

**WORLD LAND TRUST - US  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

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DECEMBER 31, 2011

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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, 2011, 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, 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.

  
KRONZEK, FISHER & LOPEZ, PLLC  
Certified Public Accountants

Washington, DC  
July 17, 2012

WORLD LAND TRUST - US  
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 914,497
Prepaid expense	1,380
	915,877

FIXED ASSETS

Equipment	1,964
Accumulated depreciation	1,686
	278

OTHER ASSETS

Security deposit	1,300
	1,300

TOTAL ASSETS

\$ 917,455

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable & accrued expenses	\$ 7,876
	7,876

TOTAL LIABILITIES

7,876

NET ASSETS

Unrestricted	143,757
Temporarily restricted	765,822
	909,579

TOTAL LIABILITIES AND NET ASSETS

\$ 917,455

See accompanying notes to financial statements.

WORLD LAND TRUST - US  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE</b>			
Grants & contributions	\$339,643	\$2,662,971	\$3,002,614
Investment income	3,136	-	3,136
Miscellaneous income	431	-	431
	<u>343,210</u>	<u>2,662,971</u>	<u>3,006,181</u>
Net assets released from: Satisfaction of program restrictions	<u>2,462,611</u>	<u>(2,462,611)</u>	<u>-</u>
Total revenue	<u>2,805,821</u>	<u>200,360</u>	<u>3,006,181</u>
<b>EXPENSES</b>			
Program:			
World Land and Biodiversity Conservation	2,685,328	-	2,685,328
Support:			
General & Administrative	53,272	-	53,272
Fundraising	34,514	-	34,514
	<u>2,773,114</u>	<u>-</u>	<u>2,773,114</u>
CHANGE IN NET ASSETS	32,707	200,360	233,067
Beginning net assets	<u>111,050</u>	<u>565,462</u>	<u>676,512</u>
Ending net assets	<u>\$143,757</u>	<u>\$765,822</u>	<u>\$909,579</u>

See accompanying notes to financial statements.

WORLD LAND TRUST - US  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	World Land and Biodiversity Conservation	General & Adminstrative	Fundraising	Total
Payroll, payroll taxes & benefits	\$ 135,425	\$ 18,856	\$ 9,299	\$ 163,580
Rent & utilities	7,513	1,347	673	9,533
Project grants	2,374,901	-	-	2,374,901
Consultants	124,809	11,528	7,460	143,797
Professional fees	-	14,340	-	14,340
Travel & meals & entertainment	28,075	-	-	28,075
Telephone	8,687	1,271	636	10,594
Insurance	-	1,471	-	1,471
Printing & reproduction	1,243	182	3,214	4,639
Postage & delivery	1,227	180	818	2,225
Office supplies & expense	3,448	505	252	4,205
Website	-	-	12,102	12,102
Bank & other fees	-	913	-	913
Depreciation	-	337	-	337
Miscellaneous expense	-	2,342	60	2,402
Totals	<u>\$ 2,685,328</u>	<u>\$ 53,272</u>	<u>\$ 34,514</u>	<u>\$ 2,773,114</u>

See accompanying notes to financial statements.

WORLD LAND TRUST - US  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011

Cash flows from operating activities:	
Cash received from grants & contributions	\$2,855,649
Cash received from program activities & other income	431
Cash received from interest	2,886
Cash paid to employees & vendors	(2,770,598)
Net cash provided by operating activities	<u>88,368</u>
Cash flows from investing activities	
Sale of donated stocks	<u>148,285</u>
Net cash provided by investing activities	148,285
Net increase in cash and cash equivalents	236,653
Cash and cash equivalents - January 1, 2011	<u>677,844</u>
Cash and cash equivalents - December 31, 2011	<u>\$ 914,497</u>
Reconciliation of increase in net assets to net cash provided by operating activities:	
Change in net assets	\$ 233,067
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	337
Donated stock	(146,965)
Realized gain/loss on investments	(250)
Changes in assets and liabilities:	
Increase in prepaid expense	(403)
Increase in security deposit	(1,300)
Increase in accounts payable & accrued expenses	<u>3,882</u>
Net cash provided by operating activities	<u>\$ 88,368</u>

See accompanying notes to financial statements.



WORLD LAND TRUST - US  
NOTES TO FINANCIAL STATEMENTS  
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**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**

Accounting Standard – The organization follows 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 2011.

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  
 DECEMBER 31, 2011

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 - 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, 2011, the organization's cash balance in excess of FDIC insurance totaled \$202,458.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The organization leases two office spaces, one in Sandwich, NH on a month to month basis for \$400 a month and the other in Warrenton, Virginia. The organization signed an office space lease for the Warrenton, Virginia space through November 2012 for \$1,300 a month.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Jocotoco General	\$ 115,555
Antisana (Jocotoco)	304,354
Ayampe (Jocotoco)	87,250
Tapichalaca (Jocotoco)	14,675
Land Fund	4,185
ProAves	11,566
El Dorado (ProAves)	66,600
Tangaras (ProAves)	76,030
ProBosque	2,840
Revolving Fund	25,000
Sierra Caral	<u>57,767</u>
Total	\$765,822

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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:

Armonia	\$ 5,705
BTMacaw	5,175
Cotinga	42,070
Curasow	25,000
RFMacaw	2,025
Tucuman Parrot	15,000
Cosanga	2,227
Earths Birthday	6,209
Ecominga	1,600
Jocotoco General	253,158
Antisana	746,739
Buenaventura	10,250
Narupa	23,000
Tapichalaca	500
Mindo	15,875
Nature & Culture	64,973
Other Restricted	341,000
Conservation 2	24,500
Panama Discovery	12,500
ProAves	101,945
El Dorado (ProAves)	400
Magdalena (ProAves)	2,000
Tangaras (ProAves)	456,046
ProBosque	10
REGUA	6,912
Rio Pucuno	31,862
San Rafael, PY	144
Sierra Caral	130,539
Sust. Hydro	82,257
WLT-UK	50,020
WLT-UK	<u>2,970</u>
 Total	 \$2,462,611

**NOTE 7 – FAIR VALUE MEASUREMENTS**

The organization follows FASB ASC 820-10 for financial assets (and liabilities) measured on a recurring basis, as amended. 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

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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:

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, 2011:

Assets Measured at Fair Value

<u>Description</u>	<u>12/31/11</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Recurring Basis</u>				
Money Market	\$144,359	\$144,359	\$ -	\$ -

**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, 2011, as the Organization had no net unrelated business income.

The organization follows FASB ASC 740 Income Taxes the authoritative guidance relating to accounting for uncertainty in 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, 2011, 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, 2011, the statute of limitations for tax years 2008 through 2010 remains open with federal and DC authorities.

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NOTE 9 – SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through July 17, 2012 the date of the financial statements were available to be issued. There were no subsequent events identified through July 17, 2012, which were required to be disclosed in these financial statements.