

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

STATEMENTS OF FINANCIAL POSITION
December 31, 2006 and 2005

	2006	2005
ASSETS		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 281,330	\$ 393,735
Accounts receivable (Note 1)	46,799	21,726
Current portion of grants and contributions receivable (Note 2)	998,924	1,119,945
Current portion of notes receivable (Note 3)	42,523	109,644
Prepaid expenses	14,373	12,715
Total current assets	<u>1,383,949</u>	<u>1,657,765</u>
Investments (Note 4)	3,748,815	4,893,517
Remainder interest in trust property (Note 5)	844,367	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)	295,514	341,309
Deposits	10,000	32,500
Conservation land (Note 6)	7,550,000	4,165,000
Equipment and improvements, net of accumulated depreciation of \$71,754 in 2006 and \$61,608 in 2005 (Notes 1 and 7)	23,941	30,209
Total assets	<u>\$ 13,856,586</u>	<u>\$ 12,433,755</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,583	\$ 59,688
Accrued vacations	46,858	39,309
Margin loan (Note 8)	473,173	636,616
Total current liabilities	<u>535,614</u>	<u>735,613</u>
Notes payable (Note 9)	<u>2,250,000</u>	<u>625,000</u>
Total liabilities	<u>2,785,614</u>	<u>1,360,613</u>
Net assets (Note 10):		
Unrestricted	6,251,899	4,020,029
Temporarily restricted	3,798,610	6,010,216
Permanently restricted	1,020,463	1,042,897
Total net assets	<u>11,070,972</u>	<u>11,073,142</u>
Total liabilities and net assets	<u>\$ 13,856,586</u>	<u>\$ 12,433,755</u>

THE PACIFIC FOREST TRUST, INC.
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STATEMENTS OF ACTIVITIES
For the year ended December 31, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT, REVENUE AND TRANSFERS				
Support:				
Foundation grants	\$ 7,182,416	\$ 159,549	\$ -	\$ 7,341,965
Individual contributions	276,517	-	-	276,517
Corporate grants	90,765	-	-	90,765
Contribution of land (Note 6)	324,800	-	-	324,800
Remainder interest in trust (Note 5)	-	-	(22,434)	(22,434)
Total support	<u>7,874,498</u>	<u>159,549</u>	<u>(22,434)</u>	<u>8,011,613</u>
Revenue:				
Fees for services	562,029	-	-	562,029
Sales and miscellaneous revenue	22,730	-	-	22,730
Investment income (Note 4)	454,845	9,483	-	464,328
Total revenue	<u>1,039,604</u>	<u>9,483</u>	<u>-</u>	<u>1,049,087</u>
Net assets released from restriction (Note 11)	<u>2,380,638</u>	<u>(2,380,638)</u>	<u>-</u>	<u>-</u>
Total support, revenue and transfers	<u>11,294,740</u>	<u>(2,211,606)</u>	<u>(22,434)</u>	<u>9,060,700</u>
EXPENSES				
Direct program expenses				
Forest conservation	7,834,674	-	-	7,834,674
General program	181,016	-	-	181,016
Incentives	324,998	-	-	324,998
Stewardship forestry	165,115	-	-	165,115
Constituency building	160,074	-	-	160,074
General and administrative	280,140	-	-	280,140
Fundraising	116,853	-	-	116,853
Total expenses	<u>9,062,870</u>	<u>-</u>	<u>-</u>	<u>9,062,870</u>
Change in net assets	2,231,870	(2,211,606)	(22,434)	(2,170)
Net assets, beginning of year	<u>4,020,029</u>	<u>6,010,216</u>	<u>1,042,897</u>	<u>11,073,142</u>
Net assets, end of year	<u>\$ 6,251,899</u>	<u>\$ 3,798,610</u>	<u>\$ 1,020,463</u>	<u>\$11,070,972</u>