

SUSTAINABLE CONSERVATION

REPORT ON AUDIT OF FINANCIAL STATEMENTS

**YEARS ENDED DECEMBER 31, 2008
AND DECEMBER 31, 2007**

**Ghaffari Zaragoza LLP
CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sustainable Conservation
San Francisco, California

We have audited the accompanying statements of financial position of Sustainable Conservation as of December 31, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years 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 audits.

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 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 basic 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 Sustainable Conservation as of December 31, 2008 and 2007, and the changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We conducted our audits 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 Federal and Non-Federal Financial Assistance is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subject 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.

Ghaffari Zaragoza LLP

April 30, 2009
Oakland, California

SUSTAINABLE CONSERVATION

Statements of Financial Position At December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current assets		
Cash and cash equivalents (Note 3)	\$1,279,172	\$ 433,801
Certificates of deposit	101,243	-
Contracts receivable	260,821	478,267
Grants receivable (Note 4)	1,015,000	666,000
Pledges receivable less allowance for uncollectible pledges of \$0	22,488	21,607
Prepaid expenses	31,497	22,749
	<u>2,710,221</u>	<u>1,622,424</u>
Total Current Assets	2,710,221	1,622,424
Grants receivable, non-current (Note 4)	100,000	300,000
Pledges receivable restricted for long-term purposes, less allowance for uncollectible pledges of \$0	-	68,486
Cash and investments restricted for long-term purposes (Note 5)	566,926	68,486
Deposits	25,785	25,785
Property & equipment, net (Note 6)	17,472	23,638
	<u>3,420,404</u>	<u>\$2,108,819</u>
Total Assets	<u>\$3,420,404</u>	<u>\$2,108,819</u>
Liabilities		
Current liabilities		
Accounts payable & accrued expenses	\$ 199,738	\$ 127,784
Accrued compensated absences	69,434	52,353
Deferred support (Note 7)	302,609	-
	<u>571,781</u>	<u>180,137</u>
Total Liabilities	<u>571,781</u>	<u>180,137</u>
Net Assets		
Unrestricted	603,451	721,202
Temporarily restricted (Note 8)	1,850,390	1,070,508
Permanently restricted (Note 9)	394,782	136,972
	<u>2,848,623</u>	<u>1,928,682</u>
Total Net Assets	<u>2,848,623</u>	<u>1,928,682</u>
Total Liabilities and Net Assets	<u>\$3,420,404</u>	<u>\$2,108,819</u>

See notes to financial statements

SUSTAINABLE CONSERVATION

Statements of Activities

Years Ended December 31, 2008 and 2007

	Year Ended December 31, 2008			Year Ended December 31, 2007				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue								
Government grants and contracts	\$ 1,423,451	\$ 19,300	\$ -	\$ 1,442,751	\$ 400,271	\$ -	\$ -	\$ 400,271
Foundation and community grants	294,817	1,817,500	-	2,112,317	250,361	1,595,725	-	1,846,086
Contributions	450,843	6,742	257,810	715,395	492,365	-	136,972	629,337
In-kind contributions (Note 10)	37,986	-	-	37,986	28,080	-	-	28,080
Client services	73,606	-	-	73,606	371,058	-	-	371,058
Interest	1,491	-	-	1,491	-	-	-	-
Other income	653	-	-	653	3,207	-	-	3,207
Net assets released from restriction:								
Purpose accomplished	1,063,660	(1,063,660)	-	-	778,256	(778,256)	-	-
Total Support and Revenue	<u>3,346,507</u>	<u>779,882</u>	<u>257,810</u>	<u>4,384,199</u>	<u>2,323,598</u>	<u>817,469</u>	<u>136,972</u>	<u>3,278,039</u>
Expenses								
Program services	2,732,852	-	-	2,732,852	1,663,909	-	-	1,663,909
Supporting services:								
Management and general	316,381	-	-	316,381	353,076	-	-	353,076
Fundraising	291,085	-	-	291,085	197,129	-	-	197,129
Total Expenses	<u>3,340,318</u>	<u>-</u>	<u>-</u>	<u>3,340,318</u>	<u>2,214,114</u>	<u>-</u>	<u>-</u>	<u>2,214,114</u>
Change in net assets before investment losses	<u>6,189</u>	<u>779,882</u>	<u>257,810</u>	<u>1,043,881</u>	<u>109,484</u>	<u>817,469</u>	<u>136,972</u>	<u>1,063,925</u>
Net investment losses (Note 5)	(123,940)	-	-	(123,940)	-	-	-	-
Change in net assets	<u>(117,751)</u>	<u>779,882</u>	<u>257,810</u>	<u>919,941</u>	<u>109,484</u>	<u>817,469</u>	<u>136,972</u>	<u>1,063,925</u>
Net Assets at beginning of year	721,202	1,070,508	136,972	1,928,682	611,718	253,039	-	864,757
Net Assets at end of year	<u>\$ 603,451</u>	<u>\$ 1,850,390</u>	<u>\$ 394,782</u>	<u>\$ 2,848,623</u>	<u>\$ 721,202</u>	<u>\$ 1,070,508</u>	<u>\$ 136,972</u>	<u>\$ 1,928,682</u>

See notes to financial statements

SUSTAINABLE CONSERVATION

Statement of Functional Expenses Year Ended December 31, 2008

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 851,820	\$ 160,170	\$ 160,551	\$ 1,172,541
Payroll taxes	59,596	12,975	12,072	84,643
Employee benefits (Note 11)	111,196	26,794	24,460	162,450
Professional fees	441,291	70,142	25,740	537,173
Legal Fees	34,290	-	-	34,290
Supplies	14,756	-	913	15,669
Telephone & internet	18,069	-	320	18,389
Postage & delivery	4,753	1,686	2,568	9,007
Occupancy	105,995	13,210	23,001	142,206
Equipment rental & maintenance	25,054	4,070	-	29,124
Printing & reproduction	25,383	4,893	8,819	39,095
Dues, subscriptions & publications	3,757	-	1,358	5,115
Sub-grants	952,917	-	-	952,917
Recruitment & Staff Development	16,765	6,994	711	24,470
Travel	46,438	354	1,460	48,252
Conference & meetings	12,522	2,609	27,537	42,668
Insurance	-	9,434	-	9,434
Bank charges	-	255	225	480
Licenses & Fees	2,156	460	-	2,616
Depreciation	6,094	1,434	1,352	8,880
Bad debt	-	-	-	-
Miscellaneous	-	901	(2)	899
Total	\$ 2,732,852	\$ 316,381	\$ 291,085	\$ 3,340,318

See Notes to Financial Statements

SUSTAINABLE CONSERVATION

Statement of Functional Expenses Year Ended December 31, 2007

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 832,388	\$ 137,394	\$ 124,559	\$ 1,094,341
Payroll taxes	61,208	10,989	8,956	81,153
Employee benefits (Note 11)	115,265	24,869	16,110	156,244
Professional fees	332,220	76,586	9,633	418,439
Legal Fees	28,080	10,610	-	38,690
Supplies	1,196	12,840	416	14,452
Telephone & internet	10,086	7,927	270	18,283
Postage & delivery	5,795	2,438	2,149	10,382
Occupancy	110,552	10,142	15,130	135,824
Equipment rental & maintenance	659	15,499	-	16,158
Printing & reproduction	24,459	13,597	8,708	46,764
Dues, subscriptions & publications	1,669	857	830	3,356
Sub-grants	64,995	-	-	64,995
Recruitment & Staff Development	9,074	5,927	1,076	16,077
Travel	36,217	659	1,632	38,508
Conference & meetings	16,152	7,096	6,340	29,588
Insurance	-	8,960	-	8,960
Bank charges	-	2,391	367	2,758
Licenses & Fees	790	1,187	-	1,977
Depreciation	6,715	1,453	953	9,121
Bad debt	5,638	-	-	5,638
Miscellaneous	751	1,655	-	2,406
Total	\$ 1,663,909	\$ 353,076	\$ 197,129	\$ 2,214,114

See Notes to Financial Statements

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Note 1 – Organization

Sustainable Conservation (the Organization), founded in 1992, partners with business, agriculture and government leaders to find solutions to major environmental problems that make economic sense. These practical solutions can transform entire industries and provide long-term benefits for the environment – all through voluntary actions. The *Sustainable Agriculture* program area promotes the adoption of innovative farming practices so farmers can protect the environment, boost their bottom lines and keep their land. *Sustainable Business* stops pollution at the source by working proactively with business and regulatory agencies to solve problems through cooperation, rather than litigation. *Restoration on Private Lands* helps landowners be good stewards of the environment by facilitating restoration projects and species protection.

The Organization has offices in San Francisco and Modesto, California and supports its activities primarily through governmental and private grants and contributions.

Note 2 – Summary of Significant Accounting Policies

Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

- a. **Method of Accounting** – The financial statements of the Organization have been prepared using the accrual method of accounting, which involves the recognition of revenues and gains when earned and expenses and losses when incurred.
- b. **Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- c. **Grants and Pledges Receivable** – Grants and pledges receivable include unconditional commitments from various foundations and individuals that are recorded at the net realizable value of the amount expected to be collected by Management. Pledges receivable that are permanently restricted are recorded as non-current assets.
- d. **Investments** – The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets in the Statement of Financial Position. Investment advisory fees are netted against the realized and unrealized gains and losses and are included in the change in unrestricted net assets in the accompanying Statement of Activities.

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

- e. **Fixed Assets and Depreciation** – The Organization records acquisitions of items with a cost of \$1,000 or more as fixed assets. Fixed assets are recorded at cost when purchased and fair value when received as a donation. Depreciation is provided over the estimated useful lives of respective assets, primarily three to five years, using the straight- line method of depreciation.
- f. **Deferred Support** – Deferred support includes conditional contributed support received with unmet conditions.
- g. **Income Tax Status** – The Organization is recognized as a public charity exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code sections of the California Revenue and Taxation Code, is subject to income tax. Management believes that all of the Organization’s activities were directly related to its exempt purpose, thus the accompanying financial statements do not include any provision for income taxes.
- h. **Basis of Presentation** – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:
 - Unrestricted net assets* represent net assets that are not subject to donor-imposed stipulations.
 - Temporarily restricted net assets* represent net assets subject to donor-imposed stipulations that may or will be met either by actions of the Program and/or the passage of time.
 - Permanently restricted net assets* are restricted by the donor for investment in perpetuity. The income from the invested assets is to be used to support the operations of the organization.
- i. **Restricted Resources** – Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

assets and reported in the statement of activities as net assets released from restrictions.

Gifts of fixed assets are recorded as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

- h. **In-Kind Support** – The organization records contributed professional services at the fair value of the services received, if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not received through donation.
- i. **Allocation of Common Expenses** – Common costs are allocated to supporting and program activities based on employee effort as reported in each employee's time sheets.
- j. **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. Significant accounting estimates reflected in the Organization's financial statements include collectability and valuation of receivables, valuation of investments and the functional allocation expenses. Actual results may differ from those estimates.

Note 3 – Concentration of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist of cash, receivables and investments. The Organization places its cash and cash equivalents and investments in high-quality financial institutions where cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account holder through December 31, 2009. The uninsured cash and cash equivalent balance was \$763,402 and \$230,330 as of December 31, 2008 and December 31, 2007, respectively. Contracts and grants receivable are principally with various government agencies, foundations and individuals. Realization of these items is

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Notes to Financial Statements Years Ended December 31, 2008 and 2007

dependent on various agency and individual economic conditions. The Organization believes it is not exposed to any significant credit risk on these balances.

Note 4 – Grants Receivable

Grants receivable at December 31 were expected to be received as follows:

	<u>12/31/2008</u>	<u>12/31/2007</u>
Receivable in less than one year	\$1,015,000	\$ 666,000
Total current receivable	<u>1,015,000</u>	<u>666,000</u>
Receivable in one to five years	<u>100,000</u>	<u>300,000</u>
Total noncurrent receivable	100,000	300,000
Allowance for uncollectible receivables	0	0
Unamortized discount	<u>0</u>	<u>0</u>
Total grants receivable	<u>\$1,115,000</u>	<u>\$ 966,000</u>

Note 5 – Investments

In September 2006, the FASB issued Statement of Financial Accounting Standard No. 157, Fair Value Measurements “the Statement”, which is effective and was adopted by the Organization for the year beginning January 1, 2008.

The Statement defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principals and expands disclosures about fair value measurements. The Statement does not require any new fair value measurements, rather it clarifies that the definition of fair value retains the exchange price notion, with the exchange price being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Statement also establishes a three level fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy under the Statement are defined below:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.
- Level 2 - Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e. supported by little or no market activity).

The investments of the Organization consist of money market and mutual funds that are traded in active markets as follows:

	<u>12/31/08</u>	<u>12/31/07</u>
<u>Level 1</u>		
Fixed income funds	\$ 141,458	\$ 0
Equity funds	258,475	0
Money market funds	<u>166,993</u>	<u>68,486</u>
	<u>\$ 566,926</u>	<u>\$ 68,486</u>

The components of total investment return by net assets classification are reflected below:

	<u>2008</u>	<u>2007</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Interest and dividend income	\$ 17,610	\$ 0
Unrealized loss	(140,210)	0
Investment fees	<u>(1,340)</u>	<u>0</u>
Net investment loss	<u>\$ (123,940)</u>	<u>\$ 0</u>

Subsequent to December 31, 2008, the stock market experienced a significant decline in value. However, as of the end of March 2009 the decline in the Organization's investments was \$19,801 which represented a 3% of total fair market value. The Organization will continue to monitor its investments and has no immediate plans to change its investment policy.

Note 6 – Property and equipment

Property and equipment is summarized as follows:

	<u>12/31/2008</u>	<u>12/31/2007</u>
Office equipment	\$ 18,826	\$ 16,113
Computer equipment	21,038	21,038
Leasehold improvements	<u>18,080</u>	<u>18,080</u>
	57,944	55,231
Less: accumulated depreciation and amortization	<u>(40,472)</u>	<u>(31,593)</u>
Property and equipment, net	<u>\$ 17,472</u>	<u>\$ 23,638</u>

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Note 7 – Conditional Promises to Give

During 2007, the Organization received conditional contributions totaling \$800,000 that required matching funds. A portion of these funds was received from the donors in 2008 in advance of the conditions being met. The unmet balance of funds received totaling \$302,609 at December 31, 2008; is recorded as deferred support and will be recognized as income as the Organization continues to raise matching funds. The remaining unmet commitment balance of \$200,000 at December 31, 2008 was not recorded on the accompanying financial statements.

Note 8 – Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes:

	<u>12/31/2008</u>	<u>12/31/2007</u>
LEED Certification	\$ -	\$ 3,050
Restoration on Private Lands	208,008	144,566
Summer Associates	-	10,000
Sustainable Agriculture	1,583,017	776,081
Sustainable Business	52,623	111,811
Time restricted for future use	<u>6,742</u>	<u>25,000</u>
	<u>\$ 1,850,390</u>	<u>\$ 1,070,508</u>

Note 9 – Permanently Restricted Net Assets

In August 2008, the FASB issued Staff Position No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds, which is effective and adopted by the Organization, for the fiscal year ending after December 15, 2008. A version of the UPMIFA was enacted by California on January 1, 2009, provisions related to that portion of the FAS 117-1 will be adopted by the Organization in 2009.

FAS 117-1 improves disclosures about an organization's endowment funds to enable users of the financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policy and related investment policy of an organization's endowment funds.

Permanently restricted net assets consist of the Sustainable Conservation Endowment Fund (the Fund), whose purpose is to provide support in meeting the operating and program needs of the

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Organization. The spending policy of the Fund allows up to 7% to be spent annually as determined by the average value of the portfolio in the twelve calendar quarters ending December 31 of the previous year. Until the Fund has been in existence for twelve calendar quarters, the annual amount shall be up to five percent of the average net fair market value of the Fund's assets for as many complete calendar quarters as the Fund has been in existence.

The composition of the organization's endowment by net asset class at the end of December 31, 2008, in total and by type of endowment fund, follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ (123,940)	\$ 0	\$394,782	\$270,842

A reconciliation of the beginning and ending balance of the Association's endowment follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning	\$ 0	\$ 0	\$136,972	\$136,972
Investment return:				
Investment income	17,610	0	0	17,610
Management fees	(1,340)	0	0	(1,340)
Net depreciation (realized & unrealized)	<u>(140,210)</u>	<u>0</u>	<u>0</u>	<u>(140,210)</u>
Total investment return	(123,940)	0	136,972	13,032
Contributions	0	0	257,810	257,810
Appropriation of endowment For expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Endowment net assets, end	<u><u>\$(123,940)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 394,782</u></u>	<u><u>\$ 270,842</u></u>

At December 31, 2008, the fair value of invested assets assigned to individual donor restricted endowment net asset balances required to be maintained in perpetuity had a \$130,465 deficiency. This deficiency included \$6,525 in restricted contributions received at the end of the year that had not been transferred to the investment account as of that date.

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Note 10 – Contributed Services

The Organization recognizes certain voluntary services as explained under note 2(h) above. During the years ended December 31, 2008 and 2007, the Organization recorded \$37,286 and \$28,080, respectively in pro bono legal services as income and program service expense on the statement of activities.

Note 11 – Retirement Benefits

The Organization has a 401(k) retirement plan for employees working 20 hours per week or more who have completed 90 days of credited service. Under the plan, the Organization provides a 50% match to amounts contributed by each employee up to 10% of their compensation. Plan contributions incurred by the Organization were \$36,228 and \$36,924 for the years ended December 31, 2008 and 2007, respectively.

Note 12 – Allocation of Joint Costs

The Organization incurred joint costs for production of its annual report that included a fundraising appeal. The allocation of related expenses was as follows:

	<u>2008</u>	<u>2007</u>
Management and general	\$ 12,714	\$ 13,637
Fundraising	<u>2,934</u>	<u>5,845</u>
Total joint costs	<u>\$ 15,647</u>	<u>\$19,482</u>

Note 13 – Commitments under Operating Leases

The Organization leases its office space under a non-cancelable lease arrangement expiring in 2011. The lease provides for scheduled rent increases. Generally Accepted Accounting Principles (GAAP) requires that rental expense under such arrangements be recorded in on a straight line basis. Management believes that the current method of recording rental expense based on amounts paid approximates GAAP. The minimum future commitment under this arrangement at December 31, 2008 was:

Year ending December 31, 2009	\$ 144,999
Year ending December 31, 2010	151,474
Year ending December 31, 2011	<u>77,356</u>
	<u>\$ 373,829</u>

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Notes to Financial Statements
Years Ended December 31, 2008 and 2007

Total rent expense was \$138,994 and \$132,609 for the years ended December 31, 2008 and 2007, respectively.

Note 14 – Line of Credit

The Organization has a secured line of credit in the amount of \$250,000 with a financial institution. The line is secured primarily by accounts receivable, equipment and fixtures, and bears interest at prime plus 2%. The Organization had not drawn on the line during the years ended December 31, 2008 or 2007 and there was no outstanding balance under the line of credit at December 31, 2008 or 2007.

SUSTAINABLE CONSERVATION
Schedule of Federal and Non-Federal Financial Assistance
Year ended December 31, 2008

	Federal CFDA Number	Identification Number	Program or Award Amount	Receipts or Revenue Recognized
FEDERAL AWARDS				
National Fish and Wildlife Foundation	None	2005-0108-000	\$ 50,000	\$ 16,000
National Fish and Wildlife Foundation	None	2007-0013-000	60,000	6,000
National Fish and Wildlife Foundation	None	2006-0105-017	45,000	6,750
U.S. Environmental Protection Agency	66.034	CP-96940001	125,000	55,997
USDA, Natural Resources Conservation Services	10.912	68-9104-6-103	68,712	14,146
USDA, Natural Resources Conservation Services	10.912	68-9104-7-111	75,000	48,373
USDA, Natural Resources Conservation Services	10.912	68-9104-5-99	69,731	-
Total Federal Awards				<u>147,266</u>
NON-FEDERAL AWARDS				
Regional Water Quality Control Board		98-289-22	466,000	35,046
California State Coastal Conservancy		06-077	115,000	91,507
State of California Department of Water Resources		4600004718	50,000	15,611
Resource Conservation District of Santa Cruz		06132007/04252007	140,000	88,880
State Water Resource Control Board		06-115-555-0	1,529,921	1,034,187
Total Non-Federal Awards				<u>1,265,231</u>
Total Government Awards				<u><u>\$1,412,497</u></u>

See Notes to Financial Statements