

**SOUTHWEST RESEARCH AND INFORMATION CENTER**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2015 and 2014

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**Southwest Research and Information Center**  
Albuquerque, New Mexico

We have audited the accompanying financial statements of Southwest Research and Information Center (a nonprofit organization) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 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 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 Southwest Research and Information Center as of December 31, 2015 and 2014, 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.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of temporarily restricted net asset activity on page 14 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*BPWC, LLC*

**BPWC, LLC**  
Albuquerque, New Mexico

July 25, 2016

**Southwest Research and Information Center**

Statements of Financial Position

December 31, 2015 and 2014

|                                         | <u>2015</u>       | <u>2014</u>       |
|-----------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                           |                   |                   |
| Cash and cash equivalents               | \$ 482,834        | \$ 420,983        |
| Accounts receivable                     | 61,089            | 27,001            |
| Prepaid expenses                        | 5,553             | 2,899             |
| Investments                             | 55,454            | 55,759            |
| Property and equipment                  | 86,392            | 91,910            |
| Land                                    | 55,846            | 55,846            |
| Endowment investments                   | 33,226            | 34,521            |
|                                         | <u>780,394</u>    | <u>688,919</u>    |
| <b>TOTAL ASSETS</b>                     | <u>\$ 780,394</u> | <u>\$ 688,919</u> |
| <b>LIABILITIES AND NET ASSETS</b>       |                   |                   |
| <b>LIABILITIES</b>                      |                   |                   |
| Accounts payable                        | \$ 7,742          | \$ 15,557         |
| Accrued liabilities                     | 53,635            | 9,989             |
| Accrued payroll and taxes               | 21,052            | 2,073             |
|                                         | <u>82,429</u>     | <u>27,619</u>     |
| <b>TOTAL LIABILITIES</b>                | <u>82,429</u>     | <u>27,619</u>     |
| <b>NET ASSETS</b>                       |                   |                   |
| Unrestricted                            | 426,992           | 327,359           |
| Temporarily restricted                  | 243,973           | 306,941           |
| Permanently restricted                  | 27,000            | 27,000            |
|                                         | <u>697,965</u>    | <u>661,300</u>    |
| <b>TOTAL NET ASSETS</b>                 | <u>697,965</u>    | <u>661,300</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u>\$ 780,394</u> | <u>\$ 688,919</u> |

See accompanying notes to financial statements.

**Southwest Research and Information Center**

Statement of Activities

Year Ended December 31, 2015

|                                         | <u>Unrestricted</u>      | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>             |
|-----------------------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------|
| <b>Revenues and other support</b>       |                          |                                   |                                   |                          |
| Grants                                  | \$ 421,171               | \$ 537,771                        | \$ -                              | \$ 958,942               |
| Donations                               | 154,490                  | 198,736                           | -                                 | 353,226                  |
| Administrative fees                     | 104,770                  | -                                 | -                                 | 104,770                  |
| Special events                          | -                        | 33,983                            | -                                 | 33,983                   |
| Consulting fees                         | 24,531                   | -                                 | -                                 | 24,531                   |
| Rent and publications                   | 1,388                    | -                                 | -                                 | 1,388                    |
| Investment loss                         | (1,354)                  | -                                 | -                                 | (1,354)                  |
| Release from restriction                | <u>833,458</u>           | <u>(833,458)</u>                  | <u>-</u>                          | <u>-</u>                 |
| <b>Total revenues and other support</b> | <b>1,538,454</b>         | <b>(62,968)</b>                   | <b>-</b>                          | <b>1,475,486</b>         |
| <b>Expenses</b>                         |                          |                                   |                                   |                          |
| <b>Program services</b>                 |                          |                                   |                                   |                          |
| Other Programs                          | 624,200                  | -                                 | -                                 | 624,200                  |
| Uranium Impact Assessment               | 338,200                  | -                                 | -                                 | 338,200                  |
| Nuclear Waste                           | 198,393                  | -                                 | -                                 | 198,393                  |
| Coalition for Clean Affordable Energy   | 75,910                   | -                                 | -                                 | 75,910                   |
| Energy and Natural Resources            | 76,154                   | -                                 | -                                 | 76,154                   |
| Special Events                          | <u>13,932</u>            | <u>-</u>                          | <u>-</u>                          | <u>13,932</u>            |
| <b>Total program services</b>           | <b>1,326,789</b>         | <b>-</b>                          | <b>-</b>                          | <b>1,326,789</b>         |
| <b>Management and general</b>           | <u>112,032</u>           | <u>-</u>                          | <u>-</u>                          | <u>112,032</u>           |
| <b>Total expenses</b>                   | <u>1,438,821</u>         | <u>-</u>                          | <u>-</u>                          | <u>1,438,821</u>         |
| <b>Change in net assets</b>             | 99,633                   | (62,968)                          | -                                 | 36,665                   |
| <b>Net assets, beginning of year</b>    | <u>327,359</u>           | <u>306,941</u>                    | <u>27,000</u>                     | <u>661,300</u>           |
| <b>Net assets, end of year</b>          | <u><u>\$ 426,992</u></u> | <u><u>\$ 243,973</u></u>          | <u><u>\$ 27,000</u></u>           | <u><u>\$ 697,965</u></u> |

See accompanying notes to financial statements.

**Southwest Research and Information Center**

Statement of Activities

Year Ended December 31, 2014

|                                       | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>      |
|---------------------------------------|---------------------|-----------------------------------|-----------------------------------|-------------------|
| <b>Revenues and other support</b>     |                     |                                   |                                   |                   |
| Grants                                | \$ 373,990          | \$ 644,892                        | \$ -                              | \$ 1,018,882      |
| Donations                             | 120,211             | 157,523                           | -                                 | 277,734           |
| Administrative fees                   | 75,953              | -                                 | -                                 | 75,953            |
| Special events                        | -                   | 37,757                            | -                                 | 37,757            |
| Consulting fees                       | 20,925              | -                                 | -                                 | 20,925            |
| Rent and publications                 | 3,715               | -                                 | -                                 | 3,715             |
| Investment income                     | 297                 | -                                 | -                                 | 297               |
| Release from restriction              | 692,147             | (692,147)                         | -                                 | -                 |
|                                       | <hr/>               | <hr/>                             | <hr/>                             | <hr/>             |
| Total revenues and other support      | 1,287,238           | 148,025                           | -                                 | 1,435,263         |
| <b>Expenses</b>                       |                     |                                   |                                   |                   |
| Program services                      |                     |                                   |                                   |                   |
| Other Programs                        | 475,311             | -                                 | -                                 | 475,311           |
| Uranium Impact Assessment             | 287,213             | -                                 | -                                 | 287,213           |
| Nuclear Waste                         | 197,032             | -                                 | -                                 | 197,032           |
| Coalition for Clean Affordable Energy | 77,313              | -                                 | -                                 | 77,313            |
| Energy and Natural Resources          | 73,983              | -                                 | -                                 | 73,983            |
| Special Events                        | 26,404              | -                                 | -                                 | 26,404            |
|                                       | <hr/>               | <hr/>                             | <hr/>                             | <hr/>             |
| Total program services                | 1,137,256           | -                                 | -                                 | 1,137,256         |
| Management and general                | 94,786              | -                                 | -                                 | 94,786            |
|                                       | <hr/>               | <hr/>                             | <hr/>                             | <hr/>             |
| Total expenses                        | 1,232,042           | -                                 | -                                 | 1,232,042         |
|                                       | <hr/>               | <hr/>                             | <hr/>                             | <hr/>             |
| Change in net assets                  | 55,196              | 148,025                           | -                                 | 203,221           |
| Net assets, beginning of year         | 272,163             | 158,916                           | 27,000                            | 458,079           |
|                                       | <hr/>               | <hr/>                             | <hr/>                             | <hr/>             |
| Net assets, end of year               | <u>\$ 327,359</u>   | <u>\$ 306,941</u>                 | <u>\$ 27,000</u>                  | <u>\$ 661,300</u> |

See accompanying notes to financial statements.

**Southwest Research and Information Center**

Statements of Cash Flows

Years Ended December 31, 2015 and 2014

|                                                                                               | <u>2015</u>       | <u>2014</u>       |
|-----------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>                                                   |                   |                   |
| Change in net assets                                                                          | \$ 36,665         | \$ 203,221        |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities |                   |                   |
| Depreciation                                                                                  | 6,264             | 7,257             |
| Net investment loss                                                                           | 1,741             | 20                |
| Changes in operating assets and liabilities:                                                  |                   |                   |
| Accounts receivable                                                                           | (34,088)          | 95,214            |
| Prepaid expenses                                                                              | (2,654)           | 1,032             |
| Accounts payable                                                                              | (7,815)           | (5,668)           |
| Accrued liabilities                                                                           | 43,646            | (21,958)          |
| Accrued payroll and taxes                                                                     | 18,979            | (4,629)           |
| Cash provided by operating activities                                                         | <u>62,738</u>     | <u>274,489</u>    |
| <br><b>Cash flows from investing activities</b>                                               |                   |                   |
| Purchase of property and equipment                                                            | (746)             | (1,677)           |
| Reinvested interest income                                                                    | (141)             | (131)             |
| Cash used by investing activities                                                             | <u>(887)</u>      | <u>(1,808)</u>    |
| <br>Change in cash and cash equivalents                                                       | 61,851            | 272,681           |
| <br>Cash and cash equivalents, beginning of year                                              | <u>420,983</u>    | <u>148,302</u>    |
| <br>Cash and cash equivalents, end of year                                                    | <u>\$ 482,834</u> | <u>\$ 420,983</u> |

See accompanying notes to financial statements.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE A – NATURE OF ACTIVITIES**

Southwest Research and Information Center (SRIC) is a multi-cultural organization working to promote the health of people and communities, protect natural resources, ensure citizen participation, and secure environmental and social justice now and for future generations. SRIC was founded in 1971 for the purpose of providing information to the public on the effects of energy development and resource exploitation on the people and their cultures, lands, water and air of New Mexico and the Southwest. SRIC provides various services – technical assistance, networking, public information, policy analysis, environmental analysis, and skills development. These services are integrated in their programs which include Uranium Impact Assessment Program, Energy and Natural Resources, Environmental Information and Education, and Nuclear Waste.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Date of Management Review

SRIC has evaluated subsequent events through July 25, 2016, which is the date the financial statements were available to be issued, to determine whether such events should be recorded or disclosed in these financial statements. Management believes that no material subsequent events have arisen that would require additional disclosure or accrual.

Financial Statement Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). SRIC 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.

Revenues and Other Support

SRIC generates its revenue and support through a variety of sources. Sources of support include grants and gifts from individuals, institutions and foundations. SRIC also generates revenue through consulting and administrative fees.

SRIC reports contributions received as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (i.e., 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 donor restrictions.

Donated materials and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. SRIC did not receive any non-cash donations in 2015 and 2014.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donated services are recognized as contributions if the donated services create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing those skills, and would otherwise be purchased by SRIC. SRIC recognized \$54,746 in 2015 and \$52,646 in 2014 for donated services. Many other individuals have donated time and services to the Organization. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under GAAP.

Cash and Cash Equivalents

SRIC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are for professional services, reimbursable expenses and grants receivable. Accounts receivable are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to bad debt expense. SRIC considers all receivables over 90 days to be past due. There were no receivables over 90 days past due at December 31, 2015 and 2014. There was no bad debt expense in 2015 or 2014.

Investments

Investments consisting of certificates of deposit and corporate stocks are reported at fair values based on quoted prices in active markets (all Level 1 measurements) in the statements of financial position. Investment gains and losses are included in the statements of activities.

Endowment Investments

SRIC's endowment funds are held by the New Mexico Community Foundation as part of its pooled investments (all Level 2 measurements). The corpus is included in permanently restricted net assets, and the net investment income is included in unrestricted net assets.

Property and Equipment

Purchased property and equipment are stated at cost. Donated property and equipment that are to be used by SRIC are capitalized at their fair value on the date of gift. Depreciation is computed using the straight-line method over estimated useful lives of two to forty-five years. All acquisitions of property and equipment in excess of \$500 and with an estimated life greater than two years are capitalized.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized by function based on evaluation of the related benefit by management. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Presentation of Sales Tax

The State of New Mexico imposes a gross receipts tax on consulting engagements. SRIC collects the tax and remits the entire amount to the State. SRIC's accounting policy is to exclude the tax collected for the State from revenue and expenses.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Advertising

SRIC expenses advertising costs as incurred. Advertising expense was \$1,774 and \$3,342 in 2015 and 2014, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures. Accordingly, actual results could differ from those estimates.

One material estimate that is particularly susceptible to significant change relates to the determination of the investment valuation. Management uses available information to determine the investment valuation, however, further reductions in the carrying amounts may be necessary based on changes in market and economic conditions. Because of these factors, it is reasonably possible that the investments may change materially in the near term.

Income Taxes

SRIC qualifies as a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes has been included in the financial statements. SRIC was initially deemed a public charity organization under Section 509(a)(2) during its determination process. Currently, SRIC annually qualifies as a public charity organization under Section 509(a)(1).

SRIC's income tax filings are subject to audit by various taxing authorities. SRIC's open audit periods are 2012 to 2015. SRIC believes it has appropriate support for any tax position taken and as such, SRIC has not recognized any changes to the financial statements for uncertain tax positions.

**NOTE C – ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2015 and 2014 consist of the following:

|                   | <u>2015</u>      | <u>2014</u>      |
|-------------------|------------------|------------------|
| Grants receivable | \$ 42,036        | \$ 25,512        |
| Other receivables | 14,153           | 1,489            |
| Consulting fees   | 4,900            | -                |
|                   | <u>\$ 61,089</u> | <u>\$ 27,001</u> |

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE D – INVESTMENTS**

The following summarizes the investment income for the years ended December 31, 2015 and 2014 in the Statement of Activities which includes (loss) income from investments and the endowment funds.

|                                         | 2015       | 2014   |
|-----------------------------------------|------------|--------|
| Interest and dividend income            | \$ 387     | \$ 316 |
| Net realized and unrealized (loss) gain | (446)      | 102    |
| Endowment investment (loss) gain        | (795)      | 754    |
|                                         | (854)      | 1,172  |
| Less investment fees                    | (500)      | (875)  |
| Net investment (loss) income            | \$ (1,354) | \$ 297 |

**NOTE E – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2015 and 2014 consist of:

|                                   | 2015       | 2014       |
|-----------------------------------|------------|------------|
| Building and land                 | \$ 142,500 | \$ 142,500 |
| Furniture, fixtures and equipment | 95,924     | 108,027    |
| Library                           | 12,379     | 12,379     |
|                                   | 250,803    | 262,906    |
| Less accumulated depreciation     | 164,411    | 170,996    |
|                                   | \$ 86,392  | \$ 91,910  |

Depreciation expense was \$6,264 and \$7,257 for the years ended December 31, 2015 and 2014, respectively.

**NOTE F – FAIR VALUE MEASUREMENTS**

GAAP has a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of observable inputs other than quoted prices for identical assets, and have the lowest priority. SRIC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. There were no changes in the valuation techniques during 2015 or 2014. When available, SRIC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. SRIC had no level 3 inputs at December 31, 2015 and 2014.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE F – FAIR VALUE MEASUREMENTS (continued)**

The following table sets forth, by level within the fair value hierarchy, the fair value measurements in the accompanying statements of financial position.

| <u>December 31, 2015</u> | Fair Value       | (Level 1)        | (Level 2)        |
|--------------------------|------------------|------------------|------------------|
| Certificates of deposit  | \$ 52,165        | \$ 52,165        | \$ -             |
| Corporate securities     | 3,289            | 3,289            | -                |
| Endowment funds          | 33,226           | -                | 33,226           |
|                          | <u>\$ 88,680</u> | <u>\$ 55,454</u> | <u>\$ 33,226</u> |
| <br>                     |                  |                  |                  |
| <u>December 31, 2014</u> |                  |                  |                  |
| Certificates of deposit  | \$ 52,024        | \$ 52,024        | \$ -             |
| Corporate securities     | 3,735            | 3,735            | -                |
| Endowment funds          | 34,521           | -                | 34,521           |
|                          | <u>\$ 90,280</u> | <u>\$ 55,759</u> | <u>\$ 34,521</u> |

Level 1 Fair Value Measurements

The fair value of certificates of deposit and corporate securities is based on quoted net asset values of the shares held by SRIC at year-end.

Level 2 Fair Value Measurements

Endowment fund investments use market prices on similar assets in active markets and inputs that are observed or corroborated primarily from observable market data through correlation or other appropriate methods.

**NOTE G – ENDOWMENT FUND INVESTMENTS AND SPENDING POLICY**

SRIC's endowment funds are held by the New Mexico Community Foundation as a part of its pooled investments. Variance power has been granted to the New Mexico Community Foundation. These assets will be returned to SRIC if the New Mexico Community Foundation ceases to be a charitable organization. These investments are stated at fair market value.

Annual distributions can be made pursuant to the current New Mexico Community Foundation policy. Current policy states that distributions will be based on an annually approved draw percentage of the average twelve quarters' fund balance if requested by SRIC. In no circumstance will a distribution be made if such distribution would cause the value of the fund to decrease below its original book value. There were no distributions for 2015 or 2014.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE G – ENDOWMENT FUND INVESTMENTS AND SPENDING POLICY (continued)**

Endowment net asset composition by type of fund at December 31, 2015 and 2014 is as follows:

| <u>December 31, 2015</u>         | <u>Unrestricted</u> | <u>Permanently<br/>Restricted</u> |
|----------------------------------|---------------------|-----------------------------------|
| Donor-restricted endowment funds | \$ -                | \$ 27,000                         |
| Unrestricted funds               | 6,226               | -                                 |
| Total funds                      | <u>\$ 6,226</u>     | <u>\$ 27,000</u>                  |

  

| <u>December 31, 2014</u>         | <u>Unrestricted</u> | <u>Permanently<br/>Restricted</u> |
|----------------------------------|---------------------|-----------------------------------|
| Donor-restricted endowment funds | \$ -                | \$ 27,000                         |
| Unrestricted funds               | 7,521               | -                                 |
| Total funds                      | <u>\$ 7,521</u>     | <u>\$ 27,000</u>                  |

Changes in endowment net assets for years ended December 31, 2015 and 2014 are as follows:

| <u>December 31, 2015</u>                | <u>Unrestricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total<br/>Endowment</u> |
|-----------------------------------------|---------------------|-----------------------------------|----------------------------|
| Endowment net assets, beginning of year | \$ 7,521            | \$ 27,000                         | \$ 34,521                  |
| Investment loss                         | (795)               | -                                 | (795)                      |
| Investment fees                         | (500)               | -                                 | (500)                      |
| Endowment net assets, end of year       | <u>\$ 6,226</u>     | <u>\$ 27,000</u>                  | <u>\$ 33,226</u>           |

  

| <u>December 31, 2014</u>                | <u>Unrestricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total<br/>Endowment</u> |
|-----------------------------------------|---------------------|-----------------------------------|----------------------------|
| Endowment net assets, beginning of year | \$ 7,642            | \$ 27,000                         | \$ 34,642                  |
| Investment income                       | 754                 | -                                 | 754                        |
| Investment fees                         | (875)               | -                                 | (875)                      |
| Endowment net assets, end of year       | <u>\$ 7,521</u>     | <u>\$ 27,000</u>                  | <u>\$ 34,521</u>           |

**NOTE H – LAND (VALLECITOS)**

A donation of land and building in Vallecitos, New Mexico, was received and accepted by SRIC in July 1992. It is SRIC's intention that the property be used for educational and community development purposes. The Board of Directors expects that in the future the property will be donated or sold to a qualified entity to be used for those same purposes.

**Southwest Research and Information Center**  
Notes to Financial Statements  
December 31, 2015 and 2014

**NOTE I – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets classified by purpose at December 31, 2015 and 2014 consist of the following:

|               | 2015       | 2014       |
|---------------|------------|------------|
| Education     | \$ 81,538  | \$ 80,251  |
| Health Policy | 80,461     | 31,012     |
| Environment   | 53,872     | 110,065    |
| Energy        | 28,102     | 85,613     |
|               | \$ 243,973 | \$ 306,941 |

Net assets were released from donor restrictions for the years ended December 31, 2015 and 2014 by incurring expenses satisfying the purpose or time restrictions specified as follows:

|               | 2015       | 2014       |
|---------------|------------|------------|
| Education     | \$ 123,774 | \$ 97,633  |
| Health Policy | 169,844    | 77,313     |
| Environment   | 463,930    | 355,004    |
| Energy        | 75,910     | 162,197    |
|               | \$ 833,458 | \$ 692,147 |

**NOTE J – PROFIT SHARING PLAN**

SRIC has a single employer profit sharing plan that covers all eligible employees. Employees are eligible for participation after five years of service. The Board of Directors determines the discretionary contribution amount based on the past year's activity. Pension plan expenses were \$36,000 and \$0 in 2015 and 2014, respectively. All eligible employees receive an equal amount of the total profit sharing contribution.

**NOTE K – CONCENTRATIONS OF CREDIT RISK**

Three donors and agencies contributed thirty-nine percent (39%) of SRIC's revenue in 2015, and four donors and agencies contributed forty-two percent (42%) of SRIC's revenue in 2014. A decrease in funding from these organizations might affect SRIC's operations.

Financial instruments that potentially subject SRIC to concentration consist principally of cash and accounts receivable. SRIC occasionally maintains cash balances in excess of the balance insured by the Federal Deposit Insurance Corporation.

## SUPPLEMENTARY INFORMATION

Southwest Research and Information Center  
Schedule 1 - Temporarily Restricted Net Asset Activity  
Year Ended December 31, 2015

|                                                         | Coalition<br>for Clean<br>Affordable<br>Energy | Community<br>Involvement<br>Fund | Forest<br>Service<br>Internationa | Gynecological<br>Cancer<br>Awareness | Hammer<br>Archives | Health<br>Security<br>Campaign | H.O.P.E.      | Hillsboro<br>Litigation | Las<br>Cruces<br>Media | MASE          | NMCA<br>AmeriCorps | NMCA<br>Operations | NM<br>Resiliency<br>Alliance | Nuclear<br>Watch | Russia<br>Peer-to-Peer | Trust for<br>Mutual<br>Understanding | Miscellaneous | Total          |
|---------------------------------------------------------|------------------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|--------------------|--------------------------------|---------------|-------------------------|------------------------|---------------|--------------------|--------------------|------------------------------|------------------|------------------------|--------------------------------------|---------------|----------------|
| <b>REVENUE</b>                                          |                                                |                                  |                                   |                                      |                    |                                |               |                         |                        |               |                    |                    |                              |                  |                        |                                      |               |                |
| Grants                                                  | \$ 70,000                                      | \$ -                             | \$ 22,666                         | \$ 20,000                            | \$ 1,500           | \$ 6,000                       | \$ 10,350     | \$ -                    | \$ -                   | \$ 71,750     | \$ 6,750           | \$ 42,000          | \$ 75,000                    | \$ 117,000       | \$ 59,755              | \$ 35,000                            | \$ -          | \$ 537,771     |
| Donations                                               | 3,000                                          | -                                | -                                 | 32,336                               | 14,846             | 5,381                          | 1,000         | 3,145                   | -                      | 10            | 22,250             | 82,311             | 12,019                       | 22,438           | -                      | -                                    | -             | 198,736        |
| Special Events                                          | -                                              | -                                | -                                 | 33,713                               | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | -                            | 270              | -                      | -                                    | -             | 33,983         |
| <b>Total revenue</b>                                    | <b>73,000</b>                                  | <b>-</b>                         | <b>22,666</b>                     | <b>86,049</b>                        | <b>16,346</b>      | <b>11,381</b>                  | <b>11,350</b> | <b>3,145</b>            | <b>-</b>               | <b>71,760</b> | <b>29,000</b>      | <b>124,311</b>     | <b>87,019</b>                | <b>139,708</b>   | <b>59,755</b>          | <b>35,000</b>                        | <b>-</b>      | <b>770,490</b> |
| <b>EXPENSES</b>                                         |                                                |                                  |                                   |                                      |                    |                                |               |                         |                        |               |                    |                    |                              |                  |                        |                                      |               |                |
| Administrative fees                                     | 3,650                                          | 9,460                            | 17,098                            | 5,163                                | 1,249              | 654                            | 568           | 187                     | -                      | 6,788         | 1,740              | 7,459              | 5,221                        | 7,235            | 28,168                 | 6,997                                | 175           | 101,812        |
| Board expenses                                          | -                                              | -                                | -                                 | -                                    | -                  | -                              | -             | -                       | -                      | -             | -                  | 256                | -                            | -                | -                      | -                                    | -             | 256            |
| Charges and interest                                    | -                                              | -                                | -                                 | 11,757                               | -                  | -                              | -             | -                       | -                      | 1,435         | 822                | 6,242              | 145                          | 3,313            | -                      | 360                                  | -             | 24,074         |
| Equipment maintenance                                   | -                                              | -                                | -                                 | 300                                  | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | -                            | -                | -                      | -                                    | -             | 300            |
| Grants                                                  | -                                              | -                                | -                                 | 16,385                               | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | 81,573                       | -                | -                      | -                                    | -             | 97,958         |
| Insurance                                               | -                                              | -                                | -                                 | -                                    | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | -                            | 1,036            | -                      | -                                    | -             | 1,036          |
| Library                                                 | -                                              | -                                | -                                 | -                                    | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | -                            | 185              | -                      | -                                    | -             | 185            |
| Miscellaneous                                           | 4,834                                          | -                                | -                                 | -                                    | -                  | -                              | -             | 125                     | -                      | -             | 1,404              | 2,886              | -                            | 6,713            | -                      | -                                    | -             | 15,962         |
| Occupancy                                               | -                                              | -                                | -                                 | 10,878                               | -                  | -                              | -             | -                       | -                      | 325           | -                  | 100                | -                            | 2,400            | 2,150                  | -                                    | -             | 15,853         |
| Office supplies                                         | 756                                            | -                                | -                                 | 11,031                               | 306                | 10                             | 1,200         | -                       | 50                     | 4,823         | 4,706              | 39,861             | 5,022                        | 2,424            | 1,550                  | 54                                   | -             | 71,793         |
| Postage                                                 | 70                                             | -                                | -                                 | 1,671                                | 350                | -                              | -             | -                       | -                      | 64            | 103                | 685                | 98                           | 301              | 155                    | -                                    | -             | 3,497          |
| Professional fees                                       | 66,600                                         | -                                | -                                 | 23,459                               | 13,206             | 10,457                         | 3,500         | 2,000                   | 300                    | 60,953        | 21,600             | 48,800             | 325                          | 117,064          | 18,600                 | -                                    | -             | 386,864        |
| Promotion                                               | -                                              | -                                | -                                 | 748                                  | -                  | -                              | -             | -                       | -                      | -             | -                  | -                  | -                            | 1,079            | -                      | -                                    | -             | 1,827          |
| Printing and copying                                    | -                                              | -                                | -                                 | 110                                  | 1,215              | 260                            | -             | -                       | -                      | 1,217         | -                  | 134                | -                            | 309              | -                      | -                                    | -             | 3,245          |
| Telephone                                               | -                                              | -                                | -                                 | 949                                  | -                  | -                              | 2,070         | -                       | 40                     | 282           | 1,244              | 2,455              | -                            | 2,060            | 80                     | -                                    | -             | 9,180          |
| Travel                                                  | -                                              | 6,540                            | 5,568                             | 394                                  | -                  | -                              | -             | -                       | 1,550                  | 9,398         | 5,686              | 12,280             | 1,200                        | 6,110            | 23,301                 | 27,589                               | -             | 99,616         |
| <b>TOTAL EXPENSES</b>                                   | <b>75,910</b>                                  | <b>16,000</b>                    | <b>22,666</b>                     | <b>82,845</b>                        | <b>16,326</b>      | <b>11,381</b>                  | <b>7,338</b>  | <b>2,312</b>            | <b>1,940</b>           | <b>85,285</b> | <b>37,305</b>      | <b>121,158</b>     | <b>93,584</b>                | <b>150,229</b>   | <b>74,004</b>          | <b>35,000</b>                        | <b>175</b>    | <b>833,458</b> |
| Change in net assets                                    | (2,910)                                        | (16,000)                         | -                                 | 3,204                                | 20                 | -                              | 4,012         | 833                     | (1,940)                | (13,525)      | (8,305)            | 3,153              | (6,565)                      | (10,521)         | (14,249)               | -                                    | (175)         | (62,968)       |
| Temporarily restricted net assets,<br>beginning of year | 31,012                                         | 16,000                           | -                                 | 78,304                               | 7                  | -                              | 1,224         | -                       | 1,940                  | 39,737        | 24,299             | 61,314             | 6,565                        | 28,793           | 14,249                 | -                                    | 3,497         | 306,941        |
| Temporarily restricted net assets,<br>end of year       | \$ 28,102                                      | \$ -                             | \$ -                              | \$ 81,508                            | \$ 27              | \$ -                           | \$ 5,236      | \$ 833                  | \$ -                   | \$ 26,212     | \$ 15,994          | \$ 64,467          | \$ -                         | \$ 18,272        | \$ -                   | \$ -                                 | \$ 3,322      | \$ 243,973     |