

**Eagle Valley Land Trust**

**Financial Report**

**December 31, 2009**

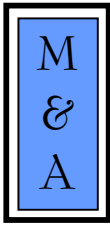


**EAGLE VALLEY LAND TRUST**

**Eagle Valley Land Trust  
(A Colorado Non-Profit Corporation)  
December 31, 2009**

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Eagle Valley Land Trust  
Avon, Colorado**

We have audited the accompanying statement of financial position of Eagle Valley Land Trust, a Colorado non-profit corporation, as of December 31, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Eagle Valley Land Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from Eagle Valley Land Trust's 2008 financial statements and, in our report dated May 11, 2009, we expressed an unqualified opinion on those financial statements.

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 Eagle Valley Land Trust as of December 31, 2009, and the change in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**McMahan and Associates, L.L.C.  
August 11, 2010**

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**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Financial Position**  
**December 31, 2009**  
**(With Comparative Totals at December 31, 2008)**

	<b>2009</b>			<b>2008</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>	<b>Totals</b>
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	85,532	117,220	202,752	128,543
Investments	101,459	488,357	589,816	556,108
Receivables:				
Contributions, net	9,642	-	9,642	42,866
Due (to) from other category	115,707	(115,707)	-	-
Prepaid expenses	1,200	-	1,200	2,623
<b>Total current assets</b>	<u>313,540</u>	<u>489,870</u>	<u>803,410</u>	<u>730,140</u>
<b>Fixed assets, net of accumulated depreciation</b>	<u>2,087</u>	<u>-</u>	<u>2,087</u>	<u>7,665</u>
<b>Total Assets</b>	<u><u>315,627</u></u>	<u><u>489,870</u></u>	<u><u>805,497</u></u>	<u><u>737,805</u></u>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	21,838	-	21,838	14,357
<b>Total Liabilities</b>	<u>21,838</u>	<u>-</u>	<u>21,838</u>	<u>14,357</u>
<b>Net Assets:</b>				
Unrestricted net assets	171,894	-	171,894	166,051
Unrestricted net assets - Designated by Board for monitoring, protecting and acquiring easements	121,895	-	121,895	21,895
Temporarily restricted net assets	-	489,870	489,870	535,502
<b>Total Net Assets</b>	<u>293,789</u>	<u>489,870</u>	<u>783,659</u>	<u>723,448</u>
<b>Total Liabilities and Net Assets</b>	<u><u>315,627</u></u>	<u><u>489,870</u></u>	<u><u>805,497</u></u>	<u><u>737,805</u></u>

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

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**  
**(With Comparative Totals For the Year Ended December 31, 2008)**

	<b>2009</b>		<b>2008</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>
<b>Support and Revenues:</b>			<b>Totals</b>
General contributions	328,241	-	328,241
Contributions for acquisition and preservation of easements	-	11,269	11,269
Program-related revenues	-	56,562	56,562
Donated goods and services	148	-	148
Grants	500	-	500
Fundraising events	109,561	-	109,561
Investment income	4,787	38,897	43,684
Net assets released from restrictions	152,360	(152,360)	-
<b>Total Support and Revenues</b>	<b>595,597</b>	<b>(45,632)</b>	<b>549,965</b>
<b>Expenses:</b>			
Salaries and wages	214,565	-	214,565
Employee benefits	27,608	-	27,608
Payroll taxes	17,784	-	17,784
Bank charges	1,521	-	1,521
Board expenses	-	-	-
Seminars and classes	665	-	665
Depreciation	2,765	-	2,765
Fundraising events	45,735	-	45,735
Insurance	3,462	-	3,462
Memberships, dues and subscriptions	2,944	-	2,944
Office supplies and equipment	9,064	-	9,064
Postage and delivery	1,604	-	1,604
Printing and publications	2,562	-	2,562
Professional fees	67,201	-	67,201
Rent and common costs	6,933	-	6,933
Telephone	4,341	-	4,341
Travel and entertainment	6,557	-	6,557
Miscellaneous	74,295	-	74,295
Donated goods and services - Fundraising events	148	-	148
<b>Total Expenses</b>	<b>489,754</b>	<b>-</b>	<b>489,754</b>
<b>Change in Net Assets</b>	<b>105,843</b>	<b>(45,632)</b>	<b>60,211</b>
<b>Net Assets - Beginning of Year</b>	<b>187,946</b>	<b>535,502</b>	<b>723,448</b>
<b>Net Assets - End of Year</b>	<b>293,789</b>	<b>489,870</b>	<b>783,659</b>

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

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2009**  
**(With Comparative Totals For the Year Ended December 31, 2008)**

	<b>2009</b>			<b>2008</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Contributions and grants received	471,526	11,269	482,795	439,581
Cash received from investment income	2,647	2,050	4,697	13,604
Other cash receipts (payments)	-	56,562	56,562	123,958
Cash paid for goods and services	(215,167)	-	(215,167)	(221,269)
Cash paid for labor and employee benefits	(259,957)	-	(259,957)	(260,997)
Released from restrictions	63,568	(63,568)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>62,617</u>	<u>6,313</u>	<u>68,930</u>	<u>94,877</u>
<b>Cash Flows from Investing Activities:</b>				
Cash paid to purchase investments	(100,332)	(108,032)	(208,364)	(513,578)
Cash received on sale/redemption of investments	104,011	109,632	213,643	216,733
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>3,679</u>	<u>1,600</u>	<u>5,279</u>	<u>(296,845)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	66,296	7,913	74,209	(201,968)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>19,236</u>	<u>109,307</u>	<u>128,543</u>	<u>330,511</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>85,532</u></u>	<u><u>117,220</u></u>	<u><u>202,752</u></u>	<u><u>128,543</u></u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:</b>				
Change in net assets	105,843	(45,632)	60,211	123,856
<b>Adjustments to reconcile:</b>				
Depreciation	2,765	-	2,765	5,437
Loss on disposal of fixed assets	2,813	-	2,813	-
Interest accrued on investments	(2,140)	(9,381)	(11,521)	(13,006)
Unrealized (gain) loss on investments	-	(27,466)	(27,466)	37,961
(Increase) decrease in accounts receivable	33,224	-	33,224	(29,366)
(Increase) decrease in prepaid expenses	1,423	-	1,423	(2,105)
Increase (decrease) in accounts payable and accruals	7,481	-	7,481	(27,900)
Change in inter-category balances	(88,792)	88,792	-	-
<b>Total Adjustments</b>	<u>(43,226)</u>	<u>51,945</u>	<u>8,719</u>	<u>(28,979)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>62,617</u></u>	<u><u>6,313</u></u>	<u><u>68,930</u></u>	<u><u>94,877</u></u>

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

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**

**1. Organization**

Eagle Valley Land Trust (the "Land Trust") was incorporated in the State of Colorado as a non-profit corporation, pursuant to Articles of Incorporation dated February 5, 1981, and amended October 23, 1995 and March 26, 2007.

The Land Trust's stated purposes are as follows:

- i. To promote for the benefit of the general public the preservation and improvement of natural resources principally in, but not limited to, Eagle County, Colorado. These resources shall include land and water resources, the plant and animal life thereon, and unique scenic, agricultural, natural, and historic sites.
- ii. To engage in and promote the scientific study of, and education regarding, such natural resources.
- iii. To use all properties held or controlled by the Land Trust and the net earnings thereof for the benefit of the general public and for charitable, educational, recreational, conservation, scientific, and historical purposes.

The Land Trust is located in Avon, Colorado.

**2. Summary of Significant Accounting Policies**

**A. Basis of Accounting**

The financial statements of the Land Trust have been prepared on the accrual basis of accounting.

**B. Support and Revenue**

Pledges and contributions receivable represent unconditional promises to give, and are recorded as received. Unconditional promises to give which are due in the next year are reflected as current promises to give and are recorded at their net realizable value.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit or specify the use of the donated assets, whether by time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the stated 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.

Non-monetary donations are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period received, provided that the services either create or enhance non-financial assets or the services are considered to be "professional" services which the Land Trust would otherwise be required to purchase. Other volunteer services are not recorded as in-kind donations.

**C. Cash and Cash Equivalents**

The Land Trust considers all checking, savings and money market accounts, as well as all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**D. Investments**

The Land Trust invests certain funds in certificates of deposit, publicly-traded mutual funds, and publicly-traded equities. Because these investments are intended to fund future expenditures for acquisition, monitoring, and protection of easements, and may provide a ready source of cash when so required, such investments are classified as trading. Accordingly, these securities are reported on the financial statements at fair market value, and all realized and unrealized gains and losses are included in current period earnings.

Investment income is unrestricted unless the earnings are restricted, either as to purpose or time period, by the donor of the original contribution.

**E. Allowance for Doubtful Accounts**

The Land Trust establishes an allowance for possible future uncollectibility of accounts receivable when collection becomes doubtful. An allowance for doubtful accounts of \$63,251 has been recorded at December 31, 2009 to provide for the possibility of some balances not being collectible.

**F. Fixed Assets**

Office equipment purchased by or donated to the Land Trust are capitalized at historical cost or estimated cost when donated and depreciated on the straight-line basis over estimated useful lives of 5-7 years.

**G. Conservation Easements**

The Land Trust is considered a "qualified organization" under section 170(h)(3) of the Internal Revenue Code (the "IRC") and may therefore accept donated conservation easements. Conservation easements, which represent a perpetual restriction on the use of land without transfer of ownership of the underlying property, are not reflected as assets of the Land Trust.

**H. Income Taxes**

The Land Trust is a non-profit organization as described in section 501(c)(3) of the IRC, and is thus exempt from federal and state income taxes on income which is directly related to its organizational purpose.

**I. Subsequent Events**

Management has evaluated subsequent events through August 11, 2010, the date these financial statements were available to be issued.

**J. Use of Estimates**

The preparation of financial statements to 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 the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**K. Comparative Information**

These financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Land Trust's financial statements for the year ended December 31, 2008, from which such comparative totals were derived.

**3. Investments**

Certificates of deposit:

Maturing within one year, interest at 2.10% - 3.94% p.a.	\$ 410,385
Publicly-traded mutual funds	179,175
Publicly-traded equities	<u>256</u>
<b>Total</b>	<b><u>\$ 589,816</u></b>

The following schedule summarizes the investment return in the statement of activities:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Interest income	\$ 4,784	15,057	19,841
Net realized and unrealized gains (losses)	<u>3</u>	<u>23,840</u>	<u>23,843</u>
<b>Total</b>	<b><u>\$ 4,787</u></b>	<b><u>38,897</u></b>	<b><u>43,684</u></b>

The fair values of assets measured on a recurring basis at December 31, 2009 are as follows:

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>
Publicly-traded mutual funds	\$ 179,175	144,009
Publicly-traded equities	<u>256</u>	<u>167</u>
<b>Total</b>	<b><u>\$ 179,431</u></b>	<b><u>144,176</u></b>

**4. Fixed Assets**

Property and equipment	\$ 19,534
Less: Accumulated depreciation	<u>(17,447)</u>
<b>Total</b>	<b><u>\$ 2,087</u></b>

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**5. Board Designated Net Assets**

The Land Trust's Board has designated the Land Protection Fund of unrestricted net assets to be used to fund monitoring, protecting and acquiring future easement acquisitions. The Endowment Fund has been designated whereby the principal investment may not be spent, and the accretion of the investment may be used for operations. At December 31, 2009, the Land Trust's unrestricted, board designated net assets consisted of the following:

Land Protection Fund	\$ 21,522
Endowment Fund	<u>100,000</u>
<b>Total</b>	<b><u>\$ 121,522</u></b>

**6. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of contributions that have been restricted by the donors for a specific or limited period of time or a stated purpose. At December 31, 2009, the Land Trust's temporarily restricted net assets consisted of the following:

Future easement acquisitions:	
Land Protection Fund	\$ 176,616
Walter Kirch Memorial Fund	<u>72,120</u>
	248,736
Monitoring and protecting existing conservation easements	<u>241,134</u>
<b>Total</b>	<b><u>\$ 489,870</u></b>

**7. Operating Lease**

In July 2009, the Land Trust entered into a two year operating lease agreement for office space in Eagle-Vail, Colorado. The lease requires the Land Trust to pay a base monthly rental of \$700. During 2009, the Land Trust incurred rent expense totaling \$3,276 under the terms of this lease arrangement.

**8. Functional Classification of Expenses**

Expenses by function for the year ended December 31, 2009 were as follows:

Program services	\$ 166,850
Support services:	
Management and general	207,513
Fundraising	<u>115,391</u>
<b>Total</b>	<b><u>\$ 489,754</u></b>

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2009**  
**(Continued)**

**9. Easements Held**

At December 31, 2009, the Land Trust held the following 19 conservation easements:

<u>Easement</u>	<u>Acres</u>
<b>Held by the Land Trust:</b>	
Arrowhead 1 - McCoy Springs	32.055
Buffehr Creek	9.29
RR	12.93
East Vail Waterfall	4.97
Eagle 1 - Johnson	23.72
Eagle 2 - Diamond Star I	1,450.00
Eagle 3 - Diamond Star II	180.00
Lake Creek 1 - Casteel Creek	118.09
Lake Creek 2 - Webster	376.53
Ptamigan Road	5.39
Red Sandstone - Potato Patch	2.89
Spud Cellar	35.19
Taylor City	61.72
Yarmony Mountain	75.00
<b>Co-held with Eagle County:</b>	
Canyon Ranch - Bair Ranch	2,794.00
Derby Mesa - Gates Ranch	740.00
Eagle River Preserve	71.70
Meadow Creek	2.64
<b>Co-held with Town of Gypsum:</b>	
Constellation Ridge - Brightwater	95.00