

Theodore Roosevelt Conservation Partnership, Inc.

Financial Statements Year Ended December 31, 2014
With Comparative Totals for the Year Ended December 31, 2013

Theodore Roosevelt Conservation Partnership, Inc.

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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, 2014, 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, 2014, 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** 2013 financial statements, and our report dated March 26, 2014, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dixon Hughes Goodman LLP

Rockville, Maryland
March 25, 2015

Theodore Roosevelt Conservation Partnership, Inc.

Statements of Financial Position

December 31,	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,644,456	\$ 1,470,456
Promises to give	294,416	69,228
Grants receivable, net of long-term portion	408,408	991,305
Prepaid expenses	103,344	43,843
Total current assets	2,450,624	2,574,832
Property, equipment and furniture		
Office furniture	30,006	30,006
Office equipment	119,221	106,895
	149,227	136,901
Less - accumulated depreciation	(108,986)	(96,090)
Total property, equipment and furniture - net	40,241	40,811
Other assets		
Grants receivable, long-term portion	-	221,370
	\$ 2,490,865	\$ 2,837,013
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 191,090	\$ 277,939
Accrued salaries and related benefits	65,553	110,445
Total current liabilities	256,643	388,384
Net assets		
Unrestricted		
Undesignated	242,309	81,102
Board designated	385,952	384,766
Total unrestricted net assets	628,261	465,868
Temporarily restricted net assets	1,605,961	1,982,761
Total net assets	2,234,222	2,448,629
	\$ 2,490,865	\$ 2,837,013

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

Theodore Roosevelt Conservation Partnership, Inc.

Statements of Activities

Year Ended December 31, 2014 with Comparative Totals for 2013

	Unrestricted	Temporarily Restricted	Total 2014	Total 2013
Revenue				
Grant revenue	\$ 126,500	\$ 2,589,997	\$ 2,716,497	\$ 3,308,839
Meeting sponsorships	273,442	139,840	413,282	230,914
Individual contributions	260,419	73,400	333,819	273,095
JR Conservation Fund	1,186	-	1,186	152
Non-profit and association contributions	-	81,500	81,500	17,000
Other revenue	438,820	130,375	569,195	115,606
Interest income	4,093	-	4,093	3,240
Net assets released from restrictions	3,391,912	(3,391,912)	-	-
Total revenue	4,496,372	(376,800)	4,119,572	3,948,846
Expenses				
Program services	3,551,593	-	3,551,593	3,214,400
Supporting services:				
Management and general	431,491	-	431,491	476,606
Fundraising	350,895	-	350,895	129,936
Total supporting expenses	782,386	-	782,386	606,542
Total expenses	4,333,979	-	4,333,979	3,820,942
Change in net assets	162,393	(376,800)	(214,407)	127,904
Net assets - beginning of year	465,868	1,982,761	2,448,629	2,320,725
Net assets - end of year	\$ 628,261	\$ 1,605,961	\$ 2,234,222	\$ 2,448,629

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

Theodore Roosevelt Conservation Partnership, Inc.

Statements of Functional Expenses

Year Ended December 31, 2014 with Comparative Totals for 2013

	Program Services		Supporting Services		Total	
	Conservation Programs	Management and General	Fundraising	Total Supporting Services	2014	2013
Salaries	\$ 1,325,182	\$ 163,778	\$ 223,344	\$ 387,122	\$ 1,712,304	\$ 1,556,929
Employee benefits	286,385	32,996	42,554	75,550	361,935	324,893
Professional development	48	-	683	683	731	1,027
Administrative fee	770	165	285	450	1,220	1,130
Insurances	715	13,870	-	13,870	14,585	12,565
Dues and subscriptions	11,900	3,075	3,667	6,742	18,642	19,358
Equipment and maintenance	1,930	1,859	577	2,436	4,366	4,375
Postage	3,802	1,514	3,393	4,907	8,709	5,730
Printing and publications	38,822	4,827	9,625	14,452	53,274	39,396
Office expenses	6,784	8,823	1,435	10,258	17,042	15,915
Telephone	21,036	5,502	3,131	8,633	29,669	23,940
Website and IT services	49,406	58,304	20,134	78,438	127,844	145,008
Rent	-	127,692	3,125	130,817	130,817	115,059
Bank service charges	254	7,421	39	7,460	7,714	5,472
Event promotion	-	-	97,071	97,071	97,071	86,327
Education and advertising	35,668	150	4,724	4,874	40,542	15,302
Promotional items	15,441	-	16,244	16,244	31,685	32,893
Donations to other organizations	7,250	300	-	300	7,550	285
Travel	239,959	19,322	25,270	44,592	284,551	261,450
Conferences and meetings	128,303	58,505	2,268	60,773	189,076	267,743
Media summit	99,020	-	-	-	99,020	88,804
Consultants	498,972	15,000	-	15,000	513,972	704,592
Pass through grants	511,349	-	-	-	511,349	-
Professional services - legal and accounting	-	31,435	100	31,535	31,535	29,004
Professional services - GIS	5,128	-	-	-	5,128	15,323
Professional services - member fulfillment	-	-	6,586	6,586	6,586	5,970
Professional services - temporary services	4,204	-	-	-	4,204	10,500
Professional services - polling & petition	-	-	-	-	-	7,557
State registrations and licenses	19	179	9,765	9,944	9,963	10,391
Depreciation	-	12,895	-	12,895	12,895	14,004
Subtotal	3,292,347	567,612	474,020	1,041,632	4,333,979	3,820,942
Indirect expenses	259,246	(136,121)	(123,125)	(259,246)	-	-
	\$ 3,551,593	\$ 431,491	\$ 350,895	\$ 782,386	\$ 4,333,979	\$ 3,820,942

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

Theodore Roosevelt Conservation Partnership, Inc.

Statements of Cash Flows

Years Ended December 31,	2014	2013
Cash flows from operating activities		
Change in net assets	\$ (214,407)	\$ 127,904
Adjustments to reconcile to net cash from operating activities:		
Depreciation	12,895	14,004
Change in:		
Promises to give	(225,188)	(17,481)
Grants receivable	804,267	45,825
Prepaid expenses	(59,501)	(15,430)
Accounts payable and accrued liabilities	(86,849)	209,421
Accrued salaries and related benefits	(44,892)	19,693
Net cash from operating activities	<u>186,325</u>	<u>383,936</u>
Cash flows from investing activities		
Purchases of property and equipment	(12,325)	(11,044)
Net cash from investing activities	<u>(12,325)</u>	<u>(11,044)</u>
Net change in cash and cash equivalents	174,000	372,892
Cash and cash equivalents - beginning of year	<u>1,470,456</u>	<u>1,097,564</u>
Cash and cash equivalents - end of year	<u>\$ 1,644,456</u>	<u>\$ 1,470,456</u>

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

Theodore Roosevelt Conservation Partnership, Inc.

Notes to Financial Statements

December 31, 2014

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 \$1,605,961 at December 31, 2014.

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, 2014.

Advertising

TRCP expenses advertising costs as they are incurred. Advertising and promotion expense was \$72,226 for 2014.

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 2014.

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, 2014. Years ending on or after December 31, 2011 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 25, 2015, 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 and not a statement of functional expenses. 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 2013, from which the summarized information was derived.

4. Grants Receivable

As of December 31, 2014, TRCP has grants receivable totaling \$408,408. 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 grants receivable are due as follows:

	<u>2014</u>
Less than one year	<u>\$ 408,408</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, 2014 due in less than one year are \$294,416.

6. Property and Equipment

Major classes of property and equipment consisted of the following:

	<u>2014</u>
Furniture and fixtures	\$ 30,006
Computer equipment	119,221
Less – accumulated depreciation	<u>(108,986)</u>
	<u>\$ 40,241</u>

Depreciation expense on property and equipment was \$12,895 for 2014.

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, 2014, 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 2014; therefore there was no outstanding balance as of December 31, 2014.

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, 2014 were \$58,271.

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, 2014 is \$385,952.

10. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at December 31, 2014:

	<u>2014</u>
Energy	\$ 323,333
Agriculture	128,333
Roadless	559,491
Water	294,325
Fisheries/Marine	40,333
Conservation	104,146
Wetlands	75,000
Alaska	81,000
	<u>\$ 1,605,961</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>2014</u>
Energy	\$ 725,515
Agriculture	168,834
Roadless	747,433
Water	548,480
Fisheries/Marine	513,565
Chesapeake	22,223
Conservation	265,837
Partners	189,775
Wetlands	16,250
Alaska	9,000
Communications	5,000
	<u>\$ 3,391,912</u>

11. Donated Goods and Services

During 2014, TRCP received donated goods consisting primarily of Capital Conservation Dinner auction items valued at \$42,851.

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:

2015	\$ 130,597
2016	<u>111,276</u>
	<u>\$ 241,873</u>

Rent expense was \$130,817 for 2014.

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