

Save the Redwoods League

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

for the year ended March 31, 2011
(with comparative totals for 2010)

SAVE THE REDWOODS LEAGUE

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Building your future

INDEPENDENT AUDITORS' REPORT

The Audit Committee of
Save the Redwoods League:

We have audited the accompanying statement of financial position of Save the Redwoods League (a nonprofit organization) (the League) as of March 31, 2011, and the related statements of activities and changes in net assets and cash flows for the year 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 2010 financial statements and, in our report dated July 1, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Save the Redwoods League as of March 31, 2011, 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.

Burr Pilger Mayer, Inc.

San Francisco, California
July 21, 2011

Member of The Leading Edge Alliance

SAVE THE REDWOODS LEAGUE
STATEMENT OF FINANCIAL POSITION

March 31, 2011
(with comparative totals for 2010)

	2011	2010
ASSETS		
Cash and cash equivalents	\$ 2,343,054	\$ 2,281,866
Restricted cash and cash equivalents	881,445	882,085
Interest receivable	427,142	418,144
Contributions receivable	813,704	1,572,182
Grants receivable	1,050,500	50,000
Other receivable	2,388	27,260
Investments	65,801,961	63,110,855
Real estate held	20,586,880	8,786,880
Contributions receivable from irrevocable trusts	2,140,369	2,081,562
Property and equipment, net	77,047	99,885
Notes receivable	402,229	6,554,645
Deposits on land purchase	40,000	1,031,100
Other assets	101,321	85,963
Endowment fund	439,536	378,423
	\$ 95,107,576	\$ 87,360,850
Total assets		
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 140,510	\$ 228,680
Accrued liabilities	788,032	338,452
Environmental remediation obligation	157,290	396,596
Note payable	5,000,000	-
	6,085,832	963,728
Total liabilities		
Net assets:		
Unrestricted	55,666,721	53,231,027
Temporarily restricted	32,947,215	32,759,287
Permanently restricted	407,808	406,808
	89,021,744	86,397,122
Total net assets		
Total liabilities and net assets	\$ 95,107,576	\$ 87,360,850

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, 2011
(with comparative totals for 2010)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2011	Total 2010
Revenue and public support:					
Contributions:					
Donations	\$ 1,974,837	\$ 495,539	\$ 1,000	\$ 2,471,376	\$ 3,336,562
Program and land acquisition contributions	-	3,905,240	-	3,905,240	2,408,222
Reforestation, restoration, research, and other contributions	-	876,833	-	876,833	462,530
In-kind contributions	118,373	-	-	118,373	12,897
Change in value of irrevocable trusts	-	77,613	-	77,613	609,331
Grants from state and federal agencies	-	253,500	-	253,500	5,000
Income from investments	3,516,924	31,728	-	3,548,652	5,660,494
Interest from loans	9,025	-	-	9,025	15,103
Loss on revaluation of land	-	-	-	-	(35,500)
Net (loss) gain on sale of land and right-of-way easement	(75,000)	-	-	(75,000)	10,000
Other income	29,077	-	-	29,077	29,993
Net assets released from restrictions	5,452,525	(5,452,525)	-	-	-
Total revenue and public support	<u>11,025,761</u>	<u>187,928</u>	<u>1,000</u>	<u>11,214,689</u>	<u>12,514,632</u>
Expenses:					
Program services:					
Contributions of land and easements to public agencies and other nonprofit organizations:					
Fair market value conveyed	845,000	-	-	845,000	4,300,000
Less consideration received	420,000	-	-	420,000	2,630,000
Contributions of land and easement values made	425,000	-	-	425,000	1,670,000
Redwood land program support	4,227,318	-	-	4,227,318	3,219,423
Education and research grants	202,279	-	-	202,279	198,951
Redwood reforestation grants	130,993	-	-	130,993	144,743
Climate change research grants	286,398	-	-	286,398	499,990
Other grants	328,162	-	-	328,162	365,806
Total program services	<u>5,600,150</u>	<u>-</u>	<u>-</u>	<u>5,600,150</u>	<u>6,098,913</u>
Support services:					
General and administrative	1,198,143	-	-	1,198,143	1,369,982
Fund-raising	1,791,774	-	-	1,791,774	1,990,335
Total support services	<u>2,989,917</u>	<u>-</u>	<u>-</u>	<u>2,989,917</u>	<u>3,360,317</u>
Total expenses	<u>8,590,067</u>	<u>-</u>	<u>-</u>	<u>8,590,067</u>	<u>9,459,230</u>
Change in net assets	2,435,694	187,928	1,000	2,624,622	3,055,402
Net assets, beginning of year	<u>53,231,027</u>	<u>32,759,287</u>	<u>406,808</u>	<u>86,397,122</u>	<u>83,341,720</u>
Net assets, end of year	<u>\$ 55,666,721</u>	<u>\$ 32,947,215</u>	<u>\$ 407,808</u>	<u>\$ 89,021,744</u>	<u>\$ 86,397,122</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, 2011
(with comparative totals for 2010)

	2011	2010
Cash flows from operating activities:		
Increase in net assets	\$ 2,624,622	\$ 3,055,402
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Contributions restricted for investment in endowment	(1,000)	(1,000)
Land deeded	425,000	1,670,000
Loss on sale of land	75,000	5,000
Loss on revaluation of land	-	35,500
Depreciation	39,748	42,918
Net loss (gain) on sale of investments	14,822	(168,584)
Net unrealized gain on investments	(1,639,354)	(3,446,072)
Gain on sale of right-of-way easement	-	(15,000)
Donated investments	(759,481)	(95,564)
Contribution received in form of note receivable	(332,281)	(74,645)
Changes in:		
Restricted cash	640	37,254
Interest receivable	(8,998)	48,503
Contributions receivable	758,478	1,456,428
Grants receivable	(1,000,500)	50,000
Other receivable	24,872	(27,260)
Contributions receivable from irrevocable trusts	(58,807)	(578,156)
Deposits on land purchase	991,100	(1,021,100)
Other assets	(15,358)	(31,379)
Accounts payable	(88,170)	(24,519)
Accrued liabilities	449,580	(128,251)
Environmental remediation obligation	(239,306)	(21,098)
Additional cash provided by (used in) real estate held land activities:		
Proceeds on sale of land	420,000	2,645,000
Acquisition of redwood lands	(11,590,000)	(4,100,000)
Net cash used in operating activities	(9,909,393)	(686,623)
Cash flows from investing activities:		
Purchase of investments	(25,955,076)	(37,756,813)
Proceeds from maturities of investments	25,587,870	45,775,031
Proceeds from notes receivable	5,354,697	-
Issuance of notes receivable	-	(6,480,000)
Acquisition of property and equipment	(16,910)	(46,682)
Net cash provided by investing activities	4,970,581	1,491,536
Cash flows from financing activities—Proceeds on issuance of note payable	5,000,000	-
Net cash provided by financing activities	5,000,000	-
Net increase in cash and cash equivalents	61,188	804,913
Cash and cash equivalents, beginning of year	2,281,866	1,476,953
Cash and cash equivalents, end of year	\$ 2,343,054	\$ 2,281,866
Supplemental disclosure—Noncash acquisition of redwood lands through reduction of note receivable	\$ 1,130,000	\$ -

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) protects and restores redwood forests and connects people with their peace and beauty so these wonders of the natural world flourish. Since 1918, the League has protected more than 189,000 acres and helped develop 63 redwood parks and reserves with member and partner support.

Save the Redwoods League protects redwoods by purchasing forests and supporting lands at fair market value from willing sellers. The League also restores logged forests to their majestic state. The League's education program connects people with the redwoods' peace and beauty so that they get to know these natural wonders and become their ongoing supporters.

Many purchases of forest land require several years for completion because of their scale and complexity. The League may hold some land (reflected as real estate held) for several years before transfer to public ownership. These lands and forests are protected at the time of purchase and the League remains a steward of those lands until they are able to be transferred to a public agency for permanent protection. Programmatic accomplishment is only recognized at the time of divestment of the property, therefore, program service expenses may vary significantly from one year to the next, without a commensurate reduction in support service costs. The League also acquires and holds conservation easements which are monitored on a regular basis. The supplemental schedule on page 24 provides additional context for review of programmatic accomplishments over a three year 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. Save the Redwoods League also awards research grants to learn what redwood ecosystems need to survive. This comprehensive plan guides the League's effort to protect and restore redwood forests. The highest priority is given to lands that include any of the remaining 5% 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 recognizing unrestricted contributions, recognizing interest from bank(s) and notes receivable, recognizing net realized and unrealized gains or losses from investments (unless time-restricted) less expenses incurred in providing related services, raising contributions, and performing administrative functions.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Basis of Presentation, continued

Temporarily Restricted

The 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.

Endowments

The State of California enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to endowment funds existing on or established after that date. Additional disclosures about the League's endowment funds whether or not the League is subject to UPMIFA have been included for the year ending March 31, 2011.

Interpretation of Relevant Law

The Board of Directors (the Board) of the League has interpreted the State of California's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the League classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, and (3) additions to the permanent endowment in accordance with donor directions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence prescribed by California's enacted version of UPMIFA.

Spending Policies

In accordance with the State of California's enacted version of UPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the League and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the League
- 7) The investment policies of the League

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Spending Policies, continued

The League has a policy of appropriating for distribution each year an amount of up to 3 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the League considered the long-term expected return on its endowment. Accordingly, over the long term, the League expects the current spending policy to allow its endowment to grow at an average of between 4 to 7 percent annually. This is consistent with the League's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The endowment of the League is currently in a building stage and the Board believes that there is not a sufficient base with which to spend or appropriate from the endowment at this time. As a result, the League has appropriated zero percent for spending in the current year.

Endowment Investment Policy—Return Objectives and Risk Parameters

The League has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that approximate the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The League expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The League targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Revenue Recognition

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

Contributions and grants are recognized when the donor makes a promise to give to the League that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions from estates and trusts that are a receivable at year end are reclassified to temporarily restricted contributions. In the event the receivable is received during the month after year end, it is recorded as an unrestricted contribution.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Contributions related to estates and charitable remainder trusts are recognized when the League has obtained a copy of a court order, or all of the following documents: letter of notification as beneficiary; trust agreement or will; and an estimate and/or list of assets and valuation to be distributed. The League does not record an allowance on their contributions receivable because historically, the League has collected all receivables. A 10% contingency provision is deducted from the receivables to cover any closing costs.

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, 2011, the League recognized in-kind services of \$114,275 for legal and consulting services. For the year ended March 31, 2011, the League recognized in-kind goods of \$4,098.

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.

Restricted Cash and Cash Equivalents

These funds are required to be held in separate bank accounts and are restricted for the purpose of monitoring an easement to protect Marbled Murrelets, an endangered species of bird that nests in the ancient Redwoods, restoration and also to cover administrative costs of monitoring this easement, and for grove maintenance. The balance at March 31, 2011 is \$881,445.

Investments

The League maintains liquidity sufficient to respond to conservation opportunities.

The League carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values. 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. For the year ended March 31, 2011, the League received \$759,481 in donated investments.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

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 seven years. Maintenance and repairs are charged to expense as incurred.

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, which approximates fair market value, if purchased, or estimated fair value at the date of the gift, if donated. Except as the result of a transaction, the carrying amount of real estate acquired in prior periods is revised only when current data indicates that a significant decrease in value has occurred. No such revaluations occurred during the year ended March 31, 2011.

Real estate held is valued by a certified general appraiser at the time of negotiation for its acquisition from the seller. It is valued at its original fair market value at the time of acquisition and, except in the rare circumstance that there is a significant diminution in value, it remains at that same value until such time as a new appraisal establishes its current fair market value at the time of disposition. It is not a goal of the League to profit from its land transactions.

The majority of the League's real estate held is intended to be transferred to the California State Parks (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 on revaluation of land is recorded for the difference between the fair value upon reappraisal and the carrying amount of the land. At March 31, 2011, the League did not incur a loss on revaluation of land. A gain or loss on sale of land or easement is recorded for the difference between the fair value upon transfer date and carrying amount of the land. At March 31, 2011, the League incurred a net loss on sale of land of \$75,000. Temporarily restricted net assets are released from restriction based on historical cost of the property.

Notes Receivable

Notes receivable are carried at unpaid principal balances. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance is considered necessary. In making that determination, management evaluated the financial condition of the borrower and current economic conditions.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The carrying amounts of the League's cash and cash equivalents, restricted cash and cash equivalents, interest receivable, contributions receivable, deposits on land purchase, accounts payable, accrued liabilities, and environmental remediation obligation approximate fair value due to the relatively short period to maturity for these instruments.

The carrying amounts of notes receivable and notes payable approximates fair value as of March 31, 2011 because interest rates on these instruments approximate market interest rates.

Fair Value Measurements

In determining fair value, the League uses various valuation approaches. A hierarchy has been established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the League. Unobservable inputs are inputs that reflect the League's assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Level 1—Valuations based on quoted prices in active markets for identical assets or liabilities that the League has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. The League considers its investments in cash, exchange-traded funds, and actively traded stocks as Level 1.

Level 2—Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Charitable remainder trusts are valued by obtaining the values of the assets, the age of the beneficiary, and determining the present value by the confluence of the investment rate of return (0% to 6%), the withdrawal rate, and the discount rate (5%).

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the League in determining fair value is greatest for instruments categorized in Level 3.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Fair Value Measurements, continued

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the League's own assumptions are set to reflect those that the League believes market participants would use in pricing the asset or liability at the measurement date.

The fair value option provides entities the option to measure certain financial assets and financial liabilities at fair value with changes in fair value recognized in earnings each period. The fair value option permits an irrevocable fair value election on an instrument-by-instrument basis at initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. The League elected not to adopt the fair value option for any other financial assets or liabilities.

Easement Policy

Conservation easements are expensed as a program expense in the period they are purchased or donated to the League. At March 31, 2011, the League did not incur any expenses related to acquiring new easements. The League also did not receive donated conservation easements for the year ended March 31, 2011.

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 Taxes

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. However, income from certain activities not directly related to the League's tax-exempt purpose is subject to taxation as unrelated business income. 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.

The League reviews and assesses tax positions taken or expected to be taken against more-likely-than-not recognition threshold and measurement attributes for financial statement recognition.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Income Taxes, continued

The League's policy for evaluating uncertain tax positions is a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more-likely-than-not that the position will be sustained upon audit, including resolution of related appeals or litigations processes, if any. The second step is to measure the tax benefit or liability as the largest amount that is more than 50% likely to be realized or incurred upon settlement. Based on an analysis prepared by the League, it was determined that the tax positions taken or expected to be taken had no material effect on the recorded tax assets and liabilities of the League.

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.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued an accounting standards update on fair value measurement and disclosures, adding new requirements for disclosures for Levels 1 and 2, separate disclosures for purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. This update was effective for interim and annual periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity for purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The League adopted these standards effective April 1, 2010.

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, 2010, from which the summarized information was derived.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

3. Fair Value of Assets Measured on a Recurring Basis

Financial instruments at March 31, 2011 are recorded at fair value as follows:

	Assets at Fair Value as of March 31, 2011		
	Level 1	Level 2	Total
Assets:			
Endowment fund:			
Endowment cash equivalents	\$ 19,077	\$ -	\$ 19,077
Endowment exchange-traded funds	420,459	-	420,459
Total endowment fund	439,536	-	439,536
Investments:			
Domestic Large Blend Exchange-traded funds	10,243,630	-	10,243,630
Large Blend Exchange-traded funds—follows MSCI US Broad Market Index	3,325,690	-	3,325,690
Preferred stocks	1,788,499	-	1,788,499
Money market fund held for investment purposes	455,868	-	455,868
Government and agency discount notes	-	4,998,822	4,998,822
Agency coupon bonds	-	32,509,450	32,509,450
Agency variable rate notes	-	2,965,000	2,965,000
Corporate coupon bonds	-	9,492,933	9,492,933
Mutual fund	-	22,069	22,069
Total investments	15,813,687	49,988,274	65,801,961
Contributions receivable from irrevocable trusts	-	2,140,369	2,140,369
Total	\$ 16,253,223	\$ 52,128,643	\$ 68,381,866

4. Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents

The League's cash and cash equivalents, and restricted cash and cash equivalents at March 31, 2011 are as follows:

Money market fund	\$ 1,485,174
Demand deposits	857,630
Petty cash	250
	\$ 2,343,054
Cash and cash equivalents	\$ 2,343,054
Restricted cash and cash equivalents	\$ 881,445

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

5. Contributions Receivable

As of March 31, 2011, the League is a beneficiary for a total of nineteen estates and trusts. The contributions have no restricted purpose, but have been recorded as temporarily restricted net assets due to a time restriction. As of March 31, 2011, the balance of contributions receivable was \$813,704, net of a contingency provision of \$85,774.

6. Grants Receivable

The entire balance of grants receivable is due within one year and are restricted for the following purposes:

Acquisition for specifically identified redwood lands	\$ 933,000
Sonoma Cedars Conceptual Area Protection Plan	67,500
Redwoods and Climate Change Initiative	<u>50,000</u>
Total grants receivable	<u><u>\$ 1,050,500</u></u>

7. Investments

The cost and estimated fair value of the investment portfolio as of March 31, 2011 is invested as follows:

	Cost	Fair Market Value
Money market fund held for investment purposes	\$ 455,868	\$ 455,868
Government and agency obligations	40,029,442	40,473,272
Corporate obligations	9,152,255	9,492,933
Exchange traded funds and stocks	<u>13,944,488</u>	<u>15,379,888</u>
Total investments	<u><u>\$ 63,582,053</u></u>	<u><u>\$ 65,801,961</u></u>
Money market fund held for investment purposes	\$ 19,077	\$ 19,077
Exchange traded funds and stocks	<u>419,335</u>	<u>420,459</u>
Total endowment fund	<u><u>\$ 438,412</u></u>	<u><u>\$ 439,536</u></u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended March 31, 2011:

Dividends and interest	\$ 1,924,120
Loss on sale of investments, net	(14,822)
Unrealized gain on investments, net	<u>1,639,354</u>
Gain from investments	<u><u>\$ 3,548,652</u></u>

Investment fees for the year ended March 31, 2011 amounted to \$63,103.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

8. Notes Receivable

The League has two promissory notes for \$69,948 and \$332,281, respectively, as of March 31, 2011. The promissory notes are from one donor who made a \$500,000 matching grant for the redwoods and climate change initiative. This matching grant is valid until June 30, 2014. As of March 31, 2011, the League has raised \$406,926 of the \$500,000 matching grant. The remaining \$93,074 is considered a conditional grant and will not be recognized until the matching funds have been raised for this purpose. Each promissory note is payable in 40 quarterly payments and bears an interest rate equivalent to the Wall Street Journal prime rate at the date of the issuance of the promissory note. The rates for the promissory notes were 3.69% and 3.46%, respectively.

The anticipated principal repayments to the League on notes receivable are scheduled to be as follows:

For the fiscal years ending March 31:	
2012	\$ 29,269
2013	35,830
2014	37,102
2015	38,419
2016	39,783
Thereafter	<u>221,826</u>
	<u>\$ 402,229</u>

In prior year, the Sonoma Land Trust, the dominant land trust in its region, was involved in protracted negotiations with multiple parties to acquire and protect a 5,630 acre property on the Sonoma coast which was valued at \$36 million. This property contains a substantial redwood-dominated forest and is considered a high priority area according to the League's master plan. Due to a past bond freeze in 2010 in California, the state agencies were not able to release the previously approved funds amounting to the remaining \$16 million, placing the entire project at the time in jeopardy. The League stepped in to save the transaction by lending \$5.35 million to the Sonoma Land Trust, together with two other partners, who financed the balance. Due to the importance of protecting this property to the League's mission, and the fact that the League would be repaid once the state agencies funds were released, the League decided not to burden the Sonoma Land Trust with interest on the note. This note was unsecured and was repaid in full during the year ended March 31, 2011.

As of March 31, 2010, the League was in contract for the acquisition of 871 acres from a large land owner in Sonoma County and in order to extend the option period, the League had provided a loan to the land owner which would be applied against the purchase price of the property on acquisition. The maximum total potential loan was \$3 million, but as of March 31, 2010 and June 29, 2010, the note receivable was for \$1.13 million and was secured by the property, which had been appraised at \$11.3 million. The note bore an interest rate of 3.25%, which corresponded to the prime rate at the time of the loan being made. The acquisition was completed on June 29, 2010. Therefore, there was no balance as of March 31, 2011 related to this note receivable.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

9. 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 0% to 6%, a discount rate of 5%, and the applicable mortality tables. Due to annual payments being made to current beneficiaries from certain trusts over the trust's term, there is a slight possibility that the trust's assets will be exhausted before distribution to the League.

10. Property and Equipment

The League's property and equipment consist of the following at March 31, 2011:

Office equipment	\$	290,231
Leasehold improvements		18,509
		<u>308,740</u>
Less accumulated depreciation		<u>(231,693)</u>
	<u>\$</u>	<u>77,047</u>

Depreciation expense for the year ended March 31, 2011 was \$39,748.

11. Endowment Fund

Changes in endowment net assets for the fiscal year ended March 31, 2011 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (28,385)	\$ -	\$ 406,808	\$ 378,423
Investment return:				
Investment income	-	7,812	-	7,812
Net unrealized appreciation	28,385	23,916	-	52,301
Total investment return	28,385	31,728	-	60,113
Contributions	-	-	1,000	1,000
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 31,728</u>	<u>\$ 407,808</u>	<u>\$ 439,536</u>

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

12. Note Payable

The League has an unsecured note payable to an independent third party. The funds were used to acquire redwood land property for future divestment to an identified third party. The League shall repay all amounts due, including unpaid accrued interest and principal, on or before the date which shall be the earlier to occur of the following: (a) sale of property to the identified party or (b) the fourth anniversary of the note payable closing date, June 2014. The note bears an interest rate of 2%. The balance as of March 31, 2011 was \$5,000,000.

13. Accrued Liabilities

At March 31, 2011, accrued liabilities consisted of the following:

Deferred compensation	\$ 145,000
Accrued vacation	119,783
Deposit owed to third party	325,000
Deferred rent	82,941
Accrued interest	75,278
Other accrued liabilities	<u>40,030</u>
Total accrued liabilities	<u><u>\$ 788,032</u></u>

14. Environmental Remediation Obligation

At March 31, 2007, the League held a parcel of land in Humboldt County which, prior to the League's acquisition, had fuel station containments. In May 2007, this parcel of land was sold to a third party with a retained conservation easement. As part of the sale agreement, the League agreed to pay 50% of the costs related to work plan preparation, monitoring, active remediation, and well closure. The ultimate goal is to obtain a no further action (NFA) letter from Humboldt County. In 2007, the League accrued the maximum potential liability of \$174,800 regarding its obligation, which is presented under the caption "Environmental remediation obligation" in the accompanying statement of financial position. The League's funding commitment expires on June 30, 2012, or the date the county issues the NFA, whichever is sooner. At March 31, 2011, the League has incurred some costs to date and its accrued liability related to this now stands at \$157,290.

On March 28, 2008, the League purchased a parcel of land in Mendocino County and inspections revealed concentrations of contaminants above the Environmental Screening Levels (ESLs). To remediate the areas of concern, soil concentrations must be returned to below ESL. This was done by evacuating and removing contaminated soils. The League was to pay no more than \$320,000, which had been expensed in a prior fiscal year. The balance, if any, remaining after the remediation would be remitted to the property's seller. On March 23, 2010, the League received a "No Further Action" determination from the California Regional Water Quality Control Board of the North Coast Region. The League remitted the balance of \$239,306 to the property's seller during the year ended March 31, 2011, plus interest of \$14,690.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

15. Temporarily Restricted Net Assets

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

Time restricted	\$ 1,195,809
Program activities	<u>31,751,406</u>
Total temporarily restricted net assets	<u><u>\$ 32,947,215</u></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:	
Redwood land program support	\$ 3,694,311
Time restriction	351,380
Grants	906,834
Land deeded to the United States of America	<u>425,000</u>
	5,377,525
Net loss on sale of land	<u>75,000</u>
	<u><u>\$ 5,452,525</u></u>

16. Permanently Restricted Net Assets

Net assets were permanently restricted for future operations of the League. A contribution of \$1,000 for permanently restricted contributions was received for the year ended March 31, 2011, creating a net asset balance of \$407,808 as of March 31, 2011.

17. Employee Benefit Plans

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 2011, the Board approved a 3% safe harbor contribution and a 5% employer matching contribution. The total expense related to the 401(k) Plan was \$158,228 for the year ended March 31, 2011.

18. Joint Costs

For the year ending March 31, 2011, the League incurred joint costs of \$89,501 for informational materials and activities that included fund-raising appeals. The League allocated \$5,959 to general and administrative expense, \$16,106 to fund-raising expense, and \$67,436 to program expense.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

19. Commitments and Contingencies

The League leases office space and postage equipment under noncancelable operating leases expiring in December 2014. Under the terms of office space lease, the League is obligated to pay escalation rentals. The deferred rent is recorded in the accrued liabilities line item on the statement of financial position. Minimum future rental payments under the leases are summarized as follows:

	Cash	Expense	Deferral
March 31:			
2012	\$ 210,843	\$ 198,384	\$ 12,459
2013	217,998	198,384	19,614
2014	223,563	196,795	26,768
2015	171,696	147,596	24,100
	\$ 824,100	\$ 741,159	\$ 82,941

Rent expense for the year ended March 31, 2011 was \$238,473.

20. Concentration of Credit Risk

Cash and Cash Equivalents

The League maintains cash and cash equivalents with two major high-quality financial institutions, which are regularly monitored by management. As of March 31, 2011, the League was in excess of federally depository insurance limit.

Investments

The League's credit risk is inherent principally in its investments. As of March 31, 2011, investments comprised of investments in money market funds held for investing purposes, government and agency obligations, corporate obligations, exchange traded funds, and stocks which are maintained with three high quality financial institutions. Credit risk is limited by diversifying the League's investments among a variety of high-quality issuers, and the composition and maturities are regularly monitored by management. Investments are secured up to a limit set by the Securities Investor Protection Corporation (SIPC). As of March 31, 2011, the League held investments in excess of the SIPC insurance limits.

At March 31, 2011, the League had 49% of total investments in agency coupon obligations, 14% of total investments in corporate obligations, and 21% of total investments in exchange traded funds.

Real Estate Held

The League holds a total of fourteen properties as of March 31, 2011 in various counties: Tuolumne, Mariposa, Del Norte, Monterey, Mendocino, Napa, Humboldt, Santa Cruz, and Sonoma. Of these properties, 55% and 35% of real estate held is held in Sonoma and Mendocino Counties, respectively.

Continued

SAVE THE REDWOODS LEAGUE
NOTES TO FINANCIAL STATEMENTS

20. Concentration of Credit Risk, continued

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, 2011, 13% of revenue is comprised of contributions from one donor.

As of March 31, 2011, one irrevocable trust comprised 59% of the contributions receivable from irrevocable trusts.

As of March 31, 2011, five contributions receivable comprised 64% of the contributions receivable balance.

As of March 31, 2011, three grants receivable comprised 95% of the grants receivable balance.

As of March 31, 2011, one note receivable comprised 100% of the notes receivable balance, and was unsecured.

For the year ended March 31, 2011, 95% of total grants from state and federal agencies was granted from the State Coastal Conservancy. The grant is included in grants receivable in the statement of financial position as of March 31, 2011.

21. Related Party Transactions

During the year, the League received \$95,830 of in-kind legal services from a law firm with which a member of the League's Board is affiliated.

22. Subsequent Events

The League has evaluated all events occurring subsequent to March 31, 2011 through July 21, 2011, the date the financial statements were available to be issued. Nothing has occurred outside the normal course of business operations which requires recognition as of March 31, 2011.

On April 27, 2011, the League purchased the 426-acre Noyo River Redwoods property, including its 123 acres of old-growth forest along the Skunk Train route in Mendocino County, for \$7 million, thus protecting the redwoods from imminent harvesting, pursuant to its approved timber harvest plan. This property contains about 30% of all remaining old forest in the Noyo River watershed. The League's purchase of the property protects these last survivors of an ancient forest and allows restoration of habitat for imperiled salmon in the Noyo River, which runs through the property. The Noyo River watershed drains west and is the source of drinking water for Fort Bragg and the surrounding area.

On July 21, 2011, the League purchased the 500-acre Cedars property for \$600,000 and transferred it to the Bureau of Land Management (BLM). This was a "direct deed" transaction, where the property was transferred directly from the previous owners into public ownership.

Continued

SAVE THE REDWOODS LEAGUE

NOTES TO FINANCIAL STATEMENTS

22. Subsequent Events, continued

The Cedars property is located north of Cazadero in rural western Sonoma County and it is adjacent to the Cedars Area of Critical Environmental Concern (the Cedars ACEC), which is owned and managed by the BLM. Both the Cedars property and the Cedars ACEC are located in an 11-square mile area with geologic features that were formed when the earth's mantle, which normally rests 3 to 70 miles beneath the earth's surface, pushed through the earth's crust and exposed a massive area of peridotite, resulting in a "moonscape" of rugged rocky soil and steeply sloping ravines and canyons. The extensive weathering of the exposed peridotite rock, high in magnesium, iron, and chromium, has resulted in the creation of serpentine soils and the area is home to dozens of rare and sensitive plant species that have adapted to these soils. At least eight plant species have been found on The Cedars property, which are not found anywhere else in the world. However, the name The Cedars is a botanical misnomer since the ecosystem supports the Sergeant Cypress, not Cedars.

The Cedars property serves as a connecting landscape between the redwoods in Austin Creek State Recreational Area and Armstrong Redwoods State Natural Reserve and Salt Point State Park, Stewarts Point and other properties on the coast. Water from the Property's creeks flows into Austin Creek, and then the Russian River and the Gualala River.

SUPPLEMENTARY INFORMATION



Building your future

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Audit Committee of
Save the Redwoods League:

We have audited the financial statements of Save the Redwoods League for the year ended March 31, 2011, and our report thereon dated July 21, 2011, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses for the year ended March 31, 2011 with comparative totals for March 31, 2010 and schedule of the three-year comparative statements of activities for the years ended March 31, 2011, 2010, and 2009 are presented for purposes of additional analysis and are not a required part of the basic 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.

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, 2010 and 2009, and the related statements of activities and changes in net assets and cash flows for the years then ended, and we expressed unqualified opinions on those financial statements. In our opinion, the schedule for the three-year comparative statements of activities for the years ended March 31, 2011, 2010, and 2009 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Burr Pilger Mayer, Inc.

San Francisco, California
July 21, 2011

Member of The Leading Edge Alliance

SAVE THE REDWOODS LEAGUE
SUPPLEMENTAL SCHEDULE
SCHEDULE OF FUNCTIONAL EXPENSES

for the year ended March 31, 2011
(with comparative totals for 2010)

	Program Services	General and Admini- strative	Fund- raising	Total 2011	Total 2010
Salaries and benefits	\$ 1,301,661	\$ 628,393	\$ 816,298	\$ 2,746,352	\$ 2,833,530
Contributions of land and other grants	1,372,831	-	-	1,372,831	2,879,490
Other project costs	941,941	-	-	941,941	649,008
Printing and publications	229,074	32,038	471,950	733,062	646,124
Advocacy	574,000	-	-	574,000	224,000
Services and fees	108,984	166,777	158,335	434,096	582,813
Appraisals and closing costs	391,312	-	-	391,312	486,306
Occupancy	133,493	69,578	86,187	289,258	245,144
Payroll taxes	82,324	39,743	51,627	173,694	166,479
Legal fees	90,385	26,878	776	118,039	2,171
Consultants	111,332	3,350	-	114,682	45,504
Travel	55,428	10,159	29,288	94,875	113,875
Interest	89,968	-	-	89,968	-
Conferences and meetings	27,393	28,049	34,466	89,908	102,928
Investment fees	-	63,103	-	63,103	66,444
Postage and shipping	14,052	28,916	20,088	63,056	70,931
Accounting fees	-	50,507	-	50,507	44,770
Professional fund-raising fees	-	-	44,000	44,000	86,235
Depreciation	18,574	9,186	11,988	39,748	42,918
Insurance	17,985	8,894	11,607	38,486	31,759
Equipment rental and maintenance	4,538	5,140	27,688	37,366	36,728
Miscellaneous expenses	12,351	11,253	3,833	27,437	23,938
Telephone	7,702	8,668	4,973	21,343	19,756
Supplies	9,930	4,392	5,686	20,008	24,480
Furniture and equipment	4,892	3,119	3,172	11,183	13,736
Other fund-raising costs	-	-	9,812	9,812	20,163
Total	\$ 5,600,150	\$ 1,198,143	\$ 1,791,774	\$ 8,590,067	\$ 9,459,230

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, 2011, 2010, and 2009

	2011	2010	2009	Three-Year Total
Revenue and public support:				
Contributions:				
Donations	\$ 2,471,376	\$ 3,336,562	\$ 6,852,913	\$ 12,660,851
Program and land acquisition contributions	3,905,240	2,408,222	15,170,718	21,484,180
Reforestation, restoration, research, and other contributions	876,833	462,530	909,488	2,248,851
In-kind contributions	118,373	12,897	30,273	161,543
Change in value of irrevocable trusts	77,613	609,331	(556,553)	130,391
Grants from state and federal agencies	253,500	5,000	5,000	263,500
Income (loss) from investments	3,548,652	5,660,494	(849,388)	8,359,758
Interest from loans	9,025	15,103	-	24,128
(Loss) gain on revaluation of land	-	(35,500)	18,500	(17,000)
Net (loss) gain on sale of land and right-of-way easement	(75,000)	10,000	-	(65,000)
Other income	29,077	29,993	43,506	102,576
Total revenue and public support	<u>11,214,689</u>	<u>12,514,632</u>	<u>21,624,457</u>	<u>45,353,778</u>
Expenses:				
Program services:				
Contributions of land and easements to public agencies and other nonprofit organizations:				
Fair market value conveyed	845,000	4,300,000	3,537,500	8,682,500
Less consideration received	420,000	2,630,000	346,000	3,396,000
Contributions of land and easement values made	425,000	1,670,000	3,191,500	5,286,500
Conservation easement expense	-	-	3,750,000	3,750,000
Redwood land program support	4,227,318	3,219,423	2,734,817	10,181,558
Education and research grants	202,279	198,951	254,682	655,912
Redwood reforestation grants	130,993	144,743	62,099	337,835
Climate change research grants	286,398	499,990	-	786,388
Other grants	328,162	365,806	218,778	912,746
Total program services	<u>5,600,150</u>	<u>6,098,913</u>	<u>10,211,876</u>	<u>21,910,939</u>
Support services:				
General and administrative	1,198,143	1,369,982	1,432,573	4,000,698
Fund-raising	1,791,774	1,990,335	1,945,978	5,728,087
Total support services	<u>2,989,917</u>	<u>3,360,317</u>	<u>3,378,551</u>	<u>9,728,785</u>
Total expenses	<u>8,590,067</u>	<u>9,459,230</u>	<u>13,590,427</u>	<u>31,639,724</u>
Change in net assets	<u>\$ 2,624,622</u>	<u>\$ 3,055,402</u>	<u>\$ 8,034,030</u>	<u>\$ 13,714,054</u>

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