

CALIFORNIA WILDERNESS COALITION

FINANCIAL STATEMENTS

June 30, 2008

(With Comparative Totals for June 30, 2007)

California Wilderness Coalition

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INDEPENDENT AUDITORS' REPORT

Board of Directors
California Wilderness Coalition
Oakland, California

We have audited the accompanying statement of financial position of California Wilderness Coalition (a nonprofit California corporation) as of June 30, 2008, and the related statements of activities, functional expenses, 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. The prior year summarized comparative information has been derived from California Wilderness Coalition's 2007 financial statements and, in our report, dated November 15, 2007; we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 California Wilderness Coalition as of June 30, 2008, 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.

Certified Public Accountants
Oakland, California
December 1, 2008

California Wilderness Coalition

Statement of Financial Position

June 30, 2008

(With Comparative Totals for June 30, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 208,895	\$ 45,684
Accounts receivable	622,818	931,439
Total Current Assets	<u>831,713</u>	<u>977,123</u>
Property and equipment, net (Note 3)	3,479	7,411
Deposits	<u>200</u>	<u>200</u>
Total Assets	<u>\$ 835,392</u>	<u>\$ 984,734</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 38,434</u>	<u>\$ 38,169</u>
Total Liabilities	<u>38,434</u>	<u>38,169</u>
Commitments and Contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	93,909	15,893
Temporarily restricted (Note 6)	<u>703,049</u>	<u>930,672</u>
Total Net Assets	<u>796,958</u>	<u>946,565</u>
Total Liabilities and Net Assets	<u>\$ 835,392</u>	<u>\$ 984,734</u>

See Notes to the Financial Statements

California Wilderness Coalition

**Statement of Activities
Year Ended June 30, 2008
(With Comparative Totals for the Year Ended June 30, 2007)**

			Total	
	Unrestricted	Temporarily Restricted	2008	2007
Support and Revenue				
Contributions	\$ 124,328	\$ 10,000	\$ 134,328	\$ 134,061
Foundation and community grants	8,000	205,000	213,000	1,003,105
Contracts	155,167		155,167	95,842
Interest income	1,528		1,528	3,920
Other	25		25	400
Net assets released from restrictions:				
Satisfaction of program restrictions (Note 6)	442,623	(442,623)	-	-
 Total Support and Revenue	731,671	(227,623)	504,048	1,237,328
 Expenses				
Program	488,886		488,886	554,351
General and administrative	82,934		82,934	37,328
Fundraising	81,835		81,835	80,087
Total Expenses	653,655	-	653,655	671,766
 Change in Net Assets	78,016	(227,623)	(149,607)	565,562
 Net Assets, beginning of year	15,893	930,672	946,565	381,003
 Net Assets, end of year	\$ 93,909	\$ 703,049	\$ 796,958	\$ 946,565

See Notes to the Financial Statements

California Wilderness Coalition

Statement of Cash Flows
Year Ended June 30, 2008
(With Comparative Totals for the Year Ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (149,607)	\$ 565,562
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	3,932	14,707
Change in assets and liabilities:		
Accounts receivable	308,621	(670,703)
Accounts payable and accrued expenses	265	14,436
Net cash provided (used) by operating activities	<u>163,211</u>	<u>(75,998)</u>
Cash flows from investing activities:		
Purchase of equipment	-	(3,708)
Net cash used by investing activities	<u>-</u>	<u>(3,708)</u>
Net change in cash and cash equivalents	<u>163,211</u>	<u>(79,706)</u>
Cash and cash equivalents, beginning of year	<u>45,684</u>	<u>125,390</u>
Cash and cash equivalents, end of year	<u>\$ 208,895</u>	<u>\$ 45,684</u>

See Notes to the Financial Statements

California Wilderness Coalition

**Statement of Functional Expenses
Year Ended June 30, 2008**

(With Comparative Totals for the Year Ended June 30, 2007)

	Program	Management and		Total	
		General	Fundraising	2008	2007
Salaries	\$ 276,628	\$ 13,437	\$ 36,329	\$ 326,394	\$ 345,435
Payroll taxes	24,280	1,179	3,189	28,648	29,532
Employee benefits	21,025	1,021	2,761	24,807	25,960
	<u>321,933</u>	<u>15,637</u>	<u>42,279</u>	<u>379,849</u>	<u>400,927</u>
Accounting fees		2,228		2,228	7,246
Supplies	2,987	281	871	4,139	6,732
Small equipment				-	438
Telephone	9,476	153	619	10,248	15,978
Postage	10,815	539	4,285	15,639	10,076
Occupancy	33,712	2,665	6,121	42,498	27,259
Equipment rental and maintenance	678	29	127	834	558
Printing and publications	17,390	885	13,779	32,054	58,911
Travel, meals and entertainment	52,539	6,034	1,825	60,398	73,306
Depreciation	3,093	157	682	3,932	14,707
Insurance	2,183	2,833	481	5,497	5,346
Dues, licenses, service fees	373	1,926	86	2,385	2,835
Other professional services	33,707	49,567	10,680	93,954	47,447
	<u>\$ 488,886</u>	<u>\$ 82,934</u>	<u>\$ 81,835</u>	<u>\$ 653,655</u>	<u>\$ 671,766</u>

See Notes to the Financial Statements

CALIFORNIA WILDERNESS COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

NOTE 1: NATURE OF ACTIVITIES

California Wilderness Coalition (the Organization) is a California nonprofit public benefit corporation that protects the natural landscapes that make California unique, providing clean air and water, a home to wildlife, and a place for recreation and spiritual renewal. The Organization is the only organization dedicated to protecting and restoring California's wild places and native biodiversity on a statewide level. Since 1976, we have empowered local communities and conservationists to be the voice for wild California

- Educating the public, policy makers, and the media about the importance of and threats to California's wildlands
- Defending wild areas from short-term threats
- Coordinating state-wide campaigns to preserve federal and state wildlands as wilderness

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports 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. The Organization has no permanently restricted net assets.

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. 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.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d).

CALIFORNIA WILDERNESS COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications

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

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2007 from which the summarized information was derived.

CALIFORNIA WILDERNESS COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2008</u>	<u>2007</u>
Equipment	\$ 73,539	\$ 73,539
Less accumulated depreciation	<u>(70,060)</u>	<u>(66,128)</u>
Total	<u>\$ 3,479</u>	<u>\$ 7,411</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in Oakland and Upland, California which expire in May and November 2010, respectively. Future minimum operating lease payments are as follows for the years ending June 30:

2009	\$ 36,744
2010	36,549
2011	<u>2,500</u>
Total	<u>\$ 75,793</u>

Rent for the year ended June 30, 2008 was \$37,404.

NOTE 5: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows at June 30:

	<u>2008</u>	<u>2007</u>
Defense of the Wild	\$ 26,145	\$ 192,833
Desert Program	199,935	157,772
California Wild Heritage Campaign	-	80,067
Organizational development	431,969	500,000
Yuki Wilderness	<u>45,000</u>	<u>-</u>
Total	<u>\$ 703,049</u>	<u>\$ 930,672</u>

CALIFORNIA WILDERNESS COALITION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended June 30:

	<u>2008</u>	<u>2007</u>
Defense of the Wild	\$ 166,688	\$ 191,537
Desert Program	117,837	94,373
Organizational development	68,031	-
Golden State Wilderness Campaign	-	6,491
California Wild Heritage Campaign	<u>90,067</u>	<u>19,833</u>
Total	<u>\$ 442,623</u>	<u>\$ 312,234</u>