

**WORLD LAND TRUST - US  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

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**KRONZEK, FISHER & LOPEZ, PLLC**  
*Certified Public Accountants*

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KRONZEK, FISHER & LOPEZ, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
607 2ND STREET, NE  
WASHINGTON, DC 20002-4909  
TEL: (202) 547-CPAS (2727) FAX: (202) 547-2728  
www.cpakfl.com

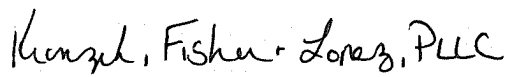
## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
World Land Trust - US  
Washington, DC

We have audited the accompanying statement of financial position of World Land Trust - US (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the World Land Trust - US'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 from 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 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 World Land Trust – US as of December 31, 2009, 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.

  
KRONZEK, FISHER & LOPEZ, PLLC  
Certified Public Accountants

Washington, DC  
October 25, 2010

WORLD LAND TRUST - US  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 814,393
Investments	1,015
Note receivable	15,000
Prepaid expense	2,870
	<u>833,278</u>

FIXED ASSETS

Equipment	1,964
Accumulated depreciation	1,011
	<u>953</u>

TOTAL ASSETS

\$ 834,231

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable & accrued expenses	<u>\$ 12,404</u>
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TOTAL LIABILITIES

12,404

NET ASSETS

Unrestricted	94,616
Temporarily restricted	727,211
	<u>821,827</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 834,231

See accompanying notes to financial statements.

## WORLD LAND TRUST - US

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Grants & contributions	\$337,281	\$1,638,578	\$1,975,859
Program fees	12,600	-	12,600
Interest & dividends	5,207	-	5,207
Realized gain/(loss) on investments	1,598	-	1,598
Miscellaneous income	672	-	672
	<u>357,358</u>	<u>1,638,578</u>	<u>1,995,936</u>
Net assets released from:			
Satisfaction of program restrictions	<u>1,570,587</u>	<u>(1,570,587)</u>	<u>-</u>
Total revenue	<u>1,927,945</u>	<u>67,991</u>	<u>1,995,936</u>
<b>EXPENSES</b>			
Program:			
World Land and Biodiversity Conservation	1,789,951	-	1,789,951
Support:			
General & Administrative	49,485	-	49,485
Fundraising	15,138	-	15,138
Total expenses	<u>1,854,574</u>	<u>-</u>	<u>1,854,574</u>
CHANGE IN NET ASSETS	73,371	67,991	141,362
Beginning net assets	<u>21,245</u>	<u>659,220</u>	<u>680,465</u>
Ending net assets	<u>\$94,616</u>	<u>\$727,211</u>	<u>\$821,827</u>

See accompanying notes to financial statements.

WORLD LAND TRUST - US  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	World Land and Biodiversity Conservation	General & Adminstrative	Fundraising	Total
Payroll, payroll taxes & benefits	\$ 171,304	\$ 10,266	\$ 7,530	\$ 189,100
Rent	7,125	300	75	7,500
Project grants	1,540,942	-	-	1,540,942
Consultants	32,388	18,349	4,587	55,324
Professional fees	-	14,121	-	14,121
Travel & meals & entertainment	23,621	-	-	23,621
Telephone	4,454	187	124	4,765
Insurance	-	782	-	782
Printing & reproduction	3,094	206	138	3,438
Postage & delivery	-	73	-	73
Office supplies	6,968	465	310	7,743
Website	-	2,419	-	2,419
Bank & other fees	55	900	-	955
Depreciation	-	337	-	337
Miscellaneous expense	-	1,080	2,374	3,454
Totals	<u>\$ 1,789,951</u>	<u>\$ 49,485</u>	<u>\$ 15,138</u>	<u>\$ 1,854,574</u>

See accompanying notes to financial statements.

WORLD LAND TRUST - US  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

Cash flows from operating activities:	
Cash received from grants & contributions	\$ 1,784,762
Cash received from program activities & other income	13,272
Cash received from interest	5,207
Cash paid to employees & vendors	(1,844,182)
Net cash used by operating activities	<u>(40,941)</u>
Cash flows from investing activities	
Sale of donated stocks	<u>191,680</u>
Net cash provided by investing activities	191,680
Net increase in cash and cash equivalents	150,739
Cash and cash equivalents - January 1, 2009	<u>663,654</u>
Cash and cash equivalents - December 31, 2009	<u>\$ 814,393</u>
Reconciliation of increase in net assets to net cash used by operation activities:	
Change in net assets	\$ 141,362
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	337
Donated stock	(191,097)
Realized gain/loss on investments	(1,598)
Changes in assets and liabilities:	
Increase in prepaid expense	(2,349)
Increase in accounts payable & accrued expenses	<u>12,404</u>
Net cash used by operating activities	<u>\$ (40,941)</u>

See accompanying notes to financial statements.



WORLD LAND TRUST - US  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

**NOTE 1 - ORGANIZATION**

World Parks Endowment is a nonprofit organization organized in the state of New York on May 19, 1989. During 2006, it adopted the doing-business-as name of World Land Trust – US.

World Land Trust – US was established in order to provide funds for conservation of parks and protected areas around the world that are of international importance for the conservation of biological diversity. Its program emphasizes the conservation of private lands, especially through acquisitions of critical sites for conservation. The organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The organization is a public foundation under Section 509(a)(1) of the Internal Revenue Code, Subsection 170(b)(A)(vi).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

New Accounting Standard – Effective January 1, 2009, the organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 105-10, *FASB Codification*. The FASB Codification is the single source of authoritative U.S. generally accepted accounting principles (GAAP). Accordingly, references to GAAP have been updated for the appropriate Codification reference.

Basis of accounting - The financial statements of the organization have been prepared on the accrual basis of accounting.

Revenue recognition – Unconditional grants and contributions are recognized when the grant or contribution has been awarded. Restricted revenue is classified in the temporarily restricted fund until the provisions of the restriction are satisfied. Unrestricted grants & contributions are recognized in the unrestricted fund when awarded. The organization had no permanently restricted assets in 2009.

Cash and Cash Equivalents – The organization considers cash equivalents to be highly liquid investments with original maturities at time of purchase of less than 90 days.

Furniture and equipment - Furniture and equipment are recorded at cost. Depreciation is determined by the straight-line method based on an estimated useful life of five or seven years.

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.

Functional expenses – The organization accounts for its expenses on a functional basis. Functional expenses include certain allocated overhead costs (rent, telephone, etc.)

Fair Value of Financial Instruments – The financial instruments of the organization are reported on the statement of financial position at market or fair values, or at a carrying amounts that approximate fair values because of the short maturity of the instruments. See Note 7 for a description of financial instruments carried at fair value

WORLD LAND TRUST - US  
NOTES TO FINANCIAL STATEMENTS  
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Investments- Investments consist of certificates of deposits (90 days or greater), equities, and mutual funds and are reported at fair value. Unrealized gains or losses are determined by comparison of cost to fair value at the beginning and end of the reporting period. Realized gains and losses are reflected in the accompanying statement of activities.

NOTE 3 – LAND

In performing its exempt purpose, the organization may acquire and distribute various land plots in order to facilitate the conservation of those lands. It is not the policy of the organization to own and hold land, therefore the organization does not recognize the income and the distribution of the above land in the financial statements.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The organization leases office space in Sandwich, NH and Warrenton, Virginia on a month to month basis. The future monthly rental payments will be \$1,400.

NOTE 5 - CONCENTRATION OF CREDIT RISK

The organization maintains cash balances in excess of \$250,000 in accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2009, the organization's cash balance in excess of FDIC insurance totaled \$69,838.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Armonia	\$ 20,745
Cosanga, EC	37,029
Ecominga	1,000
Jocotoco General	238,685
Antisana (Jocotoco)	101,399
Ayampe (Jocotoco)	32,250
Buenaventura (Jocotoco)	21,000
Jorupe (Jocotoco)	250
Other Restricted	44,048
Pro Bosque EC	197
ProAves	52
Pangan (ProAves)	849
Roncesvalles (ProAves)	7,444
Tamarin (ProAves)	108,130
REGUA	5,542
Pucuno	1,140
San Rafael, PY	144
Sust. Hydro	107,257
WLT	<u>50</u>
Total	\$727,211

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Net assets were released from donor restrictions by incurring expenses satisfying the purpose of time restrictions specified by donors as follows:

Purpose restriction accomplished:  
Land protection of the following:

Cosanga, EC	\$ 25,000
Jocotoco General	441,149
Yunguilla (Jocotoco)	50,000
Matses, Peru	30,000
Mindo	24,300
Nature & Culture	95,000
Other Restricted	65,000
Panama Discovery	3,755
Pro Bosque EC	2,500
ProAves	126,355
Magdalena (ProAves)	165,475
Pangan (ProAves)	20,000
Roncesvalles (ProAves)	187,500
REGUA	77,000
Rio Pucuno	10,850
San Rafael, PY	1,930
Sust. Hydro	242,743
WLT	950
Borneo	<u>1,080</u>
Total	\$1,570,587

NOTE 7 – FAIR VALUE MEASUREMENTS

The organization adopted FASB ASC 820-10 (formerly SFAS No. 157, Fair Value Measurements for financial assets (and liabilities) measured on a recurring basis, effective January 1, 2009. FASB ASC 820-10 clarifies fair value, establishes a framework for measuring fair value under generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FASB ASC 820-10 emphasizes that fair value is a market based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820-10 established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

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Level 1 – inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly, through corroboration with observable market data (market corroborated inputs).

Level 3 – unobservable inputs for the asset or liability including inputs that reflect the reporting entity's own assumptions in determining the fair value measurements.

The following table summarizes the Organization's assets (and liabilities) measured at fair value on a recurring basis as of December 31, 2009:

Assets Measured at Fair Value

Description	12/31/09	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Recurring Basis</u>				
Money Market	\$494,556	\$494,556	\$ -	\$ -
Marketable Securities	<u>1,015</u>	<u>1,015</u>	<u>-</u>	<u>-</u>
Total Recurring	\$495,571	\$495,571	\$ -	\$ -

NOTE 8 – INCOME TAXES

The organization is exempt from income taxes under Internal Revenue Code 501 (c) (3) and applicable DC statutes. No provision for income taxes is required at December 31, 2009, as the Organization had no net unrelated business income. Effective January 1, 2009, the Organization adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC 740-10, Income Taxes.

These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2009, and determined that there were no matters that would require recognition in the financial statements or which may have any affect on its tax-exempt status. As of December 31, 2009, the statute of limitations for tax years 2006 through 2008 remains open with federal and DC authorities.

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NOTE 9 – SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through October 25, 2010 the date of the financial statements were available to be issued. There were no subsequent events identified through October 25, 2010, required to be disclosed in these financial statements.