



Theodore Roosevelt Conservation Partnership, Inc.



Financial Statements

Years Ended December 31, 2021 and 2020



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Independent Auditors' Report

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

Opinion

We have audited the financial statements of Theodore Roosevelt Conservation Partnership, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Theodore Roosevelt Conservation Partnership, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Theodore Roosevelt Conservation Partnership, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Theodore Roosevelt Conservation Partnership, Inc. 's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Theodore Roosevelt Conservation Partnership, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Theodore Roosevelt Conservation Partnership, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Dixon Hughes Goodman LLP

Tysons, VA
May 10, 2022

Theodore Roosevelt Conservation Partnership, Inc.
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,383,194	\$ 4,256,931
Promises to give, net	203,367	324,988
Grants receivable	1,033,249	99,764
Prepaid expenses	129,697	198,597
Other current asset	178,706	-
Total current assets	<u>4,928,213</u>	<u>4,880,280</u>
Investments	1,374,659	-
Property, equipment and furniture:		
Office furniture/website	138,548	116,914
Office equipment	41,504	41,504
	<u>180,052</u>	<u>158,418</u>
Less, accumulated depreciation	<u>(96,748)</u>	<u>(65,750)</u>
Total property, equipment and furniture, net	<u>83,304</u>	<u>92,668</u>
Other assets:		
Security deposit	45,210	45,210
Long-term promises to give	400,000	600,000
Long-term grants receivable	30,000	55,000
Total assets	<u>\$ 6,861,386</u>	<u>\$ 5,673,158</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 239,278	\$ 110,319
Accrued salaries and related benefits	285,669	261,936
Economic injury disaster loan - current portion	9,490	5,368
Conditional grant liability	713,584	606,933
Revenue received in advance	12,750	46,800
Total current liabilities	<u>1,260,771</u>	<u>1,031,356</u>
Other liabilities:		
Economic injury disaster loan	146,376	146,376
Deferred rent	154,802	165,033
Total liabilities	<u>1,561,949</u>	<u>1,342,765</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,301,792	1,348,106
Board designated	1,619,171	1,088,044
Total net assets without donor restrictions	<u>2,920,963</u>	<u>2,436,150</u>
Net assets with donor restrictions	<u>2,378,474</u>	<u>1,894,243</u>
Total net assets	<u>5,299,437</u>	<u>4,330,393</u>
Total liabilities and net assets	<u>\$ 6,861,386</u>	<u>\$ 5,673,158</u>

See accompanying notes.

Theodore Roosevelt Conservation Partnership, Inc.
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 2,072,359	\$ 3,223,000	\$ 5,295,359
Event sponsorships	400,272	-	400,272
Individual contributions	1,572,114	-	1,572,114
Non-profit and association contributions	785,016	-	785,016
Other revenue	15,696	-	15,696
Interest income	31,007	-	31,007
In-kind services	152,781	-	152,781
Net assets released from restrictions	2,738,769	(2,738,769)	-
Total revenue	7,768,014	484,231	8,252,245
Expenses:			
Program services	6,024,848	-	6,024,848
Supporting services:			
Management and general	371,411	-	371,411
Fundraising	886,942	-	886,942
Total supporting expenses	1,258,353	-	1,258,353
Total expenses	7,283,201	-	7,283,201
Change in net assets	484,813	484,231	969,044
Net assets, beginning of year	2,436,150	1,894,243	4,330,393
Net assets, end of year	\$ 2,920,963	\$ 2,378,474	\$ 5,299,437

Theodore Roosevelt Conservation Partnership, Inc.
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 1,296,119	\$ 2,316,816	\$ 3,612,935
Event sponsorships	611,666	-	611,666
Individual contributions	1,251,045	20,000	1,271,045
JR Conservation Fund	104,988	900,000	1,004,988
Non-profit and association contributions	33,000	-	33,000
PPP grant income	559,925	-	559,925
Other revenue	537,364	-	537,364
Interest income	3,509	-	3,509
In-kind services	28,000	-	28,000
Net assets released from restrictions	2,918,360	(2,918,360)	-
Total revenue	7,343,976	318,456	7,662,432
Expenses:			
Program services	4,657,389	-	4,657,389
Supporting services:			
Management and general	353,945	-	353,945
Fundraising	840,542	-	840,542
Total supporting expenses	1,194,487	-	1,194,487
Total expenses	5,851,876	-	5,851,876
Change in net assets	1,492,100	318,456	1,810,556
Net assets, beginning of year	944,050	1,575,787	2,519,837
Net assets, end of year	\$ 2,436,150	\$ 1,894,243	\$ 4,330,393

Theodore Roosevelt Conservation Partnership, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services		Supporting Services		Total
	Conservation Programs	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 3,032,457	\$ 125,362	\$ 98,372	\$ 223,734	\$ 3,256,191
Employee benefits	700,887	31,219	37,186	68,405	769,292
Professional development	1,327	16	17	33	1,360
Administrative fee	-	14,005	-	14,005	14,005
Insurance	21,338	1,226	1,301	2,527	23,865
Dues and subscriptions	53,305	1,141	20,481	21,622	74,927
Postage/express mail	7,782	352	10,893	11,245	19,027
Printing and publications	10,188	12	2,710	2,722	12,910
Office expense	9,714	313	21,073	21,386	31,100
Telephone	9,342	412	753	1,165	10,507
Website and IT services	157,880	2,286	41,637	43,923	201,803
Rent	229,073	10,004	9,619	19,623	248,696
Bank service charges	19,794	1,137	28,863	30,000	49,794
Event promotion	1,494	50	201,108	201,158	202,652
Advertising & promotion	297,287	865	17,062	17,927	315,214
TV production & video	31,376	-	38,770	38,770	70,146
Donations to other organizations	12,452	273	290	563	13,015
Travel	188,917	1,826	45,267	47,093	236,010
Conferences and meetings	98,679	1,893	101,731	103,624	202,303
Media Summit	-	-	10,110	10,110	10,110
Consultants	719,039	3,912	153,198	157,110	876,149
Pass through grants	392,450	2,500	46,494	48,994	441,444
Professional services:					
Accounting	-	141,602	-	141,602	141,602
GIS - Mapping	19,195	-	-	-	19,195
Temporary services	10,125	-	-	-	10,125
State registrations and licenses	747	7	7	14	761
Depreciation and amortization	-	30,998	-	30,998	30,998
	<u>\$ 6,024,848</u>	<u>\$ 371,411</u>	<u>\$ 886,942</u>	<u>\$ 1,258,353</u>	<u>\$ 7,283,201</u>

See accompanying notes.

Theodore Roosevelt Conservation Partnership, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services		Supporting Services		Total
	Conservation Programs	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,355,333	\$ 202,295	\$ 445,857	\$ 648,152	\$ 3,003,485
Employee benefits	557,533	42,664	83,527	126,191	683,724
Professional development	89	1,089	-	1,089	1,178
Administrative fee	1,494	40	546	586	2,080
Insurance	30,237	814	5,001	5,815	36,052
Dues and subscriptions	27,015	211	13,304	13,515	40,530
Equipment and maintenance	2,870	24	1,707	1,731	4,601
Postage/express mail	4,313	74	2,017	2,091	6,404
Printing and publications	11,649	14	13,398	13,412	25,061
Office expense	11,634	4,607	2,066	6,673	18,307
Telephone	26,112	257	3,996	4,253	30,365
Website and IT services	128,260	445	47,276	47,721	175,981
Rent	201,259	21,765	25,486	47,251	248,510
Bank service charges	9,261	249	30,304	30,553	39,814
Event promotion	264	-	113,717	113,717	113,981
Advertising & promotion	177,358	76	15,971	16,047	193,405
Promotional items	834	2	27,401	27,403	28,237
TV production & video	28,595	-	-	-	28,595
Donations to other organizations	19,050	-	-	-	19,050
Travel	82,588	50	12,323	12,373	94,961
Conferences and meetings	46,779	1,250	457	1,707	48,486
Media Summit	2,000	-	-	-	2,000
Consultants	585,131	6,300	82,045	88,345	673,476
Pass through grants	68,000	-	-	-	68,000
Professional services:					
Legal	30,000	36,385	-	36,385	66,385
Accounting	-	107,836	-	107,836	107,836
GIS - Mapping	2,219	-	-	-	2,219
Temporary services	4,000	-	-	-	4,000
State registrations and licenses	352	10	10,575	10,585	10,937
Bad debt	-	7,500	50,000	57,500	57,500
Depreciation and amortization	-	16,716	-	16,716	16,716
Subtotal	4,414,229	450,673	986,974	1,437,647	5,851,876
Reallocation of expenses	243,160	(96,728)	(146,432)	(243,160)	-
	<u>\$ 4,657,389</u>	<u>\$ 353,945</u>	<u>\$ 840,542</u>	<u>\$ 1,194,487</u>	<u>\$ 5,851,876</u>

See accompanying notes.

Theodore Roosevelt Conservation Partnership, Inc.
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 969,044	\$ 1,810,556
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	30,998	16,716
Forgiveness of Paycheck Protection Program	-	(559,925)
Unrealized and realized gain on investments	(10,072)	-
Loss on equipment	-	2,160
Bad debt expense	-	57,500
Change in:		
Promises to give	321,621	(644,914)
Grants receivable	(908,485)	861,603
Prepaid expenses	68,900	(143,109)
Other current asset	(178,706)	-
Security deposit	-	(4,732)
Accounts payable and accrued liabilities	128,959	(41,500)
Accrued salaries and related benefits	23,733	136,619
Accrued interest on Economic Injury Disaster loan	4,122	-
Conditional grant liability	106,651	142,325
Revenue received in advance	(34,050)	25,300
Deferred rent	(10,231)	(4,737)
Net cash provided by operating activities	<u>512,484</u>	<u>1,653,862</u>
Cash flows from investing activities:		
Purchases of investments	(1,364,587)	-
Purchases of property and equipment	(21,634)	(65,078)
Net cash used by investing activities	<u>(1,386,221)</u>	<u>(65,078)</u>
Cash flows from financing activities:		
Proceeds from Economic Injury Disaster loan	-	151,744
Proceeds from Paycheck Protection Program	-	559,925
Payment on line of credit	-	(100,000)
Net cash provided by financing activities	<u>-</u>	<u>611,669</u>
Net change in cash and cash equivalents	<u>(873,737)</u>	<u>2,200,453</u>
Cash and cash equivalents, beginning of year	<u>4,256,931</u>	<u>2,056,478</u>
Cash and cash equivalents, end of year	<u>\$ 3,383,194</u>	<u>\$ 4,256,931</u>
Supplemental disclosure of cash flow information:		
Paycheck Protection Program loan forgiveness	<u>\$ -</u>	<u>\$ 559,925</u>

See accompanying notes.

Notes to Financial Statements

1. Organization and Nature of Activities

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

Unconditional grants and contributions are recorded as revenue in the year notification is received from the donor. Grants and contributions considered to be nonexchange transactions that include donor-imposed conditions are recognized as revenue when the condition is met. Restricted grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the satisfaction of restrictions. Restricted grants and contributions received in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Cash and cash equivalents

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

Concentrations of credit risk

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

Promises to give and grants receivable

Promises to give and grants receivable are recorded at estimated net realizable value. Management periodically reviews the status of all promises to give and grants receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of and relationship with the grantor and the age of the receivable balance. As a result of these reviews, management's assessment was that all outstanding balances as of December 31, 2021 and 2020 were deemed collectible and no allowance was required.

Investments

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets. Investments consist of money market funds and mutual funds that are publicly traded.

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.

Conditional grant liability

Revenue received in advance of the period in which it is earned is deferred to subsequent periods. Grants are considered conditional when they include a barrier that must be overcome and either a right of return of assets transferred or a right of release of a donor's obligation to transfer assets.

Classification of net assets

TRCP reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions – not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of TRCP's management. Net assets without donor restrictions also include board designated funds. Board designated net assets as of December 30, 2021 and 2020 totaled \$1,619,171 and \$1,088,044, respectively. See Note 10.

Net assets with donor restrictions – subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TRCP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. See Note 11.

Advertising

TRCP expenses advertising costs as they are incurred. Advertising and promotion expense totaled \$315,214 and \$193,405 for 2021 and 2020, respectively.

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 Program services, fundraising, and management and general benefited. Such allocations are determined by management on an equitable basis.

Expenses are allocated by function based upon the following allocation methods:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries/benefits	Time and effort
Dues/subscriptions	Shared services
Insurance	Shared services
Telephone/Web/IT	Shared services
Travel	Time and effort
Conferences	Time and effort
Equipment/maintenance	Shared services
Postage/express mail/printing/publications	Time and effort
Office expense	Time and effort
Rent	Shared services
Bank service charges/registrations and licenses	Shared services
Event promotion/advertising/promotional items	Time and effort
Donations to other organizations	Time and effort
Advertising and Promotion	Shared services

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 2021 and 2020.

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, 2021 and 2020.

New accounting pronouncement - leases

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases". Under the new standards, lessees will need to recognize a right-of-use asset and a lease liability for virtually all their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. For income statement purposes, the FASB continued the dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied to current lease accounting. Extensive quantitative and qualitative disclosures will be required to provide greater insight into the extent of revenue and expense recognized and expected to be recognized from existing contracts. The new standard will be effective for TRCP as of January 1, 2022, and TRCP is currently evaluating the effect this accounting standard may have on its financial statements.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

Gifts in kind

The FASB issued ASU 2020-07, "Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets" to increase transparency related to contributed nonfinancial assets (gifts in kind) through enhancements to presentation and disclosures. ASU 2020-07 is effective for TRCP on January 1, 2022, and TRCP is currently evaluating the effect this accounting standard may have on its financial statements.

Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent events

In preparing these financial statements, TRCP has evaluated events and transactions for potential recognition or disclosure through May 10, 2022, the date the financial statements were available to be issued.

3. Grants Receivable

As of December 31, 2021 and 2020, TRCP has grants receivable due within one year totaling \$1,033,249 and \$99,764, respectively. As of December 31, 2021 and 2020, TRCP has grants receivable due after one year totaling \$30,000 and \$55,000, respectively.

4. 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.

Promises to give are comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Promises to give expected in:		
Less than one year	\$ 206,723	\$ 330,000
Two to five years	<u>400,000</u>	<u>600,000</u>
	606,723	930,000
Less: discount	<u>(3,356)</u>	<u>(5,012)</u>
Total promises to give, net	<u>\$ 603,367</u>	<u>\$ 924,988</u>

Unconditional promises to give are discounted to their present value using risk free rates of return rate of 0.28% for both December 31, 2021 and 2020.

As of December 31, 2021 and 2020, one donor had a pledge balance outstanding which represented 99% and 97% of total promises to give, respectively.

5. Availability and Liquidity

The following represents TRCP's financial assets at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,383,194	\$ 4,256,931
Investments	1,374,659	-
Promises to give	203,367	324,988
Grants receivable	1,033,249	99,764
Prepaid expenses	129,697	198,597
Other current asset	<u>178,706</u>	<u>-</u>
Total financial assets	<u>6,302,872</u>	<u>4,880,280</u>
Less amounts not available to be used within one year:		
Board designated funds	<u>1,619,171</u>	<u>1,088,044</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,683,701</u>	<u>\$ 3,792,236</u>

TRCP can make additional draws from the line of credit through September 20, 2022; see Note 9 for further detail.

6. Investments

Marketable securities at December 31, 2021 and 2020 carried at fair value as determined by quoted market prices are as follows:

	<u>2021</u>	<u>2020</u>
Money market funds and cash equivalents	\$ 1,847	\$ -
Mutual funds	<u>1,372,812</u>	<u>-</u>
	<u>\$ 1,374,659</u>	<u>\$ -</u>

The following schedule summarizes investment income, in the statement of activities at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 34,738	\$ -
Investment fees	<u>(3,731)</u>	<u>-</u>
	<u>\$ 31,007</u>	<u>\$ -</u>

7. Fair Value Measurements

Fair value, as defined under Generally Accepted Accounting Principles (GAAP), is an exit price representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1:** Observable inputs such as quoted prices in active markets.
- Level 2:** Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3:** Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. TRCP's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

There have been no changes in the methodologies used at December 31, 2021. The following is a description of the valuation methodologies used for instruments measured at fair value:

Money market funds and cash equivalents

Money market funds and other cash equivalents are recorded at cost which approximates fair value. Both observable inputs are used to value these investments.

Mutual funds

Mutual funds are valued using quoted market prices.

The following table sets forth by level within the fair value hierarchy TRCP's assets accounted for at fair value on a recurring basis as of December 31, 2021.

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Totals
Money market funds and cash equivalents	\$ 1,847	\$ -	\$ -	\$ 1,847
Mutual funds	<u>1,372,812</u>	<u>-</u>	<u>-</u>	<u>1,372,812</u>
	<u>\$ 1,374,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,374,659</u>

8. Property and Equipment

Major classes of property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 98,548	\$ 76,914
Computer equipment	41,504	41,504
Website	40,000	40,000
Less - accumulated depreciation	<u>(96,748)</u>	<u>(65,750)</u>
	<u>\$ 83,304</u>	<u>\$ 92,668</u>

Depreciation expense on property and equipment was \$30,998 and \$16,716 for 2021 and 2020, respectively.

9. Line of Credit

TRCP has a \$350,000 revolving line of credit from BB&T Bank, which expires on September 20, 2022. The line of credit bears interest at a rate of BB&T Prime plus 2.0% per annum and is due on demand. At December 31, 2021 and 2020, the interest rates 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 for operating expenses. There was no outstanding balance as of December 31, 2021 and 2020.

10. Board-Designated

During fiscal year 2009, TRCP established the Jim Range Conservation Fund, which would 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, 2021 and 2020 is \$1,619,171 and \$1,088,044, respectively.

Theodore Roosevelt Conservation Partnership, Inc.
Notes to Financial Statements

11. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Purpose restricted for period after December 31:		
Buchanan Family Foundation	\$ 15,000	\$ 10,000
New Belgium Brewing	-	20,000
	<u>15,000</u>	<u>30,000</u>
Total purpose restricted net assets		
Time restricted:		
William and Flora Hewlett Foundation	750,000	-
Jim Range Conservation Fund	602,723	-
Ishiyama Foundation	150,000	-
Charles Stewart Mott Foundation	93,750	-
George B. Storer Foundation	87,500	123,334
Sarah de Coizert	75,000	-
Water Foundation	65,000	-
Williams Family Foundation of Georgia	60,000	-
Mighty Arrow	50,000	133,333
Ohrstrom Foundation	38,334	-
S. Kent Rockwell Foundation	36,667	32,083
Bass Pro	33,333	-
The Campbell Foundation	32,500	50,000
Doris Duke – Climate	30,000	-
Wilburforce Idaho	29,167	42,167
Wilburforce Alaska	29,167	40,833
Moore Charitable Trust	25,000	62,500
Richard King Mellon Foundation	25,000	75,000
Everglades	20,000	17,500
Curtis and Edith Munson	20,000	-
Weyerhaeuser	15,000	-
The Burning Foundation	13,750	15,000
Nevada Energy Foundation	10,000	-
The Conservation Alliance	9,500	-
Western Conservation Foundation	8,750	-
Knobloch Family Foundation	6,250	-
Hutchins	5,000	10,000
Weeden Foundation	2,500	-
REI Co-op	2,083	-
William Demmer pledge	-	900,000
Shell Oil Company	-	100,000
New Venture	-	42,581
NSSF	-	5,000
Walton Conservation Foundation	-	30,667
Walton Conservation Coalition (C4)	37,500	-
Hewlett (DEI)	-	29,995
Walton Covid	-	136,250
Munson Foundation	-	18,000
Total time restricted net assets	<u>2,363,474</u>	<u>1,864,243</u>
Total net assets with donor restrictions	<u>\$ 2,378,474</u>	<u>\$ 1,894,243</u>

12. Donated Goods and Services

During 2021 and 2020, TRCP received donated goods consisting primarily of Capital Conservation Dinner auction items valued at \$145,505 and \$100,013, respectively. TRCP also received donated legal fees of \$7,276 and \$28,000 in 2021 and 2020, respectively.

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

13. Operating Lease

On November 1, 2016, TRCP entered into an office lease agreement in the District of Columbia that is scheduled to expired on October 31, 2027. The first 12 months of lease payments are abated. The lease agreement contains an escalation clause whereby rent is increased by 2.5% each year.

Future minimum lease payments at December 31, 2021 are as follows:

2022	\$	183,942
2023		188,559
2024		193,261
2025		198,100
2026		203,047
Thereafter		<u>172,704</u>
	<u>\$</u>	<u>1,139,613</u>

On February 28, 2020, TRCP entered into an office lease agreement in Denver, Colorado that is scheduled to expire on February 28, 2023. The lease agreement contains an escalation clause whereby rent is increased by 2.1% each year.

Future minimum lease payments for the Spectrum Office at December 31, 2021 are as follows:

2022	\$	56,587
2023		<u>9,464</u>
	<u>\$</u>	<u>66,051</u>

On February 1, 2016, TRCP entered in an operating lease for an office space in Montana that expired on January 31, 2018. The lease has been extended through January 31, 2022 and in December 2021 it was extended through January 31, 2024.

Future minimum lease payments for the Missoula Warehouse lease at December 31, 2021 are as follows:

2022	\$	13,675
2023		13,800
2024		<u>1,150</u>
	<u>\$</u>	<u>28,625</u>

Rent expense was \$248,696 and \$248,510 for 2021 and 2020, respectively.

14. 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 years ended December 31, 2021 and 2020 were \$104,989 and \$95,510, respectively.

15. Commitments

TRCP typically signs contracts with venues and hotels for future events in advance of the event. It is also not unusual for a cancellation clause to be included in these contracts. At December 31, 2021, TRCP had a contract for its award ceremony dinner to be held in May 2022 for which estimated contract value totaled \$28,000.

16. Economic Injury Disaster Loan

In response to the COVID-19 pandemic, the Small Business Administration (SBA) allowed small businesses and nonprofit organizations to apply for Economic Injury Disaster Loans to provide economic relief to businesses that were experiencing a temporary loss of revenue due to COVID-19. TRCP received a loan of \$150,000 on May 30, 2020 with an annual interest rate of 2.75% that matures in 30 years. Payments on the loan start one year after receipt. During 2021, the SBA extended the deferment period for all disaster loans, including COVID-19 Economic Disaster Loans until 2022. Payments on the loan will start 24 months from the date of the note.

Principal maturities of long-term debt for future years ending December 31, 2021 are as follows:

2022	\$	3,624
2023		3,724
2024		3,826
2025		3,932
2026		4,040
Thereafter		<u>130,854</u>
	\$	<u>150,000</u>

Accrued interest included in Economic injury disaster loan – current portion on the statements of financial position as of December 31, 2021 and 2020 amounted to \$4,122 and \$1,744, respectively.

17. Paycheck Protection Program Loan

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. The CARES Act provides for the establishment of the Payroll Protection Program (PPP), a new loan program under the Small Business Administration's 7(a) program providing loans to qualifying businesses. Additionally, loans originated under this program may be forgiven, in whole or in part, if certain criteria are met.

TRCP received \$559,925 under the PPP in 2020. TRCP believed that it was eligible under the PPP to receive the funds and received notice from the SBA that the loan had been forgiven. Therefore, management concluded that the receipt of these funds represented a government grant. TRCP elected to account for the receipt of these funds as a government grant under ASC 958-605. These funds were recognized as a refundable advance when received and classified in accordance with the scheduled maturity outlined in the PPP loan agreement assuming a ten-month deferral of payments from the end of the TRCP's covered period. Grant income under this method of accounting may only be recognized when the conditions attached to the grant have been substantially met. TRCP had fully utilized the proceeds of the loan for qualifying expenses under the PPP and TRCP's covered period was closed as of December 31, 2020. A forgiveness calculation was prepared and submitted to TRCP's lender indicating that the full amount of the loan qualified for forgiveness. TRCP believed it had substantially met the conditions attached to the grant as of December 31, 2020. Grant income had been recognized on the statement of activities as of December 31, 2020, as PPP grant income.

18. Contingencies

In March 2020, the World Health Organization declared the outbreak and spread of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak has had far reaching and unpredictable impacts on the global economy, supply chains, financial markets, and global business operations of a variety of industries. Governments have taken substantial action to contain the spread of the virus including mandating social distancing, suspension of certain gatherings, and shuttering of certain nonessential businesses.

The COVID-19 pandemic has disrupted the operations of TRCP and there is significant uncertainty in the nature and degree of its continued effects on their organization over time. The extent to which it will impact their business going forward will depend on a variety of factors including the duration and continued spread of the outbreak, impact on their donors, employees and vendors, as well as governmental, regulatory and private sector responses. Further, the pandemic may have a significant impact on management's accounting estimates and assumptions.