HINKLE + LANDERS

Certified Public Accountants + Business Consultants

NEW MEXICO WILDERNESS ALLIANCE

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended September 30, 2016
With Comparative Totals for 2015

2500 9th St. NW, Albuquerque, NM 87102 · 505.883.8788 · www.HL-cpas.com

TABLE OF CONTENTS

NEW MEXICO WILDERNESS ALLIANCE
As of September 30, 2016

OFFICIAL ROSTER

Board of Directors

Ken Cole	Chair
Todd Schulke	Vice-Chair
Hamish Thomson	Treasurer
Nancy Morton	Secretary
Joe Alcock	Member
Rick Aster	Member
Ernie Atencio	Member
Wendy Brown	Member
Sam DeGeorges	Member
Carol Johnson	Member
Roberta Salazar-Henry	Member
David Soules	Member
Bob Tafanelli	Member

Administrative Personnel

Mark Allison	Executive Director

Independent Auditor's Report

The Board of Directors of
New Mexico Wilderness Alliance
Santa Fe, New Mexico

Report on Financial Statements
We have audited the accompanying financial statements of the New Mexico Wilderness Alliance (the Alliance)(a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses, and cash flows 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.

Auditor's 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 the Alliance as of September 30, 2016, and the changes in its net assets 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

The prior year summarized comparative information has been derived from the Alliance's financial statements for the year ended September 30, 2015. In our report dated January 25, 2016, we expressed an unmodified opinion on those statements.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
February 28, 2017

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF FINANCIAL POSITION
As of September 30, 2016, With Comparative Totals For 2015

	Notes		2016	2015
ASSETS				
Current Assets				
Cash & cash equivalents	C	$	**300,978**	510,412
Accounts & other receivables	H		**357,085**	48,125
Prepaid expenses	I		**9,181**	9,031
Total current assets			**667,244**	567,568
Assets held by community foundation	E, F		**19,469**	18,979
Security deposit	J		**1,992**	1,992
Property and equipment	K		**1,124**	3,100
Total non-current assets			**22,585**	24,071
TOTAL ASSETS		$	**689,829**	591,639
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable		$	**7,921**	4,105
Accrued payroll			**623**	20,881
Accrued liabilities			**17,388**	4,329
Accrued leave			**32,116**	24,960
Deferred revenue	L		**5,149**	88,943
Total liabilities			**63,197**	143,218
Net Assets				
Unrestricted net assets				
Undesignated			**585,571**	310,943
Board designated			**19,469**	18,979
Net investment in property and equipment			**1,124**	3,100
Total unrestricted net assets			**606,164**	333,022
Temporarily restricted net assets	M		**20,468**	115,399
Total net assets			**626,632**	448,421
TOTAL LIABILITIES AND NET ASSETS		$	**689,829**	591,639

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2016, With Comparative Totals For 2015

	Unrestricted	Temporarily Restricted	**2016 Totals**	2015 Totals
Support				
Contributions	$ 558,171	-	**558,171**	369,146
Grants	252,304	138,750	**391,054**	418,500
Contracts	124,487	64,054	**188,541**	151,847
Membership dues	30,279	-	**30,279**	45,312
In-kind contributions	15,651	-	**15,651**	11,003
Total support	980,892	202,804	**1,183,696**	995,808
Revenues				
Publication and retail sales	13,730	-	**13,730**	11,022
Interest income	3,018	-	**3,018**	1,363
Program trips and other events	8,780		**8,780**	5,310
Other income	11,522	-	**11,522**	692
Advertising income	500	-	**500**	-
Unrealized gain/(loss) on investments	(300)	-	**(300)**	(2,337)
Net assets released from restrictions	297,735	(297,735)	**-**	-
Total revenues	334,985	(297,735)	**37,250**	16,050
Total Support, Revenue, & Reclassifications	1,315,877	(94,931)	**1,220,946**	1,011,858
Operating Expenses				
Programs				
Wilderness protection	461,150	-	**461,150**	426,508
Wilderness defense	144,605	-	**144,605**	146,650
Outreach and education	225,603	-	**225,603**	145,275
Total Programs	831,358	-	**831,358**	718,433
Supporting Services				
General & administrative	149,447	-	**149,447**	163,738
Fundraising expense	61,930	-	**61,930**	63,602
Total operating expenses	1,042,735	-	**1,042,735**	945,773
Change in net assets	273,142	(94,931)	**178,211**	66,085
Net assets, beginning	333,022	115,399	**448,421**	382,336
Net assets, ending	$ 606,164	20,468	**626,632**	448,421

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2016, With Comparative Totals For 2015

	Program Services							
	Wilderness Protection	Wilderness Defense	Outreach & Education	Total Program	General & Administrative	Fundraising	**2016 Total**	2015 Total
Personnel expenses:								
Salaries	$ 270,662	88,811	63,436	422,909	89,033	44,517	**556,459**	527,662
Payroll taxes	29,535	9,691	6,922	46,149	9,716	4,858	**60,723**	56,392
Payroll benefits	26,970	8,849	6,321	42,140	8,872	4,436	**55,448**	52,136
Retirement expense	10,705	3,513	2,509	16,727	3,521	1,761	**22,009**	17,829
Workers compensation	1,661	545	389	2,595	546	273	**3,415**	3,338
Total personnel	339,533	111,409	79,578	530,520	111,688	55,845	**698,054**	657,357
General expenses:								
Printing & copying	1,903	1,640	76,754	80,297	1,176	1,288	**82,760**	47,546
Contractual services	16,145	3,555	14,175	33,875	12,038	-	**45,914**	47,337
Staff travel	25,596	6,413	9,962	41,971	1,194	-	**43,165**	24,369
Office rent expense	19,822	5,816	5,935	31,573	6,068	1,887	**39,527**	38,473
Mileage	10,565	5,741	2,450	18,756	1,396	-	**20,152**	18,997
Advertising	14,150	-	2,524	16,674	1,644	261	**18,579**	7,212
Web/Internet	6,484	-	10,080	16,564	-	1,109	**17,673**	15,081
Equipment & supplies	9,760	625	4,111	14,496	2,520	354	**17,371**	13,602
Postage & delivery	1,956	247	13,037	15,240	1,729	188	**17,157**	16,798
Meals & entertainment	3,445	1,165	4,377	8,987	227	96	**9,310**	10,124
Telephone	5,177	1,308	976	7,461	1,025	744	**9,230**	10,179
Legal	-	5,646	-	5,646	45	-	**5,691**	8,863
Insurance	-	-	-	-	4,043	-	**4,043**	4,073
Merchant licenses and fees	-	-	-	-	3,752	-	**3,752**	3,758
Subscriptions	1,705	11	100	1,816	637	-	**2,452**	1,412
Computer equipment	2,358	-	-	2,358	-	-	**2,358**	1,084
Depreciation	1,225	455	-	1,680	138	158	**1,976**	1,976
Training	956	332	77	1,365	25	-	**1,390**	80
Auto expenses	-	-	893	893	102	-	**995**	838
Rent expense	100	-	574	674	-	-	**674**	3,613
Repairs & maintenance	270	242	-	512	-	-	**512**	8,629
Cost of goods sold	-	-	-	-	-	-	**-**	4,372
Total general expenses	121,617	33,196	146,025	300,838	37,759	6,085	**344,681**	288,416
Total expenses	$ 461,150	144,605	225,603	831,358	149,447	61,930	**1,042,735**	945,773

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2016, With Comparative Totals For 2015

		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from grants & contracts	$	**495,801**	589,916
Cash received from contributors & others		**313,572**	384,112
Cash payments to vendors & contractors		**(310,179)**	(290,467)
Cash payments for wages & benefits		**(711,156)**	(626,462)
Interest income & dividends		**3,018**	1,363
Net cash provided/(used) by operating activities		**(208,944)**	58,462
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for investment in property & equipment		**-**	-
Changes in endowment		**(490)**	(2,578)
Net cash provided/(used) by investing activities		**(490)**	(2,578)
Net increase (decrease) in cash		**(209,434)**	55,884
Cash & cash equivalents, beginning of year		**510,412**	454,528
Cash & cash equivalents, end of year	$	**300,978**	510,412
Reconciliation of change in net assets to cash provided/(used) by operating activities			
Change in net assets	$	**178,211**	66,085
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense		**1,976**	1,976
Noncash adjustments		**-**	1,417
Changes in assets and liabilities:			
Accounts & other receivables		**(308,960)**	(45,411)
Inventory		**-**	4,132
Prepaid expenses		**(150)**	(3,754)
Accounts payable		**3,816**	(11,301)
Accrued payroll		**(20,258)**	20,881
Accrued liabilities		**13,059**	(5,146)
Accrued leave		**7,156**	10,014
Deferred revenue		**(83,794)**	19,569
Net cash provided (used) by operating activities	$	**(208,944)**	58,462

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

NOTE A – NATURE OF OPERATIONS

The New Mexico Wilderness Alliance (the Alliance) New Mexico Wilderness Alliance (the "Alliance") is a nonprofit corporation founded in 1997. The Alliance's purpose is to enjoy, protect, and restore wilderness in New Mexico, and to conduct research and educate the public about wilderness in New Mexico. The Alliance's main sources of support and revenue are grants, contributions, contracts, and memberships. The programs of the Alliance were redefined during the year ended September 30, 2016, to better reflect the Alliance's actual efforts in pursuit of its organizational priorities. The programs for the year ended September 30, 2016, are as follows:

1. *Wilderness Protection:* Upgrading the status of public lands. Activities directly related to increasing legislative or administrative protection designations; place-based campaign activities, including grassroots organizing, mobilization, advocacy, and communications with elected officials.

2. *Wilderness Defense:* Efforts to improve the management of public lands. Activities include a range of oversight and "watchdog" activities designed to hold agencies accountable for managing lands consistent with relevant statutes, regulations, rules, and management plans and proposals.

3. *Outreach and Education:* Public outreach, education, and engagement. Activities conducted to foster better understanding and appreciation for the value of federal public lands in general, not associated with a specific place-based campaign.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared using the accrual basis of accounting. Under this method, all revenues earned and determinable in amount and receivable by the organization are recognized. Expenses incurred but not paid as of the close of business at September 30 are accrued. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Alliance presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements for Not-For-Profit Organizations. Under FASB ASC 958, the Alliance is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted net assets. In addition, the Alliance presents a statement of cash flows .

Unrestricted Net Assets

Undesignated: Unrestricted amounts are those net assets currently available at the discretion of the Board for use in the Alliance's programs, and those resources invested in land, buildings and equipment.

Board Designated: Board-designated unrestricted net assets represent quasi-endowment funds held at the NMCF. The board intends to retain and invest these funds. However, the funds can be used if needed subject to the distribution policy of funds held at the NMCF.

Temporarily Restricted Net Assets
Temporarily restricted net assets result from contributions and other inflows of assets whose use by the Alliance is limited by donor-imposed stipulations that expire by passage of time or can be fulfilled and removed by actions of the Alliance pursuant to those stipulations.

Permanently Restricted Net Assets
Permanently restricted net assets result from contributions and other inflows of assets whose use by the Alliance is limited by donor-imposed stipulations that cannot be removed by actions of the Alliance.

Cash and Cash Equivalents
The Alliance considers all highly liquid investments with a maturity date of less than three months when purchased to be cash equivalents.

Investments
Investments in equity securities are carried at readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Assets held by a community foundation are measured at the fair value of the underlying assets as reported by the foundation holding the funds. Realized gains and losses are recorded on a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses on investments are included in the accompanying statements of activities. Investment income and gains (losses) restricted by donors are reported as increases (decreases) in unrestricted net assets unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized.

Accounts, Grants and Contracts Receivables
Contracts, grants, and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. Management estimates the adequacy of the allowance for uncollectible receivables based on historical collections, specific impaired receivables, and other situations that may affect the collection of the receivables. Receivables are charged off in the period in which the management determines the receivable is uncollectible. As of September 30, 2016 and 2015, management estimates all receivables to be fully collectible; therefore, no provision for an allowance for uncollectible receivables has been recorded.

Pledged Receivables
Unconditional pledges to give are recognized as contribution revenues and receivables in the period the pledge is made. Conditional pledges to give are recognized when the conditions on which they depend are substantially met. As of September 30, 2016 and 2015, the Alliance had no conditional pledges outstanding.

Fair Value Measurement
Fair value is 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.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ than the amounts reported in these combined financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect the Alliance's financial condition and results of operations in the future.

Revenue Recognition
A substantial portion of the Alliance's revenue is derived from contracts. These revenues are available as temporarily restricted net assets. Revenue is recognized in proportion to services

rendered and expenses incurred or otherwise earned during the project term as stipulated by each contract.

Property and Equipment
Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as restricted support. Depreciation is computed using the straight-line method. The Alliance capitalizes all expenditures for property and equipment with a cost of $2,000 or more. Items with a cost of less than $2,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major betterments and replacements are capitalized.

The major classifications of property and equipment and the related depreciable lives are as follows:

Type	Useful Lives
Furniture & equipment	5 years
Vehicles	5 years

Impairment of Long-Lived Assets
The Alliance accounts for long-lived assets in accordance with the provisions of FASB ASC 360- 10 and subsections. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of September 30, 2016.

Inventory
Inventory consists of hiking guides, promotional stamps, and retail items. The inventory is stated at the lower of cost or market using the first-in, first-out method.

Accrued Leave
Annual PTO is accrued in equal installments by pay period based on the number of years of employment. Employees are allowed to carry forward up to one year’s worth of PTO based on their year of service accrual category. Any additional time not used cannot be cashed out or carried forward. Employees will be compensated for accrued PTO upon voluntary termination of employment, not to exceed a total of one year’s worth of accrual, consistent with the employee’s length of service, as long as two weeks’ notice is given. Employees involuntarily terminated from the Alliance will not be paid out any remaining balance of PTO. The annual leave balance at year end was $32,116 in 2016 and $24,960 in 2015.

Support
The Alliance reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed (Donated) Services
Contributions of services are recognized in the accompanying financial statements in accordance

with FASB ASC 958-605-25-16; if the services received:

- enhance or create non-financial assets,
- require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

See Note N for additional detail regarding donated services.

Contributed (Donated) Assets

The Alliance may receive contributions of non-cash assets. Donated marketable securities and other non-cash donations are recorded as in-kind contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Absent donor stipulations regarding how long those donated assets must be maintained, the Alliance reports the expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Alliance reclassifies restricted net assets to unrestricted net assets at that time unless the donor has restricted the donated asset to a specific purpose. See Note N for additional detail regarding donated assets.

Advertising

The Alliance expenses advertising costs as incurred. Advertising costs are incurred primarily for the dissemination of program information.

Retirement Benefits

The Alliance provides a retirement plan under Section 403(b) of the Internal Revenue Code. Eligible employees may contribute the maximum allowable by the IRS. The Alliance matches employee's contributions up to 5% of the participating employee's compensation. Employer contributions to the retirement plan were $22,009 and $17,829 for the years ended September 30, 2016 and 2015, respectively.

Functional Allocation of Expenses

Expenses have been functionally allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized for the related activities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating Leases

The Alliance is currently occupying an office space with a three-year lease agreement with monthly payments ranging from $2,451 to $2,600. In addition, the Alliance has multi-year copier and postage machine leases. Furthermore, the Alliance has multiple month-to-month and yearly leases.

Future lease obligations are as follows:

Year ending	Amount
2017	$ 36,418
2018	9,374
2019	4,174
2020	2,087
2021	-
Thereafter	-

Office and equipment leases for September 30, 2016 and 2015 totaled $40,201 and $42,087, respectively.

Income Taxes
The Alliance is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

Management of the Alliance has determined its advertising activities to be an unrelated business activity. There were no advertising activities that occurred during the fiscal year 2016. Additionally, no income tax expense was incurred related to the advertising activities during the years ended September 30, 2016 and 2015.

Uncertain Tax Provisions
The Alliance files Federal Form 990 and, when required, Form 990-T, tax returns in the U.S. federal jurisdiction. The 990 is also filed online with charitable registration in the Office of the Attorney General for the State of New Mexico. The Alliance is generally no longer subject to examination by the Internal Revenue Service and the New Mexico Taxation and Revenue Department for fiscal years before 2013. The organization is not currently under audit nor has the organization been contacted by any of these jurisdictions. Management believes that they are operating within their tax-exempt purpose.

The Alliance recognizes interest accrued related to unrecognized tax benefits in interest expenses and penalties in operating expenses, when applicable. No provision for the effects of uncertain tax positions has been recorded for the years ended September 30, 2016 and 2015.

Comparative Financial Statements
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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Alliance’s financial statements for the year ended September 30, 2015, from which the summarized information was derived.

Reclassifications
Certain reclassifications may have been made to 2015 amounts to conform to 2016 presentation.

NOTE C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at year end, consist of the following at September 30:

Type		2016	2015
Checking and savings	$	**281,226**	503,033
Vanguard money market		**3,797**	3,787
NMEFCU money market		**1,778**	1,776
Raymond James cash sweep		**13,979**	1,668
Petty cash		**198**	148
Total cash and cash equivalents	$	**300,978**	510,412

NOTE D – CONCENTRATIONS OF CREDIT RISK

Periodically throughout the year ended September 30, 2016, Alliance's cash balances in its local bank accounts may have exceeded the insured limits allowed under the Federal Deposit Insurance Corporation. Currently those limits insure up to $250,000 per financial institution. However, management felt the risks related to these balances were within an acceptable range. As of September 30, 2016, all the Alliance's cash balances were insured.

At September 30, 2016, the Alliance had $5,574 deposited in money market accounts that were fully insured by federal deposit insurance. The amounts in these accounts are protected by the Securities Investors Protection Corporation (SIPC), a non-government entity, up to $500,000 for each customer. The SIPC replaces missing cash and securities – such as stocks and bonds – held by a customer where it is possible to do so in the event of theft or a brokerage failure.

NOTE E – ASSETS HELD BY COMMUNITY FOUNDATION

The Alliance transferred $10,000 in 2009 and $3,000 in July 2014, to the New Mexico Community Foundation (NMCF) to establish the New Mexico Wilderness Alliance Fund. The NMCF holds, manages, and invests these funds on behalf of the Alliance. The assets remain property of the Alliance. The Alliance elects whether to take distributions of income from these funds or reinvest the income. The funds can be withdrawn by the Alliance with a 75% vote of the board of directors of the Alliance. As of September 30, 2016 and 2015, these funds represented the investment of board-designated quasi-endowment funds. The fair value of these assets are as follows as of September 30:

		2016	2015
Assets held by the NMCF	$	**19,469**	18,979

NOTE F – QUASI-ENDOWMENT

For the years ended September 30, 2016 and 2015, the assets of the quasi-endowment consist of funds held and invested by the NMCF. The quasi-endowment originated during the year ended September 30, 2009, with $10,000 of contributions and additional contributions have been made since the inception.

Net assets associated with the quasi-endowment fund are classified as board-designated. Income earned on the quasi-endowment is available for operations. Management of the Alliance has not yet adopted spending policies for the quasi-endowment.

The quasi-endowment's changes in activity and cost basis is as follows as of September 30:

		2016		2015
Fair value at October 1,		**$ 18,979**		$ 16,401
Contributions		**-**		4,100
Investment income/(loss)				
Net realized and unrealized gain/(loss)	**$ (24)**		$ 36	
Adjustments, market depreciation, & other payments	**514**		(1,558)	
Net change		**490**		(1,522)
Fair value at September 30,		**$ 19,469**		$ 18,979
Cost Basis		**$ 17,100**		$ 17,100

NOTE G—FAIR VALUES MEASURED ON RECURRING BASIS

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Organization's financial statements as reflected herein. The Organization measures certain financial assets and liabilities at fair value on a recurring basis, including its derivative liabilities. The Organization's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2
Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investments securities is the market value based on the quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

Fair Value of Financial Instruments
The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses, and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value

of long-term debt, if any, is the carrying value due to the adjustable market rate if interest.

The following methods and assumptions were used by the Federation in estimating the fair value of its financial instruments:

NMCF assets – valued at quoted prices for similar assets in active markets.

The following table summarizes the valuation of the Organization's financial instruments by the above FASB ASC 820-10 categories as of September 30:

		2016		2015	
Type		**Level 1**	**Level 2**	Level 1	Level 2
Common Stock	$	**-**	-	-	-
Assets held by Community Foundation		-	**19,469**	-	18,979
Total fair value	$	**-**	**19,469**	-	18,979

NOTE H – ACCOUNTS & OTHER RECEIVABLES

Accounts receivable aging summary and other receivable at year end are as follows:

Customer		**2016**	2015
Henry Rothschild Trust	$	**343,750**	-
Conservation Lands Foundation		**10,000**	-
Bookworks		**838**	-
Gabriel Vasquez		**408**	-
PayPal		**353**	-
Julie Zimber		**299**	-
La Montanita Co-op		**215**	-
Rio Grande Ace Hardware		**215**	-
Wilderness Society		**200**	-
Theodore Roosevelt Partnership		**196**	-
Travel Bug		**128**	-
Collected Works Bookstore		**120**	-
Maria's Bookshop		**96**	-
Cid Food Market		**75**	-
Taos Fly Shop		**72**	-
Taos Ski Valley Store		**72**	-
O'Keefe's Bookshop		**48**	-
Pew Charitable Trust		**-**	48,000
City of Albuquerque		**-**	125
Total accounts receivables	$	**357,085**	48,125

As of September 30, 2016 and 2015, management estimates all receivables to be fully collectible; therefore, no provision for an allowance for uncollectible receivables has been recorded.

NOTE I – PREPAID EXPENSES

Prepaid expenses consist of insurance that is paid ahead of time and reduced throughout the fiscal year. The remaining balance of prepaid expenses at September 30, are as follows:

		2016	2015
Prepaid expenses	$	**9,181**	9,031

NOTE J – SECURITY DEPOSIT

The Alliance has a security deposit related to their office space. The security deposit is the following at September 30:

		2016	2015
Security deposit	$	**1,992**	1,992

NOTE K – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

Type		2015	Additions	Deletions	2016
Depreciable property and equipment					
Furniture & equipment	$	24,622	-	-	**24,622**
Vehicles		8,137	-	-	**8,137**
Subtotal		32,759	-	-	**32,759**
Less: Accumulated depreciation		(29,659)	(1,976)	-	**(31,635)**
Total property and equipment, net	$	3,100	(1,976)	-	**1,124**

Depreciation expense for the years ended September 30, 2016 and 2015 was $1,976 and $1,976, respectively.

NOTE L—DEFERRED REVENUE

The Alliance's deferred revenue consist of amount collected from certain contracts that have not yet been earned by the organization. Deferred revenue for the fiscal years ended September 30, is as follows:

Type		2016	2015
Contracts	$	**5,149**	88,943
Total deferred revenue	$	**5,149**	88,943

NOTE M – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes for periods after September 30:

		2015	Revenue	Expenses	2016
Wyss Foundation	$	1,851	60,000	(61,851)	-
Pew WLI		26,359	23,000	(49,359)	-
Conservation Alliance		7,573	-	(7,573)	-
CAW 2015		15,169	-	(15,169)	-
REI VC		2,922	-	(2,922)	-
Lineberry Foundation		9,025	15,000	(11,673)	**12,352**
Abq Community Foundation		7,500	-	(7,500)	-
Conservation Lands Foundation		45,000	-	(36,884)	**8,116**
Patagonia		-	9,000	(9,000)	-
Upper Gila Watershed		-	15,000	(15,000)	-
CAW 2016		-	16,000	(16,000)	-
Tractor Brewing Co.		-	1,054	(1,054)	-
Wilburforce Foundation		-	63,750	(63,750)	-
Total Temporarily Restricted	$	115,399	202,804	(297,735)	**20,468**

NOTE N– IN-KIND CONTRIBUTIONS

The Alliance utilizes volunteer services to meet project requirements. In 2016, the Alliance had 952 volunteers who contributed 10,151 hours and in 2015, the Alliance had 952 volunteers who contributed 10,151 hours.

At year end the Alliance recognizes in-kind contributions as follows:

Type		**2016**	2015
Unrestricted contributions			
Program use of aircraft and service of pilots	$	**11,307**	10,003
Program materials, supplies, and travel costs		**4,344**	1,000
Total in-kind contributions	$	**15,651**	11,003

NOTE O– PUBLICATION AND RETAIL SALES

The Alliance sells items to further awareness regarding their mission. The items include; shirts, sweatshirts, mugs, and calendars. The following shows the gross profit from the sales for fiscal years ended September 30:

		2016		2015	
Sales	$	**13,730**	**100%**	11,022	100%
Less: cost of goods sold		**-**	**0%**	(4,372)	40%
Gross profit	$	**13,730**	**100%**	6,650	60%

For the year ended September 30, 2016, most sales were associated with a new book that the Alliance published. Since only a small number of copies of the book were printed, they were not counted as inventory. Therefore, the associated costs were run through printing expenses instead of cost of goods sold.

NOTE P– JOINT COST ALLOCATIONS

The Alliance did not participate in joint activities during the 2016 year or the 2015 year that required allocations.

NOTE Q – RELATED PARTY TRANSACTIONS

A part-time employee is the brother of the Finance Manager and is married to a Board member of the Alliance.

NOTE R—ECONOMIC DEPENDENCY

The Alliance receives a significant portion of its revenue in the form of grants, contracts, and other contributions. The Alliance expects these grants, contracts, and awards to continue into the foreseeable future. If, however, a significant portion of these funds are not continued, the Alliance's ability to continue all programs would be diminished. The following is a summary of concentrations from contributions and grants as of September 30:

Concentrations		2016	2015
Contributions, grants & contracts	$	**1,137,766**	939,493
Total revenue	$	**1,220,946**	1,011,858
Concentration percentage		**93%**	93%

NOTE S–EVALUATION OF SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Alliance recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Alliance's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. The organization has evaluated subsequent events through February 28, 2017, which is the date the financial statements were available to be issued.