

***CATAWBA LANDS CONSERVANCY***

***FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010***

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# *Catawba Lands Conservancy*

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December 31, 2011 and 2010

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# **C. DEWITT FOARD & COMPANY, P.A.**

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CERTIFIED PUBLIC ACCOUNTANTS  
1001 MOREHEAD SQUARE DRIVE • SUITE 450  
CHARLOTTE, NORTH CAROLINA 28203  
TELEPHONE: 704-372-1515 • FACSIMILE: 704-372-6066

PHILLIP G. WILSON  
TERRY W. LANCASTER

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Catawba Lands Conservancy  
Charlotte, North Carolina

We have audited the accompanying statement of financial position of Catawba Lands Conservancy, (the Conservancy – a not-for-profit organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Conservancy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 the Conservancy as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*C. Dewitt Foard & Company, P.A.*

June 25, 2012

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**Catawba Lands Conservancy****Statement of Financial Position****December 31, 2011 and 2010**

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	December 31,	
	2011	2010
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 784,276	\$ 720,752
Grants and other receivables	93,838	47,250
Other current assets	1,450	2,450
<u>Total Current Assets</u>	<u>879,564</u>	<u>770,452</u>
Property and Equipment (net)	120,048	136,266
Other Assets:		
Investments	982,256	965,468
Land held for sale	50,000	50,000
Property acquired for preservation	17,716,656	13,542,720
<u>Total Other Assets</u>	<u>18,748,912</u>	<u>14,558,188</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 19,748,524</u></b>	<b><u>\$ 15,464,906</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable	\$ 54,149	\$ 30,935
<u>Total Current Liabilities</u>	<u>54,149</u>	<u>30,935</u>
Net Assets:		
Unrestricted:		
Undesignated	708,465	682,447
Designated - land	17,716,656	13,542,720
Designated - other	390,600	450,378
<u>Total Unrestricted Net Assets</u>	<u>18,815,721</u>	<u>14,675,545</u>
Temporarily restricted	878,654	758,426
<u>Total Net Assets</u>	<u>19,694,375</u>	<u>15,433,971</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 19,748,524</u></b>	<b><u>\$ 15,464,906</u></b>

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**Catawba Lands Conservancy****Statement of Activities****Year Ended December 31, 2011**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grants	\$ 142,595	\$ 4,968,503	\$ 5,111,098
Contributions of property to be preserved	6,386,409	-	6,386,409
Other contributions	450,526	119,052	569,578
Fundraising revenue	3,950	-	3,950
Investment earnings	25,707	-	25,707
Other income	13,849	-	13,849
Net assets released from restrictions	4,967,327	(4,967,327)	-
<b><i>Total Support, Revenue, and Reclassifications</i></b>	<b><i>11,990,363</i></b>	<b><i>120,228</i></b>	<b><i>12,110,591</i></b>
<b><u>EXPENSES</u></b>			
Easements granted	6,111,015	-	6,111,015
Salaries and benefits	929,928	-	929,928
Grants to City of Concord	308,000	-	308,000
Professional fees	225,359	-	225,359
Operations and maintenance	84,536	-	84,536
Office supplies and expenses	50,121	-	50,121
Public activities	33,314	-	33,314
Depreciation	29,837	-	29,837
Travel	20,388	-	20,388
Insurance	15,311	-	15,311
Communications	16,293	-	16,293
Other expenses	26,085	-	26,085
<b><i>Total Expenses</i></b>	<b><i>7,850,187</i></b>	<b><i>-</i></b>	<b><i>7,850,187</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>4,140,176</i></b>	<b><i>120,228</i></b>	<b><i>4,260,404</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>14,675,545</i></b>	<b><i>758,426</i></b>	<b><i>15,433,971</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 18,815,721</i></b>	<b><i>\$ 878,654</i></b>	<b><i>\$ 19,694,375</i></b>

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**Catawba Lands Conservancy****Statement of Activities****Year Ended December 31, 2010**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTALS</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grants	\$ 481,816	\$ 767,996	\$ 1,249,812
Contributions of property to be preserved	4,800,690	-	4,800,690
Other contributions	463,088	76,833	539,921
Fundraising revenue	6,337	-	6,337
Investment earnings	110,776	-	110,776
Other income	16,841	-	16,841
Net assets released from restrictions	862,378	(862,378)	-
	<hr/>		
<i><b>Total Support, Revenue, and Reclassifications</b></i>	<i><b>6,741,926</b></i>	<i><b>(17,549)</b></i>	<i><b>6,724,377</b></i>
<hr/>			
<b><u>EXPENSES</u></b>			
Easements granted	4,687,672	-	4,687,672
Salaries and benefits	900,273	-	900,273
Professional fees	194,635	-	194,635
Operations and maintenance	94,238	-	94,238
Office supplies and expenses	58,088	-	58,088
Public activities	49,455	-	49,455
Depreciation	27,269	-	27,269
Travel	19,845	-	19,845
Insurance	15,751	-	15,751
Communications	14,661	-	14,661
Other expenses	16,090	-	16,090
	<hr/>		
<i><b>Total Expenses</b></i>	<i><b>6,077,977</b></i>	<i><b>-</b></i>	<i><b>6,077,977</b></i>
	<hr/>		
<i><b>CHANGE IN NET ASSETS</b></i>	<i><b>663,949</b></i>	<i><b>(17,549)</b></i>	<i><b>646,400</b></i>
	<hr/>		
<i><b>NET ASSETS, BEGINNING</b></i>	<i><b>14,011,596</b></i>	<i><b>775,975</b></i>	<i><b>14,787,571</b></i>
	<hr/>		
<i><b>NET ASSETS, ENDING</b></i>	<i><b>\$ 14,675,545</b></i>	<i><b>\$ 758,426</b></i>	<i><b>\$ 15,433,971</b></i>

**Catawba Lands Conservancy**  
**Statement of Cash Flows**  
**Years Ended December 31, 2011 and 2010**

	December 31,	
	2011	2010
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 4,260,404	\$ 646,400
Adjustments to reconcile changes in net assets to cash flows from operating activities:		
Depreciation expense	29,837	27,269
Donated property, net of conservation easements granted	(1,817,215)	(470,000)
Grants received to acquire property for preservation	(2,193,352)	(122,238)
Net realized and unrealized (gains) losses on investments	4,165	(90,556)
(Increase) decrease in operating assets:		
Grants and other receivables	(46,588)	21,711
Other current assets	1,000	400
Increase (decrease) in operating liabilities:		
Accounts payable	23,214	5,148
	<b><u>261,465</u></b>	<b><u>18,134</u></b>
	<b><u>Cash Flows from Operating Activities</u></b>	<b><u>18,134</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Grants received to acquire property for preservation	2,193,352	122,238
Purchase of property for preservation	(2,356,721)	(1,808)
Purchase of property and equipment	(13,619)	(36,176)
Purchase of investments	(183,545)	(226,290)
Proceeds from the sale of investments	162,592	149,265
	<b><u>(197,941)</u></b>	<b><u>7,229</u></b>
	<b><u>Cash Flows from Investing Activities</u></b>	<b><u>7,229</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>63,524</b>	<b>25,363</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>720,752</b>	<b>695,389</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 784,276</b>	<b>\$ 720,752</b>

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# ***Catawba Lands Conservancy***

## **Notes to Financial Statements**

**December 31, 2011 and 2010**

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### **NOTE 1 – NATURE OF OPERATIONS**

Catawba Lands Conservancy (the “Conservancy”) is a non-profit organization dedicated to acquiring and preserving environmentally, historically, or culturally significant lands for open space, recreation, or protection of natural resources. The Conservancy principally preserves land tracts located in the North Carolina Catawba River Basin and the Southern Piedmont of North Carolina. The Conservancy is also responsible for the perpetual management and stewardship of properties owned and the monitoring and enforcement of conservation easements. The Conservancy is also involved in facilitating the acquisition of conservation easements that are deeded to other parties, such as the State of North Carolina.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets can be both undesignated and designated in nature. Undesignated, unrestricted net assets are those currently available for use in the day-to-day operation of the Conservancy and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized/invested to meet specific objectives of the Conservancy. Such amounts, as well as property acquired for preservation, are reflected as unrestricted, designated net assets in the accompanying statement of financial position.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Conservancy and/or the passage of time. When a restriction expires, 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. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Conservancy. Generally, the donors of these assets permit the Conservancy to use all or part of the income earned on any related investments for general or specific purposes. At December 31, 2011 and 2010, the Conservancy had no permanently restricted net assets.



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## ***Catawba Lands Conservancy***

### **Notes to Financial Statements**

**December 31, 2011 and 2010**

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

##### ***Public support and grant revenue***

The Conservancy relies heavily upon various grants and public contributions to assist in the accomplishment of its preservation mission. Changes in economic conditions may directly affect a grantor's ability and willingness to make future contributions. Generally, grant funds made available to the Conservancy are utilized to accomplish specific objectives of the grantor and the Conservancy. Such grants contain specific criteria governing the expenditure of such funds. As a condition of the grant, the Conservancy agrees to fully utilize the funds in a manner as prescribed by the underlying grant agreement. Any noncompliance with the specific terms of the grant may result in funds being returned to the grantor and any reductions in grant funding could adversely affect the operations of the Conservancy.

##### ***Donated property***

Property received as a gift is recorded at its estimated fair value on the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the use of the donated asset to a specific purpose. Donated property amounted to \$3,606,254 and \$470,000 for the years ended December 31, 2011 and 2010.

##### ***Donated conservation easements***

Conservation easements received as a gift are recorded at the estimated change in the market value of the associated property before and after the imposition of the easement. At that time, the Conservancy also records a like amount as an expense since the conservation easements have no future economic benefit to the Conservancy. Donated conservation easements amounted to \$2,780,155 and \$4,330,690 for the years ended December 31, 2011 and 2010.

##### ***Donated services***

The Conservancy records donated services as contributions when the services either create or enhance nonfinancial assets or would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. A number of unpaid volunteers, who serve in the capacity of Board members and various other volunteers, have made significant contributions of their time to assist the Conservancy in achieving the goals of its programs. The value of this contributed time is not reflected in these financial statements since it does not meet the above recognition criteria.

##### ***Cash and cash equivalents***

The Conservancy considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for those short-term investments managed as part of investment management strategies.

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## *Catawba Lands Conservancy*

### Notes to Financial Statements

December 31, 2011 and 2010

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

##### Allowance for doubtful accounts

Management's assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions. Based on the underlying nature of the receivables at December 31, 2011 and 2010, management believes any allowance for uncollectible receivables is not material to the financial statements taken as a whole.

##### Property and equipment

Property and equipment is stated at cost if purchased or estimated fair value at date of receipt if donated, subject to a \$500 capitalization threshold. Depreciation is provided over the estimated useful lives of the assets and is computed on the straight-line method. The costs of major improvements are capitalized while the costs of maintenance and repairs, which do not improve or extend the useful life of the respective asset, are expensed when incurred. The cost and accumulated depreciation of property and equipment are eliminated from the accounts upon disposal and any resulting gain or loss is included in the changes in net assets in the period during which the disposition occurred.

##### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued in the statement of financial position at their fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value of securities is estimated using quoted market prices. If a quoted market price is not available, fair value of securities are reflected as investment gains or losses in the accompanying statements of activities.

##### Beneficial interests

The Conservancy recognizes its interest in assets held by other not-for-profit organizations (the Community Foundation of Gaston County, Inc. and Foundation for the Carolinas) for the sole benefit of the Conservancy. These assets are available to the Conservancy for acquisition and stewardship of property easements and are recorded as investments on the Statement of Financial Position.

##### Land held for sale

The Conservancy has received donations of land, which the Conservancy intends to sell. The proceeds from these sales will be available for the general operations of the Conservancy. The land held for sale is recorded at its fair value at the date of donation, which approximates its fair value at December 31, 2011 and 2010.

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## *Catawba Lands Conservancy*

Notes to Financial Statements

December 31, 2011 and 2010

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### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

#### *Property and easements acquired for preservation*

The Conservancy may acquire certain property and/or conservation easements through purchases as well as through donor contributions. Donors generally contribute deeds to property and/or conservation easements. Conservation easements are legal agreements in which the landowner gives up some of the rights to their land, such as development, but retains ownership and management of the property. The conservation easements are permanent and run with the land to successive owners. Contributions are recorded at the estimated fair market value of the property or easement taking into consideration the fact that the lands' use may be severely limited based on the intent to preserve the property in its undeveloped state. Based on these facts, the values of easements shown in the accompanying Statement of Activities are based on management estimates.

#### *Income tax status*

The Conservancy is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3) with respect to its exempt function income. The Conservancy is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

U.S. generally accepted accounting principles requires an organization to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Conservancy has no uncertain tax positions as of December 31, 2011.

#### *Functional allocation of expenses*

Expenses are allocated to program services, management and general, and fund raising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

#### *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 that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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## ***Catawba Lands Conservancy***

### **Notes to Financial Statements**

**December 31, 2011 and 2010**

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#### **NOTE 3 – GRANTS AND OTHER RECEIVABLES**

Total grants and other receivables were as follows at December 31:

	<u>2011</u>	<u>2010</u>
Grants receivable	\$ 91,186	\$ 44,049
Other receivables	<u>2,652</u>	<u>3,201</u>
TOTAL	<u>\$ 93,838</u>	<u>\$ 47,250</u>

#### **NOTE 4 – INVESTMENTS**

The fair value of investments was as follows at December 31:

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 27,043	\$ 34,508
Equity mutual funds	340,426	646,159
Debt mutual funds	605,174	274,977
Land held for sale	50,000	50,000
Beneficial interest in trusts	<u>9,613</u>	<u>9,824</u>
TOTAL	<u>\$ 1,032,256</u>	<u>\$ 1,015,468</u>

These investments, other than the land held for investment, are insured by the Securities Investor Protection Corporation up to \$500,000. The Conservancy invests in a variety of investments, which are subject to fluctuations in market values and expose the Conservancy to a certain degree of investment risk.

#### ***Investment earnings***

Investment earnings for the year ended December 31, 2011 and 2010 is summarized below:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 29,872	\$ 20,220
Realized and unrealized gains/(losses) on investments	<u>(4,165)</u>	<u>90,556</u>
TOTAL	<u>\$ 25,707</u>	<u>\$ 110,776</u>

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## ***Catawba Lands Conservancy***

### **Notes to Financial Statements**

**December 31, 2011 and 2010**

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#### **NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of December 31:

	<u>2011</u>	<u>2010</u>
Office equipment	\$ 132,661	\$ 132,661
Property improvements	<u>115,380</u>	<u>115,380</u>
Total Property and Equipment	248,041	248,041
Less - accumulated depreciation	<u>(111,775)</u>	<u>(111,775)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$ 136,266</u>	<u>\$ 136,266</u>

#### **NOTE 6 – LINES OF CREDIT**

The Conservancy also maintains a \$1,250,000 secured line of credit agreement with another financial institution. The line of credit bears interest at the rate of LIBOR plus three percent and is collateralized by deeds of trust on various tracts of land owned by the Conservancy. The Conservancy did not utilize the line of credit during 2011 and 2010.

#### **NOTE 7 – LEASES**

##### Operating leases

The Conservancy has entered into non-cancelable operating lease agreements for office space and a copier. Lease payments actually made during 2011 and 2010 were \$54,321 and \$53,016, respectively, for office space and \$5,901 and \$4,736, respectively, for the copier. Future minimum payments due under operating leases are as follows:

2012	\$ 58,650
2013	58,650
2014	53,016
2015	<u>53,016</u>
TOTAL	<u>\$ 223,332</u>

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# Catawba Lands Conservancy

## Notes to Financial Statements

December 31, 2011 and 2010

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### NOTE 8 – RETIREMENT PLAN

The Conservancy maintains a SIMPLE-IRA plan, as described in Internal Revenue Code Section 408(p), for the benefit of its employees. Employees can make pretax contributions to the plan and the Conservancy can make matching or discretionary non-elective contributions on behalf of its employees. The Conservancy made matching contributions of three percent of eligible participants' salaries, which amounted to \$13,089 in 2011 and \$16,999 in 2010.

### NOTE 9 – NET ASSETS

#### Board designated, unrestricted net assets

The Board of Directors of the Conservancy has elected to set aside the investment income on contributions received for the future stewardship and legal defense of land and easements that it owns. At December 31, 2011 and 2010 the total of these funds was \$326,637 and \$299,990, respectively. In addition, \$63,963 was designated for preservation of property at December 31, 2011.

The Board of Directors has also set aside land for its conservation efforts. At December 31, 2011 and 2010, this land was valued at \$18,360,402 and \$13,542,720, respectively.

#### Temporarily restricted

Funds that have been received by the Conservancy for a particular purpose or period of time that have remaining restrictions at December 31, 2011 and 2010 are detailed as follows:

	<u>2011</u>	<u>2010</u>
Time Restricted:		
Mecklenburg County	\$ 23,250	\$ 23,250
Arts and Science Council	-	9,750
Total Time Restricted	<u>23,250</u>	<u>33,000</u>
Unutilized Funds:		
Stewardship and legal defense	789,031	694,978
Wal-mart grant	15,000	
Lakewood project	-	8,000
Fish and Wildlife	117	117
Rhyne Trail	616	616
Carolina Thread Trail	<u>50,640</u>	<u>21,715</u>
Total Unutilized Funds	<u>855,404</u>	<u>725,426</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 878,654</u>	<u>\$ 758,426</u>

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## *Catawba Lands Conservancy*

### Notes to Financial Statements

December 31, 2011 and 2010

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#### NOTE 10 – IN-KIND CONTRIBUTIONS

The Conservancy received non-cash contributions (other than land and easements) during the year ended December 31, 2011 and 2010, in the form of goods and services that are required to be recognized in the accompanying statement of activities. In-kind contributions are detailed as follows:

	<u>2011</u>	<u>2010</u>
Legal and professional services	\$ 90,619	\$ 26,628
Design services	5,826	9,545
Small tools received	<u>-</u>	<u>1,158</u>
TOTAL	<u>\$ 96,445</u>	<u>\$ 37,331</u>

#### NOTE 11 – CONCENTRATIONS OF RISK

##### Geographic area

The Conservancy operates in a limited geographic area, and is therefore sensitive to changes in the local economy.

#### NOTE 12 – FUNCTIONAL EXPENSES

The Conservancy's activities are focused in three functional areas. Program services represent the primary focus of the Conservancy's activities. Supporting services are fundraising activities and general and administrative activities. The costs of providing the various programs and other activities for the year ended December 31, 2011 and 2010 are summarized on a functional basis below. Certain costs have been allocated among the program and supporting services benefited.

	<u>2011</u>	<u>2010</u>
Program services - public services	\$ 7,097,349	\$ 5,499,723
Supporting services -		
Fundraising	396,230	304,344
General and administrative	<u>356,608</u>	<u>273,910</u>
TOTAL	<u>\$ 7,850,187</u>	<u>\$ 6,077,977</u>

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# Catawba Lands Conservancy

## Notes to Financial Statements

December 31, 2011 and 2010

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### NOTE 13 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Conservancy has segregated its financial instruments into the most appropriate level within the fair value hierarchy at December 31, 2011, as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds	\$ 972,643	\$ 972,643	\$ -	\$ -
Community Foundation funds	<u>9,613</u>	<u>-</u>	<u>-</u>	<u>9,613</u>
TOTAL	<u>\$ 982,256</u>	<u>\$ 972,643</u>	<u>\$ -</u>	<u>\$ 9,613</u>

The following table sets forth a summary of changes in the fair value of the Level 3 assets for the year ended December 31, 2011.

Balance, beginning of year	\$ 9,824
Net decrease in value	(270)
Purchases, sales, issuances, and settlements (net)	<u>59</u>
Balance, end of year	<u>\$ 9,613</u>

### NOTE 14 – SUBSEQUENT EVENTS

The Conservancy has evaluated subsequent events from the date of the statement of financial position through the date of the audit report which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.