



Keegan, Linscott & Kenon, PC

Certified Public Accountants
Certified Fraud Examiners
Certified Insolvency & Restructuring Advisors

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THE SONORAN INSTITUTE, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
AS OF AND FOR THE YEARS ENDED JUNE 30, 2011
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR
ENDED JUNE 30, 2010)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Sonoran Institute, Inc.

We have audited the accompanying statements of financial position of The Sonoran Institute, Inc. (the "Institute"), as of June 30, 2011 and 2010, and the related cash flows for the years then ended and the related statement of activities and changes in net assets for the year ended June 30, 2011. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the 2010 financial statements and, in our report dated September 28, 2010, we expressed an unqualified opinion.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2011 and 2010, and results of its cash flows for the years then ended, and the results of its operations and changes in net assets for the year ended June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 13, 2011, on our consideration of the Institute's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Keegan, Linscott & Kenon, P.C.

Tucson, Arizona
September 13, 2011

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AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,723,386	\$ 127,481
Accounts receivable, net of allowance of \$50,589 and \$50,861	15,322	24,890
Foundation grants receivable	169,000	95,404
Government grants and contracts receivable, net of allowance of \$15,900 and \$11,115	620,593	652,563
Prepaid expenses	10,935	43,128
Pledges receivable	238,905	38,439
Deposits	22,179	9,257
Total current assets	2,800,320	991,162
Advance to Rincon Institute	207,050	244,918
Property and equipment, net	85,254	48,323
Total assets	\$ 3,092,624	\$ 1,284,403
Liabilities		
Current liabilities		
Accounts payable	\$ 167,621	\$ 223,310
Accrued expenses	220,527	223,798
Deferred revenue	573,566	230,430
Current portion of long-term debt	7,167	-
Current portion of capital lease obligation	7,760	-
Total current liabilities	976,641	677,538
Long-term debt	10,847	-
Capital Lease Obligation	20,143	-
Total liabilities	1,007,631	677,538
Net Assets		
Unrestricted	267,474	5,499
Temporarily restricted	839,899	601,366
Permanently restricted	977,620	-
Total net assets	2,084,993	606,865
Total liabilities and net assets	\$ 3,092,624	\$ 1,284,403

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30,

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2011	Summarized Total 2010
Revenues and Other Support					
Contributions	\$ 275,656	\$ 197,924	\$ 977,620	\$ 1,451,200	\$ 916,763
Foundation grants	928,217	1,446,311	-	2,374,528	1,648,809
Government grants	719,518	-	-	719,518	1,016,467
Contract income	1,499,071	-	-	1,499,071	1,051,506
Program service income	3,720	13,000	-	16,720	7,774
Other income	8,721	-	-	8,721	40,841
Special events	1,800	-	-	1,800	7,349
Net assets released from restrictions:	1,418,702	(1,418,702)	-	-	-
Total revenues and other support	<u>4,855,405</u>	<u>238,533</u>	<u>977,620</u>	<u>6,071,558</u>	<u>4,689,509</u>
Expenses					
Salaries and wages	\$ 2,375,104	\$ -	\$ -	\$ 2,375,104	\$ 2,478,825
Pension contributions	28,437	-	-	28,437	49,851
Other employee benefits	198,061	-	-	198,061	231,542
Payroll taxes	199,335	-	-	199,335	202,617
Consultants	536,563	-	-	536,563	639,336
Accounting and legal	40,301	-	-	40,301	73,988
Outside services	203,407	-	-	203,407	175,945
Insurance	13,448	-	-	13,448	10,848
Office and photo supplies	46,317	-	-	46,317	60,798
Field supplies and materials	31,505	-	-	31,505	30,207
Telephone	51,050	-	-	51,050	48,215
Postage and shipping	9,001	-	-	9,001	15,387
Dues and publications	12,875	-	-	12,875	12,470
Printing/photocopying	66,029	-	-	66,029	53,375
Miscellaneous	14,832	-	-	14,832	6,087
Training and seminars	12,617	-	-	12,617	10,011
Travel	208,498	-	-	208,498	262,419
Meetings	97,366	-	-	97,366	155,582
Repairs and maintenance	27,059	-	-	27,059	36,326
Rent	191,247	-	-	191,247	229,365
Utilities	11,725	-	-	11,725	11,303
Subcontracts	118,777	-	-	118,777	48,727
Contributions	42,107	-	-	42,107	8,650
Depreciation	29,338	-	-	29,338	32,281
Bad debt expense	28,431	-	-	28,431	402
Total expenses	<u>4,593,430</u>	<u>-</u>	<u>-</u>	<u>4,593,430</u>	<u>4,884,557</u>
Change in net assets	261,975	238,533	977,620	1,478,128	(195,048)
Net assets, June 30, 2010	<u>5,499</u>	<u>601,366</u>	<u>-</u>	<u>606,865</u>	<u>801,913</u>
Net assets, June 30, 2011	<u>\$ 267,474</u>	<u>\$ 839,899</u>	<u>\$ 977,620</u>	<u>\$ 2,084,993</u>	<u>\$ 606,865</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30,

	2011	2010
Cash Flows from Operating Activities		
Change in net assets	\$ 1,478,128	\$ (195,048)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	29,338	32,281
Changes in operating assets and liabilities:		
Accounts receivable	9,840	(73,696)
Foundation grants receivable	(73,596)	78,597
Government grants and contracts receivable	31,698	(436,965)
Prepaid expenses	32,193	2,916
Pledges receivable	(200,466)	(6,710)
Deposits	(12,922)	-
Advance to Rincon Institute	37,868	2,272
Accounts payable	(55,689)	98,853
Accrued expenses	(3,271)	(28,352)
Deferred revenue	343,136	184,353
Custodial liabilities	-	(9,184)
Net cash provided by (used in) operating activities	1,616,257	(350,683)
Cash Flows from Investing Activities		
Purchase of property and equipment	(38,168)	(29,941)
Net cash used in investing activities	(38,168)	(29,941)
Cash Flows from Financing Activities		
Proceeds from long-term debt	21,500	-
Principal payments on long-term debt	(3,486)	-
Principal payments on capital lease obligation	(198)	-
Net cash provided by financing activities	17,816	-
Net increase (decrease) in cash and cash equivalents	1,595,905	(380,624)
Cash and cash equivalents, beginning of year	127,481	508,105
Cash and cash equivalents, end of year	\$ 1,723,386	\$ 127,481
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 577	\$ -
Non-Cash Investing and Financing Activities:		
Property and equipment acquired under capital lease obligation	\$ 28,101	\$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. Organization

The Sonoran Institute, Inc. (the “Institute”), founded in 1990, is a nonprofit corporation that works with communities to conserve and restore important natural landscapes in western North America, including the wildlife and cultural values of these lands. The lasting benefits of the Institute’s community stewardship work are healthy landscapes and vibrant, livable communities that embrace conservation as an integral element of its quality of life and economic vitality. Primary sources of revenue are foundation grants, governmental funding, and donations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Institute follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets generally accepted accounting principles (“GAAP”) that the Institute follows to ensure the consistent reporting of its financial condition, changes in net assets and cash flows. References to GAAP issued by the FASB in the accompanying footnotes is to the FASB Accounting Standards Codification (“ASC”).

The Institute’s financial statements have been prepared in accordance with standards of accounting and financial reporting under ASC 958, *Not-for-Profit Entities*. Under this authoritative guidance, the Institute is required to provide financial statements which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets having similar characteristics have been combined into similar categories as follows:

- **Unrestricted** – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- **Temporarily Restricted** – Net assets whose use by the Institute is subject to donor-imposed stipulations that can be fulfilled by actions of the Institute pursuant to those stipulations or that expire through the passage of time.
- **Permanently Restricted** – Net assets that are subject to donor-imposed stipulations that assets be maintained permanently by the Institute. The donors of these assets permit the Institute to use all or part of the investment return of these assets for furthering the Institute’s mission through continued operations which may be subject to certain restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the Institute reports the support as unrestricted. Contributions of long-lived assets not having donor-imposed purpose or time restrictions are reported as unrestricted contributions in amounts equal to the fair market value of the contributed assets.

Contributions restricted by the donor for particular operating purposes or for a particular operating period are reported as revenues in the temporarily restricted net asset group. Once the Institute has complied with all of the specific restrictions, the contribution is reclassified to the unrestricted net asset group as a net asset released from restrictions. This reclassification increases unrestricted net assets and decreases temporarily restricted net assets.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Institute accounts for its government funded grants and contract revenues as exchange transactions. Revenue under cost reimbursement grants and contracts is recognized when costs are incurred in accordance with the applicable agreements. Foundation grants are accounted for as contributions. Contributions are recorded upon the Institute receiving notification of an unconditional promise to give. A receivable is recorded to the extent revenue recognized exceeds payment received; conversely, advances in excess of costs incurred or work performed under grants and contracts are deferred and recognized as revenue when the related cost is incurred.

Cash and Cash Equivalents

For financial statement reporting purposes, the Institute considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. The Institute places its cash and cash equivalents with high credit quality institutions. At times, such deposits may be in excess of the FDIC insurance limit; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Accounts, Grants, and Contracts Receivable

The Institute's funding sources are primarily foundation and governmental agencies. The Institute grants credit to these agencies. The carrying amount of accounts, grants, and contracts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts and the aging of accounts receivable. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

Property and Equipment

Property and equipment are stated at cost if purchased or at fair value at date of acquisition if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method, ranging from three to seven years.

The Institute's policy is to capitalize expenditures for property and equipment and donated property and equipment received that exceed \$2,000 and have a useful life greater than one year. When items are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of activities. Repairs and maintenance for normal upkeep are charged to expense as incurred.

The Institute periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through June 30, 2011, the Institute had not experienced impairment losses on its long-lived assets.

Income Taxes

The Institute is exempt from federal income tax under Section 501(c)(3), as confirmed by a determination letter issued by the Internal Revenue Service and is classified as other than a private foundation under IRC Section 509(a)(1). The Institute also qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a).

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Management evaluated the Institute's tax positions in accordance with the accounting standard on accounting for uncertainty in income taxes and concluded that the Institute had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the accounting standard. With few exceptions, the Institute is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2006.

The Institute recognizes interest and penalties related to unrecognized tax benefits in miscellaneous expenses and accrued expenses in the accompanying financial statements. During the year ended June 30, 2011 and 2010, the Institute did not recognize any interest and penalties.

Endowment Funds

The Institute has interpreted the "Management of Charitable Funds Act" (Arizona's version of the Uniform Prudent Management of Institutional Funds Act or "UPMIFA"), which underlies the Institute's net asset classification of donor-restricted endowment funds, as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Institute classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by the law.

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are to be invested in a balanced portfolio comprised of equity and yield securities. To satisfy its long-term objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) while assuming a moderate level of investment risk. The Institute targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Institute expects its endowment funds, over time, to provide an average rate of return that exceeds inflation. Actual returns in any given year may vary from that amount.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or current law requires the Institute to retain for a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of June 30, 2011 and 2010, respectively.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)***Prior Year Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

3. Property and Equipment

A summary of the costs of property and equipment and related accumulated depreciation consists of the following as of June 30:

	2011	2010
Office and furniture equipment	\$ 212,195	\$ 257,999
Vehicle	29,200	-
Leasehold improvements	3,125	3,125
Software	95,271	67,170
	339,791	328,294
Less accumulated depreciation	(254,537)	(279,971)
	<u>\$ 85,254</u>	<u>\$ 48,323</u>

4. Revolving Line of Credit

The Institute entered into a revolving line of credit agreement (the "Agreement") with a financial institution in the amount of \$150,000. Interest is computed with at an interest rate of prime, 3.25% at June 30, 2011. The line of credit is collateralized by asset accounts specified in the Agreement and expires on December 31, 2011. At June 30, 2011 and 2010 the Institute had not drawn on the line of credit.

The revolving line of credit agreement contains various restrictive covenants. The most restrictive of which requires the Institute to maintain a debt to tangible effective net worth, as defined in the revolving line of credit agreement, of not more than 1.5 and net income of \$1 be maintained as measured on a quarterly basis. At June 30, 2011, the Institute was in compliance with the restrictive covenants.

NOTES TO FINANCIAL STATEMENTS

5. Long-Term Debt

Long-term debt at June 30 is summarized as follows:

	<u>2011</u>	<u>2010</u>
Note payable to bank, due in monthly installments of \$597, plus interest of 4.98% per annum through January 2014. Collateralized by a vehicle	\$ 18,014	\$ -
Less current portion of long-term debt	<u>(7,167)</u>	<u>-</u>
Long-term debt	<u><u>\$ 10,847</u></u>	<u><u>\$ -</u></u>

6. Capital Lease Obligation

The Institute has certain software under a lease agreement that is classified as a capital lease. The cost of the software under capital lease is included in property and equipment in the statements of financial position and was \$28,101 and \$0 at June 30, 2011 and 2010, respectively. Accumulated amortization of the leased software totaled \$1,405 and \$0 at June 30, 2011 and 2010, respectively. Amortization of the software under capital lease is included in depreciation expense. The following is a schedule by years of the future minimum lease payments under the capital lease together with the present value of the minimum lease payments at June 30, 2011:

<u>Year Ended</u>	<u>Amount</u>
2012	\$ 12,183
2013	13,290
2014	<u>10,878</u>
Total minimum lease payments	36,351
Less amount representing interest	<u>(8,448)</u>
Present value of minimum lease payments	27,903
Less current portion	<u>(7,760)</u>
Long-term capital lease obligation	<u><u>\$ 20,143</u></u>

NOTES TO FINANCIAL STATEMENTS

7. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30:

	2011	2010
Upper Gulf of California	\$ 103,360	\$ 62,161
Sun Corridor	-	243,280
Northern Rockies	187,476	188,030
West-Wide Research	100,011	30,205
Training and Community Leadership	199,830	27,636
Central Rockies	124,595	11,615
Future years operations	124,627	38,439
Total	<u>\$ 839,899</u>	<u>\$ 601,366</u>

8. Permanently Restricted Net Assets

Permanently restricted net assets consist of the Institute's donor-restricted endowment funds totaling \$977,620 and \$0 at June 30, 2011 and 2010, respectively. Changes in endowment net assets consist of donor-restricted contributions totaling \$977,620 during the year ended June 30, 2011. Permanently restricted net assets are included in cash and cash equivalents in the accompanying statements of financial position.

Included in endowment fund contributions for 2011 is a single endowment gift of \$850,000, received on December 5, 2010, with a donor stipulation that the Institute raise a one-to-one match of the \$850,000 within two years following the date of the endowment gift. For the two years following the date of the endowment gift the Institute may use the investment earnings from the endowment gift for general institutional support. If after the two year period the Institute has not raised the required match, investment earnings will be held in the endowment as part of permanently restricted assets and not available for distribution to the Institute, except that the investment earnings from the percentage of the endowment for which the Institute has raised matching funds is eligible for distribution, while earnings from the balance of the endowment will be held until the Institute raises the additional matching funds.

9. Related Party Transactions

The Institute has advanced funds to assist a financially interrelated non-profit entity, Rincon Institute. The advances are non-interest bearing. At June 30, 2011, the outstanding balance of the advance was \$207,050. Management considers the advance to be fully collectable.

The Institute paid the employer of the spouse of an employee for legal services. The total fees for the year ended June 30, 2011 and 2010 were \$27,608 and \$42,291, respectively. Total amounts due to this related party as of June 30, 2011 and 2010 totaled \$0 and \$24,608, respectively, and is included in accounts payable in the accompanying statements of financial position.

NOTES TO FINANCIAL STATEMENTS

10. Operating Leases

The Institute leases office space in Arizona, Colorado and Wyoming. The leases have various terms, monthly payment amounts, and expiration dates. For certain leases, the Institute is responsible for certain occupancy costs including electricity and janitorial services as well as a proportionate share of the property's common costs. The Institute also leases office equipment. The future minimum annual lease payments due under the leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
2012	\$ 176,376
2013	99,275
2014	95,395
2015	93,955
Thereafter	86,913

Rental expense for the years ended June 30, 2011 and 2010 was \$191,247 and \$229,365, respectively.

11. Retirement Plan

Effective October 1, 1997, the Institute adopted a Savings Incentive Match Plan (the "Plan"). The Plan covers all employees earning at least \$5,000 in a calendar year. Eligible employees may contribute a maximum amount of \$11,500 to the Plan in any one year, with a \$2,500 catch-up provision for eligible employees age fifty or over. The Institute contributes a discretionary match of up to 3% of the employee's compensation for the calendar year. Effective January 1, 2011 the discretionary match was changed to 1%. The Institute match for the year ended June 30, 2011 and 2010 was \$28,437 and \$49,851, respectively.

12. Commitments and Contingencies

The Institute receives the majority of its funding through various foundation and government grants. A majority of grants involve one-time contributions to support program activities for a period of two years or less. A significant reduction in this funding, if this were to occur, would have a material effect on the programs and activities of the Institute.

13. Subsequent Events

The Institute evaluated subsequent events through September 13, 2011, which represents the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

SUPPLEMENTAL SCHEDULE

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	PROGRAMS							Total Programs
	Upper Gulf of California	Northern Rockies	West-Wide Research	Sun Corridor	Communications	Training & Community Leadership	Colorado Rockies	
Salaries and wages	\$ 171,882	\$ 241,593	\$ 574,123	\$ 321,466	\$ 72,191	\$ 149,944	\$ 88,065	\$ 1,619,264
Pension contributions	1,011	3,396	8,824	3,549	1,302	2,259	152	20,493
Other employee benefits	7,585	14,236	50,745	25,130	6,162	14,586	8,378	126,822
PR taxes	24,861	20,821	44,868	25,526	4,720	12,603	7,551	140,950
Consultants	80,943	110,888	136,670	102,564	31,945	20,274	3,663	486,947
Accounting and legal	4,386	-	-	-	-	-	-	4,386
Outside services	106,876	13,311	13,133	202	2,212	1,835	-	137,569
Insurance	3,372	-	-	-	-	-	-	3,372
Office and photo supplies	4,352	4,739	5,749	3,270	779	4,811	2,795	26,495
Field supplies and materials	27,838	716	2,208	-	-	45	-	30,807
Telephone	4,521	8,497	6,631	3,246	215	1,008	4,786	28,904
Postage and shipping	293	1,096	880	297	286	1,267	81	4,200
Dues and publications	653	605	2,136	3,657	568	100	-	7,719
Printing and photocopy	1,220	10,164	6,596	12,040	8,426	10,916	91	49,453
Miscellaneous	3,073	323	-	-	-	-	-	3,396
Training and seminars	120	115	4,144	1,675	-	375	45	6,474
Travel	52,344	24,197	31,524	13,596	845	22,380	3,489	148,375
Meetings	12,643	8,104	6,406	16,937	139	13,016	1,701	58,946
Repairs and maintenance	8,975	1,283	-	-	-	-	-	10,258
Rent	12,296	21,988	20,020	24,855	-	262	14,616	94,037
Utilities	1,591	785	2,461	50	-	15	378	5,280
Subcontracts/grants	45,000	52,500	16,277	-	-	-	5,000	118,777
Contributions	-	13,342	1,800	10,575	-	-	-	25,717
Depreciation	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 575,835</u>	<u>\$ 552,699</u>	<u>\$ 935,195</u>	<u>\$ 568,635</u>	<u>\$ 129,790</u>	<u>\$ 255,696</u>	<u>\$ 140,791</u>	<u>\$ 3,158,641</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL SCHEDULE

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011 (CONTINUED)

	SUPPORT SERVICES				
	Administration	Public Policy	Fundraising	Total Support Services	Total
Salaries and wages	\$ 597,287	\$ 32,055	\$ 126,498	\$ 755,840	2,375,104
Pension contributions	6,917	422	605	7,944	28,437
Other employee benefits	60,737	720	9,782	71,239	198,061
PR taxes	46,468	2,685	9,232	58,385	199,335
Consultants	47,087	-	2,529	49,616	536,563
Accounting and legal	35,915	-	-	35,915	40,301
Outside services	61,407	-	4,431	65,838	203,407
Insurance	10,076	-	-	10,076	13,448
Office and photo supplies	18,728	-	1,094	19,822	46,317
Field supplies and materials	698	-	-	698	31,505
Telephone	21,312	172	662	22,146	51,050
Postage and shipping	4,249	20	532	4,801	9,001
Dues and publications	4,043	150	963	5,156	12,875
Printing and photocopy	8,962	700	6,914	16,576	66,029
Miscellaneous	11,324	25	87	11,436	14,832
Training and seminars	4,576	-	1,567	6,143	12,617
Travel	55,242	757	4,124	60,123	208,498
Meetings	37,126	96	1,198	38,420	97,366
Repairs and maintenance	13,949	-	2,852	16,801	27,059
Rent	94,462	-	2,748	97,210	191,247
Utilities	6,081	-	364	6,445	11,725
Subcontracts/grants	-	-	-	-	118,777
Contributions	3,890	10,000	2,500	16,390	42,107
Depreciation	29,338	-	-	29,338	29,338
Bad debt	28,431	-	-	28,431	28,431
Total expenses	<u>\$ 1,208,305</u>	<u>\$ 47,802</u>	<u>\$ 178,682</u>	<u>\$ 1,434,789</u>	<u>\$ 4,593,430</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL SCHEDULE

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	PROGRAMS							Total Programs
	Upper Gulf of California	Northern Rockies	West-Wide Research	Sun Corridor	Communications	Training & Community Leadership	Colorado Rockies	
Salaries and wages	\$ 137,928	\$ 373,877	\$ 532,325	\$ 286,045	\$ 99,296	\$ 139,886	\$ 181,844	\$ 1,751,201
Pension contributions	2,218	8,666	11,241	5,964	3,235	3,399	2,335	37,058
Other employee benefits	5,411	31,408	47,477	22,792	8,661	12,803	20,104	148,656
PR taxes	19,818	29,189	39,598	22,894	6,885	11,401	20,642	150,427
Consultants	51,221	78,704	283,166	56,508	39,060	18,552	2,630	529,841
Accounting and legal	3,384	-	12,786	23,543	-	-	-	39,713
Outside services	47,758	11,803	24,700	945	225	7,183	6,365	98,979
Insurance	1,493	-	-	-	-	-	-	1,493
Office and photo supplies	4,662	5,583	7,980	3,450	1,523	1,839	477	25,514
Field supplies and materials	25,920	-	1,511	170	3	983	-	28,587
Telephone	2,283	10,849	7,740	3,780	372	1,050	8,483	34,557
Postage and shipping	138	1,417	2,687	828	3,359	507	212	9,148
Dues and publications	69	2,606	1,545	4,099	63	433	213	9,028
Printing and photocopy	3,857	3,150	5,766	6,235	10,183	5,442	1,626	36,259
Miscellaneous	1,374	20	43	-	-	17	10	1,464
Training and seminars	480	480	2,891	1,193	285	25	584	5,938
Travel	41,464	52,284	53,281	19,529	1,041	17,139	4,607	189,345
Meetings	2,648	12,220	34,609	3,356	295	7,569	25,212	85,909
Repairs and maintenance	8,774	673	750	383	-	25	-	10,605
Rent	7,976	32,690	26,223	24,000	-	-	23,689	114,578
Utilities	985	1,133	2,637	-	-	-	335	5,090
Subcontracts/grants	-	2,500	40,672	5,040	-	-	150	48,362
Contributions	-	3,350	500	2,750	-	200	150	6,950
Depreciation	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 369,861</u>	<u>\$ 662,602</u>	<u>\$ 1,140,128</u>	<u>\$ 493,504</u>	<u>\$ 174,486</u>	<u>\$ 228,453</u>	<u>\$ 299,668</u>	<u>\$ 3,368,702</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL SCHEDULE

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010 (CONTINUED)

	SUPPORT SERVICES				
	Administration	Public Policy	Fundraising	Total Support Services	Total
Salaries and wages	\$ 588,395	\$ 7,918	\$ 131,311	\$ 727,624	\$ 2,478,825
Pension contributions	11,330	216	1,247	12,793	49,851
Other employee benefits	71,000	198	11,688	82,886	231,542
PR taxes	39,917	607	11,666	52,190	202,617
Consultants	77,551	2,010	29,934	109,495	639,336
Accounting and legal	28,313	5,962	-	34,275	73,988
Outside services	63,142	-	13,824	76,966	175,945
Insurance	9,355	-	-	9,355	10,848
Office and photo supplies	32,053	-	3,231	35,284	60,798
Field supplies and materials	1,620	-	-	1,620	30,207
Telephone	12,917	24	717	13,658	48,215
Postage and shipping	4,550	-	1,689	6,239	15,387
Dues and publications	3,232	-	210	3,442	12,470
Printing and photocopy	6,946	-	10,170	17,116	53,375
Miscellaneous	4,623	-	-	4,623	6,087
Training and seminars	3,875	-	198	4,073	10,011
Travel	62,505	-	10,569	73,074	262,419
Meetings	66,431	30	3,212	69,673	155,582
Repairs and maintenance	23,339	-	2,382	25,721	36,326
Rent	114,787	-	-	114,787	229,365
Utilities	6,213	-	-	6,213	11,303
Subcontracts/grants	365	-	-	365	48,727
Contributions	950	250	500	1,700	8,650
Depreciation	32,281	-	-	32,281	32,281
Bad debt	402	-	-	402	402
Total expenses	<u>\$ 1,266,092</u>	<u>\$ 17,215</u>	<u>\$ 232,548</u>	<u>\$ 1,515,855</u>	<u>\$ 4,884,557</u>

SEE ACCOMPANYING NOTES TO SUPPLEMENTAL SCHEDULE

NOTES TO SUPPLEMENTAL SCHEDULE

1. Basis of Presentation

The accompanying Schedule of Functional Expenses is presented on the accrual basis of accounting.

2. Allocation of Expenses

Expenses are charged directly to program or general and administrative categories based on specific identification. Indirect expenses are allocated based primarily on direct labor costs.