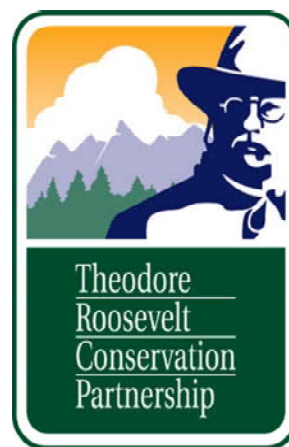


FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2011
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2010**

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, 2011, 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 2010 financial statements and, in our report dated August 15, 2011, 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, 2011, 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

June 15, 2012

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THEODORE ROOSEVELT CONSERVATION PARTNERSHIP
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

ASSETS		<u>2011</u>	<u>2010</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	1,212,451	\$ 1,157,295
Accounts receivable		1,024	42,798
Grants receivable, net of long-term portion (Note 6)		1,234,031	554,400
Prepaid expenses		<u>45,782</u>	<u>32,602</u>
Total current assets		<u>2,493,288</u>	<u>1,787,095</u>
FIXED ASSETS			
Furniture		30,006	6,048
Computer equipment		<u>83,439</u>	<u>76,117</u>
		113,445	82,165
Less: Accumulated depreciation		<u>(68,261)</u>	<u>(56,555)</u>
Net fixed assets		<u>45,184</u>	<u>25,610</u>
OTHER ASSETS			
Grants receivable, long-term portion (Note 6)		<u>50,000</u>	<u>96,156</u>
TOTAL ASSETS		<u>\$ 2,588,472</u>	<u>\$ 1,908,861</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	99,752	\$ 104,506
Accrued salaries and related benefits		<u>74,281</u>	<u>65,610</u>
Total current liabilities		<u>174,033</u>	<u>170,116</u>
NET ASSETS			
Unrestricted (Note 4)		605,528	545,002
Temporarily restricted (Note 2)		<u>1,808,911</u>	<u>1,193,743</u>
Total net assets		<u>2,414,439</u>	<u>1,738,745</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 2,588,472</u>	<u>\$ 1,908,861</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, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

	<u>2011</u>			<u>2010</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Foundation grants	\$ 299,500	\$ 2,839,181	\$ 3,138,681	\$ 2,272,997
Donations	193,818	-	193,818	262,634
Contributions	-	143,900	143,900	46,202
Other revenue (Note 7)	86,733	91,134	177,867	262,670
Interest income	3,293	-	3,293	4,723
Net assets released from donor restrictions (Note 3)	<u>2,459,047</u>	<u>(2,459,047)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,042,391</u>	<u>615,168</u>	<u>3,657,559</u>	<u>2,849,226</u>
EXPENSES				
Program Services	<u>2,451,769</u>	<u>-</u>	<u>2,451,769</u>	<u>2,264,807</u>
Supporting Services:				
Management and General	322,424	-	322,424	722,329
Fundraising	<u>207,672</u>	<u>-</u>	<u>207,672</u>	<u>76,298</u>
Total supporting services	<u>530,096</u>	<u>-</u>	<u>530,096</u>	<u>798,627</u>
Total expenses	<u>2,981,865</u>	<u>-</u>	<u>2,981,865</u>	<u>3,063,434</u>
Change in net assets	60,526	615,168	675,694	(214,208)
Net assets at beginning of year	<u>545,002</u>	<u>1,193,743</u>	<u>1,738,745</u>	<u>1,952,953</u>
NET ASSETS AT END OF YEAR	<u>\$ 605,528</u>	<u>\$ 1,808,911</u>	<u>\$ 2,414,439</u>	<u>\$ 1,738,745</u>

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010**

	2011				2010	
	Program Services	Supporting Services			Total Expenses	Total Expenses
	Conservation Programs	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 849,879	\$ 131,592	\$ 104,095	\$ 235,687	\$ 1,085,566	\$ 1,119,344
Employee benefits	169,856	43,648	21,754	65,402	235,258	197,141
Professional development	309	-	568	568	877	-
Administrative fee	210	70	70	140	350	-
Insurances	-	9,189	-	9,189	9,189	-
Dues and subscriptions	7,961	2,304	9,950	12,254	20,215	7,070
Equipment and maintenance	1,180	1,632	-	1,632	2,812	31,384
Postage/express mail	2,700	1,946	2,993	4,939	7,639	25,449
Printing and publications	23,400	2,440	14,587	17,027	40,427	93,112
Office expense	5,189	15,088	1,949	17,037	22,226	26,873
Telephone	15,002	9,218	2,457	11,675	26,677	23,237
Website and IT services	34,616	46,289	19,062	65,351	99,967	106,249
Rent	-	171,626	-	171,626	171,626	240,598
Bank service charges	-	3,297	67	3,364	3,364	-
Event promotion	-	-	367	367	367	64,814
Education and advertising	14,950	349	-	349	15,299	19,612
Advertising and promotion	34,746	1,000	1,963	2,963	37,709	-
Promotional items	-	-	7,639	7,639	7,639	45,731
TV production	-	-	-	-	-	19,002
Donations to other organization	250	-	2,500	2,500	2,750	10
Travel	114,029	20,276	22,064	42,340	156,369	118,968
Conferences and meetings	98,921	42,411	1,848	44,259	143,180	115,901
Media Summit	166,090	-	579	579	166,669	-
Consultants	452,019	20,811	55,941	76,752	528,771	644,077
Professional services - legal and accounting	33,413	99,358	-	99,358	132,771	130,477
Professional services - GIS - Mapping	4,042	-	-	-	4,042	-
Professional services - economic studies	15,000	-	-	-	15,000	-
Professional services - member fulfillment	-	-	4,506	4,506	4,506	17,060
Professional services - temporary services	6,155	100	6,250	6,350	12,505	-
State registrations and licenses	-	-	9,934	9,934	9,934	8,757
Bad debts	-	6,455	-	6,455	6,455	-
Depreciation	-	11,706	-	11,706	11,706	8,568
Subtotal	2,049,917	640,805	291,143	931,948	2,981,865	3,063,434
Overhead allocation	401,852	(318,381)	(83,471)	(401,852)	-	-
TOTAL	\$ 2,451,769	\$ 322,424	\$ 207,672	\$ 530,096	\$ 2,981,865	\$ 3,063,434

See accompanying notes to financial statements.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 675,694	\$ (214,208)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	11,706	8,568
Loss on disposal of fixed assets	-	16,734
(Increase) decrease in:		
Accounts receivable	41,774	12,407
Grants receivable	(633,473)	184,410
Prepaid expenses	(13,180)	(12,957)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(4,756)	(287,890)
Accrued salaries and related benefits	<u>8,671</u>	<u>(33,964)</u>
Net cash provided (used) by operating activities	<u>86,436</u>	<u>(326,900)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(31,280)</u>	<u>(11,299)</u>
Net cash used by investing activities	<u>(31,280)</u>	<u>(11,299)</u>
Net increase (decrease) in cash and cash equivalents	55,156	(338,199)
Cash and cash equivalents at beginning of year	<u>1,157,295</u>	<u>1,495,494</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,212,451</u>	<u>\$ 1,157,295</u>

See accompanying notes to financial statements.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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, 2010, 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, 2011, 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 and grants receivable -

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

Grants receivable approximate fair value. Amounts to be collected in more than one year are shown as long-term in the accompanying financial statements. Management considers all amounts to be fully collectible.

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, 2011, was \$11,706.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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

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.

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, 2011, 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. The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

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.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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

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.

2. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at December 31, 2011:

Energy	\$ 904,994
Agriculture	359,945
Roadless	167,169
Climate Change	173,131
Water	52,747
Fisheries/Marine	51,042
Chesapeake	50,431
Conservation	29,218
Alaska	<u>20,234</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 1,808,911</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:

Energy	\$ 506,407
Agriculture	243,212
Roadless	577,114
Climate Change	200,740
Water	124,408
Fisheries/Marines	249,225
Chesapeake	39,569
Conservation	113,782
Alaska	19,766
Wetlands	148,157
Joint Energy	<u>236,667</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 2,459,047</u>

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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, 2011, is \$383,714.

5. LEASE COMMITMENT

TRCP had a month-to-month subtenant rental arrangement for office space in Washington, D.C., with Baker, Donelson, Bearman, Caldwell & Berkowitz, which expired June 30, 2011.

The arrangement provided for monthly rental payments of \$6,872. TRCP also received donated office space from Baker, Donelson, Bearman, Caldwell & Berkowitz for this location. Reference Note 7 for more information. TRCP entered into a new five-year office lease arrangement, commencing on July 1, 2011. The lease provides for monthly lease payments with annual escalations of 2.5%. Rent expense for the year ended December 31, 2011, was \$171,626.

Future minimum lease payments required under the office lease arrangement are as follows:

Year Ended December 31,

2012	\$ 121,272
2013	124,304
2014	127,411
2015	130,597
2016	<u>111,276</u>
	<u>\$ 614,860</u>

6. GRANTS RECEIVABLE

As of December 31, 2011, contributors to TRCP have made written promises to give totaling \$1,284,031. 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, 2011:

Less than one year	\$ 1,234,031
One to five years	<u>50,000</u>
GRANTS RECEIVABLE, NET	<u>\$ 1,284,031</u>

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2011

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 \$70,506 as of December 31, 2011.

Also during 2011, TRCP received other donated goods and services consisting primarily of pro-bono legal services and discounted lodging, meals and meeting space for the Media Summit valued at \$91,133.

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. TRCP was planning to fund a retroactive employer match to the plan in 2011. However, due to turnover in the accounting department, progress was slow in setting this up with the third party Plan Administrator. Since this was for the 2010 plan year, IRS approval had to be obtained in order to place these funds into the plan. TRCP obtained this approval in the beginning of fiscal year 2012 and is currently working with its third party Plan Administrator to fund the retroactive employer match to the plan. The total will be \$21,650, plus interest of approximately \$1,000. The contribution will be made in fiscal year 2012. Employer contributions for the year ended December 31, 2011 were approximately \$33,000.

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 March 2012.

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 2011; therefore, there was no outstanding balance at December 31, 2011.

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, 2011, TRCP paid \$55,000 to Trout Unlimited.

THEODORE ROOSEVELT CONSERVATION PARTNERSHIP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

10. RELATED PARTIES (Continued)

TRCP has a consulting arrangement with a firm at which one of TRCP's directors is employed. During the year ended December 31, 2011, TRCP paid \$56,000 to this consulting firm.

TRCP held one of its Media Summits and Board Meetings at the High Lonesome Ranch in Colorado. The President of the High Lonesome Ranch is also a Director of TRCP. During the year ended December 31, 2011, TRCP paid \$36,693 to the High Lonesome Ranch and also received an in-kind donation of \$85,256 for lodging, food, meeting space and activity fees.

11. SUBSEQUENT EVENTS

In preparing these financial statements, TRCP has evaluated events and transactions for potential recognition or disclosure through June 15, 2012, the date the financial statements were issued.