

**FINANCIAL STATEMENTS**

**ASSOCIATION OF PARTNERS  
FOR PUBLIC LANDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2003  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2002**

ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Association of Partners for Public Lands  
Wheaton, Maryland

We have audited the accompanying statement of financial position of the Association of Partners for Public Lands as of September 30, 2003, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association'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 the Association's 2002 financial statements, which were audited by other auditors, whose report dated April 28, 2003, expressed an unqualified opinion on those 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 the Association of Partners for Public Lands as of September 30, 2003, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

February 27, 2004

**ASSOCIATION OF PARTNERS FOR PUBLIC LANDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2003**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2002**

**ASSETS**

	<u>2003</u>	<u>2002</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 65,675	\$ 56,404
Investments (Note 2)	188,450	174,895
Accounts receivable	8,125	15,792
Prepaid expenses	<u>5,455</u>	<u>2,774</u>
Total current assets	<u>267,705</u>	<u>249,865</u>
<b>FIXED ASSETS</b>		
Furniture and equipment	42,682	42,682
Less: Accumulated depreciation and amortization	<u>(36,957)</u>	<u>(32,380)</u>
Net fixed assets	<u>5,725</u>	<u>10,302</u>
<b>OTHER ASSETS</b>		
Deposits	<u>-</u>	<u>1,375</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 273,430</u></b>	<b><u>\$ 261,542</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 19,867	\$ 11,591
Deferred revenue	<u>28,565</u>	<u>10,308</u>
Total current liabilities	<u>48,432</u>	<u>21,899</u>
<b>NET ASSETS</b>		
Unrestricted:		
Operating	177,187	193,926
Board designated	<u>15,825</u>	<u>13,931</u>
Total unrestricted	<u>193,012</u>	<u>207,857</u>
Temporarily restricted (Note 3)	<u>31,986</u>	<u>31,786</u>
Total net assets	<u>224,998</u>	<u>239,643</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 273,430</u></b>	<b><u>\$ 261,542</u></b>

See accompanying notes to financial statements.

## ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2002

	<b>2003</b>		
	<b>Unrestricted</b>		
	<b>Board</b>		
	<b>Operating</b>	<b>Designated</b>	<b>Total</b>
<b>REVENUE</b>			
Contributions	\$ -	\$ 4,882	\$ 4,882
Interest/dividend income	3,300	-	3,300
Net appreciation (depreciation) of investments	10,795	-	10,795
Membership dues	119,515	-	119,515
Convention	320,338	-	320,338
Vendor income	18,030	-	18,030
Education	28,343	-	28,343
Other income	<u>492</u>	<u>-</u>	<u>492</u>
Total revenue	<u>500,813</u>	<u>4,882</u>	<u>505,695</u>
<b>EXPENSES</b>			
Program services:			
Convention	272,986	-	272,986
Education	59,640	-	59,640
Communication	88,171	-	88,171
Representation	34,294	-	34,294
Scholarships	<u>-</u>	<u>2,988</u>	<u>2,988</u>
Total program services	<u>455,091</u>	<u>2,988</u>	<u>458,079</u>
Supporting services:			
Administration	61,421	-	61,421
Fundraising	<u>1,040</u>	<u>-</u>	<u>1,040</u>
Total supporting services	<u>62,461</u>	<u>-</u>	<u>62,461</u>
Total expenses	<u>517,552</u>	<u>2,988</u>	<u>520,540</u>
Change in net assets	(16,739)	1,894	(14,845)
Net assets at beginning of year	<u>193,926</u>	<u>13,931</u>	<u>207,857</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 177,187</u></b>	<b><u>\$ 15,825</u></b>	<b><u>\$ 193,012</u></b>

		<u>2002</u>	
<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>	
\$ 200	\$ 5,082	\$ 12,414	
-	3,300	6,394	
-	10,795	(14,124)	
-	119,515	115,001	
-	320,338	315,822	
-	18,030	19,500	
-	28,343	77,481	
-	<u>492</u>	<u>5,069</u>	
<u>200</u>	<u>505,895</u>	<u>537,557</u>	
-	272,986	311,505	
-	59,640	96,537	
-	88,171	59,559	
-	34,294	18,751	
-	<u>2,988</u>	<u>5,069</u>	
<u>-</u>	<u>458,079</u>	<u>491,421</u>	
-	61,421	87,674	
-	<u>1,040</u>	<u>-</u>	
<u>-</u>	<u>62,461</u>	<u>87,674</u>	
<u>-</u>	<u>520,540</u>	<u>579,095</u>	
200	(14,645)	(41,538)	
<u>31,786</u>	<u>239,643</u>	<u>281,181</u>	
<u>\$ 31,986</u>	<u>\$ 224,998</u>	<u>\$ 239,643</u>	

See accompanying notes to financial statements.

ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2002

	<u>Program Services</u>			
	<u>Convention</u>	<u>Education</u>	<u>Communication</u>	<u>Representation</u>
Salaries	\$ 51,284	\$ 14,424	\$ 52,887	\$ 15,385
Benefits	1,259	354	1,299	377
Payroll taxes	4,148	1,167	4,278	1,245
Printing and production	3,338	-	-	-
Professional fees	5,297	1,490	5,462	1,589
Occupancy	7,878	2,216	8,124	2,363
Insurance	2,312	650	2,385	694
Depreciation	1,465	412	1,511	439
Telephone	2,208	621	2,277	663
Travel and entertainment	3,004	983	-	6,312
Postage and delivery	1,868	13	15	214
Repairs and maintenance	1,689	475	1,742	507
Supplies	1,531	431	1,579	459
Subscriptions and membership	-	275	436	-
Meetings and conventions	181,571	34,967	1,913	2,806
Bank fees	1,832	515	1,889	550
Interest expense	-	-	-	-
Board expenses	-	-	-	-
Staff development	1,213	341	1,251	364
Miscellaneous	<u>1,089</u>	<u>306</u>	<u>1,123</u>	<u>327</u>
<b>TOTAL</b>	<b><u>\$ 272,986</u></b>	<b><u>\$ 59,640</u></b>	<b><u>\$ 88,171</u></b>	<b><u>\$ 34,294</u></b>

<u>2003</u>				<u>2002</u>		
		<u>Supporting Services</u>				
<u>Scholarships</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
\$ -	\$ 133,980	\$ 25,642	\$ 641	\$ 26,283	\$ 160,263	\$ 137,030
-	3,289	630	16	646	3,935	9,413
-	10,838	2,074	52	2,126	12,964	10,937
-	3,338	-	-	-	3,338	11,084
-	13,838	2,648	66	2,714	16,552	21,942
-	20,581	3,939	98	4,037	24,618	15,457
-	6,041	1,156	29	1,185	7,226	5,338
-	3,827	732	18	750	4,577	4,661
-	5,769	1,104	28	1,132	6,901	8,924
-	10,299	210	-	210	10,509	4,327
-	2,110	1,104	-	1,104	3,214	3,623
-	4,413	845	21	866	5,279	6,177
-	4,000	765	19	784	4,784	6,740
-	711	2,652	-	2,652	3,363	2,589
2,988	224,245	-	-	-	224,245	311,479
-	4,786	916	23	939	5,725	4,101
-	-	44	-	44	44	(3)
-	-	15,809	-	15,809	15,809	9,618
-	3,169	607	15	622	3,791	3,355
-	2,845	544	14	558	3,403	2,303
<u>\$ 2,988</u>	<u>\$ 458,079</u>	<u>\$ 61,421</u>	<u>\$ 1,040</u>	<u>\$ 62,461</u>	<u>\$ 520,540</u>	<u>\$ 579,095</u>

See accompanying notes to financial statements.

**ASSOCIATION OF PARTNERS FOR PUBLIC LANDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2002**

	<u>2003</u>	<u>2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (14,645)	\$ (41,538)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,577	5,579
Net depreciation (appreciation) on investments	(10,795)	14,124
(Increase) decrease in:		
Accounts receivable	7,668	(7,725)
Prepaid expenses	(2,681)	6,812
Other assets	1,375	-
Increase (decrease) in:		
Accounts payable and accrued expenses	8,275	(3,778)
Deferred revenue	<u>18,257</u>	<u>9,808</u>
Net cash provided (used) by operating activities	<u>12,031</u>	<u>(16,718)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	-	(2,300)
Purchases of investments	(2,760)	(5,165)
Proceeds from sale of investments	<u>-</u>	<u>2,488</u>
Net cash used by investing activities	<u>(2,760)</u>	<u>(4,977)</u>
Net increase (decrease) in cash and cash equivalents	9,271	(21,695)
Cash and cash equivalents at beginning of year	<u>56,404</u>	<u>78,099</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ <u>65,675</u></b>	<b>\$ <u>56,404</u></b>

ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

The Association of Partners for Public Lands (the Association) is a nonprofit organization, incorporated in the State of California and located in Wheaton, Maryland. Its purpose is to aid and promote the interpretive, educational, historical and scientific activities of the National Park Service and other public land management agencies.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Statements of Financial Accounting Standard No. 117, "Financial Statements of Not-for-Profit Organizations".

Cash and cash equivalents -

The Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, the Association maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at market value. Unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.

Fixed assets -

Fixed assets are stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five years. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Association is not a private foundation.

Deferred revenue -

Deferred revenue consists of convention and trade show registration fees received in advance. These fees will be recognized during the year ended September 30, 2004.

ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets - operating** represent the portion of expendable funds that are available for general operating purposes of the Association.
- **Unrestricted net assets - board designated** represent funds which have been designated by the Association's Board of Directors for scholarships.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

ASSOCIATION OF PARTNERS FOR PUBLIC LANDS

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003

2. INVESTMENTS

Investments consisted of the following at September 30, 2003:

	<u>Market Value</u>
Mutual funds	\$ 58,418
Certificates of deposit	<u>130,032</u>
	<u>\$ 188,450</u>

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at September 30, 2003:

Murfin fund	\$ 26,221
Partnership	<u>5,765</u>
	<u>\$ 31,986</u>

4. LEASE COMMITMENT

The Association has a noncancellable three year lease for its headquarters office space, which terminates on September 30, 2004. Rent expense for the year ended September 30, 2003 was \$16,500. Minimum future lease payments under this lease are as follows:

<u>Year Ended September 30,</u>	
2004	\$ <u>17,388</u>

5. CONTINGENCY

The Association has entered into agreements with various hotels to provide accommodations for its 2004 and 2005 conventions. These agreements contain cancellation penalties should the Association terminate the agreements. The Association has event cancellation insurance that may mitigate any such penalties.

6. EMPLOYEE BENEFITS PLAN

The Association maintains a qualified retirement plan that covers employees that meet certain age and length of service requirements. The Association contributes an amount equal to eight percent of the participant's salary and contributions are vested after five years. Total plan contribution expense for the year ended September 30, 2003 was approximately \$9,418. During the year ended September 30, 2003, the Association received back forfeited pension funds for the total amount of \$9,383.