

THE PACIFIC FOREST TRUST, INC.
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
December 31, 2005

ASSETS

Current assets:	
Cash and cash equivalents (Note 1)	\$ 393,735
Accounts receivable (Note 1)	21,726
Current portion of grants and contributions receivable (Note 2)	1,119,945
Current portion of notes receivable (Note 3)	109,644
Prepaid expenses	<u>12,715</u>
Total current assets	1,657,765
Investments (Note 4)	4,893,517
Remainder interest in trust property (Note 5)	866,801
Grants and contributions receivable, net of current portion and present value discount (Note 2)	446,654
Notes receivable, net of current portion (Note 3)	341,309
Deposits	32,500
Conservation land (Note 6)	4,165,000
Equipment and improvements, net of accumulated depreciation of \$61,608 (Notes 1 and 7)	<u>30,209</u>
Total assets	<u>\$ 12,433,755</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 59,688
Accrued vacations	39,309
Margin loan (Note 8)	<u>636,616</u>
Total current liabilities	735,613
Note payable (Note 9)	<u>625,000</u>
Total liabilities	<u>1,360,613</u>
Net assets (Note 10):	
Unrestricted	4,020,029
Temporarily restricted	6,010,216
Permanently restricted	<u>1,042,897</u>
Total net assets	<u>11,073,142</u>
Total liabilities and net assets	<u>\$ 12,433,755</u>

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

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STATEMENT OF ACTIVITIES
For the year ended December 31, 2005

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE AND TRANSFERS				
Support:				
Foundation grants	\$ 1,496,524	\$ 1,543,348	\$ -	\$ 3,039,872
Individual contributions	305,816	-	-	305,816
Corporate grants	26,288	-	-	26,288
Contribution of land (Note 6)	85,500	-	-	85,500
In-kind contributions	8,232	-	-	8,232
Remainder interest in trust (Note 5)	-	-	(17,396)	(17,396)
Total support	<u>1,922,360</u>	<u>1,543,348</u>	<u>(17,396)</u>	<u>3,448,312</u>
Revenue:				
Fees for services	202,175	-	-	202,175
Sales and miscellaneous revenue	2,729	-	-	2,729
Investment income (Note 4)	308,450	10,102	-	318,552
Loss on disposal of assets	(2,579)	-	-	(2,579)
Total revenue	<u>510,775</u>	<u>10,102</u>	<u>-</u>	<u>520,877</u>
Net assets released from restriction (Note 11)	<u>262,445</u>	<u>(262,445)</u>	<u>-</u>	<u>-</u>
Total support, revenue and transfers	<u>2,695,580</u>	<u>1,291,005</u>	<u>(17,396)</u>	<u>3,969,189</u>
EXPENSES				
Direct program expenses				
Forest conservation	713,799	-	-	713,799
General program	142,397	-	-	142,397
Incentives	209,137	-	-	209,137
Stewardship forestry	111,090	-	-	111,090
Constituency building	247,397	-	-	247,397
General and administrative	71,825	-	-	71,825
Fundraising	102,733	-	-	102,733
Total expenses	<u>1,598,378</u>	<u>-</u>	<u>-</u>	<u>1,598,378</u>
Change in net assets	1,097,202	1,291,005	(17,396)	2,370,811
Net assets, beginning of year	2,084,354	5,557,684	1,060,293	8,702,331
Net asset transfer (Note 12)	<u>838,473</u>	<u>(838,473)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 4,020,029</u>	<u>\$ 6,010,216</u>	<u>\$ 1,042,897</u>	<u>\$11,073,142</u>

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