La Plata Electric Round Up Foundation

Accountant's Review Report and Financial Statements

(Modified Cash Basis)

December 31, 2016

La Plata Electric Round Up Foundation

December 31, 2016

Contents

Independent Accountant's Review Report **1**

Financial Statements (Modified Cash Basis)

Statement of Financial Position 3

Statement of Activities 4

Notes to Financial Statements 5

BKD LLP
CPAs & Advisors

1801 California Street, Suite 2900 // Denver, CO 80202-2606
303.861.4545 // fax 303.832.5705 // bkd.com

Independent Accountant's Review Report

Board of Directors
La Plata Electric Round Up Foundation
Durango, Colorado

We have reviewed the accompanying modified cash basis financial statements of La Plata Electric Round Up Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2016 and the related statement of activities for the year 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 company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement 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 the modified cash basis of accounting; this includes determining that the modified cash basis of is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the 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 the modified cash basis of accounting. 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 modification that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Board of Directors
La Plata Electric Round Up Foundation

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

BKD, LLP

Denver, Colorado
March 10, 2017

La Plata Electric Round Up Foundation

Statement of Financial Position (Modified Cash Basis)

December 31, 2016

Assets

Cash and cash equivalents	$	30,476
Certificate of deposit		11,652
Total assets	$	42,128

Liabilities and Net Assets

Unrestricted Net Assets	$	42,128

La Plata Electric Round Up Foundation

Statement of Activities (Modified Cash Basis)

Year Ended December 31, 2016

Cash Receipts		
Contributions	$	87,619
Interest income		33
Other income		2,977
Total revenues		90,629
Cash Disbursements		
Program services		
Miscellaneous donations		62,080
Community emergency assistance coalition		21,215
Pagosa Springs outreach coalition		6,090
CEAC reserve		1,116
Supporting services		
Mileage reimbursement to board members		2,693
Management and general		56
		93,250
Increase in Net Assets During Year		(2,621)
Net Assets Balance, Beginning of Year		44,749
Net Assets Balance, End of Year	$	42,128

La Plata Electric Round Up Foundation

Notes to the Financial Statements
(Modified Cash Basis)
December 31, 2016

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The La Plata Electric Round Up Foundation (the Foundation) is a not-for-profit fund, generated by and benefiting the members of La Plata Electric Association, Inc. (the Cooperative). The Foundation's funds are generated by the Cooperative's consumers rounding up their electric bills to the next highest dollar amount plus as many additional dollars as they choose to contribute each month. A local volunteer board reviews applications, determines need and allocates funds on a monthly basis. The Foundation maintains its accounting records on a calendar year fiscal period.

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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Modified Cash Basis of Accounting

The Foundation's accounts are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, revenue and expenses are reflected in the accompanying financial statements when cash is received or disbursed. The statements do not intend to present the financial position, results of operations, or cash flows in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2016, cash equivalents consisted of a money market account with a local financial institution.

Certificate of Deposit

The Foundation holds a certificate of deposit with an original maturity of 10 months, held at cost, plus any interest paid on the certificate of deposit as of December 31, 2016.

La Plata Electric Round Up Foundation

Notes to the Financial Statements
(Modified Cash Basis)
December 31, 2016

Support and Revenue

The Foundation's primary source of revenue is from the members of the Cooperative who elect to participate in the Round Up Foundation Program (the Program). The Program allows members to round their bills to the next dollar. The additional amount is remitted to the Foundation monthly by the Cooperative, who acts as the collection agent for the Program. Although not required by the Program, the Cooperative absorbs most of the cost of the Program's administration. The costs absorbed by the Cooperative are not recorded on the modified cash basis financial statements.

Program Services

Under the modified cash basis of accounting, program services are recognized as an expense when the services are approved by the Foundation and are paid by the Foundation.

Income Taxes

The Foundation has been granted exemption from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income under IRC Section 511 should the Foundation enter into business activities for purposes other than for which it was created.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountant's Review Report, which is the date the financial statements were available to be issued.