

***Heernett Environmental Foundation, Inc.***  
***Compiled Financial Statements***  
***Year Ended December 31, 2010***

**Heernett Environmental Foundation, Inc.**  
**Contents**

	Page
Accountants' Compilation Report	1
Financial Statements	
Statement of Financial Position - Tax Basis	2
Statement of Activities - Tax Basis	3

**Farley & Upham, P.A.**  
**Certified Public Accountants**  
**1415 Panther Lane, Suite 387**  
**Naples, Florida 34109**

**Accountants' Compilation Report**

To the Board of Directors  
Heernett Environmental Foundation, Inc.

We have compiled the accompanying statement of financial position – tax basis of Heernett Environmental Foundation, Inc. (a nonprofit corporation) as of December 31, 2010, and the related statement of activities - tax basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements presented in accordance with the the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Foundation's assets, liabilities, net assets, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Heernett Environmental Foundation, Inc. because one of the principals of our firm is the treasurer of the Foundation and performs duties related to that office.

**Farley & Upham, P.A.**  
**Certified Public Accountants**

June 15, 2010

**Heernett Environmental Foundation, Inc.**  
**Statement of Financial Position - Tax Basis**  
**December 31, 2010**

**Assets**

Cash	\$ 85,020
Investment in stock	140
Land and mineral rights	2,872,019
Property and equipment, at cost, net of accumulated depreciation of \$42,021	47,616
Funds held in trust	<u>5,984</u>
Total assets	<u>\$ 3,010,779</u>

**Liabilities**

Due to credit card	\$ 463
Payroll taxes withheld	669
Deposit	<u>2,000</u>
Total liabilities	<u>3,132</u>

**Net Assets**

Unrestricted	<u>3,007,647</u>
Total net assets	<u>3,007,647</u>
Total liabilities and net assets	<u>\$ 3,010,779</u>

*See accountants' compilation report.*

**Heernett Environmental Foundation, Inc.**  
**Statement of Activities - Tax Basis**  
**Year Ended December 31, 2010**

**Changes in Unrestricted Net Assets**

Revenues, gains and other support

Grants	\$	250	
Contributions		13,834	
Sale of timber, net		83,825	
Interest		412	
Miscellaneous income		<u>5,612</u>	
Total unrestricted revenues, gains and other support			<u>\$ 103,933</u>

Expenses

Program services			
Land and stream conservation		26,721	
Public education		<u>18,956</u>	
Total program services			45,677
Supporting services			
Management and general		<u>38,566</u>	
Total supporting services			<u>38,566</u>
Total expenses			<u>84,243</u>

Increase in unrestricted net assets 19,690

**Changes in Temporarily Restricted Net Assets**

Funds refunded to City of Tenino, WA for land purchase		<u>(5,750)</u>	
Increase in net assets			13,940
Net assets at beginning of year			<u>2,993,707</u>
Net assets at end of year			<u>\$ 3,007,647</u>

*See accountants' compilation report.*