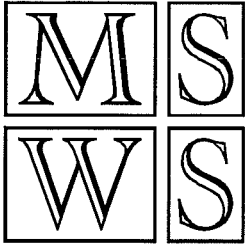


ASSOCIATION OF PARTNERS FOR  
PUBLIC LANDS, INC.  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009

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MULLEN & SONDBERG  
WIMBISH & STONE, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

2553 Housley Road • Suite 200 • Annapolis, Maryland 21401

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Association of Partners for Public Lands, Inc. (a non-profit organization) as of September 30, 2009, and the related statements of activities 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 2008 financial statements and, in our report dated February 23, 2009, we expressed an unqualified opinion on those financial 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 Association of Partners for Public Lands, Inc. as of September 30, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mullen Sondborg Wimbish & Stone*

MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland  
January 22, 2010

Association of Partners for Public Lands, Inc.  
STATEMENT OF FINANCIAL POSITION  
September 30, 2009

ASSETS

	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 190,347	\$ 195,131
Investments	243,888	245,077
Accounts receivable	22,159	7,017
Prepaid expenses	<u>7,442</u>	<u>14,857</u>
Total current assets	463,836	462,082
<b>PROPERTY AND EQUIPMENT</b>		
Net of accumulated depreciation	<u>7,659</u>	<u>9,050</u>
Total assets	<u><u>\$ 471,495</u></u>	<u><u>\$ 471,132</u></u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 25,032	\$ 19,614
Deferred revenue	<u>66,108</u>	<u>70,210</u>
Total current liabilities	<u>91,140</u>	<u>89,824</u>
<b>NET ASSETS</b>		
Unrestricted:		
Operating	296,709	292,854
Board designated	<u>49,198</u>	<u>55,927</u>
Total unrestricted	345,907	348,781
Temporarily restricted	<u>34,448</u>	<u>32,527</u>
Total net assets	<u>380,355</u>	<u>381,308</u>
Total liabilities and net assets	<u><u>\$ 471,495</u></u>	<u><u>\$ 471,132</u></u>

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

Association of Partners for Public Lands, Inc.

STATEMENT OF ACTIVITIES

Year Ended September 30, 2009

With Summarized Financial Information for the Year Ended September 30, 2008

	Unrestricted	Unrestricted Board Designated	Total Unrestricted	Temporarily Restricted	2009	2008
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Convention	\$ 349,340	\$ -	\$ 349,340	\$ -	\$ 349,340	\$ 412,987
Membership dues	149,020	-	149,020	-	149,020	146,346
Education	40,723	-	40,723	-	40,723	22,564
Vendor income	35,050	-	35,050	-	35,050	33,400
Contributions	1,245	11,342	12,587	2,821	15,408	27,690
Other income	1,099	-	1,099	-	1,099	2,058
Investment income	(1,104)	-	(1,104)	-	(1,104)	(15,050)
	575,373	11,342	586,715	2,821	589,536	629,995
Net assets released from restriction	900	-	-	(900)	-	-
Total revenues, gains and other support	576,273	11,342	586,715	1,921	589,536	629,995
<b>EXPENSES</b>						
Program Services:						
Convention	291,875	5,700	297,575	-	297,575	304,970
Capacity building	49,202	9,569	58,771	-	58,771	42,339
Information sharing	55,077	-	55,077	-	55,077	65,707
Collective representation	18,212	-	18,212	-	18,212	43,047
Member services	63,978	-	63,978	-	63,978	56,946
Total program services	478,344	15,269	493,613	-	493,613	513,009
Supporting services:						
Management and general Fundraising	77,014	-	77,014	-	77,014	110,795
	17,060	2,802	19,862	-	19,862	15,829
Total supporting services	94,074	2,802	96,876	-	96,876	126,624
Total expenses	572,418	18,071	590,489	-	590,489	639,633
Change in net assets	3,855	(6,729)	(2,874)	1,921	(953)	(9,638)
<b>NET ASSETS, BEGINNING OF YEAR</b>	292,854	55,927	348,781	32,527	381,308	390,946
<b>NET ASSETS, END OF YEAR</b>	\$ 296,709	\$ 49,198	\$ 345,907	\$ 34,448	\$ 380,355	\$ 381,308

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

Association of Partners for Public Lands, Inc.  
**STATEMENT OF FUNCTIONAL EXPENSES**  
 Year Ended September 30, 2009  
 With Summarized Financial Information for the Year Ended September 30, 2008

	Program Services						Supporting Services			Total	
	Convention	Capacity Building	Information Sharing	Collective Representation	Member Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	2009	2008
Salaries	\$ 67,960	\$ 21,764	\$ 37,884	\$ 10,532	\$ 45,731	\$ 183,871	\$ 28,294	\$ 11,387	\$ 39,681	\$ 223,552	\$ 230,663
Employee benefits	7,958	2,549	4,436	1,233	5,355	21,531	3,126	1,333	4,459	25,990	33,782
Payroll taxes	4,941	1,582	2,755	766	3,325	13,369	1,941	828	2,769	16,138	20,926
Total salaries and related expenses	80,859	25,895	45,075	12,531	54,411	218,771	33,361	13,548	46,909	265,680	285,371
Meetings and conventions	183,369	29,647	-	326	-	213,342	-	-	-	213,342	200,778
Occupancy	5,821	1,358	4,075	970	3,299	15,523	3,106	776	3,882	19,405	18,847
Repairs and maintenance	5,125	1,196	3,597	854	2,904	13,666	2,733	683	3,416	17,082	18,763
Board expenses	-	-	-	-	-	-	12,387	-	12,387	12,387	14,175
Professional fees	-	-	-	-	-	-	10,151	-	10,151	10,151	33,464
Credit card processing	7,516	367	-	-	550	8,433	-	733	733	9,166	11,301
Awards	8,648	-	-	-	-	8,648	-	-	-	8,648	9,797
Travel and entertainment	2,045	-	-	2,616	1,612	6,273	-	-	-	6,273	9,370
Telephone and communication	-	-	-	598	78	676	5,654	-	5,654	6,330	5,420
Insurance	1,609	-	-	-	-	1,609	4,670	-	4,670	6,279	6,181
Depreciation	1,242	290	869	207	704	3,312	662	166	828	4,140	3,872
Supplies	732	-	-	-	-	732	3,028	-	3,028	3,760	4,045
Auctions	-	-	-	-	-	-	-	3,710	3,710	3,710	4,923
Postage and delivery	609	-	1,471	110	310	1,029	689	246	935	1,964	3,446
Dues and subscriptions	-	-	-	-	-	1,471	-	-	-	1,471	1,197
Staff development	-	18	-	-	-	18	309	-	309	327	3,278
Bank fees	-	-	-	-	-	-	207	-	207	207	1,750
Miscellaneous	-	-	-	-	110	110	57	-	57	167	2,595
Printing and production	-	-	-	-	-	-	-	-	-	-	1,060
Total expenses	\$ 297,575	\$ 58,771	\$ 55,077	\$ 18,212	\$ 63,978	\$ 493,613	\$ 77,014	\$ 19,862	\$ 96,876	\$ 590,489	\$ 639,633

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

Association of Partners for Public Lands, Inc.  
STATEMENT OF CASH FLOWS  
Year Ended September 30, 2009

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (953)	\$ (9,638)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,140	3,872
Realized/unrealized loss on investments	6,638	22,845
(Increase) decrease in operating assets:		
Accounts receivable	(15,142)	7,075
Prepaid expenses	7,416	(8,701)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	5,418	(964)
Deferred revenue	(4,103)	44,922
	<u>3,414</u>	<u>59,411</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(2,749)	(6,477)
Purchases of investments (includes income reinvested)	(5,449)	(7,664)
	<u>(8,198)</u>	<u>(14,141)</u>
Net cash used by investing activities		
Net change in cash and cash equivalents	(4,784)	45,270
Cash and cash equivalents at beginning of year	<u>195,131</u>	<u>149,861</u>
Cash and cash equivalents at end of year	<u>\$ 190,347</u>	<u>\$ 195,131</u>

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

Association of Partners for Public Lands, Inc.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2009

Note 1 - Summary of Significant Accounting Policies

Nature and Organization

Association of Partners for Public Lands, Inc. is a non-profit 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 Accounting

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Association of Partners for Public Lands, Inc.  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Cont.)

Property and Equipment

Property and equipment acquisitions in excess of \$500 are capitalized and recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Gifts of long-lived assets such as land, buildings or equipment are recorded at their fair values and reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used.

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 and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Revenue

Deferred revenue consists of convention and trade show registration fees received in advance. These fees will be recognized during the fiscal year ended September 30, 2010.

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 capacity building.

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 as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Association of Partners for Public Lands, Inc.  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
September 30, 2009

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Taxes

The Association is exempt under Section 501(c)(3) of the Internal Revenue Code from paying federal income tax on any income except unrelated business income. No provision has been made for income taxes as the Association has had no unrelated business income. The Association is not a private foundation.

Cash and Cash Equivalents

The Association considers all unrestricted, highly liquid investments with an initial original maturity of three months or less to be cash equivalents.

Recently Issued Accounting Pronouncements

In July 2006, FASB issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). FIN 48 prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken, or expected to be taken, by a filer in the filer's tax return. On December 30, 2008, FASB issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. The FSP defers the effective date of FIN 48 for certain nonpublic enterprises, including nonpublic nonprofit organizations, for fiscal years beginning after December 15, 2008. The Organization presently recognizes income tax positions based on management's estimate of whether it is reasonably possible that a liability has been incurred for unrecognized income tax benefits by applying SFAS No. 5, *Accounting for Contingencies*. The Organization has not yet determined the impact of the adoption of FIN 48 on its financial statements.

Accounts Receivable

All accounts receivable are considered collectible at September 30, 2009 and 2008. Therefore no allowance for doubtful accounts has been established.

Concentration of Cash Balances

At various times during the year, the Association maintained cash-in-the-bank balances in excess of the federally insured limit of \$250,000 at September 30, 2009 and \$100,000 at September 30, 2008. At September 30, 2009 and 2008, the excess balance was approximately \$-0- and \$98,000, respectively.

Association of Partners for Public Lands, Inc.  
 NOTES TO FINANCIAL STATEMENTS (Cont.)  
 September 30, 2009

Note 2 - Investments

Short-term investments consist of investments with maturities over 90 days and under one year. The Association invests in certificates of deposit and mutual funds which are stated at fair market value.

Investments consisted of the following at September 30:

	Market Value	
	2009	2008
Mutual funds	\$ 69,523	\$ 74,655
Certificates of deposit	174,365	170,422
	\$ 243,888	\$ 245,077

Net unrealized loss on investments of \$6,638 and \$22,845 is included in investment income as of September 30, 2009 and 2008, respectively.

Note 3 - Fair Value Measurement

During the year ended September 30, 2009, the Association adopted SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. SFAS No. 157 applies to all assets and liabilities that are being measured and reported on a fair value basis. SFAS No. 157 enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. SFAS No. 157 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- a. Level 1: Quoted market prices in active markets for identical assets or liabilities.
- b. Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- c. Level 3: Unobservable inputs that are not corroborated by market data.

Association of Partners for Public Lands, Inc.  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
September 30, 2009

Note 3 - Fair Value Measurement (Cont.)

In determining the appropriate levels, the Association performs a detailed analysis of the assets and liabilities that are subject to SFAS No. 157. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. For the year ended September 30, 2009, there were no assets or liabilities that would be considered Level 3.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$174,365	\$ -	\$ -	\$174,365
Mututal funds	69,523	-	-	69,523
	\$243,888	\$ -	\$ -	\$243,888

Note 4 - Property and Equipment

At September 30, 2009 and 2008, the carrying values and estimated lives of each class of property and equipment are as follows:

	Estimated Life (in years)	2009	2008
Furniture and equipment	5 - 7	\$ 36,152	\$ 33,404
Less accumulated depreciation		(28,493)	(24,354)
		\$ 7,659	\$ 9,050

Depreciation expense amounted to \$4,140 and \$3,872 for the years ended September 30, 2009 and 2008, respectively.

Association of Partners for Public Lands, Inc.  
 NOTES TO FINANCIAL STATEMENTS (Cont.)  
 September 30, 2009

Note 5 - Compensated Absences

Employees of the Association are entitled to paid vacation depending on the length of service. As of September 30, 2009 and 2008, vacation benefits due to employees were \$16,576 and \$14,068, respectively.

Note 6 - Board Designated Net Assets

The Board has designated funds for the following purposes at September 30:

	2009	2008
Education and Scholarship Fund	\$ 49,198	\$ 55,927

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of September 30:

	2009	2008
Murfin Fund	\$ 18,221	\$ 19,121
Partnership	5,765	5,765
Next Generation Fund	10,462	7,641
	\$ 34,448	\$ 32,527

Note 8 - Lease Commitment

The Association has a non-cancelable three year lease for its headquarters' office space, which terminates on September 30, 2010. Rent expense for the years ended September 30, 2009 and 2008 was \$19,405 and \$18,847, respectively. The future minimum lease payment for the year ended September 30, 2010 is \$19,980.

Association of Partners for Public Lands, Inc.  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
September 30, 2009

Note 9 - 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 years ended September 30, 2009 and 2008 was \$15,127 and \$17,086, respectively.

Note 10 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements through January 22, 2010, the day the financial statements were available to be issued.