
TUOLUMNE RIVER PRESERVATION TRUST

FINANCIAL STATEMENTS

December 31, 2015

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2014)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations



TUOLUMNE RIVER PRESERVATION TRUST

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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, 2015, 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.

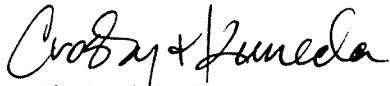
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015, 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, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountants

Oakland, California

September 28, 2016

TUOLUMNE RIVER PRESERVATION TRUST

Statement of Financial Position December 31, 2015 (With Comparative Totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 509,899	\$ 197,141
Grants and accounts receivable	182,866	111,055
Prepaid expenses	4,029	6,797
Total current assets	<u>696,794</u>	<u>314,993</u>
Deposit	<u>3,325</u>	<u>3,325</u>
Total Assets	<u>\$ 700,119</u>	<u>\$ 318,318</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 107,942	\$ 68,601
Accrued vacation	16,384	15,280
Total Liabilities	<u>124,326</u>	<u>83,881</u>
Commitment and Contingencies (Notes 3 and 4)		
Net Assets		
Unrestricted		
Undesignated	121,198	115,766
Board designated - reserves	75,000	-
Total unrestricted	<u>196,198</u>	<u>115,766</u>
Temporarily restricted (Note 5)	<u>379,595</u>	<u>118,671</u>
Total Net Assets	<u>575,793</u>	<u>234,437</u>
Total Liabilities and Net Assets	<u>\$ 700,119</u>	<u>\$ 318,318</u>

See Notes to the Financial Statements

TUOLUMNE RIVER PRESERVATION TRUST

**Statement of Activities
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

	Unrestricted	Temporarily Restricted	Total	
			2015	2014
Support and Revenue				
Foundation grants	\$ 43,141	\$ 564,990	\$ 608,131	\$ 206,672
Government grants	329,438		329,438	139,843
Donations	282,417	16,780	299,197	253,132
Special event, net (Note 6)	55,719		55,719	39,599
In-kind contributions (Note 7)			-	433,293
Other			-	213
Net assets released from donor restrictions (Note 5)	320,846	(320,846)	-	-
Total Support and Revenue	<u>1,031,561</u>	<u>260,924</u>	<u>1,292,485</u>	<u>1,072,752</u>
Expenses				
Program	705,533		705,533	1,078,896
Management and general	113,935		113,935	88,219
Fundraising	131,661		131,661	110,675
Total Expenses	<u>951,129</u>	<u>-</u>	<u>951,129</u>	<u>1,277,790</u>
Change in Net Assets	80,432	260,924	341,356	(205,038)
Net Assets, beginning of year	<u>115,766</u>	<u>118,671</u>	<u>234,437</u>	<u>439,475</u>
Net Assets, end of year	<u>\$ 196,198</u>	<u>\$ 379,595</u>	<u>\$ 575,793</u>	<u>\$ 234,437</u>

See Notes to the Financial Statements

TUOLUMNE RIVER PRESERVATION TRUST

Statement of Cash Flows For the Year Ended December 31, 2015 (With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 341,356	\$ (205,038)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Grants and accounts receivable	(71,811)	97,294
Prepaid expenses	2,768	1,183
Deposits	-	3,242
Accounts payable and accrued expenses	39,341	57,322
Accrued vacation	1,104	(499)
Deferred revenue	-	(2,500)
Net cash provided (used) by operating activities	<u>312,758</u>	<u>(48,996)</u>
Net change in cash	312,758	(48,996)
Cash and cash equivalents, beginning of year	<u>197,141</u>	<u>246,137</u>
Cash and cash equivalents, end of year	<u>\$ 509,899</u>	<u>\$ 197,141</u>

See Notes to the Financial Statements

TUOLUMNE RIVER PRESERVATION TRUST

**Statement of Functional Expenses
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

	Program		SON	Total Program	Management and general	Fundraising	Total	
	BA	CV					2015	2014
Salaries	\$ 152,348	\$ 129,399	\$ 62,219	\$ 343,966	\$ 28,929	\$ 66,162	\$ 439,057	\$ 383,968
Pension contributions	2,279		1,602	3,881	1,058	240	5,179	-
Other employee benefits	18,553	15,373	7,421	41,347	3,711	7,711	52,769	34,937
Payroll taxes	12,972	10,748	5,189	28,909	2,594	5,559	37,062	32,850
Total Personnel	186,152	155,520	76,431	418,103	36,292	79,672	534,067	451,755
Accounting				-	59,629	-	59,629	53,417
Professional services	15,926	104,670	51,439	172,035	923	1,791	174,749	171,816
Supplies	2,003	10,788	3,363	16,154	6,063	2,416	24,633	28,405
Telephone	4,106	3,402	1,642	9,150	821	1,760	11,731	13,111
Postage	294		35	329	655	5,274	6,258	5,487
Occupancy	23,170	8,647	6,036	37,853	980	-	38,833	36,729
Printing and outreach	837	467	223	1,527	98	32,991	34,616	21,089
Travel	14,646	12,495	9,581	36,722	4,177	2,770	43,669	33,708
Insurance	3,054	3,672	1,868	8,594	2,059	1,190	11,843	8,246
In-kind goods and services				-	-	-	-	433,293
Other	546	1,782	2,738	5,066	2,238	3,797	11,101	20,734
Total Expenses	\$ 250,734	\$ 301,443	\$ 153,356	\$ 705,533	\$ 113,935	\$ 131,661	\$ 951,129	\$ 1,277,790

See Notes to the Financial Statements

TUOLUMNE RIVER PRESERVATION TRUST

Notes to the Financial Statements For the Year Ended December 31, 2015 (With Comparative Totals for the Year Ended December 31, 2014)

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 whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of December 31, 2015.

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

TUOLUMNE RIVER PRESERVATION TRUST

Notes to the Financial Statements For the Year Ended December 31, 2015 (With Comparative Totals for the Year Ended December 31, 2014)

they become unconditional; that is when the conditions on which they depend are 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, 2015. 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, 2015 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.

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, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

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

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. 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, 2015.

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

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$1,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. The Organization had no remaining property and equipment that met this capitalization policy as of December 31, 2015.

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.

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, 2014, from which the summarized information was derived.

TUOLUMNE RIVER PRESERVATION TRUST

**Notes to the Financial Statements
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

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 28, 2016 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: COMMITMENT

Operating Lease

The Organization is party to a lease for office space in San Francisco, California which expires in June 2017. The following is a schedule of future minimum payments required under the lease as of December 31:

2016	\$ 26,520
2017	<u>13,260</u>
Total	<u>\$ 39,780</u>

The lease includes provisions for early termination subject to a 90-day notice period. Rent for the years ended December 31, 2015 and 2014 was \$37,523 and \$36,290, respectively.

NOTE 4: 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.

Conservation Easements

As of December 31, 2015 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.

TUOLUMNE RIVER PRESERVATION TRUST

**Notes to the Financial Statements
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Sierra Nevada Program	\$ 39,893	\$ 22,823
Central Valley Program	197,937	17,000
San Francisco Bay Area Program	<u>141,765</u>	<u>78,848</u>
Total	<u>\$ 379,595</u>	<u>\$ 118,671</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>2015</u>	<u>2014</u>
Sierra Nevada Program	\$ 28,430	\$ 94,495
Central Valley Program	69,333	198,220
San Francisco Bay Area Program	<u>223,083</u>	<u>202,988</u>
Total	<u>\$ 320,846</u>	<u>\$ 495,703</u>

NOTE 6: 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:

	<u>2015</u>	<u>2014</u>
Admissions	\$ 16,650	\$ 12,690
Donations and sponsorships	51,693	36,308
Less: cost of direct donor benefit	<u>(12,624)</u>	<u>(9,399)</u>
Total	<u>\$ 55,719</u>	<u>\$ 39,599</u>

NOTE 7: IN-KIND CONTRIBUTIONS

In-kind contributions during the year ended December 31, 2014 consisted of approximately 795 hours of service valued at \$526 per hour related to the appeal of a regulatory ruling with a total value of \$418,633 and \$14,660 in other in-kind support.

There were no comparable donated items during the year ended December 31, 2015.

NOTE 8: 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, 2015 were from government funders.

TUOLUMNE RIVER PRESERVATION TRUST

**Notes to the Financial Statements
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)**

NOTE 9: 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 \$5,179 for the year ended December 31, 2015.