



Point Reyes National Seashore Association

Financial Statements

Year ended September 30, 2008

with

Report of Independent Auditors

CERTIFIED PUBLIC
ACCOUNTANTS

DONALD WILSON
ALAN MARKLE
CHARLES STUCKEY
DAVID HARDESTY
DAVID BOTT
DAVID BAILEY
MICHAEL SMITH

Report of Independent Auditors

To the Board of Directors of the
Point Reyes National Seashore Association

We have audited the accompanying statement of financial position of Point Reyes National Seashore Association as of September 30, 2008, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of Point Reyes National Seashore Association. Our responsibility is to express an opinion on these financial statements based on our audit. Point Reyes National Seashore Association derived the prior year summarized comparative information from its September 30, 2007 financial statements and, in a report from other auditors dated February 11, 2008; they expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Point Reyes National Seashore Association as of September 30, 2008, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Wilson Markle Stuckey Hardesty + Bott

Wilson Markle Stuckey Hardesty & Bott
March 31, 2009

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008 AND 2007

	2008	2007
Assets		
Current assets		
Cash and cash equivalents	\$ 898,731	\$2,057,904
Grants receivable	1,354,118	81,551
Other receivables	10,903	10,387
Inventory, at cost	134,622	132,247
Prepaid expenses	114,256	11,126
Total current assets	2,512,630	2,293,215
Property and equipment, at cost	45,763	39,768
Accumulated depreciation	(39,502)	(35,331)
Property and equipment, net	6,261	4,437
Endowment investments, at fair value	171,988	194,028
Permanently restricted investment, at fair value	5,000	-
Land held for National Park Service	55,584	-
Total assets	\$2,751,463	\$2,491,680
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Line of credit	\$ 500,000	\$ -
Accounts payable	511,850	1,814
Accrued expenses	324,131	22,409
Deferred revenue	50,580	31,419
Current portion of capital lease	2,091	2,648
Total current liabilities	1,388,652	58,290
Capital lease	-	2,091
Net Assets		
Unrestricted	719,937	704,048
Temporarily restricted	637,874	1,722,251
Permanently restricted	5,000	5,000
Total net assets	1,362,811	2,431,299
Total liabilities and net assets	\$2,751,463	\$2,491,680

See accompanying notes.

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2008 WITH
COMPARATIVE TOTALS ONLY FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Unrestricted	Temporarily restricted	Permanently restricted	2008 Totals	2007 Totals only
Support and revenue					
Contributions and grants	\$2,504,088	\$1,065,130	\$ -	\$3,569,218	\$1,900,678
Membership	166,454	-	-	166,454	157,817
School Program	83,691	-	-	83,691	66,757
Field Seminars	152,780	-	-	152,780	159,710
Summer Camp	189,862	-	-	189,862	170,617
Boathouse, net	-	8,225	-	8,225	(42,655)
Boathouse, reclassification	(852)	852	-	-	-
Land held for NPS, reclassification	(15,000)	15,000	-	-	-
Bookstore sales	328,708	-	-	328,708	349,766
Cost of goods sold	(163,193)	-	-	(163,193)	(170,501)
Bookstore sales, net	165,515	-	-	165,515	179,265
Sales of contributed property	5,647	-	-	5,647	8,200
Cost of property sold	(5,647)	-	-	(5,647)	(8,200)
Sales of contributed property, net	-	-	-	-	-
Investment income (loss), net	(7,263)	10,667	-	3,404	64,662
Satisfaction of restrictions	2,184,251	(2,184,251)	-	-	-
Total support and revenue	5,423,526	(1,084,377)	-	4,339,149	2,656,851
 Expenses					
Program services					
School Program	95,081	-	-	95,081	121,500
Field Seminars	188,536	-	-	188,536	182,567
Summer Camp	187,616	-	-	187,616	177,349
Bookstores	108,738	-	-	108,738	135,661
National Park Services	4,540,392	-	-	4,540,392	749,111
Total program services	5,120,363	-	-	5,120,363	1,366,188
 Support services					
Management and general	140,096	-	-	140,096	78,708
Membership	82,640	-	-	82,640	57,417
Fundraising	64,538	-	-	64,538	45,772
Total support services	287,274	-	-	287,274	181,897
Total expenses	5,407,637	-	-	5,407,637	1,548,085
Change in net assets	15,889	(1,084,377)	-	(1,068,488)	1,108,766
Net assets, beginning of year	704,048	1,722,251	5,000	2,431,299	1,322,533
Net assets, end of year	\$ 719,937	\$ 637,874	\$5,000	\$1,362,811	\$2,431,299

See accompanying notes.

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008 WITH
COMPARATIVE TOTALS ONLY FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Program services					Total program services	Support services			Total support services	2008 Totals	2007 Totals only
	Environmental Education School Program	Field Seminars	Summer Camp	Bookstores	National Park Service		Management and general	Membership	Fundraising			
Expenses												
Salaries and wages	\$48,603	\$ 71,764	\$102,489	\$ 73,228	\$ 164,544	\$ 460,628	\$ 75,632	\$25,655	\$39,586	\$140,873	\$ 601,501	\$ 495,069
Employee benefits	5,520	5,664	5,536	4,417	7,798	28,935	(244)	1,431	2,035	3,222	32,157	46,212
Payroll taxes	8,311	7,037	16,437	9,883	15,897	57,565	6,819	2,203	4,312	13,334	70,899	43,734
Advertising	32	110	870	-	-	1,012	-	-	-	-	1,012	3,702
Bank and investment fees	-	-	-	-	-	-	1,387	-	-	1,387	1,387	-
Contract services	847	3,729	1,694	885	-	7,155	25,082	5,042	5,887	36,011	43,166	-
Dues	-	-	400	-	-	400	1,925	-	-	1,925	2,325	2,265
Events	-	-	-	-	-	-	-	1,775	7,224	8,999	8,999	-
Hosting	-	51	-	-	-	51	1,159	-	-	1,159	1,210	4,494
Instructor fees	450	40,832	-	-	-	41,282	-	-	-	-	41,282	39,598
Insurance	9,629	6,420	9,629	-	-	25,678	6,420	-	-	6,420	32,098	27,166
Inventory reduction	-	-	-	4,916	-	4,916	-	-	-	-	4,916	-
Mail house	-	2,745	429	-	-	3,174	-	6,923	-	6,923	10,097	-
Merchant service charges	-	2,068	-	5,315	-	7,383	-	993	-	993	8,376	10,988
National Park Services	-	-	-	-	4,352,153	4,352,153	-	-	-	-	4,352,153	589,690
Postage	481	4,680	1,634	537	-	7,332	725	3,313	973	5,011	12,343	24,743
Printing	-	17,103	9	-	-	17,112	242	30,073	-	30,315	47,427	35,934
Professional fees	-	-	-	-	-	-	7,300	-	-	7,300	7,300	6,908
Property maintenance	5,700	700	5,700	700	-	12,800	800	700	700	2,200	15,000	41,653
Royalties	-	-	-	346	-	346	-	-	-	-	346	-
Supplies and service	7,759	22,650	23,157	4,815	-	58,381	6,953	2,364	1,704	11,021	69,402	112,501
Taxes and permits	-	-	-	628	-	628	150	-	-	150	778	410
Training	-	-	290	-	-	290	-	254	229	483	773	1,847
Travel	108	250	11,842	-	-	12,200	312	134	-	446	12,646	11,300
Utilities	7,023	2,146	6,882	2,481	-	18,532	1,942	1,193	1,301	4,436	22,968	21,400
Interest	-	-	-	-	-	-	2,905	-	-	2,905	2,905	1,229
Depreciation	618	587	618	587	-	2,410	587	587	587	1,761	4,171	10,584
Loss on disposal	-	-	-	-	-	-	-	-	-	-	-	16,658
Total expenses	\$95,081	\$188,536	\$187,616	\$108,738	\$4,540,392	\$5,120,363	\$140,096	\$82,640	\$64,538	\$287,274	\$5,407,637	\$1,548,085

See accompanying notes.

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Change in net assets	(\$1,068,488)	\$1,108,766
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Net (gain) loss on sale of and (appreciation) depreciation from holding investments	26,557	(17,119)
Contributed investments	(9,693)	-
Contributed land held for National Park Service	(30,000)	-
Contributed property	(5,647)	(8,200)
Proceeds from sale of contributed property	5,647	8,200
Depreciation	4,171	10,584
Loss on disposal of property and equipment	-	16,658
Changes to current assets and liabilities		
Grants receivable	(1,272,567)	30,092
Other receivables	(516)	(1,606)
Inventory	(2,375)	(3,061)
Prepaid expenses	(103,130)	(4,786)
Accounts payable	510,036	(4,051)
Accrued expenses	301,722	1,261
Deferred revenue	19,161	(6,500)
	<u>(1,625,122)</u>	<u>1,130,238</u>
Cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of investments	(109,297)	(3,839)
Proceeds from sale of investments	109,473	299,419
Purchase of land held for National Park Service	(25,584)	-
Purchase of property and equipment	(5,995)	-
Proceeds from sale of property and equipment	<u>-</u>	<u>1,780</u>
Cash provided (used) by investing activities	(31,403)	297,360
Cash flows from financing activities		
Borrowing from line of credit	500,000	-
Principal payments of capital lease	<u>(2,648)</u>	<u>(2,157)</u>
Cash provided (used) by financing activities	<u>497,352</u>	<u>(2,157)</u>
Net change in cash and cash equivalents	(1,159,173)	1,425,441
Cash and cash equivalents, beginning of year	<u>2,057,904</u>	<u>632,463</u>
Cash and cash equivalents, end of year	<u>\$ 898,731</u>	<u>\$2,057,904</u>
Supplemental cash flow information		
Cash paid for interest	<u>\$ 2,905</u>	<u>\$ 1,229</u>

See accompanying notes.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies

Basis of presentation

Point Reyes National Seashore Association (PRNSA), a nonprofit, public benefit corporation incorporated in California on July 17, 1964, as the Muir Woods Natural History Association, Inc. Then, as now, PRNSA operates as a Cooperating Association of the U. S. Department of the Interior, National Parks Service (NPS) under a Cooperating Association Agreement (CAA) to preserve and enhance the extraordinary natural, cultural and recreational resources of the Point Reyes National Seashore (Park). PRNSA programs strive to connect the public with the Park and broader environmental issues through educational offerings that promote enjoyment, understanding and stewardship of the natural world.

PRNSA operates the Clem Miller Environmental Education Center, Point Reyes Summer Camp and Point Reyes Field Seminars at the Park. PRNSA also operates three bookstores at Park Visitor Centers. PRNSA has over 2,600 active members and directly contributes approximately \$100,000 annually, from membership dues, bookstore profits and contributions, to NPS for the benefit of the Park. These contributions support critical Park programs such as endangered species recovery, wildlife protection, habitat and wetlands restoration and preservation of cultural and historic legacies. PRNSA also raises and manages extensive grant funding for Park environmental research and projects. In addition, during the year ended September 30, 2008, support from members and grants enabled PRNSA to award scholarships to over 300 lower-income young people to attend Point Reyes School Program at the Clem Miller Environmental Education Center and Point Reyes Summer Camp.

Programs

Clem Miller Environmental Education School Program

The Clem Miller Environmental Education Center is a nine-building, green facility at the Park that provides a low cost opportunity for teachers and students to step outside the traditional classroom and connect with nature and environmental science first hand. The result is an enriching outdoor learning experience that everyone enjoys. For over 30 years, the School Program has been a gateway for students and teachers to immerse themselves in a hands-on-science-learning environment and to develop an awareness, understanding and appreciation of the natural world.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

During the year ended September 30, 2008, the Clem Miller Environmental Education School Program hosted 1,600 students and their teachers who spent 3 to 5 days using the site as an outdoor natural history and environmental education classroom. In preparation for bringing their classes to this program, 18 teachers attended a two-day, 15-hour, intensive, environmental education training.

Field Seminars

PRNSA offers a wide variety of field seminars in areas such as birding, plant and wildlife observation and study, arts, crafts and photography focusing on the environment of the Park. These seminars provide an opportunity to connect to nature, strengthen understanding of the environment and have fun. Experts lead Field Seminars that take participants out of their everyday lives and into the natural world. Whether you are interested in flora or fauna, hiking or history, weaving or watercolor, Field Seminars offers something for everyone.

During the year ended September 30, 2008, PRNSA offered 116 classes, with over 1,600 participants, in the fields of natural history, birding, photography, the arts and family fun.

Summer Camp

Summer Camp provides two camp experiences: Nature Science Camp, with separate sessions for ages 7-9, 9-11 and 10-12, and Adventure Camp for ages 13-16. Making friends, immersing in the natural world and stewardship are key components of Summer Camp. Campers learn how to take responsibility for their individual actions and to have fun working together as a team. PRNSA allows campers to choose their activities, including tide pooling, hiking, bird watching, exploring mudflats, improvisational theater, earth art, crafts and lots more. A camper return rate of over 60% exemplifies the quality of camp staff and programs available at Summer Camp.

During the summer of 2008, PRNSA hosted 346 children, ages 7-16, for three- to six-day sessions at the Clem Miller Environmental Education Center, exploring the Park and studying natural and cultural history with eight trained counselors and six professional naturalists.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

Bookstores

PRNSA operates three bookstores located at various visitor centers around the Park. The Bookstores carry guides that will enhance exploration of the spectacular beaches, woodlands and coastlines. In addition, the Bookstores carry natural and cultural histories, children's books, maps, field guides and a wide range of other useful materials that enhance bird watching, hiking, whale watching or enjoying abundant wildflowers.

During the year ended September 30, 2008, Bookstore operations helped raise funds for critical Park initiatives such as endangered species recovery, wildlife protection, habitat restoration and preservation of cultural and historic legacies.

National Park Service

PRNSA, in conjunction with the NPS, coordinates grants, activities and environmental restoration projects at the Park. Current projects include watershed monitoring in the Giacomini Wetlands, Coho salmon and steelhead trout monitoring, snowy plover monitoring, purchases of parcels of land for inclusion in the Park, trail maintenance and an ocean-education outreach campaign.

During the year ended September 30, 2008, in partnership with the NPS, PRNSA completed the Giacomini Wetlands Restoration Project. PRNSA raised over \$6 million dollars for this project, which restored 550 acres of critical wetlands at the headwaters of Tomales Bay. These restored wetlands will improve water quality in Tomales Bay and provide habitat for numerous threatened and endangered species.

Basis of accounting

PRNSA prepares its financial statements using the accrual basis of accounting. PRNSA records revenues when earned and expenses when incurring the related obligations.

Cash and cash equivalents

Cash and cash equivalents consist of amounts on hand and on deposit with a commercial bank and registered investment company, available within 90 days of demand. The carrying amount of cash approximates fair value due to its short-term nature.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

Grants and other receivables

Grants and other receivables (Note 2) consist principally of amounts expended by PRNSA under government and foundation grants and contracts but not reimbursed by the government or foundation grantor or contractor. Ordinarily and historically, PRNSA collects all grants receivable and, accordingly, does not recognize an allowance thereon. PRNSA uses the allowance method to estimate any uncollectible other receivables. Under this method, PRNSA reviews all other receivables, and estimates, based on aging, debtor history and other information, an allowance. When PRNSA exhausts all attempts to collect specific other receivables or the debtor discharges the other receivable in bankruptcy, PRNSA writes off the other receivable against the estimated allowance. As of September 30, 2008, PRNSA estimated that any allowance would be immaterial to its financial position and, accordingly, recorded no allowance herein.

Inventory

Inventory consists principally of books and other items available for sale at Bookstores. PRNSA states its inventory at the lower of cost or fair value, using the first in, first out method.

Property and equipment

Property and equipment consist of furniture, computer software and kitchen, office and computer equipment. PRNSA records property and equipment at cost or fair value for contributed items. PRNSA expenses property and equipment with a cost or fair value under \$5,000 and the costs of maintenance and repairs that do not improve or extend the lives of the property and equipment. PRNSA computes depreciation using the straight-line method over the estimated useful lives of the property and equipment of five years.

Under the CAA with the NPS, PRNSA does not own any improvements to buildings or Park land and ownership of any newly constructed buildings automatically reverts to the NPS. Accordingly, PRNSA expenses the cost of any improvements to buildings or Park land or any newly constructed buildings.

Investments

Investments (Note 3) consist principally of units of a pooled investment fund of a community foundation and a bank certificate of deposit. PRNSA records investments at their fair value. Fair value of the units of the pooled investment fund is the

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

fair value of the underlying investments, provided by the community foundation. Fair value of the bank certificate of deposit is cost, which approximates fair value because the bank certificate of deposit accrues interest, fixed at the market rate when purchased, and interest rate fluctuations between purchase and maturity dates are immaterial to the financial position of PRNSA. PRNSA reports interest, dividends, gains, losses and changes in fair value (unrealized appreciation and depreciation) as net investment income herein. PRNSA invested its permanently restricted net assets in the bank certificate of deposit.

Land held for the National Park Service

Periodically, PRNSA receives contributions of land, usually contiguous with the Park. Donors generally restrict such contributions as additions to the Park. PRNSA records contributions of land at their fair value plus the costs of securing title. PRNSA expenses subsequent costs required to maintain the land. Due to various requirements and restrictions the NPS puts on contributions of land, there can be a significant lag between the time PRNSA receives a contribution of land and the subsequent transfer of that land to the NPS. Accordingly, land held for the National Park Service consists of land received by PRNSA but not transferred to NPS.

Deferred revenue

Deferred revenue consists of fees received in advance of various school programs and field seminars. PRNSA recognizes revenue from these activities when they occur. PRNSA recognizes membership dues as contributions herein, and accordingly, not as deferred revenue.

Contributions and net assets

PRNSA recognizes contributions when a donor makes an unconditional promise to provide support. Net assets include cumulative unrestricted, temporarily restricted and permanently restricted net assets, net of cumulative expenses. Unrestricted net assets consist of revenue and support not restricted to a particular purpose or time by the donor, net of expenses. Temporarily restricted net assets consist of support restricted by the donor to a particular purpose or time. Temporarily restricted net assets become unrestricted net assets when PRNSA meets the donor purpose or time restriction. Permanently restricted net assets consist of support restricted by the donor for PRNSA to hold permanently, allowing for only use of the revenue generated by investing the support.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

Contributed services

Under the CAA with the NPS, PRNSA occupies various buildings and offices located within the Park rent-free. PRNSA has not estimated the fair value of such rent-free occupancy or recognized that amount herein. In addition, the NPS charges PRNSA certain maintenance costs, which PRNSA expenses herein.

Volunteers contribute their time assisting PRNSA in carrying out its activities. Although the value of volunteer contributions is substantial to the activities of PRNSA, PRNSA does not recognize their value herein because they do not meet the criteria for recognition in accordance with accounting principles generally accepted in the United States (US-GAAP).

Income taxes

PRNSA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and from California bank and corporation taxes under Section 23701(d) of the California Revenue and Taxation Code. In addition, PRNSA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC. Accordingly, donors are entitled to the maximum charitable contribution deduction allowed by law.

The management of PRNSA believes that no activities of PRNSA jeopardized its exemption from income taxes or its classification as a “public charity.” In addition, management of PRNSA believes that no activities of PRNSA are subject to unrelated business income taxes. Accordingly, PRNSA did not provide for income taxes herein.

Allocation of functional expenses

PRNSA summarized the costs of providing its programs and other activities on a functional basis herein. Accordingly, PRNSA allocated certain costs between program and support services based on estimates of time and usage. PRNSA bases indirect expense allocations on the employee time expended on an activity.

Estimated fair value of financial instruments

PRNSA estimates that the aggregate net fair value of financial instruments recognized on the statement of financial position (including receivables, payables and accrued expenses) approximates their carrying value as such financial instruments are

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

short-term in nature, bear interest at current market rates or are stated at their fair value.

Use of estimates

The preparation of financial statements in conformity with US-GAAP requires management to make estimates and assumptions that affect the amounts reported herein. Actual results could differ from those estimated.

Concentrations, credit and market risk

Cash and cash equivalents held by the commercial bank exceeded federal deposit insurance limits at various times during the years ended September 30, 2008 and 2007. Cash and cash equivalents held by the registered investment company exceeded Securities Investor Protection Corporation insurance limits at various times during the years ended September 30, 2008 and 2007.

Investments are subject to credit and market risks. Credit risk is the probability that parties holding or supporting an investment will default or otherwise fail to perform. Market risk is the inherent change in the fair value of an investment due to changes in conditions.

During the year ended September 30, 2008, support received from the California State Coastal Conservancy totaled approximately 29% of total support and revenue reported herein.

During the year ended September 30, 2008, support received from the Gordon and Betty Moore Foundation, through the National Park Foundation, totaled approximately 21% of total support and revenue reported herein.

During the year ended September 30, 2008, support received from various agencies of the U. S. Department of the Interior, totaled approximately 13% of total support and revenue reported herein.

During the year ended September 30, 2008, support received from the California State Water Resources Control Board, through Tomales Bay Watershed Council Foundation, totaled approximately 12% of total support and revenue reported herein.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 1 – Summary of significant accounting policies (continued)

Reduction of any of the support sources indicated above, if it were to occur, could have an adverse impact on the activities of PRNSA.

Comparative totals

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 US-GAAP. Accordingly, read such information in conjunction with the financial statements of PRNSA as of and for the year ended September 30, 2007, from which PRNSA derived the summarized information. PRNSA reclassified certain prior year amounts to conform to the current year presentation.

Note 2 – Grants receivable

As of September 30, 2008, grants receivable due from various grantors totaled as follows:

State of California	
Department of Fish and Game	\$ 3,195
Coastal Conservancy	834,775
Water Resources Control Board, through	
Tomales Bay Watershed Council Foundation	308,533
U. S. Department of the Interior	
Fish and Wildlife Service	134,635
National Parks Service	<u>72,980</u>
 Total grants receivable	 <u>\$1,354,118</u>

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 3 – Investments

As of September 30, 2008 and 2007, investments totaled as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>
Pooled investment fund	\$171,988	\$158,666	\$194,028	\$147,844
Bank certificate of deposit				
1.24% Matures 07-02-2009	<u>5,000</u>	<u>5,000</u>	<u>—</u>	<u>—</u>
Total investments	<u>\$176,988</u>	<u>\$163,666</u>	<u>\$194,028</u>	<u>\$147,844</u>

Investments in the pooled investment fund consist principally of registered investment company funds invested in equity (65%) and debt (35%) securities.

During the years ended September 30, 2008 and 2007, net investment income totaled as follows:

	<u>2008</u>	<u>2007</u>
Dividends and interest	\$29,961	\$47,543
Unrealized appreciation (depreciation)	<u>(26,557)</u>	<u>17,119</u>
Net investment income	<u>\$ 3,404</u>	<u>\$64,662</u>

Note 4 – Line of Credit

PRNSA obtained a line of credit from the community foundation that holds its pool investment fund (Note 2) on August 6, 2007, with a limit of \$500,000. Interest (fixed at 6.75%) is due monthly and principal at maturity on July 6, 2009. In addition, PRNSA must maintain at least one 30-day period with no borrowings outstanding under the line of credit. The line of credit is unsecured. As of September 30, 2008, PRNSA owed \$500,000 under the line of credit.

Point Reyes National Seashore Association
Notes to Financial Statements
September 30, 2008

Note 5 – Unrestricted net assets

As of September 30, 2008 and 2007, the Board of Directors of PRNSA designated certain unrestricted net assets for specific purposes, totaling as follows:

	<u>2008</u>	<u>2007</u>
Programs	\$ 52,915	\$ 57,548
Emergency reserve	100,000	100,000
Endowment	<u>171,988</u>	<u>194,028</u>
Total designated unrestricted net assets	324,903	351,576
Total undesignated net assets	<u>395,034</u>	<u>352,472</u>
Total unrestricted net assets	<u>\$719,937</u>	<u>\$704,048</u>

Note 6 – Temporarily restricted net assets

During the year ended September 30, 2008, temporarily restricted net assets reconciled as follows:

<u>Activity</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
School Program and Summer Camp	\$ 47,530	\$ 26,715	(\$ 40,775)	\$ 33,470
Field Seminars	476	–	(300)	176
National Parks Service	1,674,245	1,066,632	(2,143,176)	597,701
Management and general	<u>–</u>	<u>6,527</u>	<u>–</u>	<u>6,527</u>
Totals	<u>\$1,722,251</u>	<u>\$1,099,874</u>	<u>(\$2,184,251)</u>	<u>\$637,874</u>

Note 7 – Permanently restricted net assets

As of September 30, 2008 and 2007, permanently restricted net assets totaled \$5,000 and \$5,000, respectively. In addition, the donor restricted revenue generated by the permanently restricted net assets to support scholarships for the Schools Program.

Point Reyes National Seashore Association
Notes to Financial Statements
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Note 8 – Retirement plan

PRNSA sponsors a defined contribution salary deferral plan under IRC section 403(b) for its eligible employees. Eligible employees may contribute up to 100% of their eligible salary to the plan, subject to limits imposed under the IRC. During the years ended September 30, 2008 and 2007, PRNSA did not contribute to the plan.

Note 9 – Commitments and contingencies

Under the CAA, PRNSA administration and operations occupy various buildings located within the Park and owned by the NPS. The last CAA became effective November 23, 1999 for five years, with automatic five-year renewals each October 1. Accordingly, the current CAA renewal expires September 30, 2009. In addition, the NPS reserves the right to terminate the CAA at any time.

Note 10 – Related parties

PRNSA made payments to the NPS for certain costs of the activities of PRNSA, as direct support for activities of the NPS and as indirect support for the activities of the NPS. During the year ended September 30, 2008, PRNSA payments to the NPS totaled \$261,655. In addition, during the year ended September 30, 2008, PRNSA received support from the NPS for the activities of NPS totaling \$81,480.

During the year ended September 30, 2008, PRNSA paid one of its directors \$24,836 for certain project management services related to the Giacomini Wetlands Restoration Project and another director \$5,410 to conduct certain Field Seminars.