

Save-the-Redwoods League

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

for the year ended March 31, 2006
with comparative totals for 2005

SAVE-THE-REDWOODS LEAGUE

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BURR, PILGER & MAYER LLP

Accounting ■ Consulting ■ Wealth Management

INDEPENDENT AUDITORS' REPORT

The Audit Committee of
Save-the-Redwoods League

We have audited the accompanying statements of financial position of Save-the-Redwoods League (a nonprofit organization)(the League) as of March 31, 2006 and 2005, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the League'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 the League's 2005 financial statements and, in our report dated May 25, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide 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 Save-the-Redwoods League as of March 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Burr Pilger & Mayer LLP

San Francisco, California
June 1, 2006

SAVE-THE-REDWOODS LEAGUE
STATEMENT OF FINANCIAL POSITION
 March 31, 2006
 with comparative totals for 2005

ASSETS	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 980,144	\$ 1,395,269
Interest receivable and other	161,753	90,370
Contributions receivable	1,505,197	2,787,585
Investments	51,743,743	41,245,599
Real estate held	11,849,150	18,694,425
Contributions receivable from irrevocable trusts	2,102,141	1,807,258
Property and equipment, net	97,494	61,876
Deposits on land purchase	1,000	140,000
Other assets	64,789	71,604
Endowment cash	<u>362,342</u>	<u>357,342</u>
Total assets	<u>\$ 68,867,753</u>	<u>\$ 66,651,328</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 384,983	\$ 447,346
Notes payable	<u>500,000</u>	<u>680,000</u>
Total liabilities	<u>884,983</u>	<u>1,127,346</u>
Net assets:		
Unrestricted	37,400,493	34,693,751
Temporarily restricted	30,219,935	30,472,889
Permanently restricted	<u>362,342</u>	<u>357,342</u>
Total net assets	<u>67,982,770</u>	<u>65,523,982</u>
Total liabilities and net assets	<u>\$ 68,867,753</u>	<u>\$ 66,651,328</u>

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

SAVE-THE-REDWOODS LEAGUE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
for the year ended March 31, 2006
with comparative totals for 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2006	Total 2005
Revenue and public support:					
Contributions:					
Donations	\$ 2,351,757	\$ 456,800	\$ 5,000	\$ 2,813,557	\$ 4,050,587
Program and land acquisition contributions	-	10,980,087	-	10,980,087	8,965,165
Reforestation, restoration, research, and other contributions	-	176,036	-	176,036	251,802
In-kind contributions	12,937	-	-	12,937	-
Change in value of irrevocable trusts	-	275,612	-	275,612	(40,941)
Donated land	-	575,000	-	575,000	-
Income from investments	1,504,619	-	-	1,504,619	543,539
Gain on revaluation of land	308,000	-	-	308,000	806,721
Gain on sale of land	721,605	-	-	721,605	-
Other income	7,560	-	-	7,560	5,583
Net assets released from restrictions	<u>12,716,489</u>	<u>(12,716,489)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and public support	<u>17,622,967</u>	<u>(252,954)</u>	<u>5,000</u>	<u>17,375,013</u>	<u>14,582,456</u>
Expenses:					
Program services:					
Land deeded to the State of California	8,741,000	-	-	8,741,000	3,695,385
Land deeded to the United States of America	1,700,005	-	-	1,700,005	4,879,000
Redwood land program support	1,684,229	-	-	1,684,229	1,531,337
Other grants	176,592	-	-	176,592	342,807
Redwood reforestation and research grants	<u>97,293</u>	<u>-</u>	<u>-</u>	<u>97,293</u>	<u>145,157</u>
Total program services	<u>12,399,119</u>	<u>-</u>	<u>-</u>	<u>12,399,119</u>	<u>10,593,686</u>
Support services:					
General and administrative	971,392	-	-	971,392	970,894
Fund-raising	<u>1,545,714</u>	<u>-</u>	<u>-</u>	<u>1,545,714</u>	<u>1,348,088</u>
Total support services	<u>2,517,106</u>	<u>-</u>	<u>-</u>	<u>2,517,106</u>	<u>2,318,982</u>
Total expenses	<u>14,916,225</u>	<u>-</u>	<u>-</u>	<u>14,916,225</u>	<u>12,912,668</u>
Increase (decrease) in net assets	2,706,742	(252,954)	5,000	2,458,788	1,669,788
Net assets, beginning of year	<u>34,693,751</u>	<u>30,472,889</u>	<u>357,342</u>	<u>65,523,982</u>	<u>63,854,194</u>
Net assets, end of year	<u>\$ 37,400,493</u>	<u>\$ 30,219,935</u>	<u>\$ 362,342</u>	<u>\$ 67,982,770</u>	<u>\$ 65,523,982</u>

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

SAVE-THE-REDWOODS LEAGUE

STATEMENT OF CASH FLOWS

for the year ended March 31, 2006

with comparative totals for 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Increase in net assets	\$ 2,458,788	\$ 1,669,788
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Land deeded	10,621,000	5,349,385
(Gain) loss on sale of land	(721,605)	1,650
Gain on revaluation of land	(308,000)	(806,721)
Loss (gain) on sale of property and equipment	4,537	(325)
Depreciation	42,018	47,715
Loss on sale of investments	64,940	92,930
Net unrealized loss (gain) on investments	(142,529)	53,418
Donated land	(575,000)	-
Donated investments	(337,299)	(20,523)
Permanently restricted contributions received	(5,000)	(8,000)
Changes in:		
Interest receivable and other	(71,383)	7,003
Contributions receivable	1,282,388	(533,012)
Contributions receivable from irrevocable trusts	(294,883)	108,061
Other assets	6,815	(29,514)
Accounts payable and accrued liabilities	(62,363)	135,310
Net cash provided by operating activities	<u>11,962,424</u>	<u>6,067,165</u>
Cash flows from investing activities:		
Purchase of investments	(74,724,962)	(74,841,423)
Proceeds from maturities of investments	64,641,706	68,105,026
Proceeds on sale of land	5,878,801	1,237,072
Acquisition of redwood lands	(8,049,920)	(1,297,000)
Acquisition of property and equipment	(82,174)	(4,885)
Deposits on land purchase	139,000	(51,000)
Repayments received on notes receivable	-	1,180
Net cash used in investing activities	<u>(12,197,549)</u>	<u>(6,851,030)</u>
Cash flows from financing activities:		
Payments on notes payable	(180,000)	-
Proceeds from notes payable	-	500,000
Net cash (used in) provided by financing activities	<u>(180,000)</u>	<u>500,000</u>
Net decrease in cash and cash equivalents	(415,125)	(283,865)
Cash and equivalents, beginning of year	<u>1,395,269</u>	<u>1,679,134</u>
Cash and equivalents, end of year	<u>\$ 980,144</u>	<u>\$ 1,395,269</u>
Cash paid for interest	<u>\$ 7,500</u>	<u>-</u>

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

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

1. **Organization**

Save-the-Redwoods League (the League) exists to purchase and protect redwood forest lands in public parks in California, to encourage and support reforestation and conservation of California redwood forest areas, and to foster and encourage a better understanding of the value of the primeval forests of America.

Many purchases of forest land require several years for completion because of their scale and complexity. The League holds some lands (reflected as real estate held) for several years before transfer to public ownership. As a result, program service expenses may vary significantly from one year to the next, without a commensurate reduction in support service costs. The supplemental schedule on page 15 provides additional context for review of programmatic accomplishments over a three year period.

The value of real estate held may increase during the period of time the League holds land. On transfer of the property to the California Department of Parks and Recreation, or other agency partner, the League records the transaction at fair value of the land on the date of transfer and recognizes a gain equivalent to the increase in value during the holding period.

The League has developed a Master Plan for the Redwoods that documents the scientific criteria for evaluating lands that are available for purchase in the coastal redwood range. The highest priority is given to lands that include any of the remaining 4% of the original ancient redwood forest strategically located to enhance the values of currently protected forest lands. Watershed protection and landscape-scale connections are also high priorities.

2. **Summary of Significant Accounting Policies**

Basis of Presentation

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the League are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net assets that are in accordance with specified activities or objectives.

Accordingly, all financial transactions have been recorded and reported by net assets group as follows:

- **Unrestricted.** These generally result from revenues generated by providing services, receiving unrestricted contributions, receiving interest from bank(s), receiving net realized and unrealized gains or losses from investments less expenses incurred in providing related services, raising contributions, and performing administrative functions.
- **Temporarily Restricted.** Save-the-Redwoods League reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is met, 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.
- **Permanently Restricted.** These stipulate that resources be maintained permanently but permit the League to use up or expend all of the income (or other economic benefits) derived from the donated assets.

Continued

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Revenue Recognition

The financial statements of the League have been prepared on the accrual basis of accounting.

Contributions are recognized when the donor makes a promise to give to the League that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Cash from conditional gifts received prior to the conditions being met is classified as deferred income.

Unconditional promises to give due within one year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using the average rate the League is earning on its investments.

Donated Land

Donated land is recognized as support and is recorded at its estimated fair value as appraised by third-party consultants at the date of the donation.

Contributed Services and Goods

Contributed professional services are recognized as in-kind revenues at their estimated fair value if they require specialized skills that would need to be purchased if they were not donated. Contributed goods are recognized as in-kind revenues at their estimated fair value. For the year ended March 31, 2006, the League recognized in-kind services of \$12,558 for legal and architectural services. For the year ended March 31, 2006, the League recognized in-kind goods of \$379.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and all highly liquid investments (primarily commercial paper) with original maturities of three months or less at date of purchase.

Investments

Investments are carried at estimated fair value based on quoted market prices. Investments received through gifts are recorded at estimated fair value at the date of donation. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur.

Property and Equipment

Property and equipment purchased are stated at cost and are capitalized if these expenditures are over \$3,000. Assets acquired by contribution or bequest are stated at market value at the date of acquisition.

Depreciation is provided using the straight-line method over the estimated useful life of three to five years. Maintenance and repairs are charged to expense as incurred.

Continued

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Property and Equipment, continued

Leasehold improvements are recorded at cost and amortized over the shorter of their estimated useful lives or the terms of the applicable lease.

Real Estate Held

Real estate held is recorded at cost, if purchased, or estimated fair value at the date of the gift, if donated. The carrying amount of real estate acquired in prior periods is revised when current data indicates that a significant decrease in value has occurred. No such revaluations occurred during the year ended March 31, 2006.

The majority of the League's real estate held is intended to be transferred to the California State Department of Parks and Recreation (the State). Transfer of property to the State is a lengthy process. Consistent with its historic business model, the League is seeking State matching funds for private funds contributed.

Transfer of the land to the State, or other conservation partner, is recognized at fair value of the land transferred on the date of transfer. A gain or loss is recorded for the difference between the fair value and the carrying amount of the land. Temporarily restricted net assets are released from restriction based on historical cost of the property.

Easement Policy

Conservation easements are expensed as a program expense in the period they are purchased or donated to the League. At March 31, 2006, the League expensed \$180,000 in easements.

Functional Expense Allocations

Expenses such as depreciation, supplies, travel, personnel, and occupancy costs, are allocated among program services, general and administrative, and fund-raising classifications on the basis of time estimates, head counts, and other criteria determined by the League's management.

Income Tax Status

The League has been granted tax-exempt status as provided by the Internal Revenue Code Section 501(c)3 and Section 23701(d) of the California Revenue and Taxation Code. In addition, the League has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. As a result, the League is exempt from paying any income taxes, and thus no provision for income taxes has been reflected in these financial statements. In addition, the League has filed with the Internal Revenue Service to make limited expenditures to influence legislation as allowed under Section 501(h) of the Internal Revenue Code.

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

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. These estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to the prior year's numbers in order to conform to the presentation in the current year.

Comparative Financial 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 League's financial statements for the year ended March 31, 2005, from which the summarized information was derived.

3. Cash and Cash Equivalents

The League's cash and cash equivalents at March 31, 2006 are as follows:

Money market fund	\$ 611,079
Demand deposits	368,815
Petty cash	<u>250</u>
Cash and cash equivalents—current assets	<u>\$ 980,144</u>
Endowment fund—money market account	<u>\$ 362,342</u>

4. Investments

The cost and estimated fair value of the investment portfolio as of March 31, 2006 is invested as follows:

	<u>Fair Market Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 9,183,675	\$ 9,183,675
U.S. Government and agency obligations	40,521,798	40,446,996
Commercial paper	1,998,949	1,999,082
Stocks	<u>39,321</u>	<u>45,833</u>
	<u>\$ 51,743,743</u>	<u>\$ 51,675,586</u>

Continued

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

4. Investments, continued

In the prior year, cash held for investment purposes was classified as Cash and cash equivalents on the financial statements. In the current year, this balance as of March 31, 2006 of \$51,058 was reclassified to investments.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended March 31, 2006:

Dividends and interest	\$ 1,427,030
Loss on sale of investments	(64,940)
Unrealized gain	<u>142,529</u>
	<u>\$ 1,504,619</u>

Investment fees for the year ended March 31, 2005 amounted to \$56,883.

5. Contributions Receivable from Irrevocable Trusts

The League is the remainder beneficiary of various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the League's use. The portion of the trust attributable to the future interest of the League is recorded in the statement of activities as temporarily restricted contributions in the period the trust is established. Assets held in the charitable remainder trusts are recorded at fair market value as contributions receivable from irrevocable trusts. The present value of the estimated future payments is calculated using an assumed investment rate of return between 5-7.5%, a discount rate of 5-6%, and the applicable mortality tables.

6. Property and Equipment

The League's property and equipment consist of the following at March 31, 2006:

Office equipment	\$ 256,243
Leasehold improvements	<u>3,796</u>
	260,039
Less accumulated depreciation	<u>(162,545)</u>
	<u>\$ 97,494</u>

Depreciation expense for the year ended March 31, 2006 was \$42,018.

Continued

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

7. Notes Payable

Notes payable (uncollateralized) consist of the following at March 31, 2006:

Note payable, interest at 1.5% per annum (5% imputed interest), maturing on December 9, 2007	<u>\$500,000</u>
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Interest expense for the year ended March 31, 2006 was \$36,513.

8. Commitments and Contingencies

The League leases office space under a noncancelable operating lease expiring in December 2014. The League also leases office equipment under two noncancelable operating leases expiring in October 2007 and January 2008. Under the terms of these leases, the League is obligated to pay escalation rentals. Minimum future rental payments under the lease are summarized as follows:

Years ending March 31:	
2007	\$ 174,853
2008	181,534
2009	187,792
2010	194,947
2011	202,101
Thereafter	<u>820,921</u>
	<u>\$1,762,148</u>

Rent expense for the year ended March 31, 2006 was \$185,978.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

Time restricted	\$ 843,414
Program activities	<u>29,376,521</u>
Total temporarily restricted net assets	<u>\$30,219,935</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purposes restriction accomplished:	
Land deeded to the State of California	\$ 8,741,000
Land deeded to the United States of America	1,700,005
Redwood land program support	1,684,229
Time restriction	885,181
Other grants	176,592
Research grant	<u>97,293</u>
	13,284,300
Gain over historical cost of land	<u>(567,811)</u>
	<u>\$12,716,489</u>

Continued

SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

10. Permanently Restricted Net Assets

Net assets were permanently restricted for future operations of the League. An additional \$5,000 of permanently restricted contributions was received for the year ended March 31, 2006, creating a net asset balance of \$362,342 as of March 31, 2006.

11. Employee Benefit Plans

Prior to February 28, 2002, the League had a defined benefit pension plan (the DBP Plan) covering all of its employees. The benefits were based upon years of service and the employee's average monthly compensation over the highest paid five consecutive plan years. Employees became eligible for the Plan on the first day of the plan year following a minimum of one year of service.

On February 28, 2002, the Board of Directors approved curtailment of further benefit accrual under the DBP Plan. On December 13, 2002, the Board of Directors authorized its officers to terminate the DBP Plan and distribute plan assets in accordance with law. As of March 31, 2006, the Board of Directors authorized the League to lower the running costs of the Plan, set an aggressive investment policy, and make the first of three annual contributions to fully fund the Plan in preparation for its termination. The expense recognized for the year ended March 31, 2006 was \$148,710.

The following table sets forth the funded status of the Plan as of and for the year ended March 31, 2006:

Benefit obligation	\$ (1,176,674)
Fair value of plan assets	<u>984,635</u>
Funded status	(192,039)
Unrecognized net loss	<u>340,749</u>
Prepaid (accrued) benefit cost recognized in the statement of financial position	<u>\$ 148,710</u>
Less amount expensed in 2006	<u>148,710</u>
Total	<u><u>-</u></u>
Weighted average assumptions as of March 31, 2006:	
Discount rate	<u>6.00%</u>
Expected return on plan assets	<u>7.00%</u>
Expense	<u>\$ 158,502</u>

Effective on October 1, 2002, the League established a defined contribution retirement plan (401(k) Plan) under Section 401(k) of the Internal Revenue Code. The 401(k) Plan covers all employees, except hourly, of the League after six months of service and provides for voluntary salary deferrals up to certain amounts. The League may elect to make various types of matching contributions as prescribed under the 401(k) Plan agreement. During 2006, the Board of Directors approved a 3% safe harbor contribution and a 5% employer matching contribution. The total expense related to the 401(k) Plan was \$99,434 for the year ended March 31, 2006.

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SAVE-THE-REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

12. **Joint Costs**

For the year ending March 31, 2006, the League incurred joint costs of \$91,275 for informational materials and activities that included fund-raising appeals. The League allocated \$21,573 to general and administrative expense, \$16,954 to fund-raising expense, and \$52,748 to program expense.

13. **Concentration of Credit Risk**

Cash

At March 31, 2006, the League maintains cash and cash equivalents of approximately \$1,167,000 in excess of the federally insured limit of \$100,000 at various major financial institutions.

Investments

At March 31, 2006, the League maintains investments with one bank of approximately \$51,605,000 in excess of the federally insured limit of \$100,000 at various major financial institutions.

Revenue and Receivables

The League's revenue is derived from individual contributions from throughout North America, state and federal grants, and investment income. For the year ended March 31, 2006, 40% of revenue is comprised of contributions from three foundations.

As of March 31, 2006, one irrevocable trust comprised 65% of the contributions receivable from irrevocable trusts.

As of March 31, 2006, three bequests comprised 64% of the contributions receivable balance.

SUPPLEMENTARY INFORMATION



BURR, PILGER & MAYER LLP

Accounting ■ Consulting ■ Wealth Management

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

The Audit Committee of
Save-the-Redwoods League

Our report on our audit of the basic financial statements of Save-the-Redwoods League for March 31, 2006 appears on page one. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses for the year ended March 31, 2006 with comparative totals for March 31, 2005 and schedule of the three-year comparative statements of activities for the years ended March 31, 2006, 2005, and 2004 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statements of financial position of Save-the-Redwoods League as of March 31, 2005 and 2004, and the related statements of activities and cash flows for the years then ended, and we expressed unqualified opinions on those financial statements. In our opinion, the schedule for the comparative statement of activities for the years ended March 31, 2005 and 2004 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Burr Pilger & Mayer LLP

San Francisco, California
June 1, 2006

SAVE-THE-REDWOODS LEAGUE
SUPPLEMENTAL SCHEDULE
SCHEDULE OF FUNCTIONAL EXPENSES
for the year ended March 31, 2006
with comparative totals for 2005

	Program Services	General and Administrative	Fund- raising	Total 2006	Total 2005
Contributions of land and other grants	\$ 10,894,890	-	-	\$ 10,894,890	\$ 9,362,349
Salaries and benefits	875,030	\$ 540,464	\$ 648,300	2,063,794	1,622,170
Payroll taxes	50,217	30,941	37,205	118,363	96,030
Professional fund-raising fees	-	75	36,603	36,678	31,419
Accounting fees	-	27,810	-	27,810	31,625
Legal fees	21,100	27,813	21,515	70,428	65,503
Supplies	9,258	7,062	10,238	26,558	17,502
Telephone	4,099	2,751	4,444	11,294	12,349
Postage and shipping	9,852	6,003	16,415	32,270	33,858
Occupancy	67,622	50,958	67,398	185,978	163,953
Equipment rental and maintenance	9,150	8,717	15,984	33,851	15,604
Printing and publications	57,513	21,474	494,310	573,297	534,879
Travel	36,605	6,843	19,924	63,372	44,645
Conferences and meetings	10,697	11,987	27,487	50,171	48,673
Interest	36,513	-	-	36,513	16,671
Depreciation	16,017	10,746	15,255	42,018	47,715
Campaign contribution for a bond measure	4,886	-	-	4,886	100,000
Consultants	4,656	7,197	22,309	34,162	94,074
Insurance	19,526	13,100	18,797	51,423	55,294
Investment fees	-	56,883	-	56,883	47,207
Services and fees	25,951	119,917	64,516	210,384	167,652
Appraisals and closing costs	131,127	-	-	131,127	150,252
Other project costs	101,937	5,083	-	107,020	108,877
Other fund-raising costs	-	-	14,553	14,553	5,073
Furniture and Equipment	8,189	7,063	7,802	23,054	19,766
Miscellaneous	4,284	8,505	2,659	15,448	19,528
Total	<u>\$ 12,399,119</u>	<u>\$ 971,392</u>	<u>\$ 1,545,714</u>	<u>\$ 14,916,225</u>	<u>\$ 12,912,668</u>

The accompanying notes are an integral part of this supplemental schedule.

SAVE-THE-REDWOODS LEAGUE
SUPPLEMENTAL SCHEDULE
THREE-YEAR COMPARATIVE STATEMENTS OF ACTIVITIES
for the years ended March 31, 2006, 2005, and 2004

	2006	2005	2004	Three-Year Total
Revenue and public support:				
Contributions:				
Donations	\$ 2,813,557	\$ 4,050,587	\$ 1,926,670	\$ 8,790,814
Program and land acquisition contributions	10,980,087	8,965,165	3,748,065	23,693,317
Reforestation, restoration, research and other contributions	176,036	251,802	732,296	1,160,134
In-kind contributions	12,937	-	-	12,937
Change in value of irrevocable trusts	275,612	(40,941)	139,948	374,619
Donated land	575,000	-	-	575,000
Grants from state and federal agencies	-	-	217,500	217,500
Income from investments	1,504,619	543,539	513,638	2,561,796
Gain on revaluation of land	308,000	806,721	604,330	1,719,051
Gain on sale of land	721,605	-	-	721,605
Other income	7,560	5,583	194,993	208,136
Total revenue and public support	17,375,013	14,582,456	8,077,440	40,034,909
Expenses:				
Program services:				
Land deeded to State of California	8,741,000	3,695,385	3,385,022	15,821,407
Land deeded to the United States of America	1,700,005	4,879,000	2,684,858	9,263,863
Redwood land program support	1,684,229	1,531,337	1,133,611	4,349,177
Other grants	176,592	342,807	92,388	611,787
Redwood reforestation and research grants	97,293	145,157	147,725	390,175
Total program services	12,399,119	10,593,686	7,443,604	30,436,409
Support services:				
General and administrative	971,392	970,894	812,960	2,755,246
Fund-raising	1,545,714	1,348,088	1,515,397	4,409,199
Total support services	2,517,106	2,318,982	2,328,357	7,164,445
Total expenses	14,916,225	12,912,668	9,771,961	37,600,854
Increase (decrease) in net assets	\$ 2,458,788	\$ 1,669,788	\$ (1,694,521)	\$ 2,434,055

The accompanying notes are an integral
part of this supplemental schedule