

*Financial Statements*  
*Year Ended*  
*December 31, 2013*  
*With Comparative Totals for*  
*the Year Ended December 31,*  
*2012*

*Theodore Roosevelt Conservation Partnership, Inc.*



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

*Theodore Roosevelt Conservation Partnership, Inc.*

*Contents*

|  | <b>Page</b> |
|--|-------------|
| <i>Report of Independent Auditors</i>    | 1           |
| <i>Financial Statements</i>              |             |
| <i>Statements of Financial Position</i>  | 2           |
| <i>Statements of Activities</i>          | 3           |
| <i>Statements of Functional Expenses</i> | 4           |
| <i>Statements of Cash Flows</i>          | 5           |
| <i>Notes to Financial Statements</i>     | 6 - 11      |



***Report of Independent Auditors***

To the Board of Directors of  
***Theodore Roosevelt Conservation Partnership, Inc.***

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, 2013, and the related statements of activities, functional expenses, 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, 2013, 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 2012 financial statements, and our report dated April 19, 2013, 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Dixon Hughes Goodman LLP*

Rockville, Maryland  
March 26, 2014

*Theodore Roosevelt Conservation Partnership, Inc.*

*Statements of Financial Position*

| <b>December 31,</b>                                  | <b>2013</b>      | <b>2012</b>      |
|--|------------------|------------------|
| <b>Assets</b>  |                  |                  |
| <b>Current Assets</b>                                |                  |                  |
| Cash and cash equivalents                            | \$ 1,470,456     | \$ 1,097,564     |
| Promises to give                                     | 69,228           | 51,747           |
| Grants receivable, net of long-term portion          | 991,305          | 1,258,500        |
| Prepaid expenses                                     | 43,843           | 28,413           |
| <b>Total current assets</b>                          | <b>2,574,832</b> | <b>2,436,224</b> |
| <b>Property, equipment and furniture</b>             |                  |                  |
| Office furniture                                     | 30,006           | 30,006           |
| Office equipment                                     | 106,895          | 95,851           |
|  | 136,901          | 125,857          |
| Less - accumulated depreciation                      | (96,090)         | (82,086)         |
| <b>Total property, equipment and furniture - net</b> | <b>40,811</b>    | <b>43,771</b>    |
| Other assets   |                  |                  |
| Grants receivable, long-term portion                 | 221,370          | -                |
|  | \$ 2,837,013     | \$ 2,479,995     |
| <b>Liabilities and Net Assets</b>                    |                  |                  |
| <b>Current liabilities</b>                           |                  |                  |
| Accounts payable and accrued liabilities             | \$ 277,939       | \$ 68,518        |
| Accrued salaries and related benefits                | 110,445          | 90,752           |
| <b>Total current liabilities</b>                     | <b>388,384</b>   | <b>159,270</b>   |
| <b>Net assets</b>                                    |                  |                  |
| Unrestricted   |                  |                  |
| Undesignated   | 81,102           | 156,961          |
| Board designated                                     | 384,766          | 384,614          |
| <b>Total unrestricted net assets</b>                 | <b>465,868</b>   | <b>541,575</b>   |
| Temporarily restricted net assets                    | 1,982,761        | 1,779,150        |
| <b>Total net assets</b>                              | <b>2,448,629</b> | <b>2,320,725</b> |
|  | \$ 2,837,013     | \$ 2,479,995     |

*The accompanying notes are an integral part of these financial statements.*

*Theodore Roosevelt Conservation Partnership, Inc.*

*Statements of Activities*

**Year Ended December 31, 2013 with Comparative Totals for 2012**

|  | <b>Unrestricted</b> | <b>Temporarily<br/>Restricted</b> | <b>Total<br/>2013</b> | <b>Total<br/>2012</b> |
|--|---------------------|-----------------------------------|-----------------------|-----------------------|
| <b>Revenue</b>                           |                     |                                   |                       |                       |
| Grant revenue                            | \$ 143,999          | \$ 3,164,840                      | \$ 3,308,839          | \$ 2,570,764          |
| Meeting sponsorships                     | 113,864             | 117,050                           | 230,914               | 271,262               |
| Individual contributions                 | 273,095             | -                                 | 273,095               | 214,762               |
| JR Conservation Fund                     | 152                 | -                                 | 152                   | 900                   |
| Non-profit and association contributions | -                   | 17,000                            | 17,000                | 22,793                |
| Other revenue                            | 68,152              | 47,454                            | 115,606               | 272,078               |
| Interest income                          | 3,240               | -                                 | 3,240                 | 1,610                 |
| Net assets released from restrictions    | 3,142,733           | (3,142,733)                       | -                     | -                     |
| <b>Total revenue</b>                     | <b>3,745,235</b>    | <b>203,611</b>                    | <b>3,948,846</b>      | <b>3,354,169</b>      |
| <b>Expenses</b>                          |                     |                                   |                       |                       |
| Program services                         | 3,214,400           | -                                 | 3,214,400             | 2,752,661             |
| Supporting services:                     |                     |                                   |                       |                       |
| Management and general                   | 476,606             | -                                 | 476,606               | 471,557               |
| Fundraising                              | 129,936             | -                                 | 129,936               | 223,665               |
| <b>Total supporting expenses</b>         | <b>606,542</b>      | <b>-</b>                          | <b>606,542</b>        | <b>695,222</b>        |
| <b>Total expenses</b>                    | <b>3,820,942</b>    | <b>-</b>                          | <b>3,820,942</b>      | <b>3,447,883</b>      |
| <b>Change in net assets</b>              | <b>(75,707)</b>     | <b>203,611</b>                    | <b>127,904</b>        | <b>(93,714)</b>       |
| <b>Net assets - beginning of year</b>    | <b>541,575</b>      | <b>1,779,150</b>                  | <b>2,320,725</b>      | <b>2,414,439</b>      |
| <b>Net assets - end of year</b>          | <b>\$ 465,868</b>   | <b>\$ 1,982,761</b>               | <b>\$ 2,448,629</b>   | <b>\$ 2,320,725</b>   |

*The accompanying notes are an integral part of these financial statements.*

*Theodore Roosevelt Conservation Partnership, Inc.*

*Statements of Functional Expenses*

**Year Ended December 31, 2013 with Comparative Totals for 2012**

|  | Program Services      |                        | Supporting Services |                           | Total               |                     |
|--|-----------------------|------------------------|---------------------|---------------------------|---------------------|---------------------|
|  | Conservation Programs | Management and General | Fundraising         | Total Supporting Services | 2013                | 2012                |
| Salaries                                     | \$ 1,211,052          | \$ 156,747             | \$ 189,130          | \$ 345,877                | \$ 1,556,929        | \$ 1,364,100        |
| Employee benefits                            | 252,434               | 34,295                 | 38,164              | 72,459                    | 324,893             | 289,544             |
| Professional development                     | 997                   | -                      | 30                  | 30                        | 1,027               | 225                 |
| Administrative fee                           | 660                   | 165                    | 305                 | 470                       | 1,130               | 1,063               |
| Insurances                                   | -                     | 12,565                 | -                   | 12,565                    | 12,565              | 11,853              |
| Dues and subscriptions                       | 12,162                | 3,366                  | 3,830               | 7,196                     | 19,358              | 14,717              |
| Equipment and maintenance                    | 1,225                 | 2,752                  | 398                 | 3,150                     | 4,375               | 7,338               |
| Postage                                      | 2,065                 | 1,458                  | 2,207               | 3,665                     | 5,730               | 11,400              |
| Printing and publications                    | 24,925                | 2,494                  | 11,977              | 14,471                    | 39,396              | 57,543              |
| Office expenses                              | 4,696                 | 9,233                  | 1,986               | 11,219                    | 15,915              | 14,250              |
| Telephone                                    | 14,721                | 6,553                  | 2,666               | 9,219                     | 23,940              | 26,996              |
| Website and IT services                      | 74,548                | 50,479                 | 19,981              | 70,460                    | 145,008             | 144,376             |
| Rent   | -                     | 115,059                | -                   | 115,059                   | 115,059             | 113,633             |
| Bank service charges                         | -                     | 5,184                  | 288                 | 5,472                     | 5,472               | 6,621               |
| Event promotion                              | -                     | -                      | 86,327              | 86,327                    | 86,327              | 83,744              |
| Education and advertising                    | 15,035                | -                      | 1,957               | 1,957                     | 16,992              | -                   |
| Promotional items                            | 27,421                | 70                     | 3,712               | 3,782                     | 31,203              | 48,235              |
| Donations to other organizations             | -                     | 250                    | 35                  | 285                       | 285                 | 835                 |
| Travel                                       | 204,547               | 25,791                 | 31,112              | 56,903                    | 261,450             | 244,298             |
| Conferences and meetings                     | 208,802               | 51,350                 | 7,591               | 58,941                    | 267,743             | 185,330             |
| Media summit                                 | 88,804                | -                      | -                   | -                         | 88,804              | 193,942             |
| Consultants                                  | 681,092               | 19,000                 | 4,500               | 23,500                    | 704,592             | 468,680             |
| Professional services - legal and accounting | -                     | 29,004                 | -                   | 29,004                    | 29,004              | 29,807              |
| Professional services - GIS                  | 15,323                | -                      | -                   | -                         | 15,323              | 13,949              |
| Professional services - economic studies     | -                     | -                      | -                   | -                         | -                   | 47,799              |
| Professional services - member fulfillment   | -                     | -                      | 5,970               | 5,970                     | 5,970               | 5,305               |
| Professional services - temporary services   | 9,450                 | -                      | 1,050               | 1,050                     | 10,500              | 30,000              |
| Professional services - polling & petition   | 7,557                 | -                      | -                   | -                         | 7,557               | 8,259               |
| State registrations and licenses             | -                     | 218                    | 10,173              | 10,391                    | 10,391              | 10,016              |
| Bad debts                                    | -                     | -                      | -                   | -                         | -                   | 200                 |
| Depreciation                                 | -                     | 14,004                 | -                   | 14,004                    | 14,004              | 13,825              |
| Subtotal                                     | 2,857,516             | 540,037                | 423,389             | 963,426                   | 3,820,942           | 3,447,883           |
| Indirect expenses                            | 356,884               | (63,431)               | (293,453)           | (356,884)                 | -                   | -                   |
|  | <u>\$ 3,214,400</u>   | <u>\$ 476,606</u>      | <u>\$ 129,936</u>   | <u>\$ 606,542</u>         | <u>\$ 3,820,942</u> | <u>\$ 3,447,883</u> |

*The accompanying notes are an integral part of these financial statements.*

*Theodore Roosevelt Conservation Partnership, Inc.*

*Statements of Cash Flows*

| <b>Years Ended December 31,</b>                                 | <b>2013</b>         | <b>2012</b>         |
|---|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                     |                     |                     |
| Change in net assets  | \$ 127,904          | \$ (93,714)         |
| Adjustments to reconcile to net cash from operating activities: |                     |                     |
| Depreciation  | 14,004              | 13,825              |
| Change in:  |                     |                     |
| Accounts Receivable   | -                   | 1,024               |
| Promises to give  | (17,481)            | (9,872)             |
| Grants receivable   | 45,825              | (16,344)            |
| Prepaid expenses  | (15,430)            | 17,369              |
| Accounts payable and accrued liabilities                        | 209,421             | (31,234)            |
| Accrued salaries and related benefits                           | 19,693              | 16,471              |
| <b>Net cash from operating activities</b>                       | <u>383,936</u>      | <u>(102,475)</u>    |
| <b>Cash flows from investing activities</b>                     |                     |                     |
| Purchases of property and equipment                             | (11,044)            | (12,412)            |
| <b>Net cash from investing activities</b>                       | <u>(11,044)</u>     | <u>(12,412)</u>     |
| <b>Net change in cash and cash equivalents</b>                  | 372,892             | (114,887)           |
| <b>Cash and cash equivalents - beginning of year</b>            | <u>1,097,564</u>    | <u>1,212,451</u>    |
| <b>Cash and cash equivalents - end of year</b>                  | <u>\$ 1,470,456</u> | <u>\$ 1,097,564</u> |

*The accompanying notes are an integral part of these financial statements.*

# *Theodore Roosevelt Conservation Partnership, Inc.*

## *Notes to Financial Statements*

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**December 31, 2013**

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### **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.

## **Accounts and Grants Receivable**

Accounts and grants receivable are recorded at net realizable value. Management periodically reviews the status of all accounts 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, accounts and grants receivable balances deemed to be uncollectible are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for bad debts had been recorded.

## **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 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 as net assets released from restrictions. Temporarily restricted net assets were \$1,982,761 at December 31, 2013.

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, 2013.

## **Advertising**

TRCP expenses advertising costs as they are incurred. Advertising and promotion expense was \$48,195 for 2013.

## 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 2013.

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, 2013. Years ending on or after December 31, 2010 remain subject to examination by federal and state tax authorities.

## Subsequent Events

In preparing these financial statements, TRCP has evaluated events and transactions for potential recognition or disclosure through March 26, 2014, the date the financial statements were available to be issued.

### 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 2012, from which the summarized information was derived.

### 4. Grants Receivable

As of December 31, 2013, TRCP has grants receivable totaling \$1,212,675. Grants due in future periods are recorded at the estimated present value of the future stream of payment as of the date of the grant notification. The discount to the present value for grants receivable at December 31, 2013 was considered to be immaterial and thus was not recorded. The grants receivable are due as follows:

|                    | <u>2013</u>         |
|--------------------|---------------------|
| Less than one year | \$ 991,305          |
| One to two years   | <u>221,370</u>      |
|                    | <u>\$ 1,212,675</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, 2013 due in less than one year are \$69,228.

## 6. Property and Equipment

Major classes of property and equipment consisted of the following:

|                                 | <u>2013</u>      |
|---------------------------------|------------------|
| Furniture and fixtures          | \$ 30,006        |
| Computer equipment              | 106,895          |
| Less – accumulated depreciation | <u>(96,090)</u>  |
|                                 | <u>\$ 40,811</u> |

Depreciation expense on property and equipment was \$14,004 for 2013.

## 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 LIBOR plus 1.0% per annum and is due on demand. At December 31, 2013, the interest rate was 1.578 percent. 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 2013; therefore there was no outstanding balance as of December 31, 2013.

## 8. 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, 2013 were \$47,340.

## 9. 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, 2013 is \$384,766.

## 10. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31, 2013:

|                  | <u>2013</u>         |
|------------------|---------------------|
| Energy           | \$ 783,690          |
| Agriculture      | 107,917             |
| Roadless         | 494,734             |
| Water            | 221,306             |
| Fisheries/Marine | 102,058             |
| Chesapeake       | 22,223              |
| Conservation     | 145,833             |
| Wetlands         | 105,000             |
|                  | <u>\$ 1,982,761</u> |

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

|                  | <u>2013</u>         |
|------------------|---------------------|
| Energy           | \$ 735,966          |
| Agriculture      | 283,281             |
| Roadless         | 637,301             |
| Climate Change   | 76,720              |
| Water            | 198,444             |
| Fisheries/Marine | 624,664             |
| Chesapeake       | 77,676              |
| Conservation     | 371,985             |
| Partners         | 31,454              |
| Wetlands         | 104,642             |
|                  | <u>\$ 3,142,733</u> |

## 11. Donated Goods And Services

During 2013, TRCP received donated goods consisting primarily of Capital Conservation Dinner auction items valued at \$36,175.

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

## 12. 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 are as follows:

|      |    |                |
|------|----|----------------|
| 2014 | \$ | 127,412        |
| 2015 |    | 130,597        |
| 2016 |    | <u>111,276</u> |
|      | \$ | <u>369,285</u> |

Rent expense was \$115,059 for 2013.

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