THE WILDERNESS LAND TRUST

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE WILDERNESS LAND TRUST

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

CONTENTS

Taylor, Roth and Company, PLLC
Certified Public Accountants
working exclusively with nonprofit organizations

September 25, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Wilderness Land Trust
Carbondale, Colorado

We have audited the accompanying financial statements of **The Wilderness Land Trust**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities 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 principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 of 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 auditors' 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 Wilderness Land Trust as of June 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.

800 Grant Street, Suite 205, Denver, CO 80203-2944
www.TaylorRoth.com phone 303-830-8109 fax 303-830-8127 toll free 1-866-330-8109

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited The Wilderness Land Trusts' financial statements for the year ended June 30, 2014, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 1, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

THE WILDERNESS LAND TRUST

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Assets				
Cash and cash equivalents	$ 539,144	$ -	$ 539,144	$ 503,320
Grants receivable	-	40,000	40,000	-
Pledges receivable	-	11,000	11,000	-
Prepaid expenses	19,692	-	19,692	8,838
Earnest money deposits	-	1,000	1,000	-
Wilderness Opportunity Fund:				
Investments (Notes 3, 4)	-	1,209,908	1,209,908	1,168,271
Land available for sale or donation (Notes 4, 5)	-	3,121,023	3,121,023	3,630,594
Property and equipment, net (Note 6)	1,048	-	1,048	2,821
Total assets	$ 559,884	$4,382,931	$ 4,942,815	$ 5,313,844
Liabilities and net assets				
Liabilities				
Accounts payable	$ 15,102	$ -	$ 15,102	$ 19,414
Accrued payroll expenses	-	-	-	34
Accrued interest expense	16,848	-	16,848	20,053
Deferred revenue	-	-	-	9,562
Wilderness Opportunity Fund:				
Cash held for others (Note 4)	-	785,568	785,568	759,037
Land held for others (Note 4)	-	25,603	25,603	140,963
Notes payable (Notes 4, 7)	-	2,455,000	2,455,000	2,553,000
Commitments and contingencies (Note 8)				
Total liabilities	31,950	3,266,171	3,298,121	3,502,063
Net assets				
Unrestricted				
Operating	526,886	-	526,886	463,095
Net investment in property and equipment	1,048	-	1,048	2,821
Temporarily restricted (Note 9)	-	1,116,760	1,116,760	1,345,865
Total net assets	527,934	1,116,760	1,644,694	1,811,781
Total liabilities and net assets	$ 559,884	$4,382,931	$ 4,942,815	$ 5,313,844

The accompanying notes are an integral part of these financial statements

THE WILDERNESS LAND TRUST

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and other support				
Contributions	$ 266,955	$ 42,000	$ 308,955	$ 249,362
Grant revenues	134,428	40,000	174,428	407,438
Gains(losses) on property transfers	34,490	-	34,490	154,651
Expense reimbursements	11,625	-	11,625	11,000
Investment income	507	-	507	526
All other	7,175	-	7,175	3,000
In-kind donations	3,498	-	3,498	-
Net assets released from restrictions (Note 10)	311,105	(311,105)	-	-
Total revenue and support	769,783	(229,105)	540,678	825,977
Expense				
Land contributions	481,161	-	481,161	525,908
Supporting services				
Management and general	101,756	-	101,756	164,059
Development	124,848	-	124,848	113,410
Total expense	707,765	-	707,765	803,377
Change in net assets	62,018	(229,105)	(167,087)	22,600
Net assets, beginning of year	465,916	1,345,865	1,811,781	1,789,181
Net assets, end of year	$ 527,934	$ 1,116,760	$ 1,644,694	$1,811,781

The accompanying notes are an integral part of these financial statements

THE WILDERNESS LAND TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ (167,087)	$ 22,600
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Donated securities	(89,875)	(48,411)
Depreciation	1,773	2,224
Forgiveness of notes payable	(25,000)	(25,000)
Changes in operating assets and liabilities		
(Increase)decrease in accounts receivable	-	423
(Increase)decrease in grants receivable	(40,000)	-
(Increase)decrease in pledge receivable	(11,000)	50,000
(Increase)decrease in prepaid expenses	(10,854)	3,703
(Increase)decrease in earnest money deposits	(1,000)	2,000
(Increase)decrease in land available for sale or donation	509,571	(1,255,388)
Increase(decrease) in accounts payable and accrued expenses	(7,551)	(5,243)
Increase(decrease) in deferred revenue	(9,562)	(22,438)
Increase(decrease) in cash held for others	26,531	81,887
Increase(decrease) in land held for others	(115,360)	(81,887)
Net cash provided(used) by operating activities	60,586	(1,275,530)
Cash flows from investing activities		
Sales of investments	883,224	1,054,294
(Purchases) of investments	(834,850)	(506,375)
(Reinvestment) of investment earnings	(136)	(52)
(Purchases) of property and equipment	-	(1,558)
Net cash provided(used) by investing activities	48,238	546,309
Cash flows from financing activities		
Borrowings on notes payable	126,000	2,400,000
(Repayments) of notes payable	(199,000)	(1,825,000)
Net cash provided(used) by financing activities	(73,000)	575,000
Net increase(decrease) in cash	35,824	(154,221)
Cash and cash equivalents, beginning of year	503,320	657,541
Cash and cash equivalents, end of year	$ 539,144	$ 503,320
Supplemental disclosure of information:		
Cash paid during the period for interest	$ 26,669	$ 26,189

The accompanying notes are an integral part of these financial statements

THE WILDERNESS LAND TRUST

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

The Wilderness Land Trust, a Colorado nonprofit corporation (the Trust), was incorporated in 1992 for the purpose of acquiring private lands in current and potential wilderness areas from willing sellers and transferring those lands to public ownership so that all generations of Americans will enjoy an enduring source of wilderness. The Trust is supported primarily through foundation grants, contributions of cash and land, and gains on property transfers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

   The financial statements of the Trust have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

   The Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Restricted and Unrestricted Revenue

   Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

4. Cash and Cash Equivalents

   Cash and cash equivalents are considered to be all unrestricted highly liquid investments held for operational purposes with an initial maturity of three months or less.

5. Pledges Receivable and Contributions

   Unconditional pledges receivable are recognized as revenues in the period received. Conditional pledges receivable are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. The Trust uses the allowance method to determine uncollectible pledges receivable. Management has determined that no allowance is necessary as of June 30, 2015.

6. Grants and Grants Receivable

   The Trust receives grants from private organizations to be used for the purchase of land inholdings and general operating expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

7. Donations

The Trust reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Trust reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Trust reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

8. Capitalization and Depreciation

The Trust follows the practice of capitalizing all expenditures for land, buildings, and equipment of $1,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 7 years.

9. Land Inholdings

Parcels of privately owned lands contained within federally-designated wildernesses are termed land inholdings.

10. Land Acquisition Costs and Reimbursements

Costs related to land acquisitions are incurred routinely for land that may or not be acquired by the Trust. Due to the uncertainty related to these expenses, the Trust capitalizes all land acquisition related expenses if the land purchase is completed during the same fiscal year or within 30 days of the fiscal year-end. All other costs are expensed as incurred. In addition, some acquisition expenses may be reimbursed to the Trust as a part of the purchase agreement. Reimbursements are recorded in the fiscal year in which payment is received.

11. Estimates

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

12. Fair Value Measurements

The Trust follows the provisions of the *Fair Value Measurements and Disclosures* Topic of FASB ASC, which require use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

13. Income Taxes

The Trust is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Trust's federal *Return of Organization Exempt from Income Tax* (Form 990) is subject to examination by the IRS, generally for three years.

14. Functional Reporting of Expenses

For the year ended June 30, 2015, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

15. Summarized 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

16. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. In the Statement of Financial Position and Cash Flows, $110,923 in unrestricted *investments* was reclassified to *cash and cash equivalents*. Additionally, in the Statement of Financial Position, $429,017 in temporarily restricted *investments* was combined with temporarily restricted *investments – Wilderness Opportunity Fund* (previously referred to as the land acquisition revolving loan fund).

17. Subsequent Events

Management has evaluated subsequent events through September 25, 2015, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Investments consist of cash and money market accounts held for restricted purposes. The value of the investments approximates cost.

NOTE 4 - THE WILDERNESS OPPORTUNITY FUND

The Trust acquires land from willing landowners and then conveys the land to public agencies for protection, usually within one to five years. When land is sold to public agencies, the funds used to acquire land are re-deposited and used for future land purchases. The land purchases are financed by what the Trust refers to as the "The Wilderness Opportunity Fund" (the Fund). The Fund is a revolving loan fund that includes all of the Trust's assets and liabilities restricted for land acquisition. The funding received by the Fund came a variety of sources, including grants, contributions and loans from private foundations and individuals. Gains on land sales, if any, are recorded as unrestricted revenue of the Trust unless the agreement with the financing source stipulates otherwise.

NOTE 4 - THE WILDERNESS OPPORTUNITY FUND (concluded)

As of June 30, 2015, two of the funding sources included in the Fund stipulate that the Trust has a legal obligation to transfer land purchased with these sources to agencies of the federal government. Therefore, the Trust considers assets held on account of these funding sources to be assets held for third parties, and the Trust records offsetting liabilities for these amounts. As of June 30, 2015, assets held for third parties in the Fund include $100,000 from the Resource Legacy Foundation and $711,171 from the Wyss Foundation. In general, the Trust does not have an obligation to restore losses on land sales financed with either of these funds. However, the agreement with the Wyss Foundation stipulates that gains on sales of property financed by assets provided by the Wyss Foundation are unrestricted, but only if cumulative losses on land financed by the Wyss Foundation have been restored to the Fund. As of June 30, 2015, the Trust has incurred a total of $88,829 in losses on land financed by the Wyss Foundation. This amount will be restored to the Fund if future land sales financed with this source result in gains.

As of June 30, 2015, the detail of the assets and liabilities of the Fund included:

Assets	Amount
Investments (by source):	
Wyss Foundation	$ 685,568
Resource Legacy Foundation	154,400
Grants	295,835
Donors	44,105
Lenders	30,000
Investments, subtotal	1,209,908
Earnest money deposits	1,000
Land	3,121,023
Total assets	$ 4,331,931
Liabilities and Net Assets	
Cash held for others	$ 785,568
Land held for others	25,603
Notes payable (Note 7)	2,455,000
Total liabilities	3,266,171
Total net assets	1,065,760
Total liabilities and net assets	$ 4,331,931

NOTE 5 - LAND AVAILABLE FOR SALE OR DONATION

As part of its normal operations, the Trust was involved in various stages of negotiation for the purchase of real property at June 30, 2015. Purchase and sale agreements were executed with various contingencies for inspection period, seller requirements, etc. Some of these negotiations will result in completed acquisitions in the following fiscal year.

All land held by the Organization is classified as temporarily restricted because of the inherent restrictions on the land and related financing sources.

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment consist of:

Description	Amount
Office equipment	$ 10,573
Office furniture	4,297
Total	14,870
Less: accumulated depreciation	(13,822)
Net property and equipment	$ 1,048

Depreciation expense for the year was $1,773.

NOTE 7 - NOTES PAYABLE

Notes payable consisted of the following:

Description	Amount
David and Lucille Packard Foundation:	
Castle-Crags purchase funds: dated December 2, 2013; matures December 6, 2018, or upon sale of property; stated interest rate of 1.00%; interest paid annually; secured by first deed of trust	$ 2,325,000
Access Fund:	
Castle-Crags purchase funds: dated December 2, 2013; matures December 6, 2018, or upon sale of property; stated interest rate of 1.00%; interest due at maturity of loan; secured by deed of trust subordinate to Packard Foundation loan	75,000

NOTE 7 - NOTES PAYABLE, concluded

Description	Amount
Individuals:	
Blumenthal: dated September 1, 2006; matured October 28, 2010; modified to mature on September 1, 2015; stated interest rate of 0.00%; imputed rate of 1.00%; unsecured	25,000
Ryan: dated January 1, 2011; originally scheduled to mature December 31, 2012; subsequently modified to mature December 31, 2016; stated interest rate of 1.59%; unsecured	10,000
Hoover: dated January 20, 2011; originally schedule to mature September 30, 2011; subsequently modified to mature December 31, 2016; stated interest rate of 1.00%; unsecured	10,000
Fisher: dated January 20, 2011; originally scheduled to mature September 30, 2011; subsequently modified to mature December 31, 2016; stated interest rate of 1.00%; unsecured	10,000
Subtotal, Individuals	55,000
Total	$ 2,455,000

The future scheduled maturities for the years ending June 30th are:

Year	Amount
2016	$ 25,000
2017	30,000
2018	-
2019	2,400,000
Total	$ 2,455,000

Interest expense related to notes payable for the year ended June 30, 2015, was $26,669. Interest has been imputed for below-market rate loans.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Trust may be potentially responsible for clean-up costs of certain properties prior to their conveyance to the federal government. Although a loss is probable, it is not possible to reasonably estimate the amount of any obligation for remediation that would be material to the Trust's financial statements at June 30, 2015.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

At year-end, temporarily restricted net assets included the following:

Description	Receivables and Investments	Land, net of notes payable	Total
Wilderness Acquisition Funds	$ 369,339	$ 537,656	$ 906,995
RLFF Wilderness Acquisition Fund	54,400	14,197	68,597
Catto Foundation Fund	601	50,000	50,601
Unrestricted net assets, capitalized with land acquisitions	-	39,567	39,567
Subtotal, Wilderness Opportunity Fund (Note 4)	424,340	641,420	1,065,760
Packard grant - fund development and strategic communications	40,000	-	40,000
Grants and pledges receivable - future operations	11,000	-	11,000
Total	$ 475,340	$ 641,420	$ 1,116,760

Some acquisition costs of land held by the Wilderness Opportunity Fund were paid for with unrestricted assets, and these amounts are reclassified to unrestricted net assets when the land is sold or transferred. As of June 30, 2015, a total of $39,567 of unrestricted net assets was capitalized with temporarily restricted land.

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 2015, net assets were released from restrictions by satisfying restricted program purposes as follows:

Description	Amount
Wilderness Opportunity Fund - land acquisitions	$ 148,050
Unrestricted net assets, capitalized with temporarily restricted land	124,653
RLFF Wilderness Acquisition Fund	38,402
Total	$ 311,105

NOTE 11 - PENSION PLAN

The Trust sponsors a Simplified Employee Pension (SEP) deferred compensation plan. The Trust matches employee contributions up to 15 percent of eligible employees' annual compensation. During the year, the Trust contributed $38,586 to the plan.

NOTE 12 - SUBSEQUENT EVENT

The Organization is currently in the process of acquiring the Northwest Citizens for Wilderness Mining (the Corporation), which is a for-profit C corporation registered in the state of Montana. The Corporation's only assets are 42 unpatented mining claims located across approximately 400 acres in the proposed Scotchman Peaks Wilderness area in northwest Montana. The Corporation exists to hold the mining claims; the Corporation does not have any operational activities. The Corporation does not have any other assets other than the mining claims, nor does it have any liabilities. Once a year, the Corporation pays approximately $6,500 for annual maintenance fees on the mining claims to the Bureau of Land Management. The acquisition will occur through the purchase of all 500 outstanding shares for a nominal price of $50.

After acquisition of the Corporation, the Organization intends to continue to hold the mining claims within the Corporation and to develop the mining claims within the guidelines established by The Wilderness Act. If the federal government designates the Scotchman Peaks Wilderness as a designated, protected wilderness area, the Organization will consider abandoning the mining claims.

SUPPLEMENTARY INFORMATION

THE WILDERNESS LAND TRUST

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015				2014
		Supporting Services			
	Land Contributions	Management and General	Development	Total	Total
Salaries	$ 204,882	$ 23,415	$ 64,392	$ 292,689	$ 253,180
Payroll taxes and benefits	46,560	5,321	14,633	66,514	70,070
Professional fees	67,253	-	11,325	78,578	173,979
Travel	29,961	21,140	9,416	60,517	77,118
Accounting	9,480	30,541	-	40,021	38,754
Appraisals and surveys	39,100	-	-	39,100	40,975
Interest	26,669	-	-	26,669	23,657
Closing fees	24,028	-	-	24,028	7,339
Marketing	-	3,721	14,886	18,607	17,870
Board expense (meetings)	-	11,341	-	11,341	22,758
Insurance	5,209	596	1,637	7,442	8,513
Dues and subscriptions	4,665	534	1,466	6,665	10,473
Office supplies	4,175	477	1,312	5,964	4,120
Communication	3,771	431	1,185	5,387	6,132
Property taxes and fees	4,585	-	-	4,585	1,046
Office rent	3,107	355	976	4,438	6,560
Training and conferences	2,674	305	840	3,819	9,386
Postage	2,148	245	675	3,068	2,344
Information technology	1,459	167	459	2,085	1,115
Donor database	-	-	1,195	1,195	3,368
Land database	-	-	-	-	15,750
Rehabilitation costs	-	-	-	-	4,502
All other	193	3,026	61	3,280	2,144
	479,919	101,615	124,458	705,992	801,153
Depreciation	1,242	141	390	1,773	2,224
Total expense	$ 481,161	$ 101,756	$ 124,848	$ 707,765	$ 803,377

See independent auditors' report