

---

---

# TUOLUMNE RIVER PRESERVATION TRUST

## FINANCIAL STATEMENTS

December 31, 2016

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2015)

---

---

**CROSBY & KANEDA**  
Certified Public Accountants

---

---

Dedicated to Nonprofit Organizations

# TUOLUMNE RIVER PRESERVATION TRUST

## Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-12

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Tuolumne River Preservation Trust  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Tuolumne River Preservation Trust, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuolumne River Preservation Trust as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Tuolumne River Preservation Trust's December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Oakland, California

September 14, 2017

**TUOLUMNE RIVER PRESERVATION TRUST**

**Statement of Financial Position  
December 31, 2016**

**(With Comparative Totals as of December 31, 2015)**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 500,580	\$ 509,899
Grants and accounts receivable	188,238	182,866
Prepaid expenses	12,902	4,029
Total current assets	<u>701,720</u>	<u>696,794</u>
Property and equipment (Note 3)	16,181	-
Deposit	<u>3,325</u>	<u>3,325</u>
 Total Assets	 <u>\$ 721,226</u>	 <u>\$ 700,119</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 67,056	\$ 107,942
Accrued vacation	<u>11,393</u>	<u>16,384</u>
Total Liabilities	<u>78,449</u>	<u>124,326</u>
Commitment and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted (Note 6)	387,589	291,492
Temporarily restricted (Note 7)	<u>255,188</u>	<u>284,301</u>
Total Net Assets	<u>642,777</u>	<u>575,793</u>
 Total Liabilities and Net Assets	 <u>\$ 721,226</u>	 <u>\$ 700,119</u>

See Notes to the Financial Statements

**TUOLUMNE RIVER PRESERVATION TRUST**

**Statement of Activities**  
**For the Year Ended December 31, 2016**  
**(With Comparative Totals for the Year Ended December 31, 2015)**

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
<b>Support and Revenue</b>				
Foundation grants	\$ 25,047	\$ 401,903	\$ 426,950	\$ 608,131
Government grants	396,645		396,645	329,438
Donations	220,540	12,050	232,590	299,197
Special event, net (Note 8)	55,527		55,527	55,719
In-kind contributions (Note 9)	7,558		7,558	-
Other	3,237		3,237	-
Net assets released from donor restrictions (Note 7)	443,066	(443,066)	-	-
<b>Total Support and Revenue</b>	<u>1,151,620</u>	<u>(29,113)</u>	<u>1,122,507</u>	<u>1,292,485</u>
<b>Expenses</b>				
Program				
Bay Area	210,212		210,212	250,734
Central Valley	309,086		309,086	301,443
Sierra Nevada	226,591		226,591	153,356
Fiscal Projects	2,735		2,735	-
<b>Total Program</b>	<u>748,624</u>		<u>748,624</u>	<u>705,533</u>
Management and general	174,965		174,965	113,935
Fundraising	131,934		131,934	131,661
<b>Total Expenses</b>	<u>1,055,523</u>	<u>-</u>	<u>1,055,523</u>	<u>951,129</u>
Change in Net Assets	96,097	(29,113)	66,984	341,356
Net Assets, beginning of year	196,198	379,595	575,793	234,437
Reclassification (Note 11)	95,294	(95,294)	-	-
Net Assets, beginning of year, reclassified	<u>291,492</u>	<u>284,301</u>	<u>575,793</u>	<u>234,437</u>
Net Assets, end of year	<u>\$ 387,589</u>	<u>\$ 255,188</u>	<u>\$ 642,777</u>	<u>\$ 575,793</u>

See Notes to the Financial Statements

**TUOLUMNE RIVER PRESERVATION TRUST**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2016**  
**(With Comparative Totals for the Year Ended December 31, 2015)**

	2016	2015
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 66,984	\$ 341,356
Depreciation	1,280	-
Donated property	(6,000)	-
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Grants and accounts receivable	(5,372)	(71,811)
Prepaid expenses	(8,873)	2,768
Accounts payable and accrued expenses	(40,886)	39,341
Accrued vacation	(4,991)	1,104
Net cash provided (used) by operating activities	2,142	312,758
 Cash flows from investing activities		
Purchase of fixed assets	(11,461)	-
Net cash provided (used) by investing activities	(11,461)	-
 Net change in cash	(9,319)	312,758
 Cash and cash equivalents, beginning of year	509,899	197,141
 Cash and cash equivalents, end of year	\$ 500,580	\$ 509,899

See Notes to the Financial Statements

**TUOLUMNE RIVER PRESERVATION TRUST**

**Statement of Functional Expenses  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)**

	Program				Program	Management and General	Fundraising	Total	
	BA	CV	SON	Other				2016	2015
Salaries	\$ 142,825	\$ 132,985	\$ 69,841	\$	\$ 345,651	\$ 72,227	\$ 71,402	\$ 489,280	\$ 439,057
Retirement contributions	2,481	934	652		4,067	779	1,267	6,113	5,179
Other employee benefits	7,086	7,735	9,755		24,576	13,407	2,149	40,132	52,769
Payroll taxes	12,453	11,559	6,012		30,024	6,871	6,012	42,907	37,062
Total Personnel	<u>164,845</u>	<u>153,213</u>	<u>86,260</u>		<u>404,318</u>	<u>93,284</u>	<u>80,830</u>	<u>\$ 578,432.0</u>	<u>534,067</u>
Accounting					-	15,845	-	15,845	59,629
Outreach and marketing	4,602				4,602	3,017	-	7,619	712
Professional services	7,862	121,113	120,598		249,573	8,140	2,567	260,280	174,749
Office supplies and expense	257	1,155	112		1,524	25,718	12,773	40,015	29,872
Program supplies	5,419	20,925	3,160	2,735	32,239	57	504	32,800	20,836
Occupancy	18,689	6,600	5,100		30,389	6,078	4,051	40,518	38,833
Printing	1,312	965	91		2,368	1,180	25,461	29,009	34,616
Travel and meetings	7,226	5,115	10,770		23,111	6,801	2,841	32,753	43,669
Depreciation					-	1,280	-	1,280	-
Insurance					-	12,279	-	12,279	11,843
Other			500		500	1,286	2,907	4,693	2,303
Total Expenses	<u>\$ 210,212</u>	<u>\$ 309,086</u>	<u>\$ 226,591</u>	<u>\$ 2,735</u>	<u>\$ 748,624</u>	<u>\$ 174,965</u>	<u>\$ 131,934</u>	<u>\$ 1,055,523</u>	<u>\$ 951,129</u>

See Notes to the Financial Statements



## TUOLUMNE RIVER PRESERVATION TRUST

### Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

---

#### NOTE 1: NATURE OF ACTIVITIES

Tuolumne River Preservation Trust (the Organization) is a California nonprofit public benefit corporation, which was organized in 1981 to promote stewardship of the Tuolumne River and its tributaries to ensure a healthy watershed.

The Organization's programs include:

*Sierra Nevada program* - organizes support for protection of the Clavey River in the Wild and Scenic river system through grassroots organizing and education of local businesses and the public.

*Central Valley program* - works with private landowners to maintain agricultural lands and increase conserved floodplain areas in order to protect and restore one of the great natural floodplains remaining in California's Central Valley.

*Bay Area program* - advocates that the City of San Francisco act as a steward of the Tuolumne River since it relies on the river for 85% of its water.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Basis of Presentation**

The Organization presents 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 three classes are differentiated by donor restrictions.

*Unrestricted net assets* - consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

*Temporarily restricted net assets* - represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

*Permanently restricted net assets* - represent contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization, other asset enhancements and diminishments subject to the same kinds of stipulations or reclassifications from or to other classes of net assets as a consequence of donor-imposed stipulations. There were no permanently restricted net assets as of December 31, 2016.

##### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are

## TUOLUMNE RIVER PRESERVATION TRUST

### Notes to the Financial Statements For the Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

---

substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **Grants and Accounts Receivable**

The Organization considers all grants and accounts receivable to be fully collectible at December 31, 2016. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

#### **Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d). The Organization has evaluated its current tax positions as of December 31, 2016 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

#### **Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met this criteria during the year ended December 31, 2016.

#### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**TUOLUMNE RIVER PRESERVATION TRUST**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)**

---

**Cash Equivalents**

The Organization considers money market funds and other highly liquid investments with original maturities of three months or less when purchased that are held in operating accounts to be cash equivalents.

**Fair Value Measurements**

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on December 31, 2016.

**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

**Property and Equipment**

All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment as follows:

Furniture and equipment	5 years
Boat	5 years
Website	3 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**TUOLUMNE RIVER PRESERVATION TRUST**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)**

---

**Prior Year Summarized Information**

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

**Reclassifications**

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events and has concluded that as of September 14, 2017 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2016

Furniture and equipment	\$ 5,987
Boat	6,000
Website	5,475
Less accumulated depreciation	<u>(1,281)</u>
Total	<u>\$ 16,181</u>

**NOTE 4: COMMITMENTS**

**Operating Leases**

The Organization leases office space under leases which expire thru July 2017. The total amount of future minimum payments required under the leases for the year ended December 31, 2017 is \$16,696.

Rent for the years ended December 31, 2016 and 2015 was \$39,485 and \$37,523, respectively.

**NOTE 5: CONTINGENCIES**

**Grants**

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has determined that the grants are compatible with the objectives of the Organization. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**TUOLUMNE RIVER PRESERVATION TRUST**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)**

---

**Conservation Easements**

As of December 31, 2016 conservation easements managed by the Organization consisted of the following:

- Dos Rios Ranch: Approximately 1,603 acres near the Tuolumne River located in Stanislaus County, California.
- Hidden Valley Ranch: Approximately 497 acres near the Tuolumne River located in Stanislaus County, California.

The Organization has a fiduciary responsibility to preserve the conservation easements, and this responsibility may result in future costs to the Organization for monitoring, management or enforcement of the terms of the related easements.

**NOTE 6: UNRESTRICTED NET ASSETS**

Unrestricted net assets consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Undesignated	\$ 312,589	\$ 121,198
Board designated reserve	<u>75,000</u>	<u>75,000</u>
Total	<u>\$ 387,589</u>	<u>\$ 196,198</u>

**NOTE 7: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Sierra Nevada Program	\$ 10,273	\$ 46,004
Central Valley Program	153,000	175,381
San Francisco Bay Area Program	90,001	62,916
Fiscal Sponsor	<u>1,914</u>	<u>-</u>
Total	<u>\$ 255,188</u>	<u>\$ 284,301</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended December 31:

	<u>2016</u>	<u>2015</u>
Sierra Nevada Program	\$ 96,092	\$ 28,430
Central Valley Program	105,473	69,333
San Francisco Bay Area Program	239,415	223,083
Fiscal Sponsor	<u>2,086</u>	<u>-</u>
Total	<u>\$ 443,066</u>	<u>\$ 320,846</u>

**NOTE 8: SPECIAL EVENT**

The Organization held an annual special fundraising event during the year. Income from the Organization's event consisted of the following for the years ended December 31:

**TUOLUMNE RIVER PRESERVATION TRUST**

**Notes to the Financial Statements  
For the Year Ended December 31, 2016  
(With Comparative Totals for the Year Ended December 31, 2015)**

---

	<u>2016</u>	<u>2015</u>
Admissions	\$ 4,650	\$ 16,650
Donations and sponsorships	71,403	51,693
Less: cost of direct donor benefit	<u>(20,526)</u>	<u>(12,624)</u>
Total	<u>\$ 55,527</u>	<u>\$ 55,719</u>

**NOTE 9: IN-KIND CONTRIBUTIONS**

In-kind contributions during the year ended December 31, 2016 consisted of the following:

Boat	\$ 6,000
Other	<u>1,558</u>
Total	<u>\$ 7,558</u>

**NOTE 10: CONCENTRATION**

**Government Funding and Receivables**

The Organization receives a significant portion of its support from the federal government and various county and local governmental bodies. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

Approximately 87% of receivables outstanding as of December 31, 2016 were from government funders.

**NOTE 11: RECLASSIFICATION**

The Organization reviewed the classification of certain funds originally received in 2014 and 2015 and determined that the Organization had satisfied the terms of the underlying agreements related to those funds in the prior periods.

**NOTE 12: RETIREMENT PLAN**

The Organization offers a Savings Incentive Match Plan for Employees Individual Retirement Account (SIMPLE IRA). For eligible employees, the Organization matches up to 2% of the employees' salary. Contributions were \$6,113 and \$5,179 for the years ended December 31, 2016 and 2015, respectively.