

COLUMBIA LAND CONSERVANCY, INC.

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DOWNEY, SWEENEY, FITZGERALD & CO., P.C.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Columbia Land Conservancy, Inc.
Chatham, New York

We have audited the accompanying statement of financial position of Columbia Land Conservancy, Inc. (a nonprofit organization) as of December 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 Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Land Conservancy, Inc. as of December 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and functional expenses beginning on page 22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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 Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Downey, Sweeney, Fitzgerald & Co., P.C.

June 19, 2012

COLUMBIA LAND CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
ASSETS					
Cash and cash equivalents (Notes 2 and 3)	\$ 781,600	\$ 27,936	\$ -	\$ 809,536	\$ 420,385
Grants receivable (Note 2)	-	121,965	-	121,965	25,000
Unconditional promises to give (Notes 2 and 4)	81,562	-	-	81,562	127,020
Prepaid expenses	46,556	-	-	46,556	43,941
Inventory	8,546	-	-	8,546	-
Investments (Notes 2 and 5)	582,663	1,081,659	1,453,570	3,117,892	3,394,469
Mortgage receivable (Notes 2 and 6)	42,332	-	-	42,332	47,218
Due to/from	(32,755)	32,755	-	-	-
Property and equipment, net of accumulated depreciation (Notes 2 and 7)	1,321,470	-	-	1,321,470	1,392,064
Land (Notes 2 and 8)	<u>1,397,361</u>	<u>36,500</u>	<u>1,552,647</u>	<u>2,986,508</u>	<u>3,802,468</u>
Total Assets	<u>\$ 4,229,335</u>	<u>\$ 1,300,815</u>	<u>\$ 3,006,217</u>	<u>\$ 8,536,367</u>	<u>\$ 9,252,565</u>

LIABILITIES AND NET ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
LIABILITIES					
Accounts payable	\$ 22,058	\$ -	\$ -	\$ 22,058	\$ 22,890
Accrued expenses (Note 9)	39,372	-	-	39,372	33,577
Deferred revenue (Note 10)	4,250	-	-	4,250	5,950
Other liabilities	2,627	-	-	2,627	3,044
Line of credit (Note 11)	-	-	-	-	80,000
Notes payable (Note 12)	<u>8,333</u>	<u>-</u>	<u>-</u>	<u>8,333</u>	<u>740,000</u>
Total Liabilities	<u>76,640</u>	<u>-</u>	<u>-</u>	<u>76,640</u>	<u>885,461</u>
COMMITMENTS (Note 13)					
NET ASSETS					
Unrestricted:					
Undesignated	1,583,594	-	-	1,583,594	1,260,172
Board designated (Note 14)	1,247,631	-	-	1,247,631	1,300,296
Property and equipment fund (Note 7)	<u>1,321,470</u>	<u>-</u>	<u>-</u>	<u>1,321,470</u>	<u>1,392,064</u>
Total unrestricted net assets	4,152,695	-	-	4,152,695	3,952,532
Temporarily restricted (Note 15)	-	1,300,815	-	1,300,815	1,410,833
Permanently restricted (Note 15)	<u>-</u>	<u>-</u>	<u>3,006,217</u>	<u>3,006,217</u>	<u>3,003,739</u>
Total Net Assets	<u>4,152,695</u>	<u>1,300,815</u>	<u>3,006,217</u>	<u>8,459,727</u>	<u>8,367,104</u>
Total Liabilities and Net Assets	<u>\$ 4,229,335</u>	<u>\$ 1,300,815</u>	<u>\$ 3,006,217</u>	<u>\$ 8,536,367</u>	<u>\$ 9,252,565</u>

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

COLUMBIA LAND CONSERVANCY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
REVENUE AND SUPPORT					
Fundraising and contributions	\$ 1,305,315	\$ 260,525	\$ 2,478	\$ 1,568,318	\$ 1,316,902
Program revenues	43,336	-	-	43,336	43,485
Rental income (Note 16)	25,961	-	-	25,961	26,652
Investment income (loss) (Note 5)	(19,202)	(101,996)	-	(121,198)	387,039
Other income (loss)	<u>207,448</u>	<u>-</u>	<u>-</u>	<u>207,448</u>	<u>(13,834)</u>
REVENUE AND SUPPORT	1,562,858	158,529	2,478	1,723,865	1,760,244
NET ASSETS RELEASED FROM RESTRICTIONS:					
Satisfaction of program restrictions	<u>268,547</u>	<u>(268,547)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>1,831,405</u>	<u>(110,018)</u>	<u>2,478</u>	<u>1,723,865</u>	<u>1,760,244</u>
EXPENSES (Note 2)					
Program services:					
Public conservation area management	341,785	-	-	341,785	344,594
Easement stewardship and management	75,373	-	-	75,373	57,960
Land protection activities	401,694	-	-	401,694	537,126
Community outreach and education	<u>513,724</u>	<u>-</u>	<u>-</u>	<u>513,724</u>	<u>409,859</u>
Total Program Services	<u>1,332,576</u>	<u>-</u>	<u>-</u>	<u>1,332,576</u>	<u>1,349,539</u>
Supporting services:					
General and administration	144,509	-	-	144,509	154,158
Fundraising and development	<u>154,157</u>	<u>-</u>	<u>-</u>	<u>154,157</u>	<u>127,413</u>
Total Supporting Services	<u>298,666</u>	<u>-</u>	<u>-</u>	<u>298,666</u>	<u>281,571</u>
TOTAL EXPENSES	<u>1,631,242</u>	<u>-</u>	<u>-</u>	<u>1,631,242</u>	<u>1,631,110</u>
CHANGE IN NET ASSETS	200,163	(110,018)	2,478	92,623	129,134
NET ASSETS, BEGINNING OF YEAR	<u>3,952,532</u>	<u>1,410,833</u>	<u>3,003,739</u>	<u>8,367,104</u>	<u>8,237,970</u>
NET ASSETS, END OF YEAR	<u>\$ 4,152,695</u>	<u>\$ 1,300,815</u>	<u>\$ 3,006,217</u>	<u>\$ 8,459,727</u>	<u>\$ 8,367,104</u>

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

COLUMBIA LAND CONSERVANCY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	<u>2011</u>	<u>2010</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 92,623	\$ 129,134
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	76,206	92,485
Realized and unrealized gains	165,531	(354,260)
Amortization of discount on life-estate	(2,478)	(2,739)
Donation of land	(336,000)	(121,838)
Gain on sale of land	(195,262)	-
Loss on disposition of assets	-	16,083
Forgiveness of debt - donation	(25,000)	-
Bad debt expense	3,325	-
(Increase) decrease in assets:		
Accounts receivable	-	4,706
Grants receivable	(96,965)	143,934
Unconditional promises to give	42,133	(6,298)
Prepaid expenses	(2,615)	(11,394)
Inventory	(8,546)	-
Increase (decrease) in liabilities:		
Accounts payable	(832)	4,662
Accrued expenses	5,795	(350)
Other liabilities	(417)	1,425
Deferred revenue	(1,700)	850
Cash used by operating activities	<u>(284,202)</u>	<u>(103,600)</u>
<u>Cash Flows From Investing Activities</u>		
Proceeds from sale of land	1,349,700	156,477
Cash paid for purchase of land	-	(56,667)
Cash paid for purchase of investments	(431,701)	(131,110)
Collections on mortgage receivable	4,886	1,227
Proceeds from sale of investments	542,747	106,790
Cash paid for purchases of fixed assets	<u>(5,612)</u>	<u>(12,335)</u>
Cash provided by investing activities	<u>1,460,020</u>	<u>64,382</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds from debt	-	80,000
Payments on note payable	<u>(786,667)</u>	<u>(5,000)</u>
Cash provided (used) by financing activities	<u>(786,667)</u>	<u>75,000</u>
Change in cash	389,151	35,782
Cash, beginning of year	<u>420,385</u>	<u>384,603</u>
Cash, end of year	<u>\$ 809,536</u>	<u>\$ 420,385</u>

Supplemental Cash Flow Information (Note 18)

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

COLUMBIA LAND CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

1. ORGANIZATION PURPOSE AND SUMMARY OF BASIS OF PRESENTATION

Organization Purpose - Columbia Land Conservancy, Inc. (CLC) is a non-profit land trust that works with the community to conserve the farmland, forests, wildlife habitat and rural character of Columbia County, New York, strengthening connections between people and the land. CLC is located in Chatham, New York. It receives its support from private donations, program fees, investment income and private and government grants.

Program Services include:

Land Protection - CLC employs a three-pronged programmatic approach to its land protection mission.

- Conservation Easements. CLC helps families and individuals protect privately owned land including but not limited to working farmlands, by creating, accepting and stewarding conservation easements, ensuring the owner's conservation vision will be upheld forever.
- Support of land use planning & community projects. Working with municipalities, communities and conservation groups, CLC encourages land use planning practices and procedures that support protection of the county's rich conservation resources and helps to implement local conservation efforts, including fundraising, acquisition, site planning, and the like for creation of public open spaces, trail building, training of local officials and volunteers and stewardship of land for habitat, recreation, and education.
- Support for agriculture. CLC believes that a strong and vibrant farm sector is, among other things, an important conservation asset to this area, where centuries of farming have left an indelible mark on the county's lands, conservation resources and scenic attributes. CLC works to find ways to support an active and resurgent agricultural community, including the development and implementation of innovative strategies to provide new farmers and farmers who want to expand their operation to farm land that might otherwise be unaffordable to them.

Community Outreach and Education - CLC works to communicate its mission and the importance of conservation throughout the County with an active and aggressive program of public information and advocacy for conservation values. Among other things, CLC provides numerous informational programs to community groups, issues frequent press releases about our programs and projects, maintains a substantive and active web site and Facebook presence, and supports a monthly column about conservation matters in the major local newspaper. CLC also provides free, hands-on customized education programs for daycare centers, after-school and enrichment programs, home-school programs, youth groups, senior centers, and the County's public and private schools. CLC also offers regular outdoor education and recreation opportunities for the general public to promote an appreciation for the natural resources and landscapes within Columbia County.

Easement Stewardship - CLC is responsible to ensure that the goals of every conservation easement CLC holds are respected in perpetuity. CLC monitors its easement properties annually (all sites are aerially monitored and/or visited in person by a staff person in alternating years) to ensure the terms of the easement are being upheld and appropriate action is taken in accordance with best professional standards and practices if and when necessary.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Public Conservations Areas - CLC owns or manages 10 public conservation areas that are open to the public for hiking and outdoor enjoyment. They are maintained for wildlife habitat, recreation, and CLC's educational programs. The areas offer a diversity of experiences and ecosystems.

Basis of Accounting - The accounts and financial statements are maintained and presented using the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

Contributions - CLC accounts for contributions in accordance with the recommendations of generally accepted accounting principles. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Financial Statement Presentation - CLC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, CLC is required to present a statement of cash flows. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily Restricted - Net assets whose use by CLC is subject to donor-imposed restrictions that can be fulfilled by actions of CLC pursuant to those restrictions or that expire with the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by CLC.

Revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions, including unconditional promises to give, are recognized as revenues in the period in which the contribution or promises to give are received. Promises to give which are restricted by the donor to a specific purpose which has not been met as of the statement of financial position date, are shown as increases in temporarily restricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions whose restrictions are met in the same period as the contribution is received are recorded as unrestricted.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Liquidity Information - In order to provide information about liquidity, assets have been sequenced according to their nearness of conversion to cash, and liabilities have been sequenced according to the nearness of their resulting use of cash.

Cash Equivalents - For the purpose of the statement of cash flows, CLC considers cash equivalents to be investments with maturities of three months or less at acquisition date. The cost of the cash equivalents, which consist of certificates of deposit and commercial paper, approximates market value. Cash and cash equivalents held in investment accounts are included in investments and excluded from cash for the purposes of the Statements of Financial Position and Cash Flows.

Accounts and Grants Receivable - Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable.

Unconditional Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Inventory - Inventory consists of items for sale at the CLC Store and is stated at the lower of cost or market determined by the first-in, first out method.

Investments - Investments consist of cash, cash equivalents, bonds, publicly traded shares of common stocks, and mutual funds, purchased and recorded at cost or received as contributions and recorded at fair market value as of the date received. Recorded amounts are adjusted to fair market values at year end. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Mortgage Receivable - Mortgage receivable represents a note receivable secured by property maturing on June 1, 2016. As the value of the property securing the note is greater than the value of the note, no allowance is deemed necessary.

Property, Equipment and Depreciation - Property and equipment with a value of \$1,000 or greater is recorded at cost. Donated property and equipment is recorded at fair market value as of the date of the donation. Expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land - CLC records both acquisitions and conveyances at fair market value as determined by one of the following valuation procedures:

- Values are primarily based on independent professional appraisals performed for CLC or on appraised values determined or adopted by public agencies.
- Where neither of the foregoing sources is readily available, CLC may use the full cash value as established by the local tax assessor, cost if the cash value is minimal, or internal estimates based on staff analyses.
- Where current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when CLC is satisfied that the appraisal is reasonable.

Easements - Conservation easements are voluntary legal agreements by which landowners can elect to ensure permanent protection of the conservation values of their property. Easement donors continue to own the property in fee, with the right to live on, rent, mortgage or convey their land subject only to the use restrictions and, sometimes, site planning constraints set out in the easement. CLC does not attribute value to the easements held. Easements are not marketable interests in real estate, and have no segregable economic value to CLC. Indeed, the easements impose on CLC a perpetual obligation to monitor and steward the properties, the costs of which are an on-going expense in CLC's annual budget. During the year ended December 31, 2011, CLC closed on six new easements, acquiring 843.5 acres of newly protected land. During the year ended December 31, 2010, CLC closed on five new easements, amended five easements and acquired 786 acres of newly protected land. As of December 31, 2011, CLC holds a total of 156 easements on 21,979 acres in Columbia County. During the years ended December 31, 2011 and 2010, CLC's expense for monitoring and stewarding easements was \$75,373 and \$57,960 respectively.

Functional Expense Allocations - Management has performed occupancy (square-footage) and time studies of administrative personnel to enable the finance office to allocate shared costs to all departments that benefit from the expense. Expenses, such as salaries and benefits, office expense, depreciation and general professional services have been allocated among program services, development, and management and support services classifications based primarily on employee ratios, space occupied, and on estimates made by CLC's management.

Advertising Costs - Advertising costs are expensed as incurred. Total advertising costs were \$4,094 and \$2,989 for the years ended December 31, 2011 and 2010, respectively.

Presentation of Sales Taxes - New York imposes sales tax on the organization's sales of certain merchandise to non-exempt customers. CLC collects the sales tax from customers and remits the entire amount to the state. The accounting policy is to exclude the tax collected and remitted to the various states from revenues and cost of sales.

Income Taxes - CLC has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified CLC as other than a private foundation. The State of New York also recognizes this classification.

Uncertain Tax Positions - CLC will recognize interest and penalties associated with any uncertain tax positions as part of the income tax provision. CLC files IRS Form 990 in the U.S. federal jurisdiction and those returns prior to 2008 are closed.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Payments in Lieu of Taxes (PILOT) - While CLC is exempt from property tax on the lands it owns for public access and conservation purposes, it is the organization's policy to make annual PILOT payments to the town or village in which the public conservation areas that it owns are located.

Donated Services, Goods and Facilities - A substantial number of volunteers have donated a considerable number of hours to CLC's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, legal services, and specialized skills, which enhanced or created a financial asset, are reflected in the statement of activities at their fair value.

3. *CASH*

At year end and at various times during the year, CLC had amounts on deposit with the bank that exceed FDIC insurance limits. CLC has suffered no losses due to these deposits. The uninsured amount at December 31, 2011 was \$225,345. These funds were transferred to a different bank (and thus FDIC insured) on January 19, 2012.

4. *UNCONDITIONAL PROMISES TO GIVE*

Unconditional promises to give, in support of ongoing operations, were as follows:

	<u>2011</u>	<u>2010</u>
Amounts due in		
Less than one year	\$ 79,108	\$ 122,111
One to five years	<u>2,454</u>	<u>4,909</u>
	<u>\$ 81,562</u>	<u>\$ 127,020</u>

Unconditional promises to give greater than one year in time are discounted at a risk-free rate of return. Due to immateriality, no discount has been recorded. An allowance is made for uncollectible promises to give based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. No allowance for uncollectible promises to give was deemed required.

5. *INVESTMENTS*

CLC's investment policy conforms to UMIFA (Uniform Management of Institutional Funds Act) which was the law in New York until September 17, 2010, when the state adopted NYPMIFA (New York Prudent Management of Institutional Funds Act). CLC is actively working to update its investment policies and procedures to comply with the provisions of NYPMIFA and anticipates this will be done well before the end of 2012. The primary investment objective of the Organization is to preserve, protect and enhance its assets, by earning a total return for each fund appropriate to each fund's time horizon, liquidity needs, and risk tolerance. This objective is achieved through the use of a portfolio that is diversified across a number of asset classes in a manner that is believed will balance the long-term total return objective while minimizing risk. The purpose of such diversification is to provide reasonable assurance that no single security, investment style, or asset class will have a disproportionate impact on the portfolio's aggregate results.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

With approval from the Executive Committee, CLC may recognize as annual operating revenue a maximum of 5% of the three year rolling average of certain endowment funds each fiscal year. Such revenues are generally transferred from the endowment funds in the last month of each fiscal year. Other funds have been established for the express purpose of directly reimbursing the organization for annual expenditures and CLC draws those funds, if available, during the year the expenses are incurred.

As of December 31, 2011 investments of \$1,289,119 are held at Berkshire Taconic Community Foundation. The Board of Trustees of Berkshire Taconic Community Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

As of December 31, 2011, investments consisted of the following:

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (loss)</u>
Money funds	\$ 82,948	\$ 82,948	\$ -
Equity mutual funds - US equities	709,605	810,115	(100,510)
International equities	243,816	323,591	(79,775)
Fixed income mutual funds	462,575	511,894	(49,319)
Berkshire Taconic Community Foundation *	1,289,119	1,428,946	(139,827)
Direct investment mutual funds	<u>329,829</u>	<u>194,200</u>	<u>135,629</u>
Total	<u>\$ 3,117,892</u>	<u>\$ 3,351,694</u>	<u>\$ (233,802)</u>

A portion of this portfolio is considered permanently restricted (See Note 15).

* As of December 31, 2011, the asset mix at Berkshire Taconic Community Foundation was: 50.4% Global Public Equity, 7.3% Global Private Equity, 14.4% Flexible Capital, 15.9% Credit Strategies, 6.8% Inflation Hedging, and 5.2% Liquid Capital.

As of December 31, 2010, investments consisted of the following:

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (loss)</u>
Money funds	\$ 5,233	\$ 5,233	\$ -
Equity mutual funds - US equities	770,487	819,807	(49,320)
International equities	280,896	319,521	(38,625)
Fixed income mutual funds	444,529	507,103	(62,574)
Berkshire Taconic Community Foundation *	1,528,541	1,517,803	10,738
Direct investment mutual funds	<u>364,783</u>	<u>214,851</u>	<u>149,932</u>
Total	<u>\$ 3,394,469</u>	<u>\$ 3,384,318</u>	<u>\$ 10,151</u>

A portion of this portfolio is considered permanently restricted (See Note 15).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

* As of December 31, 2010, the asset mix at Berkshire Taconic Community Foundation was: 48.9% Global Public Equity, 5.6% Global Private Equity, 21.3% Flexible Capital, 15.0% Credit Strategies, 6.8% Inflation Hedging, and 2.4% Liquid Capital.

Permanently and temporarily restricted investments are pooled with board designated investments in accounts managed by two investment managers. Income earned and realized and unrealized gains and losses are combined from all accounts and allocated to each fund based on each fund's total investment.

Investment returns for the year ended December 31, 2011, are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 13,632	\$ 47,905	\$ 61,537
Net realized and unrealized gains	<u>(29,819)</u>	<u>(135,712)</u>	<u>(165,531)</u>
Total investment loss	(16,187)	(87,807)	(103,994)
Less: investment fees	<u>(2,864)</u>	<u>(14,340)</u>	<u>(17,204)</u>
Total investment loss	(19,051)	(102,147)	(121,198)
Reversal of loss on restricted funds recognized as unrestricted	<u>(151)</u>	<u>151</u>	<u>-</u>
Investment income as shown on statement of activities	<u>\$ (19,202)</u>	<u>\$ (101,996)</u>	<u>\$ (121,198)</u>

Included in net realized and unrealized gains were realized investment gains of \$78,395 for the year ended December 31, 2011.

Investment returns for the year ended December 31, 2010, are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 10,402	\$ 37,922	\$ 48,324
Net realized and unrealized gains	<u>62,501</u>	<u>291,759</u>	<u>354,260</u>
Total investment income	72,903	329,681	402,584
Less: investment fees	<u>(2,727)</u>	<u>(12,818)</u>	<u>(15,545)</u>
Total investment income	70,176	316,863	387,039
Reversal of loss on restricted funds recognized as unrestricted	<u>1,710</u>	<u>(1,710)</u>	<u>-</u>
Investment income as shown on statement of activities	<u>\$ 71,886</u>	<u>\$ 315,153</u>	<u>\$ 387,039</u>

Included in net realized and unrealized gains were realized investment losses of \$16,543 for the year ended December 31, 2010.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. *MORTGAGE RECEIVABLE*

On June 1, 2005, CLC became the holder of a mortgage bequeathed to CLC as part of the Schor Estate. In 2010, payments were suspended on this mortgage. In March, 2011, a mortgage modification and extension agreement was entered into which extends the payments through June 1, 2016 and reduces the interest rate to 4%. At December 31, 2011 and 2010, the principal balance due was \$42,332 and \$47,218, respectively. Principal payments are estimated to be received as follows:

2012	\$ 8,761
2013	9,118
2014	9,489
2015	9,876
2016	<u>5,088</u>
Total	<u>\$ 42,332</u>

7. *PROPERTY AND EQUIPMENT*

Property and equipment consists of the following:

	<u>2011</u>	<u>2010</u>
<u>Operational assets</u>		
Land - Main St. office building, Chatham	\$ 25,000	\$ 25,000
Buildings and improvements	651,862	651,862
Furniture and fixtures	<u>196,385</u>	<u>193,694</u>
Total operational assets	873,247	870,556
Less: accumulated depreciation	<u>(286,447)</u>	<u>(259,500)</u>
Net operational assets	<u>586,800</u>	<u>611,056</u>
<u>Public Conservation Area assets</u>		
Buildings and improvements	860,399	857,477
Equipment and vehicles	<u>160,318</u>	<u>160,318</u>
Total Public Conservation Area assets	1,020,717	1,017,795
Less: accumulated depreciation	<u>(286,047)</u>	<u>(236,787)</u>
Net Public Conservation Area assets	<u>734,670</u>	<u>781,008</u>
Total Property and Equipment	<u>\$ 1,321,470</u>	<u>\$ 1,392,064</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. *LAND*

	<u>2011</u>	<u>2010</u>
Land consists of the following:		
Land - public conservation areas - permanently restricted	\$ 1,390,779	\$ 1,390,779
Other permanently restricted property	161,868	159,390
Other temporarily restricted property	36,500	36,500
Land - public conservation areas - board designated	747,078	747,078
Other land held - unrestricted	<u>650,283</u>	<u>1,468,721</u>
	<u>\$ 2,986,508</u>	<u>\$ 3,802,468</u>

Land - Public Conservation Areas - CLC owns and/or manages 10 conservation areas: Drowned Lands Swamp Conservation Area, Bardwell Conservation Area, Borden's Pond Conservation Area, High Falls Conservation Area, Hand Hollow Conservation Area, Bloody Hill Conservation Area, Schor Conservation Area, Round Ball Mountain Conservation Area, Siegel-Kline Kill Conservation Area, and Harrier Hill Park. These properties are maintained as public conservation areas. The properties are recorded at appraised values based on the determination that the properties will be operated as public conservation areas in perpetuity.

Public conservation areas are of two types:

1. Permanently restricted, which represent properties donated or bequeathed to CLC to be held in perpetuity as public conservation areas and properties purchased with funds specifically donated to CLC for the purchase of property to be held in perpetuity as a public conservation area.
2. Board designated, which represent properties purchased by CLC or unrestricted property donated to CLC and converted to public conservation areas.

Other Permanently Restricted Property - CLC owns a property upon which the previous owner has the right to live for the rest of his life. The property was valued at market value, adjusted for the life estate, at the date of receipt.

Other Land Held - Other land held consists of several parcels that were gifted, bequeathed or purchased by CLC. When a determination has been made as to the disposition of these properties, the property will either be improved as appropriate and transferred to "Land - Public Conversation Areas" or sold with the proceeds to be used to support CLC's programmatic activities.

9. *ACCRUED EXPENSES*

Accrued expenses consist of the following:

	<u>2011</u>	<u>2010</u>
Accrued vacation pay	\$ 38,651	\$ 32,482
Employee withholdings	<u>721</u>	<u>1,095</u>
	<u>\$ 39,372</u>	<u>\$ 33,577</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. *DEFERRED REVENUE*

Deferred revenue results from current year collections for services to be performed in the subsequent year and will be recognized as revenue in the period earned.

11. *LINE OF CREDIT*

The line of credit is due on demand with variable interest (5.99% at December 31, 2011); available balance of \$260,000 and \$180,000 at December 31, 2011 and 2010, respectively. The outstanding balance was \$- and \$80,000 at December 31, 2011 and 2010, respectively.

12. *NOTES PAYABLE*

CLC is party to notes payable as follows:

	<u>2011</u>	<u>2010</u>
Note payable to a foundation, 6.45% annual interest rate, principal is due at maturity, secured by an investment account with the stipulation that the account maintain a minimum fair market value of \$500,000. In December 2009, the loan was amended and extended until February 2011 at a adjusted rate of 1.85%, plus the 30 day LIBOR rate, monthly (2.11% at December 31, 2011). Interest is paid quarterly. February 14, 2011, the note was further amended to change the maturity date to June 30, 2011. The note was paid in full October, 2011.	\$ -	\$ 700,000
Note payable, Ford Motor, non interest bearing, secured by a vehicle; monthly payments of \$556, due March, 2013.	8,333	15,000
Note payable, individual, non-interest bearing, balloon payment, note matured May 2006, but payment was extended to an unspecified date, unsecured. Note forgiven in 2011.	<u>-</u>	<u>25,000</u>
Total notes payable	8,333	740,000
Less: current portion	<u>6,667</u>	<u>(731,667)</u>
Long-term debt	<u>\$ 1,666</u>	<u>\$ 8,333</u>

Future principal payments are as follows:

2012	\$ 6,667
2013	<u>1,666</u>
	<u>\$ 8,333</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. **COMMITMENTS**

Management Contracts

Ooms Conservation Area - CLC has entered into a contract to manage and maintain Ooms Conservation Area at Sutherland Pond; property owned by the Open Space Institute, Inc. The contract expires July 30, 2021 (with a twenty year renewal option) and requires that the Open Space Institute, Inc. establish an endowment fund, the income from which is to be paid to CLC to offset the expenses of managing the property. Under the agreement, CLC has the exclusive option to purchase the property at fair market value at any time.

Greenport Conservation Area - CLC has entered into a contract to manage and maintain Greenport Conservation Area; property owned by the Open Space Conservancy, Inc. (an affiliate of the Open Space Institute, Inc.). The contract expires June 29, 2019 (with a twenty year renewal option) and requires the establishment of an endowment fund by Open Space Conservancy, Inc., the income from which is to be paid to CLC to offset the expenses of managing the property. Under the agreement CLC has the option to purchase the property at fair market value at any time.

Harrier Hill Park - CLC has entered into a contract to monitor, maintain and provide certain management services at Harrier Hill Park in Stockport, NY; the property is owned by the Scenic Hudson Land Trust, Inc. (SHLT). The contract requires that SHLT pay CLC \$4,000 per year for site management and monitoring as well as reimburse CLC for any repairs made to the site (repairs over \$100 must be preapproved by SHLT).

Easements and Public Conservation Areas - Acceptance of easements and permanently restricted public conservation areas impose on CLC a perpetual obligation to monitor and steward the properties.

14. **BOARD DESIGNATED NET ASSETS**

Board designated net assets are comprised of two components:

	<u>2011</u>	<u>2010</u>
Designated for investment	\$ 500,553	\$ 553,218
Public conservation areas		
Schor Conservation Area	590,750	590,750
Round Ball Mountain Conservation Area	60,000	60,000
Hand Hollow Conservation Area	<u>96,328</u>	<u>96,328</u>
Total board designated public conservation areas	<u>747,078</u>	<u>747,078</u>
Total board designated net assets	<u>\$ 1,247,631</u>	<u>\$ 1,300,296</u>

The funds designated for investment are the accumulated contributions and earnings from a capital campaign endeavor in 2001. The funds are intended to support the on-going operations of the Conservancy and may be used only with approval from CLC's Board of Trustees. The value of the Board designated investments as of December 31, 2011 and 2010 is \$500,553 and \$553,218, respectively.

The public conservation areas listed above are properties purchased with unrestricted assets or properties gifted with no restrictions and converted to public conservation areas.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

15. *RESTRICTED NET ASSETS*

Permanently restricted net assets total \$3,006,217. These assets are comprised of \$1,552,647 in land that was gifted or bequeathed to CLC to be used as public conservation areas or purchased with funds restricted for the express purpose of acquiring land for a public conservation area (PCA). The additional \$1,453,570 is funds received from, and restricted by, donors in perpetuity for specific uses. These funds included endowments for specific PCA sites, a general PCA management endowment, a PCA staff endowment and a staff housing endowment fund. The PCA related endowments are intended to generate funds to maintain and improve all PCA sites, to support PCA staff and to offset direct expenses for specific sites. The staff housing endowment is designated for upkeep and improvement of housing that CLC owns for the primary purpose of providing quality, affordable housing for the staff. All earnings and appreciation derived from the investment of permanently restricted endowments are recorded as temporarily restricted assets.

Summary of activity of invested permanently restricted net assets for the year ended December 31, 2011:

	<u>Permanently Restricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Total</u>
Beginning balance	\$ 1,453,570	\$ 283,080	\$ -	\$ 1,736,650
Interest and dividends	-	30,653	-	30,653
Realized losses	-	43,043	-	43,043
Unrealized gains	-	(129,632)	(151)	(129,783)
Investment fees	-	(9,176)	-	(9,176)
Release of restrictions	-	(65,040)	65,040	-
Program expenses	-	-	(65,040)	(65,040)
	<u>\$ 1,453,570</u>	<u>\$ 152,928</u>	<u>\$ (151)</u>	<u>\$ 1,606,347</u>

The aggregate amount of the deficiencies for all donor restricted endowment funds for which fair value of the investments at December 31, 2011 is less than the level required by donor stipulation is \$0.

Summary of activity of invested permanently restricted net assets for the year ended December 31, 2010:

	<u>Permanently Restricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Unrestricted Net Assets</u>	<u>Total</u>
Beginning balance	\$ 1,453,570	\$ 228,590	\$ (1,710)	\$ 1,680,450
Interest and dividends	-	25,204	-	25,204
Realized losses	-	(8,616)	-	(8,616)
Unrealized gains	-	191,605	1,710	193,315
Investment fees	-	(8,112)	-	(8,112)
Release of restrictions	-	(145,591)	145,591	-
Program expenses	-	-	(145,591)	(145,591)
	<u>\$ 1,453,570</u>	<u>\$ 283,080</u>	<u>\$ -</u>	<u>\$ 1,736,650</u>

The aggregate amount of the deficiencies for all donor restricted endowment funds for which fair value of the investments at December 31, 2010 is less than the level required by donor stipulation is \$0.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

RESTRICTED NET ASSETS (CONTINUED)

Temporarily restricted net assets represent earnings on permanently restricted net assets and donations designated by donors for specific uses which have not been spent for the designated purpose by year end.

Restricted net assets at December 31, 2011 are held as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
Conservation lands held		
Schor Conservation Area	\$ 73,500	\$ -
Bardwell Conservation Area	92,600	-
Bloody Hill Conservation Area	40,500	-
Borden's Pond Conservation Area	128,590	-
Drowned Lands Conservation Area	37,150	-
Hand Hollow Conservation Area	723,439	-
High Falls Conservation Area	145,000	-
Siegel-Kline Kill Conservation Area	<u>150,000</u>	<u>-</u>
Total permanently restricted public conservation areas	<u>1,390,779</u>	<u>-</u>
Other land held	<u>161,868</u>	<u>36,500</u>
Other restricted assets held:		
Bardwell Conservation Area	4,000	332
Borden's Pond Conservation Area	71,904	4,449
Conservation, Stewardship, and Management	-	696,113
Drowned Lands Swamp Conservation Area	34,275	9,939
Everett Nack Fund	-	361
Furthermore Foundation	-	5,000
Hand Hollow Conservation Area	243,000	12,530
Hillsdale Community Wetlands	20,000	-
LTA grant	-	446
Niverville Community Park	-	1,849
NYSCA 2011 grant	-	18,270
Ooms Conservation Area	38,891	12,341
OPHRP-HVRT grant	-	145,845
Public Conservation Area Management Endowment	441,500	78,366
Public Conservation Area Staffing Endowment	500,000	27,711
Round Ball Mountain Conservation Area	-	156,253
Siegel - Kline Kill Conservation Area	-	55,461
Staff Housing Endowment	100,000	7,259
Wetlands Mitigation Fund	<u>-</u>	<u>31,790</u>
Total other assets	<u>1,453,570</u>	<u>1,264,315</u>
Total restricted net assets	<u>\$ 3,006,217</u>	<u>\$ 1,300,815</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

RESTRICTED NET ASSETS (CONTINUED)

Temporarily restricted net assets represent earnings on permanently restricted net assets and donations designated by donors for specific uses which have not been spent for the designated purpose by year end.

Restricted net assets at December 31, 2010 are held as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
Conservation lands held		
Schor Conservation Area	\$ 73,500	\$ -
Bardwell Conservation Area	92,600	-
Bloody Hill Conservation Area	40,500	-
Borden's Pond Conservation Area	128,590	-
Drowned Lands Conservation Area	37,150	-
Hand Hollow Conservation Area	723,439	-
High Falls Conservation Area	145,000	-
Siegel-Kline Kill Conservation Area	<u>150,000</u>	<u>-</u>
Total permanently restricted public conservation areas	<u>1,390,779</u>	<u>-</u>
Other land held	<u>159,390</u>	<u>36,500</u>
Other restricted assets held:		
Bardwell Conservation Area	4,000	580
Borden's Pond Conservation Area	71,904	7,437
Conservation, Stewardship, and Management	-	686,086
Drowned Lands Swamp Conservation Area	34,275	14,554
Everett Nack Fund	-	3,629
Hand Hollow Conservation Area	243,000	48,442
Hillsdale Community Wetlands	20,000	625
Hudson River Foundation - North Bay	-	9,640
Niverville Community Park	-	1,921
NYSCA 2011 grant	-	20,176
Ooms Conservation Area	38,891	19,153
Public Conservation Area Management Endowment	441,500	123,078
Public Conservation Area Staffing Endowment	500,000	53,167
Round Ball Mountain Conservation Area	-	172,943
Siegel - Kline Kill Conservation Area	-	60,997
Schor Operating Reserve Fund	-	102,830
Staff Housing Endowment	100,000	16,045
Wetlands Mitigation Fund	<u>-</u>	<u>33,030</u>
Total other assets	<u>1,453,570</u>	<u>1,374,333</u>
Total restricted net assets	<u>\$ 3,003,739</u>	<u>\$ 1,410,833</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

16. *RENTAL INCOME*

CLC rents housing to three tenants under lease agreements. Rental income collected for the years ended December 31, 2011 and 2010, totaled \$25,961 and \$26,652, respectively. The lease agreements are as follows:

- One year lease expiring May, 2012 that requires monthly payments of \$1,000.
- One year lease expiring February 2012 that requires monthly payments of \$600.
- One property is being rented on month-to-month basis for \$500 per month.

On December 31, 2011, aggregate net minimum rental commitment under the leases in 2012 is \$6,200.

17. *PENSION PLAN*

Pension Plan - CLC has implemented a Title I 403(b) pension plan which provides tiered benefits. The plan provides for annual contributions to the plan starting at 5% after the 1st year of service, 5.5% after the 2nd year of service, 6% after the 3rd year of service and caps at 6.5% after the 4th year of service. In February 2009, due to financial constraints, contributions to the plan were suspended indefinitely.

18. *SUPPLEMENTAL CASH FLOW INFORMATION*

	<u>2011</u>	<u>2010</u>
CASH PAID DURING THE YEAR FOR:		
Interest	<u>\$ 16,358</u>	<u>\$ 15,657</u>
NONCASH TRANSACTIONS		
Donation of land	<u>\$ 336,000</u>	<u>\$ 121,838</u>
Fixed asset additions	\$ 5,612	\$ 39,835
Amount financed	-	(20,000)
Trade-in allowance	<u>-</u>	<u>(7,500)</u>
Cash expended for fixed assets	<u>\$ 5,612</u>	<u>\$ 12,335</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

19. *FAIR VALUE MEASUREMENTS*

CLC follows a three level valuation hierarchy for disclosures of fair value measurements and the categorization of financial liabilities within the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value as follows:

Level 1-based on quoted prices in active markets for identical asset and liabilities.

Level 2-based on other observable inputs, including quoted prices for similar assets in active or inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are not directly observable, but are corroborated by observable market data.

Level 3-inputs for the assets and liabilities that are not based on observable market data.

Fair values of assets measured on a recurring basis at December 31, 2011 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Money funds	\$ 82,948	\$ 82,948	\$ -
Equity mutual funds - US equities	709,605	709,605	-
Mutual funds - International equities	243,816	243,816	-
Fixed income mutual funds	462,575	462,575	-
Mutual funds	1,289,119	1,289,119	-
Direct investment mutual funds	329,829	329,829	-
Land - beneficial interest in life estate	<u>161,868</u>	<u>-</u>	<u>161,868</u>
Total assets subject to fair value measurement	<u>\$ 3,279,760</u>	<u>\$ 3,117,892</u>	<u>\$ 161,868</u>

Fair values of assets measured on a recurring basis at December 31, 2010 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Money funds	\$ 5,233	\$ 5,233	\$ -
Equity mutual funds - US equities	770,487	770,487	-
Mutual funds - International equities	280,896	280,896	-
Fixed income mutual funds	444,529	444,529	-
Mutual funds	1,528,541	1,528,541	-
Direct investment mutual funds	364,783	364,783	-
Land - beneficial interest in life estate	<u>159,390</u>	<u>-</u>	<u>159,390</u>
Total assets subject to fair value measurement	<u>\$ 3,553,859</u>	<u>\$ 3,394,469</u>	<u>\$ 159,390</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value for the land is calculated on appraised value at the time of receipt discounted for the life estate. The discount was calculated based on the life expectancy tables at a discount rate of 4%.

20. *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through June 19, 2012, the date the financial statements were available to be issued. During this period, CLC did not have any material subsequent events to be reported, except as noted in the following paragraph.

On June 16, 2012, the Board of Directors adopted an investment policy that is New York Prudent Management of Institutional Funds Act (NYPMIFA) compliant.

SUPPLEMENTAL INFORMATION

COLUMBIA LAND CONSERVANCY, INC.

SCHEDULE OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
<u>Fundraising and Contributions</u>					
Board member annual support	\$ 269,487	\$ -	\$ -	\$ 269,487	\$ 121,875
Board member year-end match pool	-	-	-	-	79,182
Corporate and business	34,100	-	-	34,100	30,600
Gifts and bequests	10,200	84,790	2,478	97,468	113,589
Government grants	-	140,235	-	140,235	50,480
Individual and foundation	860,767	35,500	-	896,267	802,723
Fundraising events	115,058	-	-	115,058	103,679
Shirt and book sales	9,912	-	-	9,912	2,130
Donated services	<u>5,791</u>	<u>-</u>	<u>-</u>	<u>5,791</u>	<u>12,644</u>
 Total Fundraising and Contributions	 <u>\$ 1,305,315</u>	 <u>\$ 260,525</u>	 <u>\$ 2,478</u>	 <u>\$ 1,568,318</u>	 <u>\$ 1,316,902</u>
 <u>Program Revenues</u>					
Public Conservation Area management	\$ 25,175	\$ -	\$ -	\$ 25,175	\$ 2,333
Easement planning services	<u>18,161</u>	<u>-</u>	<u>-</u>	<u>18,161</u>	<u>41,152</u>
 Total Program Revenues	 <u>\$ 43,336</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 43,336</u>	 <u>\$ 43,485</u>
 <u>Other Income (Loss)</u>					
Gain (loss) on sale of land	\$ 195,263	\$ -	\$ -	\$ 195,263	\$ (16,083)
Miscellaneous fees	<u>12,185</u>	<u>-</u>	<u>-</u>	<u>12,185</u>	<u>2,249</u>
	<u>\$ 207,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,448</u>	<u>\$ (13,834)</u>

COLUMBIA LAND CONSERVANCY, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2011 WITH COMPARATIVE TOTALS FOR 2010

	<u>Public Conservation Area Management</u>	<u>Easement Stewardship and Management</u>	<u>Land Protection Activities</u>	<u>Community Outreach and Education</u>	<u>Total Program</u>	<u>General and Administration</u>	<u>Fundraising and Development</u>	<u>2011 Total</u>	<u>2010 Total</u>
Expenses									
Staff salaries	\$ 147,860	\$ 45,466	\$ 227,244	\$ 271,415	\$ 691,985	\$ 73,956	\$ 78,820	\$ 844,761	\$ 754,106
Taxes and benefits	33,238	10,632	51,866	61,910	157,646	17,438	17,338	192,422	169,833
Professional development	2,530	1,735	1,637	2,613	8,515	5,719	-	14,234	11,366
Recruitment	-	-	-	-	-	-	-	-	386
 Total payroll and related	 183,628	 57,833	 280,747	 335,938	 858,146	 97,113	 96,158	 1,051,417	 935,691
 Acquisition expenses	 -	 -	 60	 -	 60	 -	 -	 60	 1,120
Advertising and marketing	-	-	433	3,661	4,094	-	-	4,094	2,989
Banking and credit card services	453	145	716	1,748	3,062	226	2,070	5,358	3,920
 Board and committees	 420	 134	 650	 779	 1,983	 210	 226	 2,419	 2,147
Catering and event services	-	2,013	2,711	57,376	62,100	1,329	-	63,429	62,528
Consulting services	194	460	-	11,344	11,998	2,500	20,614	35,112	92,421
 Depreciation	 52,771	 2,681	 9,593	 2,848	 67,893	 6,141	 2,172	 76,206	 92,485
Donations to other organizations	2,355	542	8,702	542	12,141	65	70	12,276	12,475
Donor/volunteer expenses	128	-	-	58	186	-	-	186	2,228
 Duplication	 156	 107	 748	 290	 1,301	 78	 84	 1,463	 1,473
Equipment and fixtures	11,480	1,632	3,378	2,913	19,403	1,242	5,900	26,545	7,271
Insurance	16,425	-	2,662	250	19,337	5,591	-	24,928	28,253

Interest expense	197	150	15,384	160	15,891	344	122	16,357	15,657
Mapping expenses	-	-	2,000	-	2,000	-	-	2,000	371
Memberships and subscriptions	355	75	2,353	452	3,235	117	186	3,538	10,707
Merchandise expense	-	-	-	11,477	11,477	-	-	11,477	1,297
Miscellaneous expense	820	89	2,684	4,417	8,010	4,460	1,139	13,609	16,486
Occupancy	13,743	2,118	7,578	2,370	25,809	4,851	1,716	32,376	46,979
Payroll services	497	159	770	923	2,349	248	268	2,865	2,178
Payments in lieu of taxes	6,923	-	3,205	-	10,128	-	-	10,128	20,079
PCA vehicle expense	14,972	-	-	-	14,972	-	-	14,972	11,944
Photography	-	-	-	-	-	-	-	-	483
Postage/shipping/storage	1,026	1,461	3,078	8,367	13,932	465	5,712	20,109	17,362
Printing and design	227	557	4,938	40,840	46,562	113	13,004	59,679	37,407
Professional fees	6,980	1,665	5,095	-	13,740	15,968	-	29,708	28,901
Property maintenance and improvements	16,102	19	67	20	16,208	43	15	16,266	21,915
Staff travel	214	390	300	1,493	2,397	954	128	3,479	2,651
Supplies and service	11,719	2,787	12,591	25,458	52,555	2,451	4,573	59,579	30,818
Surveys and filings	-	356	8,322	-	8,678	-	-	8,678	88,415
Trade land expenses	-	-	22,929	-	22,929	-	-	22,929	32,459
Total Operating Expenses	\$ 341,785	\$ 75,373	\$ 401,694	\$ 513,724	\$ 1,332,576	\$ 144,509	\$ 154,157	\$ 1,631,242	\$ 1,631,110