COLORADO ALLIANCE
FOR ENVIRONMENTAL EDUCATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016 and 2015

COLORADO ALLIANCE FOR ENVIRONMENTAL EDUCATION

TABLE OF CONTENTS

WATSON COON
& ASSOCIATES PC

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Colorado Alliance for Environmental Education

We have reviewed the accompanying financial statements of Colorado Alliance for Environmental Education (a Colorado nonprofit corporation), which comprise the Statements of Financial Position as of December 31, 2016 and 2015, and the related Statements of Activities and Cash Flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Watson Coon + Associates P.C.

Watson Coon & Associates PC

June 30, 2017
Greenwood Village, CO

COLORADO ALLIANCE FOR ENVIRONMENTAL EDUCATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND DECEMBER 31, 2015
(SEE ACCOUNTANT'S REVIEW REPORT)

ASSETS

	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	$ 81,958	62,708
Grants Receivable	70,847	21,600
TOTAL CURRENT ASSETS	152,805	84,308
NONCURRENT ASSETS		
Property and Equipment, net	-	-
Cash in Bank - Restricted	14,132	31,377
Deposits	495	495
Prepaid Assets	-	1,302
Beneficial Interest in a Perpetual Trust	252,263	248,795
	266,890	281,969
TOTAL ASSETS	**$ 419,695**	**$ 366,277**

LIABILITIES AND NET ASSETS

	2016	2015
CURRENT LIABILITIES		
Accounts Payable	522	756
Accrued Expenses	4,983	501
TOTAL CURRENT LIABILITIES	**5,505**	**1,257**
NET ASSETS		
Total Unrestricted Net Assets	67,796	63,248
Total Temporarily Restricted Net Assets	189,223	144,601
Total Permanently Restricted Net Assets	157,171	157,171
	414,190	**365,020**
TOTAL LIABILITIES AND NET ASSETS	**$ 419,695**	**$ 366,277**

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

COLORADO ALLIANCE FOR ENVIRONMENTAL EDUCATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(SEE ACCOUNTANT'S REVIEW REPORT)

	2016				2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
CHANGES IN UNRESTRICTED NET ASSETS					
Revenues:					
Contributions	$ 79,439	$ 80,000	$ -	$ 159,439	$ 83,223
Grant Income	10,675	-	-	10,675	26,617.00
Donations to Custodial Accounts	-	7,134	-	7,134	19,303
In-Kind Contributions	-	-	-	-	74,874
Program Revenue	33,441	-	-	33,441	35,393
Membership Dues	6,226	-	-	6,226	4,483
Change in Value of Beneficial Interest in Perpetual Trusts	-	16,467	-	16,467	(8,074)
Assets Released from Restriction	58,979	(58,979)	-	-	-
Total Revenue	**188,760**	**44,622**	**-**	**233,382**	**235,819**
Expenses					
Program Services - Connect	7,817	-	-	7,817	10,921
Program Services - Educate	70,863	-	-	70,863	62,116
Program Services - Empower	32,220	-	-	32,220	26,611
Program Services - Influence	32,891	-	-	32,891	69,266
Management and General	18,654	-	-	18,654	23,128
Custodial	12,149	-	-	12,149	25,794
Fundraising	9,698	-	-	9,698	9,927
Total Expenses	**184,292**	**-**	**-**	**184,292**	**227,763**
Other Income (Expense):					
Interest Income	80	-	-	80	13
Total Other Income (Expense):	**80**	**-**	**-**	**80**	**13**
CHANGE IN NET ASSETS	**4,548**	**44,622**	**-**	**49,170**	**8,069**
NET ASSETS, beginning of year	**63,248**	**144,601**	**157,171**	**365,020**	**356,951**
NET ASSETS, end of year	**$ 67,796**	**$ 189,223**	**$ 157,171**	**$ 414,190**	**365,020**

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

COLORADO ALLIANCE FOR ENVIRONMENTAL EDUCATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 49,170	$ 8,069
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated in-kind property	-	(495)
(Increase) decrease in assets:		
Grants receivable	(49,247)	(21,600)
Beneficial interest in perpetual trust	(3,468)	8,074
Other Assets	1,302	(1,302)
Increase (decrease) in liabilities:		
Accounts payable	(234)	(2,824)
Unearned revenue	-	-
Accrued expenses	4,482	(2,358)
		-
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	2,005	(12,436)
NET INCREASE (DECREASE) IN CASH	2,005	(12,436)
CASH AT BEGINNING OF YEAR	94,085	106,521
CASH AT END OF YEAR	$ 96,090	$ 94,085

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

NOTE 1-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colorado Alliance for Environmental Education, Inc. (CAEE) is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization was incorporated in 1989 as a non-profit corporation under the laws of the State of Colorado. CAEE was formed to facilitate statewide communication, cooperation, collaboration, and coordination among varied environmental education programs in Colorado in order to improve those programs' collective effectiveness.

Members of CAEE are assessed dues and other fees for the purpose of maintaining and managing the Organization. In addition to dues received, CAEE receives registration fees for conferences and workshops, it also receives contributions from government and foundation grants as well as contributions from individual and corporate sponsors.

Basis of Accounting

The financial statements of Colorado Alliance for Environmental Education have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification Topic 958, subtopic 205 related to Not-for-Profit Entities and the Presentation of Financial Statements. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The Organization has adopted Accounting Standards Codification (ASC) Topic 958, subtopic 605 related to Revenue Recognition and contributions received.

Revenue Recognition

Contributions are classified based on donor imposed restrictions. Accordingly, net assets of Colorado Alliance for Environmental Education and changes therein are classified and reported as follows:

Unrestricted – Unrestricted assets include the net assets that are associated with the principal mission of the Organization. Restricted contributions are reported as unrestricted when their restrictions are met in the same period the contribution was made.

Temporarily Restricted – Temporarily restricted assets include contributions and other assets received with donor stipulations that limit the use of the donated asset. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "net assets released from restrictions."

Permanently Restricted – Permanently restricted assets include contributions that are limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs are allocated among the program and supporting services benefitted.

Whenever possible, the Organization charges expenses directly to the benefiting program or support services based upon reasonable and allocable basis, such as direct salaries and square footage. When this is difficult or impractical, costs are allocated to programs and support services based upon direct costs.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification Topic 958, subtopic 205 related to Not-for-Profit Entities and the Presentation of Financial Statements. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization had permanently restricted assets in the year ended December 31, 2016 and 2015 related to the beneficial interest in assets held by the Community First Foundation. See further discussion in note 3. Additionally, the Organization holds temporarily restricted assets related to donations that had yet to be disbursed for their intended purpose.

The Organization has adopted Accounting Standards Codification (ASC) Topic 958, subtopic 605 related to Revenue Recognition and contributions received.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

For purposes of the statements of cash flow, the organization considers all short-term debt securities purchased with a maturity of less than three months to be cash equivalents.

Restricted cash includes money that was given with a specified purpose; as such amounts have been segregated from cash available for general operations.

Use of 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.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the Colorado Income Tax Act of 1964 (as amended).

Investments

The Organization's investments are held and managed by a foundation which manages the Endowment Fund. The investment objective for endowed assets is to achieve growth that will preserve and increase the purchasing power of such assets. In accordance with the Endowment Fund Agreement, the accumulated current income and appreciation in value are retained in the Endowment Fund as Temporarily Restricted Net Assets to provide support in the future, in the event that the Organization's net revenues decline to a point that Endowment Fund investments will need to be used for current operating support.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment is stated at cost or, if donated, at the estimated value at the time of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Amounts expended for $500 or more for improvements which substantially increase the useful life of the fixed assets or to replace property and equipment are capitalized. Maintenance, repairs and minor replacements are expensed as incurred.

The assets are depreciated utilizing the straight line method over their estimated useful life. The estimated useful life of the office equipment is five to seven years and thirty nine years for leasehold improvements. Fixed assets as of December 31, 2016 and 2015 were comprised of the following:

	2015	2016
Office Equipment	$11,376	$11,376
Less Accumulated Depreciation	(11,376)	(11,376)
Total Equipment	$ -	$ -

All equipment was fully depreciated as of December 31, 2015 and no depreciation expense was recorded for the years ended December 31, 2016 and 2015

Donated Services

CAEE receives contributions from volunteers of their time and services. Many individuals volunteer their time and perform a variety of tasks and assist the Organization, but these services do not meet the criteria for recognition as contributed services. For the years ended December 31, 2016 and 2015, CAEE recognized no donated volunteer services.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the Colorado Income Tax Act of 1964 (as amended).

NOTE 2 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures,* provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB 820 are described as follows:

Level 1— Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan 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;
- 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 asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Beneficial Interest in Assets held by Community First: Valued at the fair value of the underlying assets, as reported to the Organization by Community First. The investments of these non-profit organizations are pooled into investment portfolios that are apportioned to the respective individual organizations. The exact investment that CAEE has in the Endowment Fund is, therefore, not readily determinable. CAEE does consider that the fair value of its investments, while unobservable, can be corroborated by observable data, such as the consolidated financial data made available by Community First Foundation. CAEE considers all of the assets invested in the Endowment Fund to be Level 2.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016 and 2015:

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets held by Community First	$ -	$ 252,263	$ -	$252,263
Total assets at fair value	$ -	$ 252,263	$ -	$252,263

Assets at Fair Value as of December 31, 2015

	Level 1	Level 2	Level 3	Total
Beneficial Interest in Assets held by Community First	$ -	$ 248,795	$ -	$248,795
Total assets at fair value	$ -	$ 248,795	$ -	$248,795

NOTE 3 – BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization is named as a beneficiary in assets held by the Community First Foundation. The agreement provides distributions of income; however the underlying assets will not be distributed to the Organization. The Foundation determines the investments in which the money is invested. The Organization may request distributions from the Foundation for amounts in excess of the underlying assets. At this time, the Board of Directors has decided not to request any distributions unless there is a significant financial need. The underlying assets have been classified as permanently restricted, while all income earned on those assets has been classified as temporarily restricted until the Board makes a request for distribution. The change in fair value of this trust is reported in the statement of activities as change in value of beneficial interest in a perpetual trust.

The Community First Foundation's investment policy attempts to establish an achievable return objective through utilization of a globally diverse portfolio including a variety of asset classes. The Foundation uses short term and long term portfolios to achieve these objectives. The current objective for short term investments is a yield of 4 percent to 6.5 percent on long term investments. The target asset allocation for the short term portfolio is approximately 25% equities, 58% fixed income and 17% alternatives. The target allocation for the long term portfolio is approximately 59% equities, 25% fixed income and 16% alternatives. As of December 31, 2016 and 2015 100% of the Foundations funds are held in the long term portfolio.

NOTE 4 - OFFICE SPACE

The entity leases office space in Denver, Colorado under an annual lease that expires on July 1, 2018 with rent of $385 due monthly. As of December 31, 2016 required minimum lease payments due in 2017 totaled $2,310.

NOTE 5-ACCOUNTING FOR UNCERTAIN TAX POSITIONS

The Organization adopted ASC 740-10-25, Income Taxes-Overall-Recognition which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax position. The Organization must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Organization did not recognize any additional liabilities for uncertain tax positions as a result of the implementation of ASC 740-10-25. The Organization is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities for years before 2013.

NOTE 6 - FUNCTIONAL PROGRAMS

The Organization allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allowed directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

NOTE 7 - SUBSEQUENT EVENTS

The Organization evaluated subsequent events through June 30, 2017, which is the date the financial statements were available to be issued.