



WESTERN RESOURCE
ADVOCATES

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

**Combined Financial Statements
and
Independent Auditors' Report
December 31, 2014 and 2013**

EKS&H

AUDIT | TAX | CONSULTING

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

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of Western Resource Advocates and Environmental Center of the Rockies (the "Organization"), which are comprised of the combined statements of financial position as of December 31, 2014 and 2013, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE COMBINED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Western Resource Advocates and Environmental Center of the Rockies as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

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

EKS&H LLLP

EKS&H LLLP

May 4, 2015
Denver, Colorado

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

Combined Statements of Financial Position

	December 31,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 3,925,428	\$ 3,469,894
Accounts receivable	6,160	4,914
Grants receivable, current portion	803,809	1,283,790
Prepaid expenses	50,928	37,475
Total current assets	4,786,325	4,796,073
Non-current assets		
Property and equipment, net	1,069,184	1,120,245
Investments (Note 8)	724,567	674,946
Grants receivable, less current portion	-	390,428
Total non-current assets	1,793,751	2,185,619
Total assets	\$ 6,580,076	\$ 6,981,692
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 111,126	\$ 83,098
Accrued liabilities	74,731	98,702
Pass-through grants	103,200	52,357
Note payable, current portion	39,199	37,622
Total current liabilities	328,256	271,779
Note payable, net of current portion	560,710	610,176
Total liabilities	888,966	881,955
Commitments		
Net assets		
Unrestricted		
Board-designated endowment (Note 8)	543,564	506,339
Undesignated	2,427,299	2,420,413
Total unrestricted net assets	2,970,863	2,926,752
Temporarily restricted		
Temporarily restricted - purpose restrictions	2,539,244	3,004,378
Temporarily restricted quasi-endowment (Note 8)	181,003	168,607
Total temporarily restricted	2,720,247	3,172,985
Total net assets	5,691,110	6,099,737
Total liabilities and net assets	\$ 6,580,076	\$ 6,981,692

See notes to combined financial statements.

WESTERN RESOURCE ADVOCATES AND ENVIRONMENTAL CENTER OF THE ROCKIES

Combined Statements of Activities

For the Years Ended December 31,

	2014				2013			
	Unrestricted	Temporarily Restricted	Total	Percent of Total	Unrestricted	Temporarily Restricted	Total	Percent of Total
Revenues, gains, and support								
Contributions	\$ 135,340	\$ 368,153	\$ 503,493	13.9 %	\$ 89,712	\$ 345,555	\$ 435,267	9.2 %
Family foundation grants	318,680	155,275	473,955	13.1	265,730	84,350	350,080	7.4
Grants	17,000	2,418,400	2,435,400	67.5	187,464	3,567,524	3,754,988	79.1
Government funding	-	-	-	-	-	8,379	8,379	0.2
Administrative fees	15,000	-	15,000	0.4	30,000	-	30,000	0.6
Investment income	22,479	7,313	29,792	0.8	23,248	3,007	26,255	0.6
Unrealized gain on investments	42,457	5,083	47,540	1.3	46,048	22,471	68,519	1.4
In-kind services or products	4,050	18,491	22,541	0.6	6,453	-	6,453	0.1
Rental income	63,598	-	63,598	1.8	62,560	-	62,560	1.3
Miscellaneous	17,016	1,588	18,604	0.6	3,858	1,676	5,534	0.1
	<u>635,620</u>	<u>2,974,303</u>	<u>3,609,923</u>	<u>100.0</u>	<u>715,073</u>	<u>4,032,962</u>	<u>4,748,035</u>	<u>100.0</u>
Net assets released from restrictions	<u>3,427,041</u>	<u>(3,427,041)</u>	<u>-</u>	<u>-</u>	<u>3,218,992</u>	<u>(3,218,992)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and support	<u>4,062,661</u>	<u>(452,738)</u>	<u>3,609,923</u>	<u>100.0 %</u>	<u>3,934,065</u>	<u>813,970</u>	<u>4,748,035</u>	<u>100.0 %</u>
Expenses								
Program services								
Energy	1,361,038	-	1,361,038	33.9 %	1,147,527	-	1,147,527	30.4 %
Lands	281,661	-	281,661	7.0	476,485	-	476,485	12.6
Water	1,376,338	-	1,376,338	34.3	1,130,942	-	1,130,942	29.9
Utah	376,717	-	376,717	9.4	229,910	-	229,910	6.1
Communications	-	-	-	-	163,480	-	163,480	4.3
Total program services	<u>3,395,754</u>	<u>-</u>	<u>3,395,754</u>	<u>84.6</u>	<u>3,148,344</u>	<u>-</u>	<u>3,148,344</u>	<u>83.3</u>
Supporting services								
Fundraising	443,642	-	443,642	11.0	352,601	-	352,601	9.3
General administrative	178,325	-	178,325	4.4	276,283	-	276,283	7.4
Total supporting services	<u>621,967</u>	<u>-</u>	<u>621,967</u>	<u>15.4</u>	<u>628,884</u>	<u>-</u>	<u>628,884</u>	<u>16.7</u>
Total expenses	<u>4,017,721</u>	<u>-</u>	<u>4,017,721</u>	<u>100.0 %</u>	<u>3,777,228</u>	<u>-</u>	<u>3,777,228</u>	<u>100.0 %</u>
Loss on disposal of assets	<u>829</u>	<u>-</u>	<u>829</u>		<u>1,634</u>	<u>-</u>	<u>1,634</u>	
Change in net assets	44,111	(452,738)	(408,627)		155,203	813,970	969,173	
Net assets - beginning of year	<u>2,926,752</u>	<u>3,172,985</u>	<u>6,099,737</u>		<u>2,771,549</u>	<u>2,359,015</u>	<u>5,130,564</u>	
Net assets - end of year	<u>\$ 2,970,863</u>	<u>\$ 2,720,247</u>	<u>\$ 5,691,110</u>		<u>\$ 2,926,752</u>	<u>\$ 3,172,985</u>	<u>\$ 6,099,737</u>	

See notes to combined financial statements.

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

Combined Statements of Cash Flows

	For the Years Ended December 31,	
	2014	2013
Cash flows from operating activities		
Change in net assets	\$ (408,627)	\$ 969,173
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation expense	69,628	72,519
Unrealized gain on investments	(47,540)	(68,519)
Loss on disposal of assets	829	1,634
Changes in assets and liabilities		
Accounts receivable	(1,246)	4,660
Grants receivable	870,409	(1,457,192)
Prepaid expenses	(13,453)	14,721
Accounts payable	28,028	33,199
Accrued liabilities	(23,971)	30,942
Pass-through grants	50,843	(105,000)
	<u>933,527</u>	<u>(1,473,036)</u>
Net cash provided by (used in) operating activities	<u>524,900</u>	<u>(503,863)</u>
Cash flows from investing activities		
Purchases of investments	(2,081)	(33,472)
Purchase of equipment	(19,396)	(10,191)
Net cash used in investing activities	<u>(21,477)</u>	<u>(43,663)</u>
Cash flows from financing activities		
Payments on note payable	(47,889)	(36,424)
Net cash used in financing activities	<u>(47,889)</u>	<u>(36,424)</u>
Net increase (decrease) in cash and cash equivalents	455,534	(583,950)
Cash and cash equivalents - beginning of year	<u>3,469,894</u>	<u>4,053,844</u>
Cash and cash equivalents - end of year	<u>\$ 3,925,428</u>	<u>\$ 3,469,894</u>

Supplemental disclosure of non-cash activity:

Cash paid for interest during the years ended December 31, 2014 and 2013 was \$20,256 and \$21,721, respectively.

See notes to combined financial statements.

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

Notes to Combined Financial Statements

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

Organization

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

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

Principles of Combination

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

Basis of Presentation

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

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

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

Permanently restricted amounts are assets that must be maintained permanently by the Organization as required by the donor, but the Organization is permitted to use or expend part or all of any income derived from those assets. As of December 31, 2014 and 2013, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

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

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

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

Accounts Receivable

The Organization uses the allowance method of accounts receivable valuation. At December 31, 2014 and 2013, the Organization deemed all accounts receivable to be collectible based on management's analysis and prior years' experience; therefore, no allowance has been established.

Grants/Promises to Give

Unconditional grants are recognized as temporarily restricted revenue in the period pledged and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant become unconditional. All of the Organization's grants are unconditional as of December 31, 2014 and 2013. Grants are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of December 31, 2014 and 2013, management expects that all grants will be fully collectible; accordingly, there is no allowance for uncollectible grants. As of December 31, 2014 and 2013, \$10,000 and \$1,250, respectively, of the Organization's pledges were from members of the Board.

Property and Equipment

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

Investments

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

Contributions and Grants

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions are recognized when cash or ownership of donated assets is unconditionally promised to the Organization. Temporarily restricted amounts are subsequently released to unrestricted net assets when expenses have been incurred in satisfaction of those restrictions. The majority of the Organization's contributions during the years ended December 31, 2014 and 2013 were temporarily restricted to be used for the Organization's programs. This is described further in Note 5. Certain grants received by the Organization are based on a two-year funding cycle that can create fluctuations in the timing of revenues and expenses recognized in the combined statements of activities and operating cash flows in the combined statements of cash flows.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

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

Contributed Services

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

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

Functional Allocation of Expenses

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

Tax-Exempt Status

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

The Organization applies a more-likely-than-not measurement methodology to reflect the combined financial statement impact of uncertain tax positions taken or expected to be taken in a return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2014 and 2013.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general administrative expense. No interest or penalties have been assessed as of December 31, 2014 and 2013.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues, expenses, and changes in net assets during the reporting period. Actual results could differ from those estimates.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

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

Valuation of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Organization looks primarily to the undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired. No impairment was recognized as of December 31, 2014 and 2013.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, investments, and promises to give. The Organization manages deposit concentration risk by placing its temporary cash and money market accounts with creditworthy, high-quality financial institutions. As of December 31, 2014, WRA's cash accounts exceeded federally insured limits by approximately \$3,388,000. Of this amount, approximately \$1,957,000 is invested in a Vanguard short-term federal bond fund, which invests nearly the entire fund in U.S. Treasury bonds that are fully guaranteed by the U.S. government. The remaining \$1,431,000 is held in a bank account to cover approximately three to six months of recurring operating expenses.

As of December 31, 2014, one foundation accounted for 32% of revenue, and two foundations accounted for 41% of accounts receivable and promises to give. As of December 31, 2013, two foundations accounted for 52% of revenue, and two foundations accounted for 93% of accounts receivable and promises to give.

Subsequent Events

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

Note 2 - Investments

Investments are in composite open-ended mutual funds. As of December 31, 2014 and 2013, the value of the investments was \$724,567 and \$674,946, respectively. These investments include the Board-designated endowment fund and the purpose-restricted endowment fund (Note 8) and, as of December 31, 2014 and 2013, the value of the endowment fund was \$724,567 and \$674,946, respectively.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 3 - Fair Value Accounting

The Organization values its financial assets and liabilities based on fair value. Fair value, as defined, is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All of the Organization's financial assets are Level 1 assets, which means that they are publicly traded securities reported at publicly quoted prices as of December 31, 2014 and 2013. There was no change in the valuation methodology for the years ended December 31, 2014 and 2013.

Note 4 - Property and Equipment

The Organization's property and equipment are stated at cost or fair value, if contributed. Property and equipment is comprised of the following:

	December 31,	
	2014	2013
Buildings and improvements	\$ 1,704,278	\$ 1,704,278
Land and land improvements	251,641	251,641
Furniture and equipment	111,870	102,012
	2,067,789	2,057,931
Less accumulated depreciation	(998,605)	(937,686)
	\$ 1,069,184	\$ 1,120,245

Note 5 - Net Assets

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

	December 31,	
	2014	2013
Water program	\$ 1,252,589	\$ 2,039,586
Energy program	945,711	665,693
Utah program	264,515	288,803
Lands program	247,931	130,411
Development	9,501	-
Communications	-	48,492
	\$ 2,720,247	\$ 3,172,985

In 2014, the Communications program became interwoven with the Water, Energy, Utah, Lands, and Development programs, and expenses and temporarily restricted net assets are now allocated proportionally within those programs.

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 6 - Note Payable

	December 31,	
	2014	2013
Promissory note to a bank that accrues interest at a variable rate of 2.34% above the Treasury Security Rate index (3.21% at December 31, 2014), with monthly payments of principal and interest of \$4,845, maturing in September 2026. The note is secured by real property located at 2260 Baseline Road.	\$ 599,909	\$ 647,798
Less current portion	(39,199)	(37,622)
Long-term portion of note payable	\$ 560,710	\$ 610,176

Future minimum payments under this note are as follows:

For the Year Ending December 31,

2015	\$ 39,199
2016	40,722
2017	42,099
2018	43,470
2019	44,886
Thereafter	389,533
	\$ 599,909

Note 7 - Commitments

Operating Leases

The Organization leases facilities and office equipment under non-cancelable operating leases with third parties, which expire at various times through August 2017. Rent expense was \$39,835 and \$38,512 for the years ended December 31, 2014 and 2013, respectively. Future minimum lease payments under the agreements are as follows:

For the Year Ending December 31,

2015	\$ 41,565
2016	6,228
2017	2,162
	\$ 49,955

**WESTERN RESOURCE ADVOCATES AND
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Notes to Combined Financial Statements

Note 8 - Investments in Endowments

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

The Board has designated a portion of net assets for an endowment. On May 20, 2005, the Organization established an Endowment Committee (the "Committee") to manage the unrestricted contributions received from the Rudd Mayer estate. The contribution is known as the Rudd Mayer Memorial Endowment (the "Fund"). The Committee distributes 5% of the Fund annually, unless otherwise approved by a two-thirds vote of the Board. During 2014 and 2013, the Board voted not to distribute any funds. As of December 31, 2014 and 2013, the Board-designated net assets amounted to \$543,564 and \$506,339, respectively. The investment policy is to invest in a composite open-ended mutual fund.

On May 16, 2012, the Organization established a second endowment of \$128,000 that would also be managed by the Committee. The endowment was set up with purpose-restricted funds received from a donor and is a quasi-endowment. This endowment is known as the Water Program Endowment. The Committee established an initial distribution percentage at 0%, and shall remain at this percentage until change by a vote of two-thirds of the Board. As of December 31, 2014 and 2013, the quasi-endowment net assets amounted to \$181,003 and \$168,607, respectively. The investment policy indicates that it is the Board's discretion as to how to invest the funds and is currently invested in a composite open-ended mutual fund.

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

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

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

Notes to Combined Financial Statements

Note 8 - Investments in Endowments (continued)

The following table represents changes in invested endowment net assets as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 429,826	\$ 143,129	\$ -	\$ 572,955
Investment return				
Investment income	9,030	3,007	-	12,037
Net appreciation	<u>67,483</u>	<u>22,471</u>	<u>-</u>	<u>89,954</u>
Total investment return	<u>76,513</u>	<u>25,478</u>	<u>-</u>	<u>101,991</u>
Endowment net assets, end of year	<u>\$ 506,339</u>	<u>\$ 168,607</u>	<u>\$ -</u>	<u>\$ 674,946</u>

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

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Cash	\$ 86,948	\$ 80,994
Equities	456,477	425,216
Bonds	<u>181,142</u>	<u>168,736</u>
Investments	<u>\$ 724,567</u>	<u>\$ 674,946</u>

Note 9 - Retirement Plan

The Organization has a defined contribution Section 401(k) plan (the "Plan"). The Plan covers all employees of the Organization. The Organization matches 100% of the first 5% of employees' contributions up to 5% of the employees' income. Matching contributions were \$102,733 and \$98,860 for the years ended December 31, 2014 and 2013, respectively.

SUPPLEMENTAL INFORMATION

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

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

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

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

**Combining Statement of Financial Position
December 31, 2013**

	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Combined
Assets				
Current assets				
Cash and cash equivalents	\$ 3,227,276	\$ 242,618	\$ -	\$ 3,469,894
Accounts receivable	4,914	-	-	4,914
Grants receivable, current portion	1,283,790	-	-	1,283,790
Prepaid expenses	<u>51,229</u>	<u>904</u>	<u>(14,658)</u>	<u>37,475</u>
Total current assets	<u>4,567,209</u>	<u>243,522</u>	<u>(14,658)</u>	<u>4,796,073</u>
Non-current assets				
Property and equipment, net	25,831	1,094,414	-	1,120,245
Investments	674,946	-	-	674,946
Grants receivable, less current portion	<u>390,428</u>	<u>-</u>	<u>-</u>	<u>390,428</u>
Total non-current assets	<u>1,091,205</u>	<u>1,094,414</u>	<u>-</u>	<u>2,185,619</u>
Total assets	<u>\$ 5,658,414</u>	<u>\$ 1,337,936</u>	<u>\$ (14,658)</u>	<u>\$ 6,981,692</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 79,388	\$ 3,710	\$ -	\$ 83,098
Accrued liabilities	89,807	23,553	(14,658)	98,702
Pass-through grants	52,357	-	-	52,357
Note payable, current portion	<u>-</u>	<u>37,622</u>	<u>-</u>	<u>37,622</u>
Total current liabilities	221,552	64,885	(14,658)	271,779
Note payable, net of current portion	<u>-</u>	<u>610,176</u>	<u>-</u>	<u>610,176</u>
Total liabilities	<u>221,552</u>	<u>675,061</u>	<u>(14,658)</u>	<u>881,955</u>
Commitments				
Net assets				
Unrestricted				
Board-designated endowment	506,339	-	-	506,339
Undesignated	<u>1,757,538</u>	<u>662,875</u>	<u>-</u>	<u>2,420,413</u>
Total unrestricted assets	2,263,877	662,875	-	2,926,752
Temporarily restricted	<u>3,172,985</u>	<u>-</u>	<u>-</u>	<u>3,172,985</u>
Total net assets	<u>5,436,862</u>	<u>662,875</u>	<u>-</u>	<u>6,099,737</u>
Total liabilities and net assets	<u>\$ 5,658,414</u>	<u>\$ 1,337,936</u>	<u>\$ (14,658)</u>	<u>\$ 6,981,692</u>

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

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

	Unrestricted			Temporarily Restricted			Total	Percent of Total	
	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Total Unrestricted	Western Resource Advocates	Environmental Center of the Rockies			Total Temporarily Restricted
Revenues, gains, and support									
Contributions	\$ 135,340	\$ -	\$ -	\$ 135,340	\$ 368,153	\$ -	\$ 368,153	\$ 503,493	14.0 %
Family foundation grants	318,680	-	-	318,680	155,275	-	155,275	473,955	13.1
Grants	17,000	-	-	17,000	2,418,400	-	2,418,400	2,435,400	67.5
Administrative fees	15,000	-	-	15,000	-	-	-	15,000	0.4
Interest income	22,380	99	-	22,479	7,313	-	7,313	29,792	0.8
Unrealized gain on investments	42,457	-	-	42,457	5,083	-	5,083	47,540	1.3
In-kind services or products	4,050	-	-	4,050	18,491	-	18,491	22,541	0.6
Rental income	-	188,743	(125,145)	63,598	-	-	-	63,598	1.8
Miscellaneous	17,016	-	-	17,016	1,588	-	1,588	18,604	0.5
	<u>571,923</u>	<u>188,842</u>	<u>(125,145)</u>	<u>635,620</u>	<u>2,974,303</u>	<u>-</u>	<u>2,974,303</u>	<u>3,609,923</u>	<u>100 %</u>
Net assets released from restrictions	<u>3,427,041</u>	<u>-</u>	<u>-</u>	<u>3,427,041</u>	<u>(3,427,041)</u>	<u>-</u>	<u>(3,427,041)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and support	<u>3,998,964</u>	<u>188,842</u>	<u>(125,145)</u>	<u>4,062,661</u>	<u>(452,738)</u>	<u>-</u>	<u>(452,738)</u>	<u>3,609,923</u>	<u>100 %</u>
Expenses									
Program services									
Energy	1,382,132	-	(21,094)	1,361,038	-	-	-	1,361,038	33.9 %
Lands	287,180	-	(5,519)	281,661	-	-	-	281,661	7.0
Water	1,417,326	-	(40,988)	1,376,338	-	-	-	1,376,338	34.3
Utah	<u>376,717</u>	<u>-</u>	<u>-</u>	<u>376,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,717</u>	<u>9.4</u>
Total program services	<u>3,463,355</u>	<u>-</u>	<u>(67,601)</u>	<u>3,395,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,395,754</u>	<u>84.6</u>
Supporting services									
Fundraising	465,426	-	(21,784)	443,642	-	-	-	443,642	11.0
General administrative	<u>40,893</u>	<u>173,192</u>	<u>(35,760)</u>	<u>178,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,325</u>	<u>4.4</u>
Total supporting services	<u>506,319</u>	<u>173,192</u>	<u>(57,544)</u>	<u>621,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,967</u>	<u>15.4</u>
Total expenses	<u>3,969,674</u>	<u>173,192</u>	<u>(125,145)</u>	<u>4,017,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,017,721</u>	<u>100 %</u>
Loss on disposal of assets	<u>829</u>	<u>-</u>	<u>-</u>	<u>829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>829</u>	
Change in net assets	28,461	15,650	-	44,111	(452,738)	-	(452,738)	(408,627)	
Net assets - beginning of year	<u>2,263,877</u>	<u>662,875</u>	<u>-</u>	<u>2,926,752</u>	<u>3,172,985</u>	<u>-</u>	<u>3,172,985</u>	<u>6,099,737</u>	
Net assets - end of year	<u>\$ 2,292,338</u>	<u>\$ 678,525</u>	<u>\$ -</u>	<u>\$ 2,970,863</u>	<u>\$ 2,720,247</u>	<u>\$ -</u>	<u>\$ 2,720,247</u>	<u>\$ 5,691,110</u>	

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

**Combining Statement of Activities
For the Year Ended December 31, 2013**

	Unrestricted			Temporarily Restricted			Total	Percent of Total	
	Western Resource Advocates	Environmental Center of the Rockies	Eliminations	Total Unrestricted	Western Resource Advocates	Environmental Center of the Rockies			Total Temporarily Restricted
Revenues, gains, and support									
Contributions	\$ 89,712	\$ -	\$ -	\$ 89,712	\$ 345,555	\$ -	\$ 345,555	\$ 435,267	9.2 %
Family foundation grants	265,730	-	-	265,730	84,350	-	84,350	350,080	7.4
Grants	187,464	-	-	187,464	3,567,524	-	3,567,524	3,754,988	79.1
Government funding	-	-	-	-	8,379	-	8,379	8,379	0.2
Administrative fees	30,000	-	-	30,000	-	-	-	30,000	0.6
Interest income	23,152	96	-	23,248	3,007	-	3,007	26,255	0.6
Unrealized gain on investments	46,048	-	-	46,048	22,471	-	22,471	68,519	1.4
In-kind services or products	6,453	-	-	6,453	-	-	-	6,453	0.1
Rental income	-	187,705	(125,145)	62,560	-	-	-	62,560	1.3
Miscellaneous	3,853	5	-	3,858	1,676	-	1,676	5,534	0.1
	<u>652,412</u>	<u>187,806</u>	<u>(125,145)</u>	<u>715,073</u>	<u>4,032,962</u>	<u>-</u>	<u>4,032,962</u>	<u>4,748,035</u>	<u>100 %</u>
Net assets released from restrictions	3,218,992	-	-	3,218,992	(3,218,992)	-	(3,218,992)	-	-
Total revenues, gains, and support	<u>3,871,404</u>	<u>187,806</u>	<u>(125,145)</u>	<u>3,934,065</u>	<u>813,970</u>	<u>-</u>	<u>813,970</u>	<u>4,748,035</u>	<u>100 %</u>
Expenses									
Program services									
Energy	1,168,423	-	(20,896)	1,147,527	-	-	-	1,147,527	30.4 %
Lands	486,774	-	(10,289)	476,485	-	-	-	476,485	12.6
Water	1,177,463	-	(46,521)	1,130,942	-	-	-	1,130,942	29.9
Utah	229,910	-	-	229,910	-	-	-	229,910	6.1
Communications and outreach	171,214	-	(7,734)	163,480	-	-	-	163,480	4.3
Total program services	<u>3,233,784</u>	<u>-</u>	<u>(85,440)</u>	<u>3,148,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,148,344</u>	<u>83.3</u>
Supporting services									
Fundraising	370,937	-	(18,336)	352,601	-	-	-	352,601	9.3
General administrative	136,381	161,271	(21,369)	276,283	-	-	-	276,283	7.4
Total supporting services	<u>507,318</u>	<u>161,271</u>	<u>(39,705)</u>	<u>628,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,884</u>	<u>16.7</u>
Total expenses	<u>3,741,102</u>	<u>161,271</u>	<u>(125,145)</u>	<u>3,777,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,777,228</u>	<u>100 %</u>
Loss on disposal of assets	1,634	-	-	1,634	-	-	-	1,634	
Change in net assets	128,668	26,535	-	155,203	813,970	-	813,970	969,173	
Net assets - beginning of year	<u>2,135,209</u>	<u>636,340</u>	<u>-</u>	<u>2,771,549</u>	<u>2,359,015</u>	<u>-</u>	<u>2,359,015</u>	<u>5,130,564</u>	
Net assets - end of year	<u>\$ 2,263,877</u>	<u>\$ 662,875</u>	<u>\$ -</u>	<u>\$ 2,926,752</u>	<u>\$ 3,172,985</u>	<u>\$ -</u>	<u>\$ 3,172,985</u>	<u>\$ 6,099,737</u>	