



PROTECTING THE WEST'S LAND, AIR, AND WATER

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

**Combined Financial Statements
and
Independent Auditors' Report
December 31, 2015 and 2014**

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**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Western Resource Advocates and Environmental Center of the Rockies
Boulder, Colorado

We have audited the accompanying combined financial statements of Western Resource Advocates and Environmental Center of the Rockies (non-profit corporations), which are comprised of the combined statements of financial position as of December 31, 2015 and 2014, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE COMBINED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Western Resource Advocates and Environmental Center of the Rockies as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and activities are presented for purposes of additional analysis of the combined financial statements, rather than to present the financial position, change in net assets, and cash flows of the individual entities, and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

EKS&H LLLP
EKS&H LLLP

April 15, 2016
Denver, Colorado

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Combined Statements of Financial Position

	December 31,	
	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 4,280,036	\$ 3,925,428
Accounts receivable	2,125	6,160
Grants receivable, current portion	1,079,811	803,809
Prepaid expenses	50,976	50,928
Total current assets	5,412,948	4,786,325
Non-current assets		
Property and equipment, net	1,027,023	1,069,184
Investments (Note 8)	707,909	724,567
Grants receivable, less current portion	40,000	-
Total non-current assets	1,774,932	1,793,751
Total assets	\$ 7,187,880	\$ 6,580,076
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 29,148	\$ 111,126
Accrued liabilities	53,245	74,731
Pass-through grants	75,000	103,200
Note payable, current portion	40,448	39,199
Total current liabilities	197,841	328,256
Note payable, net of current portion	520,254	560,710
Total liabilities	718,095	888,966
Commitments		
Net assets		
Unrestricted		
Board-designated endowment (Note 8)	527,178	543,564
Undesignated	2,659,545	2,427,299
Total unrestricted net assets	3,186,723	2,970,863
Temporarily restricted		
Temporarily restricted - purpose restrictions	3,102,331	2,539,244
Temporarily restricted reserve endowment (Note 8)	180,731	181,003
Total temporarily restricted	3,283,062	2,720,247
Total net assets	6,469,785	5,691,110
Total liabilities and net assets	\$ 7,187,880	\$ 6,580,076

See notes to combined financial statements.

WESTERN RESOURCE ADVOCATES AND ENVIRONMENTAL CENTER OF THE ROCKIES

Combined Statements of Activities

	For the Years Ended December 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Total	Percent of Total	Unrestricted	Temporarily Restricted	Total	Percent of Total
Revenues, gains, and support								
Contributions	\$ 25,208	\$ 426,721	\$ 451,929	9.2 %	\$ 135,340	\$ 368,153	\$ 503,493	13.9 %
Family foundation grants	74,000	560,314	634,314	12.9	318,680	155,275	473,955	13.1
Grants	389,814	3,192,672	3,582,486	73.1	17,000	2,418,400	2,435,400	67.5
Attorney's fees	35,704	-	35,704	0.7	-	-	-	-
Administrative fees	46,826	-	46,826	1.0	15,000	-	15,000	0.4
Investment income	33,221	3,596	36,817	0.8	22,479	7,313	29,792	0.8
Unrealized (loss) gain on investments	(31,685)	(3,868)	(35,553)	(0.7)	42,457	5,083	47,540	1.3
In-kind services or products	328	6,577	6,905	0.1	4,050	18,491	22,541	0.6
Rental income	38,288	-	38,288	0.8	63,598	-	63,598	1.8
Special events revenue	102,523	-	102,523	2.1	13,288	-	13,288	0.4
Miscellaneous	3,536	286	3,822	-	3,728	1,588	5,316	0.2
	717,763	4,186,298	4,904,061	100.0	635,620	2,974,303	3,609,923	100.0
Net assets released from restrictions	3,623,483	(3,623,483)	-	-	3,427,041	(3,427,041)	-	-
Total revenues, gains, and support	4,341,246	562,815	4,904,061	100.0 %	4,062,661	(452,738)	3,609,923	100.0 %
Expenses								
Program services								
Energy	1,501,739	-	1,501,739	36.4 %	1,361,038	-	1,361,038	33.9 %
Lands	284,152	-	284,152	6.9	281,661	-	281,661	7.0
Water	1,394,250	-	1,394,250	33.8	1,376,338	-	1,376,338	34.3
Utah	351,625	-	351,625	8.5	376,717	-	376,717	9.4
Total program services	3,531,766	-	3,531,766	85.6	3,395,754	-	3,395,754	84.6
Supporting services								
Fundraising	441,091	-	441,091	10.7	443,642	-	443,642	11.0
General administrative	152,529	-	152,529	3.7	178,325	-	178,325	4.4
Total supporting services	593,620	-	593,620	14.4	621,967	-	621,967	15.4
Total expenses	4,125,386	-	4,125,386	100.0 %	4,017,721	-	4,017,721	100.0 %
Loss on disposal of assets	-	-	-		(829)	-	(829)	
Change in net assets	215,860	562,815	778,675		44,111	(452,738)	(408,627)	
Net assets - beginning of year	2,970,863	2,720,247	5,691,110		2,926,752	3,172,985	6,099,737	
Net assets - end of year	\$ 3,186,723	\$ 3,283,062	\$ 6,469,785		\$ 2,970,863	\$ 2,720,247	\$ 5,691,110	

See notes to combined financial statements.

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Combined Statements of Cash Flows

	For the Years Ended	
	December 31,	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 778,675	\$ (408,627)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	75,562	69,628
Realized and unrealized loss (gain) on investments	35,553	(47,540)
Loss on disposal of assets	-	829
Changes in assets and liabilities		
Accounts receivable	4,035	(1,246)
Grants receivable	(316,002)	870,409
Prepaid expenses	(48)	(13,453)
Accounts payable	(81,978)	28,028
Accrued liabilities	(21,486)	(23,971)
Pass-through grants	(28,200)	50,843
	<u>(332,564)</u>	<u>933,527</u>
Net cash provided by operating activities	<u>446,111</u>	<u>524,900</u>
Cash flows from investing activities		
Purchases of investments	(18,895)	(2,081)
Purchases of property and equipment	(33,401)	(19,396)
Net cash used in investing activities	<u>(52,296)</u>	<u>(21,477)</u>
Cash flows from financing activities		
Payments on note payable	(39,207)	(47,889)
Net cash used in financing activities	<u>(39,207)</u>	<u>(47,889)</u>
Net increase in cash and cash equivalents	354,608	455,534
Cash and cash equivalents - beginning of year	<u>3,925,428</u>	<u>3,469,894</u>
Cash and cash equivalents - end of year	<u>\$ 4,280,036</u>	<u>\$ 3,925,428</u>

Supplemental disclosure of non-cash activity:

Cash paid for interest during the years ended December 31, 2015 and 2014 was \$18,940 and \$20,256, respectively.

See notes to combined financial statements.

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Notes to Combined Financial Statements

Note 1 - Description of Organization and Summary of Significant Accounting Policies

Organization

For over 25 years, Western Resource Advocates ("WRA") has been one of the West's leading conservation groups protecting the region's air, land, and water. WRA uses the law, science, and economics to craft innovative solutions to the most pressing conservation issues in the region. WRA works to transition electricity production away from conventional fossil fuel technologies toward clean, renewable energy and energy efficiency to end the electric industries' contribution to climate change. WRA protects the health of Western rivers and lakes so they remain vibrant parts of communities, support robust economies, and provide a variety of recreational opportunities. WRA safeguards threatened landscapes and wildlife to leave a Western legacy for future generations.

Environmental Center of the Rockies ("ECR") is a charitable tax-exempt organization that owns the building in which WRA leases space for its main operations. In addition, ECR provides grants to WRA and other tax-exempt organizations.

Principles of Combination

The accompanying combined financial statements include the accounts of WRA and ECR (collectively, the "Organization"). All intercompany transactions have been eliminated.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The net assets of the Organization are reported separately by class:

Unrestricted amounts are those currently available at the discretion of the Board of Directors ("Board") for use in Organization operations and those resources invested in property and equipment.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes, or programs.

Permanently restricted amounts are assets that must be maintained permanently by the Organization as required by the donor, but the Organization is permitted to use or expend part or all of any income derived from those assets. As of December 31, 2015 and 2014, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers cash and cash equivalents to be cash on hand and amounts held on deposit in financial institutions. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 1 - Description of Organization and Summary of Significant Accounting Policies
(continued)

Accounts Receivable

The Organization uses the allowance method of accounts receivable valuation. At December 31, 2015 and 2014, the Organization deemed all accounts receivable to be collectible based on management's analysis and prior years' experience; therefore, no allowance has been established.

Grants/Promises to Give

Unconditional grants are recognized as temporarily restricted revenue in the period pledged and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. All of the Organization's grants were unconditional as of December 31, 2015 and 2014. Grants are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of December 31, 2015 and 2014, management expected all grants to be fully collectible; accordingly, there was no allowance for uncollectible grants. As of December 31, 2015 and 2014, \$81,200 and \$10,000, respectively, of the Organization's pledges were from members of the Board.

Property and Equipment

Property and equipment are stated at cost or fair value, if contributed. Expenditures for maintenance, repairs, and minor replacements are charged to operations, and expenditures for major replacements and betterments of \$1,000 or greater are capitalized. Depreciation is provided on the straight-line method over the estimated useful lives of 3 to 39 years.

Investments

All investments in equity securities and all debt securities have readily determinable fair values and are reported at their fair value using quoted market values. Unrealized gains and losses are included on the accompanying combined statements of activities.

Contributions and Grants

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when cash or ownership of donated assets is unconditionally promised to the Organization. Temporarily restricted amounts are subsequently released to unrestricted net assets when expenses have been incurred in satisfaction of those restrictions. The majority of the Organization's contributions during the years ended December 31, 2015 and 2014 were temporarily restricted to be used for the Organization's programs. This is described further in Note 5. Certain grants received by the Organization are based on a two-year funding cycle that can create fluctuations in the timing of revenues and expenses recognized on the combined statements of activities and operating cash flows on the combined statements of cash flows.

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Notes to Combined Financial Statements

**Note 1 - Description of Organization and Summary of Significant Accounting Policies
(continued)**

Contributed Services

Donated services are recognized as contributions if the services a) create or enhance non-financial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

In-kind contributions consist of items and services donated for use by the Organization and consist primarily of services or products related to specific programs. In-kind contributions are reported at fair value at the time of donation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the combined statements of activities. Accordingly, certain costs have been allocated among the program and supporting service benefited and are based on various factors, including employee effort and square footage.

Tax-Exempt Status

WRA and ECR are both exempt from federal tax as publicly supported charities under Section 501(c)(3) of the Internal Revenue Code (the "Code"). They have been classified as organizations that are not private foundations under Section 509(a) of the Code. Donors are entitled to a charitable deduction for their contributions to the Organization. Accordingly, the accompanying combined financial statements contain no provision for income taxes.

The Organization applies a more-likely-than-not measurement methodology to reflect the combined financial statement impact of uncertain tax positions taken or expected to be taken in a return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2015 and 2014.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general administrative expenses. No interest or penalties have been assessed as of December 31, 2015 and 2014.

Use of Estimates

The preparation of combined 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 and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues, expenses, and changes in net assets during the reporting period. Actual results could differ from those estimates.

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Notes to Combined Financial Statements

**Note 1 - Description of Organization and Summary of Significant Accounting Policies
(continued)**

Valuation of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Organization looks primarily to the undiscounted future cash flows in its assessment of whether long-lived assets have been impaired. No impairment was recognized as of December 31, 2015 and 2014.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, investments, and promises to give. The Organization manages deposit concentration risk by placing its temporary cash and money market accounts with creditworthy, high-quality financial institutions. As of December 31, 2015, WRA's cash accounts exceeded federally insured limits by approximately \$3,700,000. Of this amount, approximately \$2,675,000 is invested in a Vanguard short-term federal bond fund, which invests nearly the entire fund in U.S. Treasury bonds that are fully guaranteed by the U.S. government. The remaining \$1,025,000 is held in a bank account to cover approximately three to six months of recurring operating expenses. ECR's cash accounts exceeded federally insured limits by approximately \$30,000.

As of December 31, 2015, three foundations accounted for 59% of revenue, and two foundations accounted for 96% of grants receivable and promises to give. As of December 31, 2014, one foundation accounted for 32% of revenue, and two foundations accounted for 41% of grants receivable and promises to give.

Reclassifications

Certain amounts in the 2014 combined financial statements have been reclassified to conform to the 2015 presentation.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases, which amended the FASB Accounting Standards Codification ("ASC") and created Topic 842, Leases. The new topic supersedes ASC Topic 840, Leases, and increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and requires disclosures of key information about leasing arrangements. The guidance is effective for reporting periods beginning after December 15, 2019. ASU No. 2016-02 mandates a modified retrospective transition method. The Organization is currently assessing the impact this guidance will have on its financial statements.

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Notes to Combined Financial Statements

**Note 1 - Description of Organization and Summary of Significant Accounting Policies
(continued)**

Subsequent Events

The Organization has evaluated all subsequent events through the auditors' report date, which is the date the combined financial statements were available for issuance, and determined that there were no subsequent events requiring recognition or disclosure.

Note 2 - Investments

Investments are in composite open-ended mutual funds. As of December 31, 2015 and 2014, the value of the investments was \$707,909 and \$724,567, respectively. These investments include the Board-designated endowment fund and the purpose-restricted reserve endowment fund (Note 8), and, as of December 31, 2015 and 2014, the value of the endowment fund was \$707,909 and \$724,567, respectively.

Note 3 - Fair Value Accounting

The Organization values its financial assets and liabilities based on fair value. Fair value, as defined, is based on 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. All of the Organization's financial assets are Level 1 assets, which means that they are publicly traded securities reported at publicly quoted prices as of December 31, 2015 and 2014. There was no change in the valuation methodology for the years ended December 31, 2015 and 2014.

Note 4 - Property and Equipment

Property and equipment comprise the following:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 1,704,278	\$ 1,704,278
Land and land improvements	251,641	251,641
Furniture and equipment	<u>142,233</u>	<u>111,870</u>
	2,098,152	2,067,789
Less accumulated depreciation	<u>(1,071,129)</u>	<u>(998,605)</u>
	<u>\$ 1,027,023</u>	<u>\$ 1,069,184</u>

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

Notes to Combined Financial Statements

Note 5 - Net Assets

Temporarily restricted net assets represent the net proceeds of donations that have been restricted by donors to be used only for the following purposes:

	December 31,	
	2015	2014
Energy program	\$ 1,410,704	\$ 945,711
Water program	1,341,161	1,252,589
Utah program	305,677	264,515
Lands program	145,520	247,931
Time restriction	80,000	-
Development	-	9,501
	\$ 3,283,062	\$ 2,720,247

Note 6 - Note Payable

	December 31,	
	2015	2014
Promissory note to a bank that accrues interest at a variable rate of 2.34% above the Treasury Security Rate index (3.21% at December 31, 2015) with monthly payments of principal and interest of \$4,845 through August 2026 and a final payment of all remaining principal and interest due in September 2026. The note is secured by real property located at 2260 Baseline Road.	\$ 560,702	\$ 599,909
Less current portion	(40,448)	(39,199)
Long-term portion of note payable	\$ 520,254	\$ 560,710

Future minimum payments under this note are as follows:

For the Year Ending December 31,

2016	\$ 40,448
2017	42,099
2018	43,470
2019	44,886
2020	46,314
Thereafter	343,485
	\$ 560,702

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 7 - Commitments

Operating Leases

The Organization leases facilities and office equipment under non-cancelable operating leases with third parties, which expire at various times through August 2017. Rent expense was \$49,948 and \$39,835 for the years ended December 31, 2015 and 2014, respectively. Future minimum lease payments under the agreements are as follows:

For the Year Ending December 31,

2016	\$ 39,559
2017	<u>2,162</u>
	<u>\$ 41,721</u>

Note 8 - Investments in Endowments

Quasi-endowments are those purpose-restricted gifts or monies that the Organization intends to maintain in perpetuity or to be spent over a specified time period, usually several years; however, under specific circumstances defined by the donor, the principal may be invaded fully to meet the defined purpose. Board-designated endowments are unrestricted funds designated by the Board to function as endowments.

The Board has designated a portion of net assets for an endowment. On May 20, 2005, the Organization established an Endowment Committee (the "Committee") to manage the unrestricted contributions received from the Rudd Mayer estate. The contribution is known as the Rudd Mayer Memorial Endowment (the "Fund"). The Committee may distribute 5% of the Fund annually, unless otherwise approved by a two-thirds vote of the Board. During 2015 and 2014, the Board voted not to distribute any funds. As of December 31, 2015 and 2014, the Board-designated net assets amounted to \$527,178 and \$543,564, respectively. The investment policy is to invest in a composite open-ended mutual fund.

On May 16, 2012, the Organization established a second reserve endowment of \$128,000 that would also be managed by the Committee. The reserve endowment was set up with purpose-restricted funds received from a donor. This reserve endowment is known as the Healthy Rivers Endowment. The Committee established an initial distribution percentage at 0% and shall remain at this percentage until change by a vote of two-thirds of the Board. As of December 31, 2015 and 2014, the reserve endowment net assets amounted to \$180,731 and \$181,003, respectively. The investment policy indicates that it is the Board's discretion as to how to invest the funds and is currently invested in a composite open-ended mutual fund.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 8 - Investments in Endowments (continued)

The following table represents changes in invested endowment net assets as of December 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 543,564	\$ 181,003	\$ -	\$ 724,567
Investment return				
Investment income	18,648	9,690	-	28,338
Net loss	(35,034)	(9,962)	-	(44,996)
Total investment return	(16,386)	(272)	-	(16,658)
Endowment net assets, end of year	<u>\$ 527,178</u>	<u>\$ 180,731</u>	<u>\$ -</u>	<u>\$ 707,909</u>

The following table represents changes in invested endowment net assets as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 506,339	\$ 168,607	\$ -	\$ 674,946
Investment return				
Investment income	21,964	7,313	-	29,277
Net appreciation	15,261	5,083	-	20,344
Total investment return	37,225	12,396	-	49,621
Endowment net assets, end of year	<u>\$ 543,564</u>	<u>\$ 181,003</u>	<u>\$ -</u>	<u>\$ 724,567</u>

Investments in the composite open-ended mutual fund consist of the following:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Cash	\$ 23,635	\$ 86,948
Equities	537,803	456,477
Bonds	146,471	181,142
Investments	<u>\$ 707,909</u>	<u>\$ 724,567</u>

Note 9 - Retirement Plan

The Organization has a defined contribution Section 401(k) plan (the "Plan"). The Plan covers all employees of the Organization. The Organization matches 100% of the first 5% of employees' contributions up to 5% of the employees' income. Matching contributions were \$116,001 and \$102,733 for the years ended December 31, 2015 and 2014, respectively.

SUPPLEMENTAL INFORMATION

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

**Combining Statement of Financial Position
December 31, 2015**

	<u>Western Resource Advocates</u>	<u>Environmental Center of the Rockies</u>	<u>Eliminations</u>	<u>Combined</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 4,002,549	\$ 277,487	\$ -	\$ 4,280,036
Accounts receivable	2,125	-	-	2,125
Grants receivable, current portion	1,079,811	-	-	1,079,811
Prepaid expenses	<u>62,612</u>	<u>3,022</u>	<u>(14,658)</u>	<u>50,976</u>
Total current assets	<u>5,147,097</u>	<u>280,509</u>	<u>(14,658)</u>	<u>5,412,948</u>
Non-current assets				
Property and equipment, net	45,924	981,099	-	1,027,023
Investments	707,909	-	-	707,909
Grants receivable, less current portion	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Total non-current assets	<u>793,833</u>	<u>981,099</u>	<u>-</u>	<u>1,774,932</u>
Total assets	<u>\$ 5,940,930</u>	<u>\$ 1,261,608</u>	<u>\$ (14,658)</u>	<u>\$ 7,187,880</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 28,623	\$ 525	\$ -	\$ 29,148
Accrued liabilities	43,975	23,928	(14,658)	53,245
Pass-through grants	75,000	-	-	75,000
Note payable, current portion	<u>-</u>	<u>40,448</u>	<u>-</u>	<u>40,448</u>
Total current liabilities	147,598	64,901	(14,658)	197,841
Note payable, net of current portion	<u>-</u>	<u>520,254</u>	<u>-</u>	<u>520,254</u>
Total liabilities	<u>147,598</u>	<u>585,155</u>	<u>(14,658)</u>	<u>718,095</u>
Commitments				
Net assets				
Unrestricted				
Board-designated endowment	527,178	-	-	527,178
Undesignated	<u>1,983,092</u>	<u>676,453</u>	<u>-</u>	<u>2,659,545</u>
Total unrestricted net assets	2,510,270	676,453	-	3,186,723
Temporarily restricted	<u>3,283,062</u>	<u>-</u>	<u>-</u>	<u>3,283,062</u>
Total net assets	<u>5,793,332</u>	<u>676,453</u>	<u>-</u>	<u>6,469,785</u>
Total liabilities and net assets	<u>\$ 5,940,930</u>	<u>\$ 1,261,608</u>	<u>\$ (14,658)</u>	<u>\$ 7,187,880</u>

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

**Combining Statement of Financial Position
December 31, 2014**

	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Combined
Assets				
Current assets				
Cash and cash equivalents	\$ 3,661,667	\$ 263,761	\$ -	\$ 3,925,428
Accounts receivable	6,160	-	-	6,160
Grants receivable, current portion	803,809	-	-	803,809
Prepaid expenses	<u>63,011</u>	<u>2,575</u>	<u>(14,658)</u>	<u>50,928</u>
Total current assets	<u>4,534,647</u>	<u>266,336</u>	<u>(14,658)</u>	<u>4,786,325</u>
Non-current assets				
Property and equipment, net	31,427	1,037,757	-	1,069,184
Investments	<u>724,567</u>	<u>-</u>	<u>-</u>	<u>724,567</u>
Total non-current assets	<u>755,994</u>	<u>1,037,757</u>	<u>-</u>	<u>1,793,751</u>
Total assets	<u>\$ 5,290,641</u>	<u>\$ 1,304,093</u>	<u>\$ (14,658)</u>	<u>\$ 6,580,076</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 108,793	\$ 2,333	\$ -	\$ 111,126
Accrued liabilities	66,063	23,326	(14,658)	74,731
Pass-through grants	103,200	-	-	103,200
Note payable, current portion	<u>-</u>	<u>39,199</u>	<u>-</u>	<u>39,199</u>
Total current liabilities	278,056	64,858	(14,658)	328,256
Note payable, net of current portion	<u>-</u>	<u>560,710</u>	<u>-</u>	<u>560,710</u>
Total liabilities	<u>278,056</u>	<u>625,568</u>	<u>(14,658)</u>	<u>888,966</u>
Commitments				
Net assets				
Unrestricted				
Board-designated endowment	543,564	-	-	543,564
Undesignated	<u>1,748,774</u>	<u>678,525</u>	<u>-</u>	<u>2,427,299</u>
Total unrestricted net assets	2,292,338	678,525	-	2,970,863
Temporarily restricted	<u>2,720,247</u>	<u>-</u>	<u>-</u>	<u>2,720,247</u>
Total net assets	<u>5,012,585</u>	<u>678,525</u>	<u>-</u>	<u>5,691,110</u>
Total liabilities and net assets	<u>\$ 5,290,641</u>	<u>\$ 1,304,093</u>	<u>\$ (14,658)</u>	<u>\$ 6,580,076</u>

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

**Combining Statement of Activities
For the Year Ended December 31, 2015**

	Unrestricted			Temporarily Restricted			Total	Percent of Total	
	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Total Unrestricted	Western Resource Advocates	Environmental Center of the Rockies			Total Temporarily Restricted
Revenues, gains, and support									
Contributions	\$ 25,208	\$ -	\$ -	\$ 25,208	\$ 426,721	\$ -	\$ 426,721	\$ 451,929	9.2 %
Family foundation grants	74,000	-	-	74,000	560,314	-	560,314	634,314	12.9
Grants	389,814	-	-	389,814	3,192,672	-	3,192,672	3,582,486	73.1
Attorney's fees	35,704	-	-	35,704	-	-	-	35,704	0.7
Administrative fees	46,826	-	-	46,826	-	-	-	46,826	1.0
Interest income	33,062	159	-	33,221	3,596	-	3,596	36,817	0.8
Unrealized loss on investments	(31,685)	-	-	(31,685)	(3,868)	-	(3,868)	(35,553)	(0.7)
In-kind services or products	328	-	-	328	6,577	-	6,577	6,905	0.1
Rental income	-	163,433	(125,145)	38,288	-	-	-	38,288	0.8
Special events revenue	102,523	-	-	102,523	-	-	-	102,523	2.1
Miscellaneous	3,536	-	-	3,536	286	-	286	3,822	-
	<u>679,316</u>	<u>163,592</u>	<u>(125,145)</u>	<u>717,763</u>	<u>4,186,298</u>	<u>-</u>	<u>4,186,298</u>	<u>4,904,061</u>	<u>100</u>
Net assets released from restrictions	3,623,483	-	-	3,623,483	(3,623,483)	-	(3,623,483)	-	-
Total revenues, gains, and support	<u>4,302,799</u>	<u>163,592</u>	<u>(125,145)</u>	<u>4,341,246</u>	<u>562,815</u>	<u>-</u>	<u>562,815</u>	<u>4,904,061</u>	<u>100 %</u>
Expenses									
Program services									
Energy	1,531,330	-	(29,591)	1,501,739	-	-	-	1,501,739	36.4 %
Lands	289,942	-	(5,790)	284,152	-	-	-	284,152	6.9
Water	1,430,019	-	(35,769)	1,394,250	-	-	-	1,394,250	33.8
Utah	351,625	-	-	351,625	-	-	-	351,625	8.5
Total program services	<u>3,602,916</u>	<u>-</u>	<u>(71,150)</u>	<u>3,531,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,531,766</u>	<u>85.6</u>
Supporting services									
Fundraising	465,472	-	(24,381)	441,091	-	-	-	441,091	10.7
General administrative	16,378	165,765	(29,614)	152,529	-	-	-	152,529	3.7
Total supporting services	<u>481,850</u>	<u>165,765</u>	<u>(53,995)</u>	<u>593,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,620</u>	<u>14.4</u>
Total expenses	<u>4,084,766</u>	<u>165,765</u>	<u>(125,145)</u>	<u>4,125,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,125,386</u>	<u>100 %</u>
Change in net assets	218,033	(2,173)	-	215,860	562,815	-	562,815	778,675	
Net assets - beginning of year	<u>2,292,237</u>	<u>678,626</u>	<u>-</u>	<u>2,970,863</u>	<u>2,720,247</u>	<u>-</u>	<u>2,720,247</u>	<u>5,691,110</u>	
Net assets - end of year	<u>\$ 2,510,270</u>	<u>\$ 676,453</u>	<u>\$ -</u>	<u>\$ 3,186,723</u>	<u>\$ 3,283,062</u>	<u>\$ -</u>	<u>\$ 3,283,062</u>	<u>\$ 6,469,785</u>	

**WESTERN RESOURCE ADVOCATES AND
ENVIRONMENTAL CENTER OF THE ROCKIES**

**Combining Statement of Activities
For the Year Ended December 31, 2014**

	Unrestricted			Temporarily Restricted			Total	Percent of Total	
	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Total Unrestricted	Western Resource Advocates	Environmental Center of the Rockies			Total Temporarily Restricted
Revenues, gains, and support									
Contributions	\$ 135,340	\$ -	\$ -	\$ 135,340	\$ 368,153	\$ -	\$ 368,153	\$ 503,493	13.9 %
Family foundation grants	318,680	-	-	318,680	155,275	-	155,275	473,955	13.1
Grants	17,000	-	-	17,000	2,418,400	-	2,418,400	2,435,400	67.5
Administrative fees	15,000	-	-	15,000	-	-	-	15,000	0.4
Interest income	22,380	99	-	22,479	7,313	-	7,313	29,792	0.8
Unrealized gain on investments	42,457	-	-	42,457	5,083	-	5,083	47,540	1.3
In-kind services or products	4,050	-	-	4,050	18,491	-	18,491	22,541	0.6
Rental income	-	188,743	(125,145)	63,598	-	-	-	63,598	1.8
Special events revenue	13,288	-	-	13,288	-	-	-	13,288	0.6
Miscellaneous	3,627	101	-	3,728	1,588	-	1,588	5,316	-
	571,822	188,943	(125,145)	635,620	2,974,303	-	2,974,303	3,609,923	100
Net assets released from restrictions	3,427,041	-	-	3,427,041	(3,427,041)	-	(3,427,041)	-	-
Total revenues, gains, and support	3,998,863	188,943	(125,145)	4,062,661	(452,738)	-	(452,738)	3,609,923	100 %
Expenses									
Program services									
Energy	1,382,132	-	(21,094)	1,361,038	-	-	-	1,361,038	33.9 %
Lands	287,180	-	(5,519)	281,661	-	-	-	281,661	7.0
Water	1,417,326	-	(40,988)	1,376,338	-	-	-	1,376,338	34.3
Utah	376,717	-	-	376,717	-	-	-	376,717	9.4
Total program services	3,463,355	-	(67,601)	3,395,754	-	-	-	3,395,754	84.6
Supporting services									
Fundraising	465,426	-	(21,784)	443,642	-	-	-	443,642	11.0
General administrative	40,893	173,192	(35,760)	178,325	-	-	-	178,325	4.4
Total supporting services	506,319	173,192	(57,544)	621,967	-	-	-	621,967	15.4
Total expenses	3,969,674	173,192	(125,145)	4,017,721	-	-	-	4,017,721	100 %
Loss on disposal of assets	(829)	-	-	(829)	-	-	-	(829)	
Change in net assets	28,360	15,751	-	44,111	(452,738)	-	(452,738)	(408,627)	
Net assets - beginning of year	2,263,877	662,875	-	2,926,752	3,172,985	-	3,172,985	6,099,737	
Net assets - end of year	\$ 2,292,237	\$ 678,626	\$ -	\$ 2,970,863	\$ 2,720,247	\$ -	\$ 2,720,247	\$ 5,691,110	