

**ALASKA WILDERNESS LEAGUE**

**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2010 AND 2009**

# ALASKA WILDERNESS LEAGUE

## TABLE OF CONTENTS

	<u>Page No</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4 -5
Statements of Cash Flows	6
Notes to Financial Statements	7-14
<b>SUPPLEMENTAL INFORMATION</b>	
Schedules of Program Expenses	15-16



# RIBIS, JONES & MARESCA, P.A.

Certified Public Accountants

1801 McCormick Drive  
Suite 200  
Largo, Maryland 20774  
(301) 636-6001  
Fax: (301) 636-6006

10500 Little Patuxent Parkway  
Suite 770  
Columbia, Maryland 21044  
(410) 884-0220  
(301) 596-5451  
Fax: (301) 596-5471

## Independent Auditors' Report

The Board of Directors  
Alaska Wilderness League  
Washington, DC

We have audited the accompanying statements of financial position of Alaska Wilderness League, a District of Columbia not-for-profit corporation, as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of the Alaska Wilderness League. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alaska Wilderness League's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Alaska Wilderness League as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of program expenses on pages 15 and 16 are presented for purposes of additional analysis and are not required as part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

*Ribis, Jones and Maresca, P.A.*

May 6, 2011

**ALASKA WILDERNESS LEAGUE  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2010 AND 2009**

	2010	2009
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 648,716	\$ 604,976
Accounts receivable	38,390	-
Contributions receivable	77,775	-
Grants receivable	1,750,000	670,000
Prepaid expenses	63,570	57,559
Total Current Assets	2,578,451	1,332,535
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment	141,647	136,689
Leasehold improvements	115,372	115,372
Software	70,391	70,391
Less: accumulated depreciation and amortization	(214,260)	(165,318)
Property and equipment, net	113,150	157,134
<b>OTHER ASSETS</b>		
Security deposit	27,618	27,323
<b>TOTAL ASSETS</b>	<b>\$ 2,719,219</b>	<b>\$ 1,516,992</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 89,027	\$ 58,934
Pension plan payable	995	4,385
Deferred revenue	4,584	-
Tenant security deposits	7,784	1,872
Total Current Liabilities	102,390	65,191
<b>NET ASSETS</b>		
Unrestricted net assets	866,829	775,551
Temporarily restricted net assets	1,750,000	676,250
Total Net Assets	2,616,829	1,451,801
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,719,219</b>	<b>\$ 1,516,992</b>

See independent auditors' report and accompanying notes to financial statements.

**ALASKA WILDERNESS LEAGUE  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Grants	\$ 1,603,625	\$ 2,293,000	\$ 3,896,625	\$ 1,622,637	\$ 872,750	\$ 2,495,387
Contributions	129,141	-	129,141	34,661	-	34,661
Contributions - donated securities	32,971	-	32,971	20,394	-	20,394
Membership dues and special appeals	715,488	-	715,488	728,738	-	728,738
Special event income	-	295,800	295,800	-	-	-
Less: special event direct expenses	-	(117,101)	(117,101)	-	-	-
Contract income	90,436	-	90,436	-	-	-
Investment income	4,912	-	4,912	6,529	-	6,529
Net appreciation (depreciation) in fair value of investments	313	-	313	(1,054)	-	(1,054)
Rental income	235,720	-	235,720	261,681	-	261,681
Other revenue	4,085	-	4,085	1,374	-	1,374
Net assets released from restrictions	1,397,949	(1,397,949)	-	907,495	(907,495)	-
Total support and revenue	<u>4,214,640</u>	<u>1,073,750</u>	<u>5,288,390</u>	<u>3,582,455</u>	<u>(34,745)</u>	<u>3,547,710</u>
<b>EXPENSES</b>						
Program services	3,292,392	-	3,292,392	2,434,511	-	2,434,511
Supporting services:						
Fundraising and development	484,589	-	484,589	758,834	-	758,834
General and administrative	346,381	-	346,381	310,938	-	310,938
Total supporting services	830,970	-	830,970	1,069,772	-	1,069,772
Total expenses	<u>4,123,362</u>	<u>-</u>	<u>4,123,362</u>	<u>3,504,283</u>	<u>-</u>	<u>3,504,283</u>
<b>CHANGE IN NET ASSETS</b>	91,278	1,073,750	1,165,028	78,172	(34,745)	43,427
<b>NET ASSETS, beginning of year</b>	<u>775,551</u>	<u>676,250</u>	<u>1,451,801</u>	<u>697,379</u>	<u>710,995</u>	<u>1,408,374</u>
<b>NET ASSETS, end of year</b>	<u>\$ 866,829</u>	<u>\$ 1,750,000</u>	<u>\$ 2,616,829</u>	<u>\$ 775,551</u>	<u>\$ 676,250</u>	<u>\$ 1,451,801</u>

See independent auditors' report and accompanying notes to financial statements.

**ALASKA WILDERNESS LEAGUE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

	Program Services	Supporting Services			Total Expenses
		Fundraising and Development	General and Administrative	Total Supporting Services	
Salaries and related	\$ 1,006,271	\$ 157,493	\$ 121,054	\$ 278,547	\$ 1,284,818
Salaries	80,406	12,750	9,701	22,451	102,857
Payroll taxes	18,272	2,866	2,235	5,101	23,373
Pension expense	84,641	13,247	10,155	23,402	108,043
Other employee benefits	1,189,590	186,356	143,145	329,501	1,519,091
Total salaries and related	281	54	19,150	19,204	19,485
Accounting	383,116	-	-	-	383,116
Advertising (advocacy)	5,120	-	9,373	9,373	14,493
Bank fees	100,543	22,398	11,749	34,147	134,690
Computer expenses	-	-	10,364	10,364	10,364
Conferences - board of directors	389,064	28,864	57,520	86,384	475,448
Consultants	38,332	6,405	4,205	10,610	48,942
Depreciation	158,740	104,311	-	104,311	263,051
Direct mail	12,374	452	808	1,260	13,634
Dues and subscriptions	114,768	-	222	222	114,990
Educational expenses	30,773	2,031	2,753	4,784	35,557
Equipment rental and purchases	13,832	2,641	1,785	4,426	18,258
Insurance	45,274	-	2,459	2,459	47,733
Legal fees	29	4,447	1,151	5,598	5,627
Licenses and fees	114,380	9,903	3,889	13,792	128,172
Major events	-	4,444	-	4,444	4,444
Merchandise for resale	1,654	367	2,728	3,095	4,749
Miscellaneous expense	20,009	2,853	1,062	3,915	23,924
Postage	67,039	3,982	1,380	5,362	72,401
Printing and reproduction	439,659	65,041	49,912	114,953	554,612
Rent expense	21,742	2,424	1,736	4,160	25,902
Supplies	34,723	1,520	1,661	3,181	37,904
Telephone	895	20,000	1,605	21,605	22,500
Training and development	110,455	16,096	17,724	33,820	144,275
Travel	3,292,392	484,589	346,381	830,970	4,123,362
Total Expenses	\$ 3,292,392	\$ 484,589	\$ 346,381	\$ 830,970	\$ 4,123,362

See independent auditors' report and accompanying notes to financial statements.

**ALASKA WILDERNESS LEAGUE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2009**

	Program Services	Supporting Services			Total Expenses
		Fundraising and Development	General and Administrative	Total Supporting Services	
Salaries and related	\$ 891,391	\$ 182,460	\$ 142,869	\$ 325,329	\$ 1,216,720
Salaries					
Payroll taxes	69,750	14,435	12,668	27,103	96,853
Pension expense	15,845	3,305	2,363	5,668	21,513
Other employee benefits	77,958	15,732	12,598	28,330	106,288
Total salaries and related	1,054,944	215,932	170,498	386,430	1,441,374
Accounting	15,652	2,762	3,916	6,678	22,330
Advertising (advocacy)	119,174	1,540	766	2,306	121,480
Bank fees	4,086	26,329	811	27,140	31,226
Computer expenses	85,838	44,487	12,051	56,538	142,376
Conferences - board of directors	-	-	5,287	5,287	5,287
Consultants	226,547	143,173	12,619	155,792	382,339
Depreciation	44,666	9,143	7,159	16,302	60,968
Dues and subscriptions	12,137	641	3,446	4,087	16,224
Educational expenses	81,137	-	-	-	81,137
Equipment rental and purchases	13,535	2,706	2,178	4,884	18,419
Field expenses - other	4,796	-	-	-	4,796
Fundraising - direct mail	-	176,641	-	176,641	176,641
Insurance	8,238	1,618	1,156	2,774	11,012
Internship	7,814	-	-	-	7,814
Legal fees	45,914	-	1,833	1,833	47,747
Licenses and fees	-	3,850	506	4,356	4,356
Major events	14,840	7,691	1,832	9,523	24,363
Merchandise for resale	-	955	-	955	955
Miscellaneous expense	100	-	1,165	1,165	1,265
Postage	17,446	8,663	1,619	10,282	27,728
Printing and reproduction	71,769	7,147	1,520	8,667	80,436
Public relations - slide show and film	2,918	-	-	-	2,918
Rent expense	420,790	80,837	64,350	145,187	565,977
Supplies	9,424	1,139	2,007	3,146	12,570
Telephone	29,307	1,540	1,348	2,888	32,195
Training and development	3,736	625	-	625	4,361
Travel	135,291	20,567	14,196	34,763	170,054
Utilities - field offices	4,412	848	675	1,523	5,935
Total Expenses	\$ 2,434,511	\$ 758,834	\$ 310,938	\$ 1,069,772	\$ 3,504,283

See independent auditors' report and accompanying notes to financial statements.

**ALASKA WILDERNESS LEAGUE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,165,028	\$ 43,427
Adjustments to reconcile change in net assets to cash provided by (used for) operating activities:		
Depreciation	48,942	60,968
Donated Stock	(32,971)	(20,394)
Net (appreciation)/depreciation in fair value of investments	(313)	1,054
Decrease (increase) in assets		
Accounts receivable	(38,390)	5,835
Contributions receivable	(77,775)	-
Grants receivable	(1,080,000)	(108,750)
Prepaid expenses	(6,011)	(1,794)
Security deposit	(295)	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	30,093	(81,445)
Pension plan payable	(3,390)	-
Deferred revenue	4,584	(16,670)
Tenant security deposit liability	5,912	-
Net cash provided by (used for) operating activities	<u>15,414</u>	<u>(117,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(4,958)	(7,277)
Proceeds from sales of donated stock	33,284	19,340
Net cash provided by investing activities	<u>28,326</u>	<u>12,063</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	43,740	(105,706)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>604,976</u>	<u>710,682</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 648,716</u>	<u>\$ 604,976</u>

**Supplemental Non-cash Disclosure**

During 2010 and 2009 marketable securities were donated with a fair value of \$32,971 and \$20,394, respectively

See independent auditors' report and accompanying notes to financial statements.

**ALASKA WILDERNESS LEAGUE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS**

The Alaska Wilderness League ("AWL") is a District of Columbia not-for-profit corporation established to develop educational programs and scientific research to promote the lands and waters of Alaska. In addition, AWL supports legislation and administrative initiatives that promote and protect the Alaskan environment. Through public education, AWL strengthens grassroots activism on behalf of Alaska's environment, and provides leadership within the environmental community on issues that concern Alaska.

AWL's mission is to lead the effort to preserve Alaska's wilderness by engaging citizens, sharing resources, collaborating with other organizations, educating the public, and providing a courageous, constant and victorious voice for Alaska in the nation's capital. It is the only organization dedicated solely to the preservation of Alaska's wilderness in the nation's capital.

Currently, AWL is working to protect Alaska's most significant wild land from oil and gas drilling and other industrial threats. AWL allocated their resources among the following programs:

*Arctic:* The Arctic National Wildlife Refuge - In the far northeast corner of Alaska lies one of America's great natural treasures, the 19 million-acre Arctic National Wildlife Refuge. It is considered the crown jewel of America's National Wildlife Refuge System. This truly undisturbed wilderness – a last vestige of the American frontier that helped shape and define our national identity – is today in grave danger of being destroyed by those seeking whatever oil might lie beneath its fragile tundra. AWL is continuing their work to gain permanent protection in Congress for this spectacular area.

*BLM:* Wilderness-Quality Lands Throughout Alaska - The Department of the Interior's Bureau of Land Management (BLM) manages 80 million acres of wilderness-quality lands throughout Alaska. This vast amount of wild land has been divided into five regional planning areas, and the BLM is currently in the process of developing Resource Management Plans for each of these regions. The purpose of the AWL BLM Wildlands Program is to ensure adequate protections of critical areas within the BLM planning areas from mineral development using a two-pronged approach: (1) analyzing and commenting on public policy and (2) generating public awareness and activism through local grassroots organizing, public education, and earned media.

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS – continued**

Program Services - continued

*Forests:* Alaska's Majestic Rainforest – Beautiful, lush and remote, America's rainforest in Alaska scribes a thousand-mile arc along the rocky fjords of the south-central coast and southeast panhandle of Alaska. With its towering cedars, hemlocks and Sitka spruce, the lush forests of coastal Alaska contain 40 percent of the world's remaining temperate rainforest. It is home to the world's healthiest remaining populations of wild salmon, grizzly bears and bald eagles. Almost all of this special land lies within the Tongass and Chugach, our country's two largest National Forests. Unfortunately, more than half of the bigtree, old-growth forest in the Tongass has already been lost as a result of nearly six decades of clear cut logging. AWL is working to ensure that Congress provides permanent protection for the millions of acres of Wilderness-quality lands in the Chugach and Tongass National Forest.

*National Petroleum Reserve-Alaska (Western Arctic)(NPRA)* - AWL is involved in protecting special places in the western Arctic, which provides essential summer habitat for millions of waterfowl and is one of the largest wild areas remaining in the world. The 23.5-million-acre Reserve is the largest single block of public land in the United States. It stretches from the Brooks Range northward to the Beaufort and Chukchi seas of the Arctic Ocean. It is home to a wide diversity of wildlife in a variety of arctic ecosystems and supports the subsistence lifestyle of many Native Alaskans. Though not as well known as the Arctic National Wildlife Refuge in northeast Alaska, the Reserve is the biological backbone of Alaska's western Arctic.

*Oceans* - The Chukchi and Beaufort Seas are pristine wild places and are distinctly different from lower latitude seas in ways that make direct and important contributions to global ocean and climate systems. Wildlife resources of these oceans are central to the sites and culture of indigenous peoples throughout the Arctic. AWL opposes the current leasing and exploration of the Beaufort Sea and Chukchi Sea by the government and is working to prevent the government from future leasing of 33 million acres in the Beaufort Sea and 40 million acres in the Chukchi Sea.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant policies is presented to assist in understanding AWL's financial statements. The financial statements and notes are representative of the AWL's management, who are responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Basis of Accounting

The financial statements of AWL have been prepared on the accrual basis of accounting in accordance with generally accepted accounting policies. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Display of Net Assets by Class

AWL reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Under these provisions, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of AWL are classified as follows:

*Unrestricted net assets* – consists of assets, public supports and program revenues that are available and used for operations and programs. AWL has complete control and discretion over how these funds may be used.

*Temporarily restricted net assets* – includes funds with donor-imposed restrictions, which permit the donee organization to expend the assets as specified and is satisfied by either the passage of time or actions of AWL.

*Permanently restricted net asset* – comprised of net assets subject to permanent donor restrictions that stipulate the assets be maintained permanently, but allows part or all of the income from donated assets to be spent. There were no permanently restricted net assets as of December 31, 2010 or 2009.

Cash and Cash Equivalents

For purposes of the statement of cash flows, AWL considers all highly liquid debt instruments purchased with maturity of three months or less, including money market accounts, to be cash equivalents.

Grants and Pledges

Grants and pledges are considered by management to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary. Grants and pledges receivables are due in less than one year.

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Accounts Receivable

AWL believes all accounts receivable are collectible. Therefore, no allowance for doubtful accounts has been established.

Investments

Investments in marketable securities with readily determined fair market values and all investments in debt securities are reported at their fair value in the statement of financial position. The net appreciation (depreciation) in fair value of investments is reflected in the statement of activities. Interest and dividends are reported when earned

Property and Equipment

Property and equipment are carried at cost. Expenditures that extend the life of an asset are capitalized while repairs and maintenance are expensed. AWL capitalizes property and equipment with a cost of \$250 or greater. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	7 years
Computer equipment	5 years
Computer software	3 years

Contributions and Grants

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

AWL reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services

Volunteers contribute numerous hours supporting and promoting activities that protect the Alaskan environment. The value of these services has not been reflected in these financial statements. Contributed services are recognized as revenue if the services create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided. These services are recorded at fair value of the services provided.

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Functional Allocation of Expenses

Expenses are charged on a direct functional basis among the various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated to the various programs.

The operating expenses of AWL are allocated to the following three categories based on management's estimate of time spent and expenses applicable to each of the functions:

- Program services – costs associated with producing educational materials, providing knowledge and sponsoring research and development related to the protection of the Alaskan environment.
- General and administrative – costs of operating the office and related expenses, including the processing of financial and legal information.
- Fundraising and development – costs associated with the direct solicitation of contributions and expenses for major events to raise funds to promote the mission of AWL, expenses incurred by AWL for implementation of various fundraising programs. These costs include payroll, fringe benefits, and fundraising expenses that also include location rental, food, supplies and travel.

Advertising

AWL expenses all advertising costs related to their purpose in the applicable period in which the event occurs.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. AWL evaluates its estimates on an ongoing basis. Actual results could differ from those estimated amounts.

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 3 – INCOME TAXES**

AWL has been granted tax-exemption on income other than unrelated business income as provided by Section 501(a) of the Internal Revenue Code. AWL has been classified by the Internal Revenue Service as a 501(c)(3) organization and is not a private foundation. However, AWL may be liable for a federal excise tax on excess lobbying expenditures. No excessive lobbying expenses were incurred for the years ended December 31, 2010 and 2009. AWL recognizes the effect of income tax position only if those positions are more likely than not to being sustained. AWL does not believe its financial statement include any uncertain tax positions. No provision for income taxes is reflected in the accompanying financial statements for the years ended December 31, 2010 and 2009.

AWL engages in certain lobbying activities. As a 501(c)(3) organization, AWL may engage in some lobbying activities without risk of losing their tax-exempt status.

**NOTE 4 – CONCENTRATIONS OF CREDIT RISK**

AWL maintains cash in several accounts. Each account is insured by the Federal Deposit Insurance Corporation (FDIC). The accounts maintained by AWL may, at times, exceed federally insured limits. AWL seeks to maximize its investment income while limiting its exposure and reducing amounts in excess of the FDIC limit.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

For the fiscal years ended December 31, 2010 and 2009, AWL's temporarily restricted net assets were designated for the following:

	<u>2010</u>	<u>2009</u>
Programs:		
Forests	\$ -	\$ 550,000
Arctic	-	6,250
Time restricted:		
General support	<u>1,750,000</u>	<u>120,000</u>
Total	<u>\$ 1,750,000</u>	<u>\$ 676,250</u>

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 6 – PENSION PLAN**

AWL sponsors a 401(k) plan and contributes 2% of total wages to all eligible employees regardless of employee deferrals. Pension expense totaled \$23,373 and \$21,513 for the years ended December 31, 2010 and 2009, respectively.

**NOTE 7 – GROUP CONCENTRATION - REVENUE**

AWL receives the majority of their funding from not-for-profit organizations, private operating foundations and individuals that are interested in defending and protecting the Arctic National Wildlife Refuge, Alaskan forests and other wilderness quality lands in Alaska.

A major donor who is also a board member of AWL made significant contributions, both individually and through a private foundation to AWL in 2010 and 2009. These financial contributions were approximately 58% and 48% of the revenue and support in 2010 and 2009, respectively.

**NOTE 8 – LEASE COMMITMENTS**

AWL leases office space under an amended lease agreement which expires on January 31, 2018 and has 3% annual increases to the monthly rental payments. In addition, AWL is responsible for their pro rata share of tenant pass-through for real estate taxes and operating costs.

A portion of the office space is subleased to other organizations that have an interest in protecting public lands. No sublease agreements in effect as of December 31, 2010 extend for more than one year from this date. AWL's portion of the rent expense related to this lease agreement, including operating costs, totaled \$531,610 and \$546,737 for the years ended December 31, 2010 and 2009, respectively.

AWL also leases equipment under various leases, the longest of which terminates in 2014.

Minimum future rental payments under the current operating leases are as follows:

<u>December 31,</u>	<u>Amount</u>
2011	\$ 626,987
2012	629,937
2013	640,018
2014	654,838
2015	673,547
Thereafter	<u>1,260,719</u>
Total lease commitments	<u>\$ 4,486,046</u>

**ALASKA WILDERNESS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**  
(continued)

**NOTE 9 – ALLOCATION OF JOINT COSTS**

During the year, AWL sent out direct mail for program outreach purposes. These mailings included a fundraising appeal for donations to support AWL's various program services. The cost of publishing and distributing the mailers totaled \$263,051 of joint costs that are not directly attributed to either the program or fundraising activities. Those joint costs were allocated as follows:

Programs:	
Arctic	\$ 87,148
Oceans	71,592
Fundraising and Development	<u>104,311</u>
Total	<u>\$ 263,051</u>

**NOTE 10 –CONTINGENCIES**

AWL shares certain personnel and office space with Alaska Wilderness Action (AWA), a 501(c)(4) non-profit organization which has an independent Board of Directors. AWA reimbursed AWL for personnel costs and other reimbursable office expenses incurred which totaled \$0 and \$3,348 for the years ended December 31, 2010 and 2009, respectively.

AWL also shares certain personnel and office space with Alaska Wilderness Political Fund (AWPF), a 527 non-profit organization which has an independent Board of Directors. AWPF reimbursed AWL for personnel costs and other reimbursable office expenses incurred which totaled \$0 and \$7,354 for the years ended December 31, 2010 and 2009.

**NOTE 11 – SUBSEQUENT EVENTS**

In preparing these financial statements, AWL has evaluated events and transactions for potential recognition or disclosure through May 6, 2011, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

**SUPPLEMENTAL INFORMATION**

**ALASKA WILDERNESS LEAGUE  
SCHEDULE OF PROGRAM EXPENSES  
YEAR ENDED DECEMBER 31, 2010**

	Arctic	BLM	Forests	NPRA	Oceans	Total Programs
Salaries and related						
Salaries	\$ 337,729	\$ 61,213	\$ 262,103	\$ 120,250	\$ 224,976	\$ 1,006,271
Payroll taxes	27,100	5,001	20,915	9,592	17,798	80,406
Pension expense	6,139	1,101	4,757	2,187	4,088	18,272
Other employee benefits	28,502	5,216	21,785	10,083	19,055	84,641
Total salaries and related	<u>399,470</u>	<u>72,531</u>	<u>309,560</u>	<u>142,112</u>	<u>265,917</u>	<u>1,189,590</u>
Accounting	87	22	76	45	51	281
Advertising (advocacy)	205,249	5,601	15,537	-	156,729	383,116
Bank fees	1,621	289	1,338	612	1,260	5,120
Computer expenses	32,534	6,436	27,006	12,570	21,997	100,543
Consultants	312,466	2,803	16,662	5,842	51,291	389,064
Depreciation	12,865	2,332	9,984	4,581	8,570	38,332
Direct mail	87,148	-	-	-	71,592	158,740
Dues and subscriptions	3,698	18	2,882	2,812	2,964	12,374
Educational expenses	81,682	363	32,723	-	-	114,768
Equipment rental and purchases	20,324	1,052	3,294	1,537	4,566	30,773
Insurance	3,998	650	3,735	1,598	3,851	13,832
Legal fees	-	6,000	-	-	39,274	45,274
Licenses and fees	10	3	7	4	5	29
Major events	49,128	437	4,898	9,952	49,965	114,380
Miscellaneous expense	1,154	-	500	-	-	1,654
Postage	7,355	1,136	5,228	2,503	3,787	20,009
Printing and reproduction	29,497	2,686	23,872	4,370	6,614	67,039
Rent expense	151,322	29,848	113,888	50,317	94,284	439,659
Supplies	13,320	1,480	2,754	1,275	2,913	21,742
Telephone	10,354	1,770	7,958	5,347	9,294	34,723
Training and development	-	-	895	-	-	895
Travel	34,652	10,058	43,493	7,147	15,105	110,455
Total Program Expenses	<u>\$ 1,457,934</u>	<u>\$ 145,515</u>	<u>\$ 626,290</u>	<u>\$ 252,624</u>	<u>\$ 810,029</u>	<u>\$ 3,292,392</u>

See independent auditors' report.

**ALASKA WILDERNESS LEAGUE  
SCHEDULE OF PROGRAM EXPENSES  
YEAR ENDED DECEMBER 31, 2009**

	Arctic	BLM	Forests	NPRA	Oceans	Total Programs
Salaries and related						
Salaries	\$ 181,611	\$ 99,776	\$ 256,806	\$ 142,213	\$ 210,985	\$ 891,391
Payroll taxes	14,325	7,779	19,904	11,169	16,573	69,750
Pension expense	3,283	1,797	4,515	2,456	3,794	15,845
Other employee benefits	15,997	8,713	22,389	12,393	18,466	77,958
Total salaries and related	<u>215,216</u>	<u>118,065</u>	<u>303,614</u>	<u>168,231</u>	<u>249,818</u>	<u>1,054,944</u>
Accounting	3,243	1,775	4,460	2,426	3,748	15,652
Advertising (advocacy)	25,483	-	41,525	22,333	29,833	119,174
Bank fees	847	463	1,164	633	979	4,086
Computer expenses	18,317	10,206	23,755	13,273	20,287	85,838
Consultants	80,460	5,018	54,657	41,932	44,480	226,547
Depreciation	9,100	5,000	12,868	7,126	10,572	44,666
Dues and subscriptions	2,724	1,035	2,991	2,564	2,823	12,137
Educational expenses	17,565	-	33,980	14,808	14,784	81,137
Equipment rental and purchases	2,657	1,704	4,115	1,988	3,071	13,535
Field expenses - other	1,712	-	834	966	1,284	4,796
Insurance	1,948	880	2,211	1,203	1,996	8,238
Internship	1,879	-	2,028	1,879	2,028	7,814
Legal fees	12,624	-	-	-	33,290	45,914
Major events	2,054	136	9,161	1,451	2,038	14,840
Miscellaneous expense	-	-	100	-	-	100
Postage	4,557	900	4,412	3,230	4,347	17,446
Printing and reproduction	20,097	2,623	19,747	15,590	13,712	71,769
Public relations - slide show and film	-	-	2,918	-	-	2,918
Rent expense	86,586	52,546	122,271	64,313	95,074	420,790
Supplies	2,488	1,109	2,166	1,276	2,385	9,424
Telephone	5,963	5,345	8,158	3,932	5,909	29,307
Training and development	3,301	195	38	101	101	3,736
Travel	32,039	10,375	26,635	24,394	41,848	135,291
Utilities - field offices	908	551	1,282	674	997	4,412
Total Program Expenses	<u>\$ 551,768</u>	<u>\$ 217,926</u>	<u>\$ 685,090</u>	<u>\$ 394,323</u>	<u>\$ 585,404</u>	<u>\$ 2,434,511</u>

See independent auditors' report.