

NAPA COUNTY LAND TRUST, INC.
FINANCIAL STATEMENTS

Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Napa County Land Trust, Inc.

We have audited the accompanying statement of financial position of Napa County Land Trust, Inc., (a nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Napa County Land Trust, Inc.'s 2009 financial statements and, in our report dated July 15, 2010, we expressed an unqualified opinion on those financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Napa County Land Trust as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial position by fund and activities by fund on pages 19 – 22 are presented for purposes of additional analysis and are 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.

Chavez, Kirstien and Co.

CHAVEZ, KIRSTIEN & CO.
Certified Public Accountants

June 7, 2011

601 University Avenue #288
Sacramento, CA 95825
p: (916) 273-4808
f: (916) 273-4918

NAPA COUNTY LAND TRUST, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010
(With Comparative Totals as of December 31, 2009)

ASSETS

| | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 5,858,055 | \$ 1,915,011 |
| Investments | 3,752,398 | 3,380,198 |
| Accounts receivable | 34,400 | 32,563 |
| Pledges receivable, current portion (net of allowance) | 418,070 | 536,410 |
| Note receivable, current portion | - | 5,749 |
| Other current assets | 4,833 | 5,406 |
| | <u>10,067,756</u> | <u>5,875,337</u> |
| PROPERTY AND EQUIPMENT: | | |
| Office furniture and equipment | 208,877 | 263,541 |
| Building and property improvements | 737,471 | 824,966 |
| Leasehold improvements | 59,808 | 76,026 |
| Land, unrestricted | 2,975,032 | 2,975,032 |
| | <u>3,981,188</u> | <u>4,139,565</u> |
| Less accumulated depreciation | 544,045 | 644,904 |
| | <u>3,437,143</u> | <u>3,494,661</u> |
| OTHER ASSETS: | | |
| Pledges receivable, long-term portion | 476,545 | 897,211 |
| Note receivable, long-term portion (net of allowance) | - | 16,808 |
| Assets of pooled income fund | 157,109 | 145,770 |
| Beneficial interest in charitable remainder trusts | 883,758 | 996,179 |
| Other assets | 8,554 | 8,554 |
| Land, restricted | 7,815,137 | 23,510,987 |
| | <u>9,341,103</u> | <u>25,575,509</u> |
| TOTAL ASSETS | <u>\$ 22,846,002</u> | <u>\$ 34,945,507</u> |

See accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
STATEMENT OF FINANCIAL POSITION (continued)

December 31, 2010
(With Comparative Totals as of December 31, 2009)

LIABILITIES AND NET ASSETS

| | 2010 | 2009 |
|---|----------------------|----------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 7,238 | \$ 30,661 |
| Accrued expenses | 36,560 | 172,224 |
| Income due to beneficiaries of pooled income fund | 1,873 | 2,275 |
| Deposits | 240,924 | 238,974 |
| Note payable, current portion | - | 500,000 |
| Total current liabilities | 286,595 | 944,134 |
| NON-CURRENT LIABILITIES: | | |
| Note payable, long-term | - | 1,500,000 |
| NET ASSETS: | | |
| Unrestricted | 9,903,546 | 5,767,384 |
| Temporarily restricted | 8,748,878 | 22,943,449 |
| Permanently restricted | 3,906,983 | 3,790,540 |
| Total net assets | 22,559,407 | 32,501,373 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 22,846,002 | \$ 34,945,507 |

See accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
STATEMENT OF ACTIVITIES

Year Ended December 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

| | 2010 | | | 2009 | | |
|--|--------------|------------------------|------------------------|--------------|-------|--------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total | Total |
| REVENUE AND SUPPORT: | | | | | | |
| Contributions | \$ 305,139 | \$ 69,059 | \$ 10,800 | \$ 384,998 | | \$ 1,097,653 |
| Grants | 29,883 | 155,480 | - | 185,363 | | 190,813 |
| Interest and dividend income | 50,163 | 54,413 | - | 104,576 | | 115,558 |
| Gain on investments | 65,697 | 172,052 | 69,746 | 307,495 | | 454,063 |
| Membership contributions | 148,610 | 4,980 | - | 153,590 | | 103,102 |
| Fundraising | 259,732 | 77,610 | - | 337,342 | | 293,256 |
| Program income | - | 40 | - | 40 | | 60,481 |
| Miscellaneous | 283 | 252 | - | 535 | | 2,249 |
| Change in value of pledges receivable | 3,510 | 28,484 | - | 31,994 | | 40,000 |
| Change in value of split interest agreements | (161,929) | 24,950 | 35,897 | (101,082) | | 159,650 |
| Net assets released from restrictions | 14,781,891 | (14,781,891) | - | - | | - |
| Total revenue and support | 15,482,979 | (14,194,571) | 116,443 | 1,404,851 | | 2,516,825 |
| EXPENSES: | | | | | | |
| Program expenses | 10,710,435 | - | - | 10,710,435 | | 927,754 |
| General and administrative | 243,654 | - | - | 243,654 | | 297,707 |
| Fundraising | 392,728 | - | - | 392,728 | | 662,871 |
| Total expenses | 11,346,817 | - | - | 11,346,817 | | 1,888,332 |
| CHANGE IN NET ASSETS | 4,136,162 | (14,194,571) | 116,443 | (9,941,966) | | 628,493 |
| NET ASSETS, beginning of year | 5,767,384 | 22,943,449 | 3,790,540 | 32,501,373 | | 31,872,880 |
| NET ASSETS, end of year | \$ 9,903,546 | \$ 8,748,878 | \$ 3,906,983 | \$22,559,407 | | \$32,501,373 |

See accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

| | 2010 | | | 2009 | |
|-------------------------------|----------------------|-----------------------------|-------------------|----------------------|---------------------|
| | Program Expenses | General & Administrative | Fundraising | Total | Total |
| Expenses: | | | | | |
| Salaries | \$ 331,314 | \$ 118,326 | \$ 141,992 | \$ 591,632 | \$ 847,606 |
| Payroll tax expense | 28,216 | 10,077 | 12,092 | 50,385 | 64,542 |
| Employee benefits | 29,560 | 10,557 | 12,668 | 52,785 | 89,304 |
| Accounting services | 22,753 | 17,065 | 17,065 | 56,883 | 44,120 |
| Administration costs | 11,027 | 1,379 | 1,379 | 13,785 | 1,648 |
| Annual appeal expense | 3,431 | - | 10,624 | 14,055 | 28,625 |
| Workers compensation | 8,851 | 3,161 | 3,794 | 15,806 | 13,221 |
| Loss on sale of easement | 9,695,850 | - | - | 9,695,850 | - |
| Bank service charges | - | - | 10,987 | 10,987 | 9,516 |
| Other personnel expense | 8,374 | 3,612 | 4,434 | 16,420 | 7,965 |
| Depreciation | 50,350 | 7,021 | 6,815 | 64,186 | 52,957 |
| Dues and subscriptions | 9,218 | 576 | 1,728 | 11,522 | 6,573 |
| Education expense | 2,121 | 915 | 1,122 | 4,158 | 2,747 |
| Interest expense | 35,541 | - | - | 35,541 | 41,517 |
| Farm expenses | - | - | - | - | 7,851 |
| Events expense | 27,552 | - | 82,654 | 110,206 | 150,881 |
| Garden expenses | - | - | - | - | 519 |
| Grant contract expense | 160,504 | - | - | 160,504 | 152,397 |
| Insurance | 20,627 | 5,500 | 1,375 | 27,502 | 30,389 |
| Investment expense | - | 34,006 | - | 34,006 | 29,772 |
| Legal services | 36,665 | - | - | 36,665 | 1,768 |
| Loss on disposition of assets | 9,372 | - | - | 9,372 | 3,701 |
| Membership expense | 9,811 | - | 29,432 | 39,243 | 6,861 |
| Miscellaneous expense | 22,904 | - | 5,910 | 28,814 | 9,281 |
| Monitoring expense | 154 | - | - | 154 | 1,745 |
| Newsletter expense | 9,416 | - | 4,035 | 13,451 | 4,571 |
| Office supplies | 7,896 | 3,406 | 4,181 | 15,483 | 25,489 |
| Postage | 2,350 | 336 | 4,027 | 6,713 | 4,394 |
| Professional services | 2,885 | 1,245 | 1,527 | 5,657 | 6,278 |
| Program expense | 196 | - | - | 196 | 9,442 |
| Project expense | 77,619 | - | - | 77,619 | 62,691 |
| Promotion | 934 | - | 935 | 1,869 | 5,896 |
| Property tax | 920 | 48 | - | 968 | 4,234 |
| Rent | 51,629 | 22,271 | 27,334 | 101,234 | 99,290 |
| Repairs and maintenance | 12,355 | - | - | 12,355 | 18,343 |
| Telephone expense | 6,282 | 2,710 | 3,326 | 12,318 | 14,936 |
| Travel | 7,987 | - | 887 | 8,874 | 14,720 |
| Utilities | 5,771 | 1,443 | 2,405 | 9,619 | 12,542 |
| | <u>\$ 10,710,435</u> | <u>\$ 243,654</u> | <u>\$ 392,728</u> | <u>\$ 11,346,817</u> | <u>\$ 1,888,332</u> |

See accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

| | 2010 | 2009 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | (9,941,966) | 628,493 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation | 64,186 | 52,957 |
| Non-cash contributions of charitable remainder trust | - | (381,915) |
| Loss on settlement of pooled income funds | - | 34,411 |
| Gain on investments | (307,495) | (454,063) |
| Loss on disposition of assets | 9,372 | 3,701 |
| Loss on sale of easement | 9,695,850 | - |
| In-kind contributions | - | (40,000) |
| Change in value of split interest agreements | 101,082 | (159,650) |
| (Increase) decrease in: | | |
| Accounts receivable | (1,837) | (19,888) |
| Pledges receivable, net of allowance | 539,006 | 246,082 |
| Other assets | 573 | (411) |
| Increase (decrease) in: | | |
| Accounts payable | (23,423) | (17,960) |
| Accrued expenses | (135,664) | 108,252 |
| Income due to beneficiaries of pooled income fund | (402) | (1,417) |
| Deposits | 1,950 | (5,001) |
| Net cash provided by (used in) operating activities | 1,232 | (6,409) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (16,040) | (7,429) |
| Purchase of investments | (1,505,605) | (2,704,027) |
| Proceeds from sale of investments | 1,440,900 | 2,625,017 |
| Proceeds from sale of temporarily restricted land | 6,000,000 | - |
| Proceeds from note receivable | 22,557 | 5,468 |
| Net cash provided by (used in) investing activities | 5,941,812 | (80,971) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Principal payments on long-term debt | (2,000,000) | (97,052) |
| Net cash used in financing activities | (2,000,000) | (97,052) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,943,044 | (184,432) |
| CASH AND CASH EQUIVALENTS, beginning of year | 1,915,011 | 2,099,443 |
| CASH AND CASH EQUIVALENTS, end of year | \$ 5,858,055 | \$ 1,915,011 |
| Supplemental Disclosures Of Cash Flow Information: | | |
| Interest paid | \$ 35,541 | \$ 41,517 |

See accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity - The purpose of the Napa County Land Trust, Inc., dba The Land Trust of Napa County (the "Organization") is to protect the natural diversity, scenic open space and agricultural vitality of Napa County by preserving lands with significant conservation values for present and future generations and by fostering an appreciation and understanding of the natural environment. In order to accomplish its mission the Organization enters into conservation agreements, facilitates property transfers, accepts and provides land donations, monitors protected land and works with local, state, and federal agencies to acquire open space, parks, and wildlife habitat.

Basis of Accounting - The Organization prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Unrestricted net assets generally result from the receipt of unrestricted contributions less expenses incurred in providing services, programs, and administrative functions. Temporarily restricted net assets are resources that may be used in a later period or after a specified date (time restrictions) or resources that must be used for a specific purpose (program restriction) or both. Permanently restricted assets are resources donated with stipulations that they be preserved or invested to provide a permanent source of income.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Any restricted revenues whose restrictions are met in the same reporting period are shown as unrestricted support.

Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows and statement of financial position, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments - In accordance with accounting principles generally accepted in the United States, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Accounts Receivable - The Organization considers accounts receivable to be fully collectible. Therefore, no allowance is provided in the financial statements for the year ended December 31, 2010.

Pledges Receivable - Pledges receivable are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Pledges receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Pledges receivable are recognized when the conditions on which they depend are substantially met.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on management's estimate of collectability for the overall pledges made. Management estimates that 3% of the pledges receivable will be uncollectible. The allowance as of December 31, 2010 was \$28,110.

Property and Equipment - All acquisitions of property and equipment in excess of \$1,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost. Depreciation is computed using the straight-line method. Depreciable lives range from 3 to 31.5 years. Depreciation expense was \$64,187 for the year ended December 31, 2010.

Donated Stock and Real Estate - Donations of stock and real estate are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 land, buildings and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization is exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code classified as other than a private foundation. Therefore, these financial statements contain no provision for income taxes.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Compensated Absences - Employees of the Organization are entitled to paid vacation depending on job classification, length of service, and other factors. The Organization's liability for compensated absences was \$31,230 and is included in accrued expenses as of December 31, 2010.

Subsequent Events - Subsequent events have been evaluated through June 7, 2011, which is the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS:

Investments consist primarily of equity and debt securities that are held by major brokerage companies and are stated at current market value. These investments originated from contributions received and may be restricted in use by each donor. The following is a comparison of the cost and market value of securities held at December 31, 2010:

| | <u>Cost</u> | <u>Market Value</u> |
|----------------------------|---------------------|---------------------|
| Common stock | \$ 1,229,125 | \$ 1,600,209 |
| Corporate bonds and notes | 607,392 | 674,146 |
| Asset-backed securities | 516,242 | 537,252 |
| U.S. Government securities | 922,259 | 940,791 |
| | <u>\$ 3,275,018</u> | <u>\$ 3,752,398</u> |

NOTE 3 - PLEDGES RECEIVABLE:

Capital Campaign and General Fund pledges receivable at December 31, 2010, are as follows:

| | |
|---|-------------------|
| Receivable in less than one year | \$ 431,000 |
| Receivable in one to five years | <u>506,000</u> |
| Total pledges receivable | 937,000 |
| Less discount to net present value | 14,275 |
| Less allowance for uncollectible pledges receivable | <u>28,110</u> |
| Net pledges receivable | 894,615 |
| Less current portion of pledges receivable | <u>418,070</u> |
| Pledges receivable, long-term portion | <u>\$ 476,545</u> |

Pledges receivable more than one year are discounted at 5%.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 4 - COMMITMENTS, CONTINGENCIES AND RISKS:

The Organization leases its main office space under a five year agreement, which began December 15, 2007 and expires on December 31, 2012. The monthly lease obligation is \$7,756, which will be adjusted as follows:

| | | |
|-----------------|----|-------|
| January 1, 2011 | \$ | 8,477 |
| January 1, 2012 | \$ | 8,731 |

Rent expense under this lease for the year ended December 31, 2010 was \$98,760. There is a lease option to extend the term of the lease for four additional years.

Minimum future obligations under this operating lease at December 31, 2010 are:

| | | |
|------|----|----------------|
| 2011 | \$ | 101,724 |
| 2012 | | 104,772 |
| | \$ | <u>206,496</u> |

The Organization leases three storage spaces at three different storage facilities on a month to month basis. Monthly rental payments are \$63 each per month for two of the units and \$68 per month for the other. Total rent expense for the year ended December 31, 2010 of \$2,474.

The Organization maintains a cash balance at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2010, the Organization's uninsured cash balances total was \$4,447,607. The Organization has not experienced any losses on such accounts and management believes it is not exposed to any significant credit risk on these deposits.

As part of acquiring Wildlake Duff Ranch, the Organization received a \$3,000,000 donation that stipulated if the property were to be sold, the full amount of the donation is to be returned. However, management currently has no immediate intention of selling the property. Furthermore, if the property were to be sold, there would be available funds from the sale for the contingency.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 5 - CHARITABLE REMAINDER TRUSTS:

The Organization is a named beneficiary in four charitable remainder trusts managed by third party trustees. Under the remainder trust provisions, the Organization is to receive a remainder interest in the assets of the trust. The portion of the trusts that are attributable to the Organization have been recorded in the statement of activities as temporarily or permanently restricted contributions, based on donor intent, in the period that the trusts are established. Assets held in the charitable remainder trusts are recorded at present value in the Organization's statement of financial position using a discount rate of eight percent and applicable mortality tables. The present value of the assets is calculated each year and the changes are reflected in the statement of activities. The discount rate for 2010 was eight percent. The change in value of trust assets was a decrease of \$112,421 for the year ended December 31, 2010. The present value of the estimated future benefit was \$883,758 as of December 31, 2010.

NOTE 6 - POOLED INCOME FUNDS:

The Organization maintains an investment pool from donations where a trust agreement has been established with donors to pool investments. Income earned by the pooled investments is distributed pro rata to the beneficiaries as stipulated by the contracts. The Organization holds a remainder interest in the contributed assets while the donors or their specified beneficiaries hold an income interest in the investment income generated by the assets. The portion of the investment attributable to contribution revenue is recorded on the date of receipt in the statement of activities. The fair value of the investment and the discount for future interest of the pooled income fund is shown in the Organization's statement of financial position. The discount is calculated and amortized each year using a discount rate and applicable mortality tables. The discount rate for 2010 was five percent. The change in value of trust assets resulted in an increase of \$11,339 for the year ended December 31, 2010. The present value of the estimated future benefit was \$157,109 as of December 31, 2010. As of December 31, 2010, the income due to other beneficiaries was \$1,873.

NOTE 7 - NET ASSETS:

Unrestricted, temporarily restricted and permanently restricted net assets consisted of the following at December 31, 2010:

| | Unrestricted | Temporarily Restricted | Permanently Restricted |
|--|---------------------|---------------------------|---------------------------|
| Land | \$ 2,975,032 | \$ 6,737,290 | \$ 1,077,847 |
| Property, equipment, furniture, and improvements | 35,909 | 426,202 | - |
| Cash equivalents and investments | 6,501,267 | 901,403 | 2,207,783 |
| Pledges receivable | - | 894,615 | - |
| Other assets (liabilities) | 391,338 | (210,632) | 621,353 |
| | <u>\$ 9,903,546</u> | <u>\$ 8,748,878</u> | <u>\$ 3,906,983</u> |

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 8 - RETIREMENT PLANS:

The Organization has a 403(b) tax sheltered annuity plan for all eligible employees. All full-time and part-time employees are eligible to participate. There were no employer contributions made to this plan for the year ended December 31, 2010.

The Organization also has a SEP IRA plan for employer contributions. All full-time employees who have completed a minimum of one year of consecutive employment are eligible to participate. The Organization makes discretionary contributions as determined annually by the Board of Directors. There were no employer contributions made to this plan for the year ended December 31, 2010.

NOTE 9 - LAND:

The Organization receives most of its land as donations. Based on the donor's intent some land is to be held by the Organization in perpetuity or can only be transferred to another Land Trust if certain conditions are met. In addition, the Organization maintains some land for conservation and operation of its programs. There were no temporarily restricted land donations to, or purchases by, the Organization during 2010. The Organization did dispose of a significant portion of the Wildlake land. See Note 14 for further discussion.

The following land preserves are temporarily or permanently restricted by the donor as of December 31, 2010:

| | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------------|---------------------------|---------------------|
| Archer Taylor Preserve (280 acres) | \$ - | \$ 750,479 | \$ 750,479 |
| Missimer Wildflower Fund (273 acres) | - | 197,281 | 197,281 |
| Wantrup Wildlife Sanctuary (730 acres) | - | 127,000 | 127,000 |
| Linda Falls (141 acres) | 1,036,175 | - | 1,036,175 |
| Heitz Addition (23 acres) | - | 3,087 | 3,087 |
| Wildlake Duff Ranch (4,030 acres) | 5,701,115 | - | 5,701,115 |
| | <u>\$ 6,737,290</u> | <u>\$ 1,077,847</u> | <u>\$ 7,815,137</u> |

The Organization also maintains additional land for conservation and operation of its programs. The following is the additional land held by the Organization at December 31, 2010:

| | Unrestricted |
|---|---------------------|
| Connolly Ranch (12 acres) | \$ 1,236,600 |
| Fernandes Snell Peak (254 acres) | 101,750 |
| Foote Botanical Preserve Mt. George (767 acres) | 1,475,762 |
| Audubon Cheyney (120 acres) | 120,000 |
| Henry - Van Dam Parcel (40 acres) | 40,920 |
| | <u>\$ 2,975,032</u> |

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 10 - CONSERVATION EASEMENTS:

The Organization currently holds conservation easements on over 21,533 acres of land. The easements were donated to the Organization in order for them to be preserved according to the donors wishes. Since the easements cannot be transferred or sold, they provide no value to the Organization. Therefore, the value of the conservation easements is not recorded in these financial statements.

NOTE 11 - RECLASSIFICATIONS:

Subsequent to December 31, 2009, it was determined that a portion of the cash and cash equivalents, investments, and land were not properly classified as of December 31, 2009. An amount of \$254,259 was reclassified from beginning temporarily restricted net assets to permanently restricted net assets for the year ended December 31, 2009.

NOTE 12 - FAIR VALUE MEASUREMENTS:

Accounting standards establish a 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 market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets.

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; or 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.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 12 - FAIR VALUE MEASUREMENTS (continued):

The following table sets forth by level, within the fair value hierarchy, the Organization's assets as of December 31, 2010:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------------|---------------------|----------------|---------------------|---------------------|
| Common stock | \$ 1,600,209 | \$ - | \$ - | \$ 1,600,209 |
| Corporate bonds and notes | 674,146 | - | - | 674,146 |
| Asset-backed securities | 537,252 | - | - | 537,252 |
| U.S. Government securities | 940,791 | - | - | 940,791 |
| Pledges receivable | - | - | 894,615 | 894,615 |
| Charitable remainder trusts | - | - | 883,758 | 883,758 |
| Pooled income funds | - | - | 157,109 | 157,109 |
| Total assets at fair value | <u>\$ 3,752,398</u> | <u>\$ -</u> | <u>\$ 1,935,482</u> | <u>\$ 5,687,880</u> |

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Pledges receivable:

| | |
|--|-------------------|
| Fair value as of January 1, 2010 | \$ 1,433,621 |
| New pledges | 3,000 |
| Pledge payments | (578,000) |
| Change in discounted value of pledges receivable | 14,864 |
| Change in allowance for uncollectible pledges | <u>21,130</u> |
| Fair value as of December 31, 2010 | <u>\$ 894,615</u> |

Charitable remainder trusts:

| | |
|---|-------------------|
| Fair value as of January 1, 2010 | \$ 996,179 |
| Change in discounted value of charitable remainder trusts | <u>(112,421)</u> |
| Fair value as of December 31, 2010 | <u>\$ 883,758</u> |

Pooled income funds:

| | |
|---|-------------------|
| Fair value as of January 1, 2010 | \$ 145,770 |
| Change in discounted value of pooled income funds | <u>11,339</u> |
| Fair value as of December 31, 2010 | <u>\$ 157,109</u> |

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 13 - ENDOWMENTS:

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for the purpose of such funds while seeking to maintain the purchasing power of the underlying endowment assets. To satisfy this objective, the Organization targets a conservative asset allocation that is mostly comprised of cash equivalents, equities, and fixed income securities. Appropriations for distributions from endowment funds are at the direction of the Organization's management and Board of Trustees.

Endowment net asset composition by type of fund as of December 31, 2010 was as follows:

| | <u>Unrestricted</u> | <u>Board Restricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-----------------------------|---------------------|-----------------------------|-----------------------------------|-----------------------------------|------------------|
| Donor restricted endowments | \$ - | \$ - | \$ 84,523 | \$ 2,207,783 | \$ 2,292,306 |
| Board designated endowments | - | 2,000,096 | - | - | 2,000,096 |
| Total endowments | \$ - | \$ 2,000,096 | \$ 84,523 | \$ 2,207,783 | \$ 4,292,402 |

Change in endowment net assets for the year ended December 31, 2010 was as follows:

| | <u>Unrestricted</u> | <u>Board Restricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------|-----------------------------------|-----------------------------------|---------------------|
| Endowment net assets, beginning of year | \$ (20,118) | \$ - | \$ - | \$ 2,127,237 | \$ 2,107,119 |
| Contributions and designations | - | 2,000,000 | - | 10,800 | 2,010,800 |
| Investment income | - | 96 | 104,461 | 69,746 | 174,303 |
| Amounts appropriated by the Board | (21,041) | - | (80,624) | - | (101,665) |
| Endowment net assets, end of year | <u>\$ (41,159)</u> | <u>\$ 2,000,096</u> | <u>\$ 23,837</u> | <u>\$ 2,207,783</u> | <u>\$ 4,190,557</u> |

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles in the United States, deficiencies of this nature are reported in unrestricted net asset in the amount of \$41,159 as of December 31, 2010. These deficiencies resulted from unfavorable market fluctuations in one fund that recently occurred while continuing appropriations for certain programs because it was deemed prudent by the Board.

NAPA COUNTY LAND TRUST, INC.
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

NOTE 14 - SALE OF WILDLAKE:

On December 28, 2010, a large conservation easement was sold on Wildlake land. The sale of the easement required the Organization to reduce the basis in the Wildlake land to the appraised value inclusive of the conservation easement. The basis of the Wildlake land prior to the sale was \$17,678,730. The basis in the land after the sale of the easement was reduced to \$1,982,880. The reduction in basis \$15,695,850, net of sale proceeds of \$6,000,000, is considered a contribution of land for purposes of the statement of activities in the amount of \$9,695,850. In accordance with the terms of the loan agreement with the Packard Foundation, the entire outstanding balance, including interest, of \$1,514,500 was satisfied with a portion of the sale proceeds. The remaining \$4,485,500 was put in two separate board-designated interest bearing accounts and is included in cash and cash equivalents on the statement of financial position.

SUPPLEMENTARY INFORMATION

NAPA COUNTY LAND TRUST, INC.
SCHEDULE OF FINANCIAL POSITION BY FUND (continued)

December 31, 2010
(With Comparative Totals as of December 31, 2009)

| | | | | | | | 2010 | | | 2009 |
|--------------------------|--------------------------------|------------------------|--------------------------------------|-------------------|--------------------------|-------------------------|----------------------|--|--|----------------------|
| Mead Flywheel Fund | Missimer Wildflower Fund | Connolly Ranch Fund | Archer Taylor Preserve Fund | Wantrup | Foote/Mt. George Fund | Linda Falls Preserve | Total | | | Total |
| \$ 206,485 | \$ 50,117 | \$ 64,618 | \$ 55,151 | \$ 43,048 | \$ 54,339 | \$ - | \$ 5,858,055 | | | \$ 1,915,011 |
| 947,613 | 239,467 | 308,760 | 263,524 | 205,693 | 259,639 | (329) | 3,752,398 | | | 3,380,198 |
| - | - | - | 9,400 | - | - | - | 34,400 | | | 32,563 |
| - | - | - | - | - | - | - | 418,070 | | | 536,410 |
| - | - | - | - | - | - | - | - | | | 5,749 |
| - | - | 150 | - | - | - | - | 4,833 | | | 5,406 |
| <u>1,154,098</u> | <u>289,584</u> | <u>373,528</u> | <u>328,075</u> | <u>248,741</u> | <u>313,978</u> | <u>(329)</u> | <u>10,067,756</u> | | | <u>5,875,337</u> |
| - | - | 26,671 | 16,265 | - | - | - | 208,877 | | | 263,541 |
| - | 3,113 | 657,637 | 9,586 | 67,135 | - | - | 737,471 | | | 824,966 |
| - | - | - | 40,618 | - | - | - | 59,808 | | | 76,026 |
| - | - | 1,236,600 | - | - | 1,475,762 | - | 2,975,032 | | | 2,975,032 |
| - | 3,113 | 1,920,908 | 66,469 | 67,135 | 1,475,762 | - | 3,981,188 | | | 4,139,565 |
| - | 3,113 | 312,687 | 33,020 | 50,571 | - | - | 544,045 | | | 644,904 |
| - | - | 1,608,221 | 33,449 | 16,564 | 1,475,762 | - | 3,437,143 | | | 3,494,661 |
| - | - | - | - | - | - | - | 476,545 | | | 897,211 |
| - | - | - | - | - | - | - | - | | | 16,808 |
| - | - | - | - | - | - | - | 157,109 | | | 145,770 |
| 351,321 | - | - | - | - | - | - | 883,758 | | | 996,179 |
| - | - | - | - | - | - | - | 8,554 | | | 8,554 |
| - | 197,281 | - | 750,479 | 127,000 | - | 1,039,262 | 7,815,137 | | | 23,510,987 |
| <u>351,321</u> | <u>197,281</u> | <u>-</u> | <u>750,479</u> | <u>127,000</u> | <u>-</u> | <u>1,039,262</u> | <u>9,341,103</u> | | | <u>25,575,509</u> |
| <u>\$ 1,505,419</u> | <u>\$ 486,865</u> | <u>\$ 1,981,749</u> | <u>\$ 1,112,003</u> | <u>\$ 392,305</u> | <u>\$ 1,789,740</u> | <u>\$ 1,038,933</u> | <u>\$ 22,846,002</u> | | | <u>\$ 34,945,507</u> |
| \$ - | \$ - | \$ - | \$ 352 | \$ - | \$ - | \$ - | \$ 7,238 | | | \$ 30,661 |
| - | - | - | - | - | - | - | 36,560 | | | 172,224 |
| - | - | - | - | - | - | - | 1,873 | | | 2,275 |
| - | - | - | 1,000 | - | - | - | 240,924 | | | 238,974 |
| - | - | - | - | - | - | - | - | | | 500,000 |
| - | - | - | 1,352 | - | - | - | 286,595 | | | 944,134 |
| - | - | - | - | - | - | - | - | | | 1,500,000 |
| - | - | 1,499,800 | - | - | 1,789,740 | (329) | 9,903,546 | | | 5,767,384 |
| - | 285,312 | 67,412 | 63,286 | 260,615 | - | 1,036,175 | 8,748,878 | | | 22,943,449 |
| 1,505,419 | 201,553 | 414,537 | 1,047,365 | 131,690 | - | 3,087 | 3,906,983 | | | 3,790,540 |
| <u>1,505,419</u> | <u>486,865</u> | <u>1,981,749</u> | <u>1,110,651</u> | <u>392,305</u> | <u>1,789,740</u> | <u>1,038,933</u> | <u>22,559,407</u> | | | <u>32,501,373</u> |
| <u>\$ 1,505,419</u> | <u>\$ 486,865</u> | <u>\$ 1,981,749</u> | <u>\$ 1,112,003</u> | <u>\$ 392,305</u> | <u>\$ 1,789,740</u> | <u>\$ 1,038,933</u> | <u>\$ 22,846,002</u> | | | <u>\$ 34,945,507</u> |

See auditors' report and accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
SCHEDULE OF ACTIVITIES BY FUND

Year Ended December 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

| | 2010 | | | | | |
|--|-------------------|------------------------------|------------------------------|-----------------------------|--------------------------------|--------------------------------|
| | General Fund | Land Preservation Fund | BRBNA Passthrough Fund | Dunn Wildlake Ranch Fund | Easement Protection Fund | Easement Monitoring Fund |
| REVENUE AND SUPPORT: | | | | | | |
| Contributions | \$ 299,766 | \$ 5,373 | \$ - | \$ 4,000 | \$ 43,899 | \$ 17,500 |
| Grants | 29,883 | - | 2,000 | 131,487 | - | - |
| Interest and dividend income | 7,186 | 20,392 | - | 2,006 | 17,537 | 4,379 |
| Gain (loss) on investments | - | 65,697 | - | - | 57,315 | 13,863 |
| Membership contributions | 148,610 | - | 4,980 | - | - | - |
| Fundraising | 259,732 | - | - | 75,350 | - | - |
| Program income | - | - | - | - | - | - |
| Miscellaneous | 283 | - | - | - | - | - |
| Change in value of pledges receivable | 3,510 | - | - | 28,484 | - | - |
| Change in value of split interest agreements | (136,979) | - | - | - | - | - |
| Intercompany income (expense) | 457,980 | (1,360,745) | - | (76,680) | - | (32,500) |
| Total revenue and support | <u>1,069,971</u> | <u>(1,269,283)</u> | <u>6,980</u> | <u>164,647</u> | <u>118,751</u> | <u>3,242</u> |
| EXPENSES: | | | | | | |
| Salaries | 591,632 | - | - | - | - | - |
| Payroll tax expense | 50,227 | - | - | - | - | - |
| Employee benefits | 52,785 | - | - | - | - | - |
| Accounting services | 54,720 | - | - | - | - | - |
| Administration costs | 13,778 | - | - | 7 | - | - |
| Annual appeal expense | 10,182 | - | - | 3,873 | - | - |
| Workers compensation | 15,350 | - | - | - | - | - |
| Loss on sale of easement | - | - | - | 9,695,850 | - | - |
| Bank service charges | 10,917 | - | - | 70 | - | - |
| Other personnel expense | 16,420 | - | - | - | - | - |
| Depreciation | 29,784 | - | - | 391 | - | - |
| Dues and subscriptions | 11,522 | - | - | - | - | - |
| Education expense | 4,158 | - | - | - | - | - |
| Interest expense | - | - | - | 35,541 | - | - |
| Farm expenses | - | - | - | - | - | - |
| Events expense | 109,784 | - | - | - | - | - |
| Loss on disposition of assets | - | - | - | - | - | - |
| Grant contract expense | 595 | - | 23,143 | 95,145 | - | - |
| Insurance | 20,161 | - | - | - | - | - |
| Investment expense | - | 6,800 | - | - | 6,301 | 1,619 |
| Legal services | - | - | - | - | 36,665 | - |
| Loss on disposal of assets | 5,030 | - | - | - | - | - |
| Membership expense | 39,243 | - | - | - | - | - |
| Miscellaneous expense | 20,379 | - | 2,432 | - | - | 5,000 |
| Monitoring expense | 154 | - | - | - | - | - |
| Newsletter expense | 13,451 | - | - | - | - | - |
| Office supplies | 15,370 | - | - | - | - | - |
| Postage | 6,649 | - | - | 64 | - | - |
| Professional services | 5,657 | - | - | - | - | - |
| Program expense | - | - | - | - | - | - |
| Project expense | - | 51 | - | 75,883 | 1,685 | - |
| Promotion | 1,373 | - | 239 | - | - | - |
| Property tax | - | - | - | 694 | - | - |
| Rent | 101,234 | - | - | - | - | - |
| Repairs and maintenance | 1,077 | - | - | 1,321 | - | - |
| Telephone expense | 11,583 | - | - | - | - | - |
| Travel | 7,548 | - | - | 120 | - | - |
| Utilities | 5,914 | - | - | 201 | - | - |
| Total expenses | <u>1,226,677</u> | <u>6,851</u> | <u>25,814</u> | <u>9,909,160</u> | <u>44,651</u> | <u>6,619</u> |
| CHANGE IN NET ASSETS | (156,706) | (1,276,134) | (18,834) | (9,744,513) | 74,100 | (3,377) |
| NET ASSETS, beginning of year | 1,031,258 | 2,230,957 | 18,844 | 21,051,434 | 842,153 | 204,563 |
| NET ASSETS, end of year | <u>\$ 874,552</u> | <u>\$ 954,823</u> | <u>\$ 10</u> | <u>\$ 11,306,921</u> | <u>\$ 916,253</u> | <u>\$ 201,186</u> |

See auditors' report and accompanying notes to the financial statements.

NAPA COUNTY LAND TRUST, INC.
SCHEDULE OF ACTIVITIES BY FUND (continued)

Year Ended December 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

| 2010 | | | | | | | 2009 | |
|--------------------------|--------------------------------|------------------------|--------------------------------|-------------------|--------------------------|------------------------|----------------------|----------------------|
| Mead Flywheel Fund | Missimer Wildflower Fund | Connolly Ranch Fund | Archer Taylor Preserve Fund | Wantrup | Foote/Mt. George Fund | Linda Fall Preserve | Total | Total |
| \$ - | \$ - | \$ 40 | \$ 14,270 | \$ 50 | \$ - | \$ 100 | \$ 384,998 | \$ 1,097,653 |
| - | - | - | - | 21,993 | - | - | 185,363 | 190,813 |
| 22,585 | 5,618 | 7,489 | 6,151 | 5,119 | 6,114 | - | 104,576 | 115,558 |
| 73,814 | 18,374 | 22,305 | 20,345 | 15,896 | 19,886 | - | 307,495 | 454,063 |
| - | - | - | - | - | - | - | 153,590 | 103,102 |
| - | - | - | 2,260 | - | - | - | 337,342 | 293,256 |
| - | - | - | - | 40 | - | - | 40 | 60,481 |
| - | - | 252 | - | - | - | - | 535 | 2,249 |
| - | - | - | - | - | - | - | 31,994 | 40,000 |
| 35,897 | - | - | - | - | - | - | (101,082) | 159,650 |
| (18,517) | (80) | (750) | (3,664) | (3,570) | (736) | 1,039,262 | - | - |
| <u>113,779</u> | <u>23,912</u> | <u>29,336</u> | <u>39,362</u> | <u>39,528</u> | <u>25,264</u> | <u>1,039,362</u> | <u>1,404,851</u> | <u>2,516,825</u> |
| - | - | - | - | - | - | - | 591,632 | 847,606 |
| - | - | - | 79 | 79 | - | - | 50,385 | 64,542 |
| - | - | - | - | - | - | - | 52,785 | 89,304 |
| - | 48 | 500 | 599 | 588 | 428 | - | 56,883 | 44,120 |
| - | - | - | - | - | - | - | 13,785 | 1,648 |
| - | - | - | - | - | - | - | 14,055 | 28,625 |
| - | - | - | 228 | 228 | - | - | 15,806 | 13,221 |
| - | - | - | - | - | - | - | 9,695,850 | - |
| - | - | - | - | - | - | - | 10,987 | 9,516 |
| - | - | - | - | - | - | - | 16,420 | 7,965 |
| - | - | 27,215 | 4,961 | 1,835 | - | - | 64,186 | 52,957 |
| - | - | - | - | - | - | - | 11,522 | 6,573 |
| - | - | - | - | - | - | - | 4,158 | 2,747 |
| - | - | - | - | - | - | - | 35,541 | 41,517 |
| - | - | - | - | - | - | - | - | 7,851 |
| - | - | - | 422 | - | - | - | 110,206 | 150,881 |
| - | - | - | - | - | - | - | - | 519 |
| - | - | 39,330 | - | 1,891 | 400 | - | 160,504 | 152,397 |
| - | 30 | 4,000 | 186 | 2,980 | 145 | - | 27,502 | 30,389 |
| 8,135 | 2,016 | 2,835 | 2,195 | 1,902 | 2,203 | - | 34,006 | 29,772 |
| - | - | - | - | - | - | - | 36,665 | 1,768 |
| - | - | 2,834 | 695 | 813 | - | - | 9,372 | 3,701 |
| - | - | - | - | - | - | - | 39,243 | 6,861 |
| - | - | 4 | 257 | 481 | - | 261 | 28,814 | 9,281 |
| - | - | - | - | - | - | - | 154 | 1,745 |
| - | - | - | - | - | - | - | 13,451 | 4,571 |
| - | - | - | - | 113 | - | - | 15,483 | 25,489 |
| - | - | - | - | - | - | - | 6,713 | 4,394 |
| - | - | - | - | - | - | - | 5,657 | 6,278 |
| - | - | 196 | - | - | - | - | 196 | 9,442 |
| - | - | - | - | - | - | - | 77,619 | 62,691 |
| - | - | - | - | 257 | - | - | 1,869 | 5,896 |
| - | 50 | - | - | 24 | 140 | 60 | 968 | 4,234 |
| - | - | - | - | - | - | - | 101,234 | 99,290 |
| - | 3,171 | 557 | 1,417 | 4,304 | 400 | 108 | 12,355 | 18,343 |
| - | - | - | 735 | - | - | - | 12,318 | 14,936 |
| - | - | - | 113 | 1,093 | - | - | 8,874 | 14,720 |
| - | - | - | - | 3,504 | - | - | 9,619 | 12,542 |
| <u>8,135</u> | <u>5,315</u> | <u>77,471</u> | <u>11,887</u> | <u>20,092</u> | <u>3,716</u> | <u>429</u> | <u>11,346,817</u> | <u>1,888,332</u> |
| 105,644 | 18,597 | (48,135) | 27,475 | 19,436 | 21,548 | 1,038,933 | (9,941,966) | 628,493 |
| 1,399,775 | 468,268 | 2,029,884 | 1,083,176 | 372,869 | 1,768,192 | - | 32,501,373 | 31,872,880 |
| <u>\$ 1,505,419</u> | <u>\$ 486,865</u> | <u>\$ 1,981,749</u> | <u>\$ 1,110,651</u> | <u>\$ 392,305</u> | <u>\$ 1,789,740</u> | <u>\$ 1,038,933</u> | <u>\$ 22,559,407</u> | <u>\$ 32,501,373</u> |

See auditors' report and accompanying notes to the financial statements.