	1,773	20,307	35,631	51,730	
7,677	1,108	8,785	23,237	44,446	
29,392	10,500	39,892	106,250	148,444	
231,004	-	231,004	240,598	273,602	
-	47,790	47,790	64,814	-	
-	250	250	19,612	-	
-	11,797	11,797	45,731	274,285	
-	-	-	19,002	418,983	
-	-	-	10	1,345	
18,744	2,251	20,995	118,964	243,323	
14,013	1,106	15,119	115,903	162,148	
48,458	95,520	143,978	644,078	474,149	
112,748	-	112,748	130,476	188,275	
-	-	-	17,060	3,567	
8,568	-	8,568	8,568	15,865	
692,119	291,939	984,058	3,063,434	4,850,866	
30,210	(215,641)	(185,431)	-	-	
\$ 722,329	\$ 76,298	\$ 798,627	\$ 3,063,434	\$ 4,850,866	

See accompanying notes to financial statements.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (214,208)	\$ 238,099
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	8,568	15,865
Loss on disposal of fixed assets	16,734	-
(Increase) decrease in:		
Accounts receivable	12,407	(54,205)
Grants receivable	184,410	(96,455)
Prepaid expenses	(12,957)	(5,017)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(287,890)	(192,496)
Accrued salaries and related benefits	<u>(33,964)</u>	<u>(8,763)</u>
Net cash used by operating activities	<u>(326,900)</u>	<u>(102,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(11,299)</u>	<u>(1,299)</u>
Net cash used by investing activities	<u>(11,299)</u>	<u>(1,299)</u>
Net decrease in cash and cash equivalents	(338,199)	(104,271)
Cash and cash equivalents at beginning of year	<u>1,495,494</u>	<u>1,599,765</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,157,295</u>	<u>\$ 1,495,494</u>

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Theodore Roosevelt Conservation Partnership (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 organization, incorporated in Delaware and located in the District of Columbia.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

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 TRCP's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Cash and cash equivalents -

TRCP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

TRCP holds cash and cash equivalents in a Non-profit NOW account. During 2010, Non-profit NOW accounts were not subject to the Federal Deposit Insurance Corporation (FDIC) limits. Subsequent to December 31, 2010, the FDIC limits were reestablished. At times during the period subsequent to year-end, TRCP maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Accounts receivable -

Accounts receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets costing \$1,000 or more are capitalized and are stated at cost in the accompanying financial statements. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to seven years. The cost of maintenance and repairs and fixed assets costing less than \$1,000 are recorded as expenses when incurred. Depreciation expense for the year ended December 31, 2010, was \$8,568.

Income taxes -

TRCP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. TRCP is not a private foundation.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2010, TRCP has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of TRCP and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue 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 and Change in Net Assets as net assets released from restrictions.

Grants and contributions -

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 the 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.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, 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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification -

Certain amounts in the prior year's summarized comparative financial information has been reclassified to conform to the current year's presentation.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2010:

Energy	\$ 195,906
Fisheries/Marine	117,717
Agriculture	250,000
Chesapeake Bay	50,000
Climate Change	275,715
Roadless	15,000
Joint Energy	200,000
Water	79,405
Alaska	<u>10,000</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 1,193,743</u>

3. NET ASSETS RELEASED FROM RESTRICTIONS

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

Unions	\$ 571,844
Energy	381,173
Fisheries/Marine	125,783
Wetlands	87,500
Mining	48,409
Climate Change	244,541
Joint Energy	200,000
TV Show	37,130
Roadless	495,091
Agriculture	150,000
Water	15,595
Chesapeake Bay	<u>50,000</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 2,407,066</u>

4. 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, 2010, was \$377,064.

5. LEASE COMMITMENT

TRCP entered into a month-to-month subtenant rental arrangement for office space in Washington, D.C., with Baker, Donelson, Bearman, Caldwell & Berkowitz.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

5. LEASE COMMITMENT (Continued)

The arrangement provides for monthly rental payments of \$6,872. TRCP also has a month-to-month lease agreement for office space in Tennessee. The lease provides for monthly rental payments of \$2,030. The rental space was used for the Union program and rental payments by TRCP ceased when the Union program separated in May 2010. Rent expense for the year ended December 31, 2010, was \$92,614. TRCP also receives donated office space from Baker, Donelson, Bearman, Caldwell & Berkowitz. Reference Notes 7 and 11 for more information.

6. GRANTS RECEIVABLE

As of December 31, 2010, contributors to TRCP have made written promises to give totaling \$554,400. Grants due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of approximately 3.68%.

Grants are due as follows at December 31, 2010:

Less than one year	\$ 554,400
One to five years	<u>99,690</u>
Total	654,090
Less: Allowance to discount balance to present value	<u>(3,534)</u>
GRANTS RECEIVABLE, NET	<u>\$ 650,556</u>

7. DONATED OFFICE SPACE, GOODS AND SERVICES

TRCP received a discounted square footage rate on office space in Washington, D.C. from the law firm Baker, Donelson, Bearman, Caldwell & Berkowitz. The difference between actual rent paid and the fair market value of such office space is properly recognized as donated office space valued at \$141,012 as of December 31, 2010.

Also during 2010, TRCP received other donated goods and services consisting primarily of pro-bono legal services valued at \$37,285.

The value of the donated office space, goods and legal services is recorded in the accompanying financial statements in other revenue and legal, promotional items and rent expenses.

8. 401(K) PLAN

TRCP has a 401(k) plan that covers all eligible employees as per the plan document. Effective as of July 1, 2009, the Board of Directors suspended the matching component of the 401(k) plan for all TRCP employees. Effective July 15, 2010, TRCP reinstated the matching component. During the year ended December 31, 2010, TRCP contributed \$10,264 in matching contributions to the plan. TRCP is currently working with their third party Plan Administrator to fund a retroactive employer match to the plan. The exact amount has yet to be determined; however, it will not exceed \$32,000. The contribution will be made in fiscal year 2011.

9. 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 LIBOR plus 1.0% per annum and expires in July 2011.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

9. LINE OF CREDIT (Continued)

Advances under the line of credit are unsecured. The Board of Directors of TRCP limited the use of the line of credit to operating expenses.

The line of credit has not been used during 2010; therefore, there was no outstanding balance at December 31, 2010.

10. RELATED PARTIES

One of the Directors of TRCP is also a Director of Trout Unlimited. TRCP has a pass-through grant arrangement with Trout Unlimited. During the year ended December 31, 2010, TRCP paid \$55,000 to Trout Unlimited.

TRCP has a consulting arrangement with a firm at which one of TRCP's directors is employed. During the year ended December 31, 2010, TRCP paid \$17,000 to this consulting firm.

11. SUBSEQUENT EVENTS

On May 10, 2011, TRCP entered into a new five-year lease agreement commencing on July 1, 2011. The lease provides for monthly lease payments with annual escalations of 2.5%.

In preparing these financial statements, TRCP has evaluated events and transactions for potential recognition or disclosure through August 15, 2011, the date the financial statements were issued.