HINKLE + LANDERS

Certified Public Accountants + Business Consultants

NEW MEXICO WILDERNESS ALLIANCE

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the Year Ended September 30, 2015
With Comparative Totals for 2014

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NEW MEXICO WILDERNESS ALLIANCE
As of September 30, 2015

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, 2015, 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 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 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, 2015, 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, 2014 dated January 21, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for prior year comparative date, is based solely on the report of the other auditors. Those auditors expressed an unmodified opinion on those statements.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
January 25, 2016

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF FINANCIAL POSITION
As of September 30, 2015, With Comparative Totals For 2014

	Notes	2015	2014
ASSETS			
Current Assets			
Cash & cash equivalents	C	$ **510,412**	454,528
Accounts & other receivables	H	**48,125**	2,714
Inventory		**-**	4,132
Prepaid expenses	I	**9,031**	5,277
Total current assets		**567,568**	466,651
Assets held by community foundation	E, F	**18,979**	16,401
Security deposit	J	**1,992**	1,992
Property and equipment	K	**3,100**	6,493
Total non-current assets		**24,071**	24,886
TOTAL ASSETS		$ **591,639**	491,537
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		$ **4,105**	15,406
Accrued payroll		**20,881**	-
Accrued liabilities		**4,329**	9,475
Accrued leave		**24,960**	14,946
Deferred revenue	L	**88,943**	69,374
Total liabilities		**143,218**	109,201
Net Assets			
Unrestricted net assets			
Undesignated		**310,943**	336,110
Board designated		**18,979**	16,401
Net investment in property and equipment		**3,100**	6,493
Total unrestricted net assets		**333,022**	359,004
Temporarily restricted net assets	M	**115,399**	23,332
Total net assets		**448,421**	382,336
TOTAL LIABILITIES AND NET ASSETS		$ **591,639**	491,537

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2015, With Comparative Totals For 2014

	Unrestricted	Temporarily Restricted	**2015 Totals**	2014 Totals
Support				
Contributions	$ 369,146	-	**369,146**	367,636
Grants	206,250	212,250	**418,500**	485,923
Contracts	151,847	-	**151,847**	178,583
Membership dues	45,312	-	**45,312**	77,659
In-kind contributions	11,003	-	**11,003**	3,585
Total support	783,558	212,250	**995,808**	1,113,386
Revenues				
Publication and retail sales	11,022	-	**11,022**	7,085
Interest income	1,363	-	**1,363**	1,092
Program trips and other events	5,310		**5,310**	19,255
Other income	692	-	**692**	1,800
Unrealized gain/(loss) on investments	(2,337)	-	**(2,337)**	770
Net assets released from restrictions	120,183	(120,183)	**-**	-
Total revenues	136,233	(120,183)	**16,050**	30,002
Total Support, Revenue, & Reclassifications	919,791	92,067	**1,011,858**	1,143,388
Operating Expenses				
Programs				
Wilderness protection	426,508	-	**426,508**	450,891
Wilderness defense	146,650	-	**146,650**	183,333
Outreach and education	145,275	-	**145,275**	57,254
Total Programs	718,433	-	**718,433**	691,478
Supporting Services				
General & administrative	163,738	-	**163,738**	157,311
Fundraising expense	63,602	-	**63,602**	83,470
Total Operating Expenses	945,773	-	**945,773**	932,259
Change in net assets	(25,982)	92,067	**66,085**	211,129
Net assets, beginning	359,004	23,332	**382,336**	171,207
Net assets, ending	$ 333,022	115,399	**448,421**	382,336

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, 2015, With Comparative Totals For 2014

		Program Services							
		Wilderness Protection	Wilderness Defense	Outreach & Education	Total Program	General & Administrative	Fundraising	**2015 Total**	2014 Total
Personnel expenses:									
Salaries	$	256,655	84,215	60,153	401,023	84,426	42,213	**527,662**	490,833
Payroll taxes		27,429	9,000	6,429	42,858	9,023	4,511	**56,392**	48,351
Payroll benefits		25,359	8,321	5,943	39,623	8,342	4,171	**52,136**	39,929
Retirement expense		8,672	2,846	2,033	13,550	2,853	1,426	**17,829**	18,804
Workers compensation		1,624	533	381	2,537	534	267	**3,338**	2,108
Total personnel		319,738	104,914	74,939	499,591	105,178	52,588	**657,357**	600,025
General expenses:									
Printing & copying		14,811	854	30,077	45,742	1,137	667	**47,546**	40,092
Contractual services		617	14,597	1,895	17,109	30,228	-	**47,337**	103,923
Office rent expense		20,502	4,420	4,778	29,700	5,769	3,004	**38,473**	37,964
Staff travel		16,558	1,933	4,955	23,446	907	16	**24,369**	29,484
Mileage		7,442	8,469	2,196	18,107	764	126	**18,997**	12,989
Postage & delivery		10,174	122	4,167	14,463	1,603	732	**16,798**	9,754
Web/Internet		7,201	162	3,896	11,259	793	3,029	**15,081**	4,571
Equipment & supplies		9,769	964	520	11,253	1,465	884	**13,602**	16,570
Telephone		5,534	695	1,027	7,256	1,085	1,838	**10,179**	10,151
Meals & entertainment		4,567	993	4,021	9,581	349	194	**10,124**	12,800
Legal		-	5,643	-	5,643	3,220	-	**8,863**	756
Repairs & maintenance		4,059	571	1,950	6,580	2,049	-	**8,629**	1,032
Advertising		2,432	1,000	2,935	6,367	528	317	**7,212**	16,850
Cost of goods sold		-	-	4,372	4,372	-	-	**4,372**	3,880
Insurance		-	-	-	-	4,073	-	**4,073**	3,416
Merchant licenses and fees		-	-	-	-	3,758	-	**3,758**	4,815
Rent expense		825	-	2,788	3,613	-	-	**3,613**	1,295
Subscriptions		579	-	170	749	614	49	**1,412**	1,114
Computer equipment		281	803	-	1,084	-	-	**1,084**	3,131
Auto expenses		194	55	589	838	-	-	**838**	734
Training		-	-	-	-	80	-	**80**	1,550
Interest expense		-	-	-	-	-	-	**-**	63
Other expenses		-	-	-	-	-	-	**-**	6,270
Inventory write-off		-	-	-	-	-	-	**-**	7,554
Depreciation		1,225	455	-	1,680	138	158	**1,976**	1,476
Total general expenses		106,770	41,736	70,336	218,842	58,560	11,014	**288,416**	332,234
Total expenses	$	426,508	146,650	145,275	718,433	163,738	63,602	**945,773**	932,259

SEE INDEPENDENT AUDITOR'S REPORT

The accompanying notes are an integral part of these financial statements.

NEW MEXICO WILDERNESS ALLIANCE
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2015, With Comparative Totals For 2014

		2015	2014
CASH FLOWS FROM OPEARTING ACTIVITIES:			
Cash received from grants & contracts	$	**589,916**	757,414
Cash received from contributors & others		**384,112**	471,021
Cash payments to vendors & contractors		**(290,387)**	(315,229)
Cash payments for wages & benefits		**(626,462)**	(600,025)
Interest expense		**(80)**	(1,550)
Interest income & dividends		**1,363**	1,092
Net cash provided/(used) by operating activities		**58,462**	312,723
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for investment in property & equipment		**-**	-
Changes in endowment		**(2,578)**	(770)
Net cash provided/(used) by investing activities		**(2,578)**	(770)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net cash provided/(used) by financing activities		**-**	-
Net increase (decrease) in cash		**55,884**	311,953
Cash & cash equivalents, beginning of year		**454,528**	142,575
Cash & cash equivalents, end of year	$	**510,412**	454,528
Reconciliation of change in net assets to cash provided/(used) by operating activities			
Change in Net Assets	$	**66,085**	211,129
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense		**1,976**	1,476
(Gain)/loss on sale of equipment		**-**	-
Inventory write-off		**-**	7,554
Noncash adjustments		**1,417**	375
Changes in assets and liabilities:			
Accounts & other receivables		**(45,411)**	8,564
Grants receivable		**-**	55,000
Inventory		**4,132**	(8,855)
Prepaid expenses		**(3,754)**	(2,893)
Accounts payable		**(11,301)**	2,465
Accrued payroll		**20,881**	-
Accrued liabilities		**(5,146)**	-
Accrued leave		**10,014**	-
Deferred revenue		**19,569**	37,908
Net cash provided (used) by operating activities	$	**58,462**	312,723

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, 2015, to better reflect the Alliance's actual efforts in pursuit of its organizational priorities. The programs for the year ended September 30, 2015, 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. One of the activities of the Alliance during the year ended September 30, 2015, was assisting with the planning of the National Wilderness Conference which was held in Albuquerque, New Mexico, in October 2014. The Alliance is a member of the 50th Anniversary National Wilderness Planning Team ("Wilderness 50") which is a coalition of federal agencies, non-profit organizations, academic institutions, and other wilderness user groups whose purpose is to plan and eventually implement local, regional, and national events and projects, designed to elevate the profile of wilderness during the National Wilderness Conference. This conference coincided with the 50th Anniversary of The Wilderness Act.

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015.

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 $24,960 in 2015 and $14,946 in 2014.

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 J 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 J 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 $17,829 and $18,804 for the years ended September 30, 2015 and 2014, 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
2016	$	36,524
2017		36,418
2018		9,374
2019		4,174
2020		-
Thereafter		-

Office and equipment leases for September 30, 2015 and 2014 totaled $44,664 and $31,010, 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 2015. Additionally, no income tax expense was incurred related to the advertising activities during the years ended September 30, 2015 and 2014. In 2014, advertising activities resulted in a net loss.

Uncertain Tax Provisions

The Alliance files Federal Form 990 and 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 2012. 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.

Management of the Alliance believes the only activity subject to unrelated business income tax is advertising. The Alliance generated a loss from advertising during the years ended September 30, 2015 and 2014, and, accordingly, paid no income tax related to the unrelated business activity. The Alliance files federal its activities allow it to continue to be classified as an organization exempt from income tax under Section 501(c)(3).

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, 2015 and 2014.

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, 2014, from which the summarized information was derived.

Reclassifications

Certain reclassifications may have been made to 2014 amounts to conform to 2015 presentation.

NOTE C – CASH AND CASH EQUIVALENTS

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

Type		2015	2014
Checking and savings	$	**503,033**	211,669
Vanguard money market		**3,787**	3,787
NMEFCU money market		**1,776**	1,774
Raymond James cash sweep		**1,668**	236,511
Petty cash		**148**	787
Total cash and cash equivalents	$	**510,412**	454,528

NOTE D – CONCENTRATIONS OF CREDIT RISK

Periodically throughout the year ended September 30, 2015, 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, 2015, the Alliance's cash balances were underinsured by $21,139.

At September 30, 2015, the Alliance had $5,563 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, 2015 and 2014, these funds represented the investment of board-designated quasi-endowment funds. The fair value of these assets are as follows as of September 30:

		2015	2014
Assets held by the NMCF	**$**	**18,979**	16,401

NOTE F – ENDOWMENT

For the years ended September 30, 2015 and 2014, the assets of the endowment consist of funds held and invested by the NMCF. The 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 endowment fund, including amounts designated by the board as quasi-endowment, are classified and reported based on the existence or absence of donor-imposed restrictions. Income earned on the endowment is available for operations. Management of the Alliance has not yet adopted spending policies for the endowment.

Management of the Alliance has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Alliance had originally classified a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) 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, as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that was not classified as permanently restricted net assets was classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Alliance in a manner consistent with the standards of prudence prescribed by the UPMIFA.

As of September 30, 2014, the Alliance received notification from the main donor of prior years' permanently restricted endowment contributions, she would like to remove the restriction from her contributions and allow the contributions to be classified as board-designated quasi-endowment contributions. The contributions from this one donor were $11,000 of the total $13,000 of donor restricted contributions that were classified as permanently restricted in prior years. The Alliance believes the other contributions were improperly classified as permanently restricted; therefore, a reclassification was made in fiscal year 2014 to reflect the full amount of prior-years' permanently restricted endowment contributions as board-designated quasi-endowment unrestricted net assets. As a result, the endowment fund is entirely classified as board designated unrestricted net assets.

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

	2015		2014	
Fair value at October 1,		**$ 16,401**		$ 13,000
Contributions		**4,100**		3,000
Investment income/(loss)				
Net realized and unrealized gain/(loss)	**$ 36**		$ 401	
Adjustments, market depreciation, & other payments	**(1,558)**		-	
Net change		**(1,522)**		401
Fair value at September 30,		**$ 18,979**		$ 16,401
Cost Basis		**$ 17,100**		$ 13,000

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 asses 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:

		2015		2014	
Type		**Level 1**	**Level 3**	Level 1	Level 3
Common Stock	$	**-**	-	-	-
Assets held by community foundation		-	**18,979**	-	16,401
Total fair value	$	**-**	**18,979**	-	16,401

NOTE H – ACCOUNTS & OTHER RECEIVABLES

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

Customer		2015	2014
Pew Charitable Trust	$	**48,000**	-
City of Albuquerque		**125**	-
The Wild Side		**-**	2,654
NM Educators Federal Credit Union		**-**	60
Total accounts receivables	$	**48,125**	2,714

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:

		2015	2014
Prepaid expenses	$	**9,031**	5,277

NOTE J – SECURITY DEPOSIT

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

		2015	2014
Security deposit	$	**1,992**	1,992

NOTE K – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

Type		2014	Additions	Deletions	Adjustments	2015
Depreciable property and equipment						
Furniture & equipment	$	29,710	-	(3,228)	(1,860)	**24,622**
Vehicles		8,137	-	-	-	**8,137**
Subtotal		37,847	-	(3,228)	(1,860)	**32,759**
Less: Accumulated depreciation		(31,354)	(1,976)	3,228	443	**(29,659)**
Total property and equipment, net	$	6,493	(1,976)	-	(1,417)	**3,100**

Depreciation expense for the years ended September 30, 2015 and 2014 was $1,976 and $1,476, 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		2015	2014
Contracts	$	**88,943**	69,374
Total deferred revenue	$	**88,943**	69,374

NOTE M – TEMPORARILY RESTRICTED NET ASSETS

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

		2015	2014
Wyss Foundation 2015	$	**1,851**	-
Pew WLI		**26,359**	-
Conservation Alliance		**7,573**	-
CAW 2015		**15,169**	-
REI VC		**2,922**	-
Lineberry Foundation		**9,025**	-
Abq Community Foundation		**7,500**	-
Conservation Lands Foundation 2015		**45,000**	-
EMA 2014		**-**	4,313
Patagonia 2015		**-**	9,000
TWS SF/Carson		**-**	4,895
Alliance for Wildersness		**-**	5,125
Total Temporarily Restricted	$	**115,399**	23,333

NOTE N– IN-KIND CONTRIBUTIONS

The Alliance utilizes volunteer services to meet project requirements. In 2015, the Alliance had 952 volunteers who contributed 10,151 hours and in 2014, the Alliance had 776 volunteers who contributed 14,003 hours.

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

Type		2015	2014
Unrestricted contributions			
Items and supplies for fundraising	$	**-**	8,114
Program use of aircraft and service of pilots		**10,003**	2,575
Program materials, supplies, and travel costs		**1,000**	680
Total in-kind contributions	$	**11,003**	11,369

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:

		2015		2014	
Sales	$	**11,022**	**100%**	7,085	100%
Less: cost of good sold		**(4,372)**	**40%**	(3,880)	55%
Gross profit	$	**6,650**	**60%**	3,205	45%

NOTE P– JOINT COST ALLOCATIONS

The Alliance did not participate in joint activities during the 2015 year or the 2014 year that required allocations.

NOTE Q – RELATED PARTY TRANSACTIONS

A board member of the Alliance is married to a part-time employee 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		**2015**	2014
Contributions, grants & contracts	$	**939,493**	1,032,142
Total Revenue	$	**1,011,858**	1,143,388
Concentration percentage		**93%**	90%

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 January 25, 2016, which is the date the financial statements were available to be issued.