

THE YOSEMITE NATURAL HISTORY ASSOCIATION
dba Yosemite Association

Audited Financial Statements

December 31, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Yosemite Natural History Association
dba Yosemite Association


We have audited the statement of financial position of The Yosemite Natural History Association, dba Yosemite Association (a non-profit organization) as of December 31, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Yosemite 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 Yosemite Association's 2007 financial statements, which were audited by other auditors whose report dated March 1, 2008, 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 Yosemite Association as of December 31, 2008, the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (Continued)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Yosemite Association taken as a whole. The 2008 accompanying supplementary financial information and charts on pages 22 through 36 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules and charts has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole. The 2007 and 2006 accompanying supplementary financial information on pages 31 through 33 were subjected to auditing procedures applied in the 2007 and 2006 audit of the basic financial statements by other auditors whose report on such information stated that it was fairly presented in all material respects in relation to the 2007 and 2006 basic financial statements taken as a whole.



E. Samuel Wheeler, CPA
April 22, 2009

THE YOSEMITE NATURAL HISTORY ASSOCIATION
dba Yosemite Association

Financial Statements

THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

ASSETS

	DECEMBER 31,	
	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 591,915	\$ 660,087
Accounts receivable (less allowance for doubtful accounts of \$2,616 and \$6,000, respectively)	23,541	55,163
Accrued revenue	15,838	-
Inventory	579,485	696,605
Prepaid expenses	32,384	40,995
	<u>1,243,163</u>	<u>1,452,850</u>
TOTAL CURRENT ASSETS		
Fixed Assets		
Leasehold improvements	29,254	35,750
Equipment	394,332	351,778
Vehicles	121,961	140,996
	<u>545,547</u>	<u>528,524</u>
Less accumulated depreciation	273,648	227,568
	<u>271,899</u>	<u>300,956</u>
NET FIXED ASSETS		
TOTAL ASSETS	<u>\$ 1,515,062</u>	<u>\$ 1,753,806</u>

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

LIABILITIES AND NET ASSETS

	DECEMBER 31,	
	2008	2007
LIABILITIES		
Current Liabilities		
Trade accounts payable	\$ 6,678	\$ 110,283
Accrued expenses	45,717	70,220
Pension plan payable	18,652	-
Amounts held for other organizations	100,617	76,417
Funds held for NPS	2,260	-
Royalties payable	31,892	31,479
Deferred revenue	3,514	-
Current portion of notes payable	17,780	20,749
TOTAL CURRENT LIABILITIES	227,110	309,148
Long Term Liabilities		
Notes payable - Vehicles	25,226	51,325
TOTAL LONG TERM LIABILITIES	25,226	51,325
TOTAL LIABILITIES	252,336	360,473
NET ASSETS		
Unrestricted (Undesignated)	577,713	820,570
Designated Aid to National Park Service	23,393	17,529
Temporarily restricted	276,620	170,234
Contingency reserve	385,000	385,000
TOTAL NET ASSETS	1,262,726	1,393,333
TOTAL LIABILITIES AND NET ASSETS	\$ 1,515,062	\$ 1,753,806

THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF ACTIVITIES

REVENUES, GAINS AND OTHER SUPPORT

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>YEARS ENDED DECEMBER 31,</u>	
			<u>Totals</u>	<u>Totals</u>
			<u>2008</u>	<u>2007</u>
REVENUES, GAINS AND OTHER SUPPORT				
Program Service Revenue				
Sales and publications (net of cost of goods sold of \$999,458 and \$1,088,014, respectively)	\$ 920,418	\$ -	\$ 920,418	\$ 976,547
Memberships	657,216	-	657,216	635,322
Educational programs	136,126	1,404	137,530	97,447
Wilderness programs	223,674	-	223,674	202,850
Volunteers	20,846	-	20,846	14,382
Support Service Revenue				
Donations - fundraising	183,605	167,675	351,280	296,330
Other Revenue				
Investment income	7,648	-	7,648	19,631
Realized Gain/(Loss) on sale of securities	(615)	-	(615)	-
Other income	5,596	-	5,596	686
Net assets released from restrictions:				
Restrictions satisfied by payments	60,033	(60,033)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>2,214,547</u>	<u>109,046</u>	<u>2,323,593</u>	<u>2,243,195</u>

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF ACTIVITIES (CONTINUED)**

EXPENSES AND NET ASSETS

	Unrestricted	Temporarily Restricted	YEARS ENDED DECEMBER 31,	
			Totals	
			2008	2007
EXPENSES				
Program Services:				
Sales and publications	\$ 1,021,168	\$ -	\$ 1,021,168	\$ 929,562
Membership	411,504	-	411,504	395,639
Educational programs	126,920	-	126,920	121,891
Wilderness operations	132,403	-	132,403	104,159
Volunteers	83,797	-	83,797	87,897
Supporting Services:				
Administration	451,189	-	451,189	404,013
Donations - fundraising	113,714	-	113,714	83,631
Aid to the National Park Service	110,845	-	110,845	256,364
TOTAL EXPENSES	2,451,540	-	2,451,540	2,383,156
INCREASE (DECREASE) IN NET ASSETS	(236,993)	109,046	(127,947)	(139,961)
NET ASSETS AT BEGINNING OF YEAR	1,223,099	170,234	1,393,333	1,533,294
Prior Period Correction	-	(2,660)	(2,660)	-
NET ASSETS AT END OF YEAR	\$ 986,106	\$ 276,620	\$ 1,262,726	\$ 1,393,333

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES**

	2008 Program Services					Program Services Total
	Sales and Publications	Membership	Educational Programs	Wilderness Operations	Volunteers	
Salaries and Related Expenses						
Officers' and directors' salaries	\$ -	\$ 7,388	\$ -	\$ -	\$ -	\$ 7,388
Salaries and wages - staff	550,175	94,566	53,327	82,649	34,016	814,733
Retirement plan	7,293	1,017	1,195	122	519	10,146
Employee benefits - non pension	64,123	14,225	294	110	1,380	80,132
Payroll taxes, etc.	56,262	9,573	4,742	9,956	2,974	83,507
Workers' compensation insurance	25,777	3,496	4,642	9,002	739	43,656
Total Salaries and Related Expenses	703,630	130,265	64,200	101,839	39,628	1,039,562
Other Expenses						
Accounting fees	131	3,188	6	-	-	3,325
Professional fees - other	86,784	28,877	32,497	54	6,780	154,992
Supplies	31,015	13,668	1,620	12,723	5,745	64,771
Telephone and telecommunications	20,237	4,980	1,561	1,436	1,188	29,402
Postage and shipping	17,643	49,660	1,716	8	985	70,012
Mailing services	-	16,044	395	-	-	16,439
Printing and copying	30	84,757	7,589	6,007	2,853	101,236
Books, subscriptions, reference	20	264	-	-	-	284
Rent, parking, other occupancy	1,160	525	695	(220)	(55)	2,105
Utilities	1,348	674	168	168	169	2,527
Personal property taxes	705	352	88	88	88	1,321
Equipment rental, maintenance	6,819	2,914	1,389	648	915	12,685
Depreciation and amortization	40,330	1,133	(232)	-	641	41,872
Travel	5,446	4,178	6,749	30	18,864	35,267
Conventions, meetings, conferences	2,676	24,849	874	1	3,252	31,652
Interest	3,750	-	-	-	-	3,750
Insurance - non-employee related	9,092	4,824	1,206	1,206	1,206	17,534
Membership dues	1,686	843	405	204	229	3,367
Staff development	467	2,325	268	-	-	3,060
Outside computer services	14,011	10,180	1,035	1,121	1,035	27,382
Advertising	4,420	310	308	-	95	5,133
Other expenses	30,208	20,552	100	4	11	50,875
Credit card merchant fees	42,298	6,142	4,283	7,086	168	59,977
Bad debt	(2,738)	-	-	-	-	(2,738)
Taxes	-	-	-	-	-	-
Total Other Expenses	317,538	281,239	62,720	30,564	44,169	736,230
Total Expenses Before Grants and Assistance	1,021,168	411,504	126,920	132,403	83,797	1,775,792
Grants and Assistance						
Grants to the National Park Service	52,825	-	54,410	1,751	314	109,300
Grants to other organizations	461	5	110	-	-	576
Total Grants and Assistance	53,286	5	54,520	1,751	314	109,876
TOTAL EXPENSES	\$ 1,074,454	\$ 411,509	\$ 181,440	\$ 134,154	\$ 84,111	\$ 1,885,668

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**

	2008 Supporting Services			Years Ended December 31,	
	Administration	Donations Fundraising	Supporting Services Total	Totals	
				2008	2007
Salaries and Related Expenses					
Officers' and directors' salaries	\$ 140,368	\$ 13,928	\$ 154,296	\$ 161,684	\$ 152,625
Salaries and wages - staff	87,891	32,815	120,706	935,439	862,684
Retirement plan	6,862	1,644	8,506	18,652	22,021
Employee benefits - non pension	42,105	(94)	42,011	122,143	97,411
Payroll taxes, etc.	16,159	3,657	19,816	103,323	99,374
Workers' compensation insurance	8,401	623	9,024	52,680	35,000
Total Salaries and Related Expenses	301,786	52,573	354,359	1,393,921	1,269,115
Other Expenses					
Accounting fees	37,129	1,094	38,223	41,548	18,574
Professional fees - other	7,979	45	8,024	163,016	117,127
Supplies	13,943	21,912	35,855	100,626	121,379
Telephone and telecommunications	8,064	989	9,053	38,455	44,082
Postage and shipping	2,364	3,164	5,528	75,540	83,117
Mailing services	-	2,197	2,197	18,636	23,932
Printing and copying	619	7,407	8,026	109,262	97,498
Books, subscriptions, reference	195	99	294	578	-
Rent, parking, other occupancy	759	(55)	704	2,809	12,525
Utilities	781	168	949	3,476	7,569
Personal property taxes	352	88	440	1,761	-
Equipment rental, maintenance	5,301	666	5,967	18,652	2,900
Depreciation and amortization	23,237	-	23,237	65,109	55,233
Travel	13,511	976	14,487	49,754	67,497
Conventions, meetings, conferences	14,198	4,248	18,446	50,098	52,457
Interest	1,511	-	1,511	5,261	4,907
Insurance - non-employee related	6,414	1,206	7,620	25,154	21,588
Membership dues	2,783	455	3,238	6,605	8,054
Staff development	639	-	639	3,699	2,121
Outside computer services	6,565	1,035	7,600	34,982	20,036
Advertising	1,340	13,429	14,769	19,902	5,642
Other expenses	1,572	1,433	3,005	53,880	26,388
Credit card merchant fees	83	585	668	60,645	65,051
Bad debt	-	-	-	(2,738)	-
Taxes	64	-	64	64	-
Total Other Expenses	149,403	61,141	210,544	946,774	857,677
Total Expenses Before Grants and Assistance	451,189	113,714	564,903	2,340,695	2,126,792
Grants and Assistance					
Grants to the National Park Service	(676)	-	(676)	108,624	241,898
Grants to other organizations	520	1,125	1,645	2,221	14,466
Total Grants and Assistance	(156)	1,125	969	110,845	256,364
TOTAL EXPENSES	\$ 451,033	\$ 114,839	\$ 565,872	\$ 2,451,540	\$ 2,383,156

THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
STATEMENTS OF CASH FLOWS

	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
Increase/(decrease) in net assets	\$ (127,947)	\$ (139,961)
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	65,109	55,233
Allowance for bad debt	(3,350)	-
(Increase)/decrease in operating assets:		
Accounts receivable	34,973	44,336
Accrued Revenue	(15,838)	
Inventory	117,120	31,073
Prepaid expenses	8,611	(2,918)
Increase/(decrease) in operating liabilities:		
Trade accounts payable	(103,605)	8,730
Other accrued liabilities	(5,850)	6,984
Amounts held for other organizations	30,295	(8,505)
Royalties payable	413	31,479
Deferred revenue	3,514	(6,969)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,445</u>	<u>19,482</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Cash paid for equipment	(42,549)	(111,270)
CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES		
Repayments of loans and leases	<u>(29,068)</u>	<u>(50,195)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,172)	(141,983)
BEGINNING CASH AND CASH EQUIVALENTS	<u>660,087</u>	<u>802,070</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 591,915</u>	<u>\$ 660,087</u>
Non Cash Disclosure:		
Purchases of equipment through direct financing	\$ -	\$ 73,765
Supplemental Disclosure:		
Income Taxes Paid	\$ -	\$ -
Interest Paid	\$ 5,261	\$ 4,907

THE YOSEMITE NATURAL HISTORY ASSOCIATION
dba Yosemite Association

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Activities

The Yosemite Natural History Association, dba the Yosemite Association (“Association”), is a non-profit corporation dedicated to the interpretation of the natural and human story of Yosemite National Park, in cooperation with the National Park Service (“NPS”). The Association was the nation’s first cooperating association authorized by Congress in 1923 to partner with the NPS. The Association was formerly incorporated November 14, 1947. Today, the Association continues to provide these services, as well as both direct and in-kind financial support to the NPS to promote park stewardship and enrich the visitors’ experience. The Association provides opportunities for people to learn about, enjoy, and experience Yosemite National Park (and the Sierra Nevada’s) through visitor centers, publications, outdoor classrooms, membership activities and community programs.

The Program Service Segments Include:

- A. Sales and Publications - This represents the major source of revenue to the Association from sales conducted at thirteen educational bookstores and visitor information centers in and around the park and on the internet. The Association publishes and sells books, maps, DVD's, American handcrafts and other publications to help educate the public and encourages artists to share their passion for the park.
- B. Membership - Yosemite Association invites individuals and organizations to share in support of Yosemite through its membership program. Members pay a membership fee and receive various benefits which include discounts on publications and receipt of the quarterly journal "Yosemite".
- C. Educational Programs - The Association offers experiential educational programs, for a nominal fee, led by park experts and naturalists that include special and unique half-day, full-day, and multi-day seminars, walks, and family programs. This program is designed to enhance the Yosemite experience with over 80 interpretive and educational programs in geology, botany, natural and cultural history, photography, backpacking and the arts. The Association also conducts educational field programs on a custom basis and by contract with travel providers. In addition, the Association operates the Yosemite Art and Education Center offering individuals an opportunity to engage in free hands-on artistic experiences. The Association also helps inspire and train the next generation of stewards through internship, Junior Ranger, and other programs.
- D. Wilderness Operations - Offers opportunities to experience the Yosemite backcountry, including: the Wilderness Safety Program, the Bear Canisters Program implemented to keep bears wild, the issuance of wilderness permits for Yosemite National Park, as well as the provision for winter sports and operation of Ostrander Ski Hut. These opportunities are offered for a nominal fee.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- E.** Volunteers - Through this program the Association provides a volunteer corps which offers assistance to the NPS by offering hands-on support of restoration work on meadows and trails. Volunteers also provide services throughout the park designed to enhance the visitor's experience in the park. Volunteers assist with providing information and visitor orientations for the millions of annual park visitors.

Other Support Service Segments Include:

- F.** Donations (Fundraising) – The Association relies upon donations from the public and fundraising events to supplement their program services. Generous support from the community makes it possible for the Association to provide quality programs.
- G.** Administration – This segment encompasses the generous support from the community, grant income and other income generated in support of the Association as well as the administrative expenses in operating the programs.

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-For-Profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding the financial position and activities according to three classes of net assets: Unrestricted Net Assets, Temporarily Restricted Net Assets, and Permanently Restricted Net Assets. The net assets of the Association are classified and reported as follows:

- a. Unrestricted Net Assets:** Net assets that are not subject to or restricted by donor-imposed stipulations.
- b. Temporarily Restricted Net Assets:** Net assets that are subject to donor-imposed stipulations that will expire by the passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations.
- c. Permanently Restricted Net Assets:** Net assets that are subject to donor-imposed stipulations that must be maintained permanently by the Association. (The Association did not have any permanently restricted assets as of December 31, 2008 and 2007.)

In addition, the Board has designated a portion of unrestricted Net Assets to be retained for specific purposes. (See Note 9)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Basis of Accounting

The financial statements of the Association are prepared on the accrual basis whereby revenues are recorded when earned and expenses are recorded when a liability is incurred.

Contributions

The Association accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Made* (SFAS No. 116). In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted or temporarily restricted net assets, depending on the nature of the donor restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Association had no promises to give either recorded or unrecorded per the financial statements.

Cash and Cash Equivalents

The Association considers the following to be cash equivalents: all monies in banks, any highly liquid investments, as well as short-term investments with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

As of December 31, 2008 all investments are held in money market accounts which are stated at cost. Annual dividend and interest earnings are reflected in the statement of activities. The Association previously held investments in stock that were purchased and donated to the Association in the prior years. In January 2008, these stock investments were liquidated. The realized gain/(loss) on the sale of the stock is reported in the statement of activities. Donated investments are recorded at fair market value at the date of the donation.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Receivables and Allowance for Doubtful Accounts

All receivables are reported at their gross value, net of an allowance for doubtful accounts. The Association established an allowance account based on prior collection history and estimated balance of accounts determined to be uncollectible. For the year ending December 31, 2008, the Allowance for Doubtful Accounts was estimated to be approximately 10% of the outstanding past due receivables, amounting to \$2,616.

Inventories

Inventories are stated at the lower of cost or market value. The cost is determined by the first-in, first-out method. See donated materials, supplies and services.

Property and Equipment (Fixed Assets)

Acquisitions of vehicles and equipment over \$600 are capitalized and stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the account and any gain or loss is included in income. Donated equipment is recorded at fair market value at the date of the donation.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets generally ranging from five to fifteen years.

Restricted and Unrestricted Revenue and Support

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. 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 upon the nature of the restriction. A restriction expires when the stipulated time restriction ends, or the purpose of the restriction has been accomplished. Upon expiration, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Donated Materials, Supplies and Services

The Association received donations from individuals and businesses as raffle prizes for the fundraising and membership events held in the spring and fall of each year. These donated items are recorded as contributions in the accompanying financial statements at their estimated fair market value at the date of the contribution in accordance with SFAS No. 116.

The Association received various donated goods in prior years as well that were retained by the Association for future use. Management has estimated the value to be zero until a benefit has been recognized. Once the items are either distributed or utilized for an event the estimated income and related expense will be recognized.

The Association receives a substantial amount of services donated by individuals who assist with general activities, staffing facilities, restorative work and other services in support of NPS. No amounts have been reflected in the financial statements for those services, for they do not meet the criteria for recognition under SFAS No. 116. For the year ending December 31, 2008, the Association had 200 volunteers who donated approximately 15,269 volunteer hours.

The National Park Service provides the Association, at no cost, office and sales space at various locations. In return, the Association provides the cash aid, volunteer hours, and other beneficial services in support of the NPS mission and projects. The estimated value of these contributions for donated space were not determinable and thus are not recorded per the books as of December 31, 2008 or 2007.

The Association also receives, at no cost, several benefits from the Delaware North Companies (DNC). DNC provides both monetary funding and noncash benefits such as coffee, tea, shower passes, free tours, employee discounts, transportation, mailing lists, free use of facilities, free parking, free use of equipment for events, and lodging discounts. For the items where a fair market value could reasonably be determined, the amount is recorded as a contribution in the statement of activities.

Income Taxes

Yosemite Association is a non-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701(d) and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no income tax liability has been incurred and no provision for income taxes recorded.

Functional Income

Functional income has been allocated between Program Services and Supporting Services based on the activity of the particular function and the donations and grants received by that function. General donations and grants have been allocated to Donations – Fundraising.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Functional Expenses

Functional expenses have been allocated between Program Services and Supporting Services based on an analysis of personnel time and space utilized for the related activities. Expenses are generally charged directly to program, management and general categories based on specific indication, although certain indirect expenses are allocated based on an established percentage. The Association allocates administrative costs at a ratio of 40% to Sales and Publication, 20% to Membership and Administration, and 5% to each of the Education, Wilderness, Donations – Fundraising and Volunteer departments. Depreciation is allocated on the basis of usage of the furniture and equipment.

NOTE 2 - PROPERTY AND EQUIPMENT (FIXED ASSETS)

Equipment, at cost, consists of the following:

	Leasehold Improvements	Equipment	Vehicles	<u>December 31,</u>	
				2008	2007
Administration	\$29,254	\$138,198	\$39,989	\$207,441	\$185,080
Seminar	-	5,682	-	5,682	5,682
Theater	-	608	-	608	608
Sales	-	225,297	81,972	307,269	312,369
Membership	-	17,455	-	17,455	17,455
Volunteer	-	7,092	-	7,092	7,330
	<u>29,254</u>	<u>394,332</u>	<u>121,961</u>	<u>545,547</u>	<u>528,524</u>
Less:					
Accumulated depreciation	<u>3,088</u>	<u>232,667</u>	<u>37,893</u>	<u>273,648</u>	<u>227,568</u>
Total	<u><u>\$26,166</u></u>	<u><u>\$161,665</u></u>	<u><u>\$84,068</u></u>	<u><u>\$271,899</u></u>	<u><u>\$300,956</u></u>

As of the year ending December 31, 2008, the Association paid \$17,550 for web site development. The Association will make the final payment on the development costs in 2009. The expenditure was capitalized, and will begin to be amortized over 3 years pending the final payment in the next fiscal year. The total cost is included under administrative equipment, but the depreciation will be allocated to the various programs in accordance with the ratios detailed in Note 1 - Functional Expenses.

THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 and 2007

NOTE 2 - PROPERTY AND EQUIPMENT (FIXED ASSETS) (CONTINUED)

Depreciation of leasehold improvements, equipment and vehicles is provided principally on the straight-line method of depreciation over the estimated useful lives of the assets, which are generally from five to seven years for equipment and vehicles and fifteen years for leasehold improvements.

Depreciation and amortization expense for the years ended December 31, 2008 and 2007 amounted to \$65,109, and \$55,233, respectively.

NOTE 3 - ACCRUED EXPENSES

Accrued expenses consist of the following:

	December 31,	
	2008	2007
Accrued vacations	\$ 42,997	\$ 37,755
Accrued sales tax	2,460	3,670
Accrued gift certificates	260	-
Unbilled inventory	-	28,795
	<u>\$ 45,717</u>	<u>\$ 70,220</u>

NOTE 4 - CAPITAL LEASES

The Association leased computer equipment valued at \$12,848 under an agreement which provides for title to pass to the Association upon a buyout payment to Dell, Inc. at the expiration of the lease. During the year ended December 31, 2008 the Association paid the remaining balance in full on the lease with total payments of \$8,284, of which \$1,848 represents interest.

NOTE 5 - OPERATING LEASE

The Association rents a Kyocera Copier machine from GE Express Financial Solutions under a 5-year lease agreement, effective September 2007. The monthly payment under this lease is \$428 plus tax. The total rent expense on this piece of equipment for the years ending December 31, 2008 and 2007 was \$5,534 and \$1,459, respectively.

Lease obligations over the next 5 years:

2009	\$ 5,136
2010	5,136
2011	5,136
2012 and thereafter	4,224
	<u>\$ 19,632</u>

NOTE 6 - LOANS PAYABLE

Loans consisted of the following:

	December 31,	
	2008	2007
Vehicle purchase obligation, due in equal monthly installments of \$1,161 through June 19, 2010, including interest at 2.90%	\$ 19,315	\$ 33,577
Vehicle purchase obligation, due in equal monthly installments of \$819 through September 13, 2011, including interest at 7.79%	23,691	31,881
	\$ 43,006	\$ 65,458

Maturities of loans payable are as follows:

2009	\$ 17,780
2010	11,175
2011	14,051
2012 and thereafter	-
	\$ 43,006

NOTE 7 - AMOUNTS HELD FOR OTHER ORGANIZATIONS

These funds represent money held in trust for other organizations. The Association acts as an intermediary in receiving and disbursing the money, but has no control or oversight regarding use of the funds. The Association acts only as an agency for NPS, or other similar organizations, which designate the distribution of the funds. Grantees, donors, and advisors are informed that such grant and donated funds are for charitable purposes and not for personal benefit. The funds owned by these other organizations are maintained and invested in the Association's general checking account, but all transactions affecting these funds are recorded as offsetting assets (cash) and a related liability account with no reporting on the statement of activities.

NOTE 8 – AMOUNT HELD FOR NPS

During 2008, the Association opened a new bank account to assist in allocating money and providing cash support to NPS. Per the request of NPS, the Association transfers money to the account to be utilized by NPS Superintendent's office for public relation and other discretionary expenses. The money available for transfer is determined by the amount budgeted and designated by the Board to be used in support of NPS. Once the transfers are made, the money is considered as belonging to NPS, and not required to be remitted back to the Association at any point. The funds retained in the account are treated as property of NPS, and are thus not included in the cash balance held by the Association. An expense is recorded by the Association for the full amount of transfer. The balance in the bank account is recorded as a prepayment of expenses for NPS and related a liability for the balance held on their behalf.

NOTE 9 - BOARD DESIGNATED NET ASSETS

The balance in this account, Designated Aid to NPS, represents money designated by the Board to provide support for specific NPS projects during the upcoming fiscal year. Although the projects may be performed over successive years, generally the designated amounts are intended to be utilized each year in full. As part of the agreement with NPS, the Association is committed to allocating 10% of all revenue from the sale of bear merchandise and other products to this fund. This amount is allocated and the revenue transferred to this designated fund for future use in support of these and other NPS projects. The amount of sales allocated to aid NPS was \$1,888 and \$5,728 for the years ending December 31, 2008 and 2007, respectively.

The balance in the account "Contingency Reserve" was an amount designated by the Board to be retained to help support the Association in the event of an unforeseen event that results in major operating declines. The balance was determined based on estimated cash demand to meet basic overhead costs of the operations for a few months. This balance is regularly reviewed by the Board to reasonably insure the financial security of the Association.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets consist of funds maintained for various projects that provide assurance and support to the National Park Service. Funding is received from outside sources such as grants, foundations, businesses or individuals in support of specific projects administered by the Association. As funds are received for a restricted purpose (or project), they are recorded as temporarily restricted revenue; as expenditures are made in support of the projects, the funds are released from restriction. These projects do not always have specified completion dates, but are generally completed within three years from inception. All money received in support of these projects is recorded as revenue when received, even if the term of the project is anticipated to extend beyond the current period.

NOTE 11 - PENSION PLAN

For the year ended December 31, 2008, the Association elected to establish and sponsor a Safe Harbor Profit Sharing Plan (401k). The plan covers regular, full-time employees of the Association who become eligible when they have completed one year of service and attained age 21. Eligible employees have the option to make elective contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The plan provides for a 3% (of total wages) as a Safe Harbor contribution and the potential for discretionary non-elective contributions as determined by the Association. It is the Association's policy to expense contributions and any administrative costs each year and to fund such costs, if any. Contributions made by the Association on the employees' behalf were \$15,048 for the 3% Safe Harbor, no additional discretionary contributions were approved by Association for 2008.

NOTE 11 - PENSION PLAN (CONTINUED)

During the year ended December 31, 2007, the Association participated in a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covered regular, full-time employees of the Association after their second year of service. The Board approved annual level of contribution made by the Association for qualified employees during 2007 was 6% of gross salaries. All employees, regardless of length of service, have the option to make voluntary contributions to the plan, up to the maximum amount allowed by the Internal Revenue Code. Contributions made by the Association on the employees' behalf were \$3,604 and \$22,021 for the years ended December 31, 2008 and 2007, respectively. The contribution made in 2008 was to correct a deficiency for the 6% 403(b) employer contribution inadvertently omitted for two employees who reached eligibility in 2007. This plan was discontinued effective January 1, 2008.

NOTE 12 - COMPENSATED ABSENCES

The Association allows qualifying employees who have completed their 90 day introductory period of continuous service to earn vacation time as follows:

Full-Time Employees with one to three years of service are entitled to earn four (4) hours of vacation time for each 80 hours of straight time worked (prorated based on actual hours worked per pay period).

Full-Time Employees with over three years of service but less than fifteen years of service are entitled to earn six (6) hours of vacation time for each 80 hours of straight time worked (prorated based on actual hours worked per pay period).

Full-Time Employees with over fifteen years of service are entitled to earn eight (8) hours of vacation time for each 80 hours of straight time worked (prorated based on actual hours worked per pay period).

Part-Time and Split-Time Employees are entitled to earn vacation time based on hours-worked, prorated basis according to length of service using the formula applied for full-time employees.

Employees may accrue up to 240 hours of vacation times (pay); accruals will be discontinued until the accrual is reduced below this maximum.

Eligible employees are also entitled to earn paid sick leave at a rate of 4 hours per 80 hours worked (again prorated based on actual number of hours worked). The Association does not pay employees in lieu of unused sick leave and employees are not entitled to receive payment for unused sick leave upon termination. Therefore, no accrual for this benefit is reflected in financial statements.

The amount of accrued compensated absences (vacation time) reported per these financial statements as part of the accrued expenses (see Note 3) as of December 31, 2008 and 2007 was \$42,997 and \$37,755, respectively.

NOTE 13 – UNCERTAINTIES, CONTINGENCIES, AND RISKS

Concentrations of Cash on Deposit and Uninsured Cash Balances

The Association maintains its cash balance in various financial institutions in California. The balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. As of December 31, 2008, the Association's uninsured cash balances were \$123,568. The Association placed its cash with a credit worthy institution and has not experienced any losses on such accounts.

Specific Contingencies

Effective in 2008, the Association entered into an agreement with Heyday Books, a wholly owned project of Heyday Institute (hereafter "Publisher") to acquire, produce (publish), promote and distribute books and similar products such as maps, brochures, and posters about Yosemite and the Sierra Nevada's.

Under this agreement, the Publisher will assume responsibility for the production of books as presented in an annual work plan and budget. The Association will be charged a fee for the components of this service as follows:

Acquisition and General Publishing: This is based on a percentage of individual salaries for the Publisher's personnel working on the products at 15% or 20% depending on various conditions as described in the contract.

Publishing Management: This is based on a percentage of individual salaries for the Publisher's personnel working on the products at 7.5% or 25% depending on various conditions as described in the contract.

Book Production and Printing: The Association will pay all labor (i.e. editing, design and production) at \$95 per hour and printing at cost plus 10%. Costs for additional expense items such as permission fees and acquisition of graphics from a third party; special marketing expenses are to be passed through and assumed by the Association.

Fulfillment: The Association will pay \$1.75 per unit for warehousing, shipping, packing, invoicing, collecting, paying sales rep commissions, accounting.

Royalties: Under the agreement, the Publisher was to be responsible for providing royalty statements and paying royalties to the authors. The Association will provide sales reports for the purpose of calculating the total royalties due and will reimburse the Publisher for costs of royalties paid. This process has been modified and sales reports are being provided by the Publisher and the Association has assumed responsibility for payment of the royalty expenses directly to the authors.

NOTE 13 – UNCERTAINTIES, CONTINGENCIES, AND RISKS (CONTINUED)

Specific Contingencies (Continued)

Although the Association and Publisher will be designated as co-publishers for the projects entered into under this agreement, the Association will retain all the legal rights and privileges of sole publisher (unless otherwise designated in accordance with the agreement). The books shall be copyrighted in the name of the Association (unless the rights have been assigned to the author or other party). The publisher shall be legally viewed as a contractor of services rather than a co-owner of the rights or property (unless otherwise agreed upon and stated in writing with mutual consent of both parties). The Publisher has been granted the authority to enter into agreements with authors to develop projects for books based on a template of an agreement that was preapproved by the Association Chief Executive Office and Publisher. The Association will continue to have exclusive rights to sell, market and otherwise distribute books under the agreement to its own members and audiences (including the website and concession locations within the Park and other venues.) Whereas, the Publisher has the exclusive right to sell, market and otherwise distribute the books and products provided for under this agreement throughout the world to other venues and sources.

All revenue from the sales of books under this agreement will inure to the Association, except that the Publisher will receive a 10% royalty payment for an annual increase in sales over that that the Association realized in 2007 from its own efforts. The revenue earned from the sale of books marketed and distributed by the Publisher will also inure to the Association and remitted by the Publisher.

During 2008, the total revenue earned by the Association under this agreement totaled \$109,597. The total expenses incurred under the agreement were \$106,762, resulting in a net profit to the Association of \$2,835.

NOTE 14 - PRIOR PERIOD CORRECTION

This balance represents a correction required to remove a prior year's balance for a temporarily restricted project. These expenses were reported as a decrease in unrestricted assets, when they should have been recorded as assets released from restriction.

NOTE 15 - FINANCIAL STATEMENT PREPARATION

Certain amounts in the 2007 financial statements have been reclassified to conform to the 2008 presentation.

THE YOSEMITE NATURAL HISTORY ASSOCIATION
dba Yosemite Association

Supplementary Financial Information and Charts

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUE - BY SEGMENT**

	Program Services					Supporting Services			Totals 2008	
	Sales and Publications	Membership	Educational Programs	Wilderness Operations	Volunteers	Program Services Total	Administration	Donations Fundraising		Supporting Services Total
Unrestricted Revenue										
Donations Fundraising	\$ 28,798	\$ 855	\$ 22,864	\$ -	\$ 9,000	\$ 61,517	\$ -	\$ 149,453	\$ 149,453	\$ 210,970
Noncash donations	-	9,300	1,427	-	196	10,923	-	33,672	33,672	44,595
Grants	-	2,500	-	-	-	2,500	-	480	480	2,980
Program service fees	-	27,333	111,835	223,674	11,650	374,492	-	-	-	374,492
Membership dues	-	597,611	-	-	-	597,611	-	-	-	597,611
Inventory sales (net)	891,620	-	-	-	-	891,620	-	-	-	891,620
Special events	-	19,617	-	-	-	19,617	-	-	-	19,617
Other income	-	-	-	-	-	-	5,596	-	5,596	5,596
Investment income	-	-	-	-	-	-	7,648	-	7,648	7,648
Realized Gain/(Loss) on sale of securities	-	-	-	-	-	-	(615)	-	(615)	(615)
Add: Net assets released from restriction	-	-	-	-	-	-	-	-	-	60,033
Total Unrestricted Revenue	920,418	657,216	136,126	223,674	20,846	1,958,280	12,629	183,605	196,234	2,214,547
Restricted Revenue										
General										
Donations/Fundraising	-	-	-	-	-	-	-	15,950	15,950	15,950
Grants	-	-	-	-	-	-	-	151,725	151,725	151,725
Rental income	-	-	1,404	-	-	1,404	-	-	-	1,404
Less: Net assets released from restriction	-	-	-	-	-	-	-	-	-	(60,033)
Total Restricted Revenue	-	-	1,404	-	-	1,404	-	167,675	167,675	109,046
TOTAL REVENUE	\$ 920,418	\$ 657,216	\$ 137,530	\$ 223,674	\$ 20,846	\$ 1,959,684	\$ 12,629	\$ 351,280	\$ 363,909	\$ 2,323,593

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF SUPPORT, REVENUE AND EXPENSES - BY SEGMENT (CONSOLIDATED)**

	Program Services					Supporting Services			Totals 2008	
	Sales and Publications	Membership	Educational Programs	Wilderness Operations	Volunteers	Program Services Total	Administration	Donations Fundraising		Supporting Services Total
Revenue										
Unrestricted Revenue	\$ 920,418	\$ 657,216	\$ 136,126	\$ 223,674	\$ 20,846	\$ 1,958,280	\$ 12,629	\$ 183,605	\$ 196,234	\$ 2,154,514
Restricted Revenue	-	-	1,404	-	-	1,404	-	167,675	167,675	169,079
TOTAL REVENUE	920,418	657,216	137,530	223,674	20,846	1,959,684	12,629	351,280	363,909	2,323,593
Expenses										
Salaries and Related Expenses	703,630	130,265	64,200	101,839	39,628	1,039,562	301,786	52,573	354,359	1,393,921
Other Expenses	317,538	281,239	62,720	30,564	44,169	736,230	149,403	61,141	210,544	946,774
TOTAL EXPENSES BEFORE GRANTS AND ASSISTANCE	1,021,168	411,504	126,920	132,403	83,797	1,775,792	451,189	113,714	564,903	2,340,695
Grants and Assistance	53,286	5	54,520	1,751	314	109,876	(156)	1,125	969	110,845
Segment Increase (Decrease) in Net Assets	\$ (154,036)	\$ 245,707	\$ (43,910)	\$ 89,520	\$ (63,265)	\$ 74,016	\$ (438,404)	\$ 236,441	\$ (201,963)	\$ (127,947)

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL**

	<i>Sales and Publications</i>			<i>Program Services</i>			<i>Educational Programs</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>	<i>Membership</i>			<i>Actual</i>	<i>Budget</i>	<i>Difference</i>
				<i>Actual</i>	<i>Budget</i>	<i>Difference</i>			
<i>Revenue (Unrestricted and Restricted)</i>									
Program service fees (including sales)	\$ 891,620	\$1,021,710	\$ 130,090	\$ 27,333	\$ 24,375	\$ 2,958	\$111,835	\$110,500	\$ 1,335
Membership dues	-	-	-	597,611	687,408	(89,797)	-	-	-
Donations (cash/non cash)	28,798	50,000	(21,202)	10,155	998	9,157	24,291	20,000	4,291
Grants	-	-	-	2,500	-	2,500	-	-	-
Interest/investment income	-	-	-	-	-	-	-	-	-
Other income (rental, special event, and misc.)	-	-	-	19,617	22,000	(2,383)	1,404	-	1,404
	<u>920,418</u>	<u>1,071,710</u>	<u>108,888</u>	<u>657,216</u>	<u>734,781</u>	<u>(77,565)</u>	<u>137,530</u>	<u>130,500</u>	<u>7,030</u>
<i>Salaries and Related Expenses</i>									
Officers' and directors' salaries	-	-	-	7,388	-	7,388	-	-	-
Salaries and wages - other	550,175	531,770	18,405	94,566	109,010	(14,444)	53,327	55,377	(2,050)
Retirement plan contributions	7,293	14,530	(7,237)	1,017	4,605	(3,588)	1,195	2,355	(1,160)
Employee benefits - not pension	64,123	66,231	(2,108)	14,225	9,721	4,504	294	2,040	(1,746)
Payroll taxes, etc.	56,262	59,068	(2,806)	9,573	11,381	(1,808)	4,742	5,684	(942)
Workers' compensation insurance	25,777	19,569	6,208	3,496	3,830	(334)	4,642	3,789	853
Total Salaries and Related Expenses	<u>703,630</u>	<u>691,168</u>	<u>12,462</u>	<u>130,265</u>	<u>138,547</u>	<u>(8,282)</u>	<u>64,200</u>	<u>69,245</u>	<u>(5,045)</u>
<i>Expenses</i>									
Accounting fees	131	-	131	3,188	-	3,188	6	-	6
Professional fees - other	86,784	8,000	78,784	28,877	34,600	(5,723)	32,497	31,014	1,483
Supplies	31,015	25,200	5,815	13,668	10,100	3,568	1,620	4,025	(2,405)
Telephone and telecommunications	20,237	14,631	5,606	4,980	8,216	(3,236)	1,561	2,249	(688)
Postage and shipping	17,643	21,300	(3,657)	49,660	41,696	7,964	1,716	2,000	(284)
Mailing services	-	-	-	16,044	21,800	(5,756)	395	500	(105)
Printing and copying	30	4,500	(4,470)	84,757	88,190	(3,433)	7,589	5,000	2,589
Books, subscriptions, reference	20	-	20	264	500	(236)	-	-	-
Rent, parking, other occupancy	1,160	1,860	(700)	525	-	525	695	-	695
Utilities	1,348	3,648	(2,300)	674	1,824	(1,150)	168	456	(288)
Personal property taxes	705	-	705	352	-	352	88	-	88
Equipment rental, maintenance	6,819	7,502	(683)	2,914	3,756	(842)	1,389	938	451
Depreciation and amortization	40,330	20,000	20,330	1,133	9,996	(8,863)	(232)	2,500	(2,732)
Travel	5,446	11,000	(5,554)	4,178	9,750	(5,572)	6,749	3,000	3,749
Conventions, meetings, conferences	2,676	5,000	(2,324)	24,849	14,500	10,349	874	3,500	(2,626)
Interest - general	3,750	960	2,790	-	-	-	-	-	-
Insurance - non-employee related	9,092	13,200	(4,108)	4,824	6,600	(1,776)	1,206	1,650	(444)

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)**

	Program Services								
	Sales and Publications			Membership			Educational Programs		
	Actual	Budget	Difference	Actual	Budget	Difference	Actual	Budget	Difference
Expenses (Continued)									
Membership dues - organization	\$ 1,686	\$ 2,050	\$ (364)	\$ 843	\$ 850	\$ (7)	\$ 405	\$ -	\$ 405
Staff development	467	5,400	(4,933)	2,325	2,700	(375)	268	675	(407)
Outside computer services	14,011	28,560	(14,549)	10,180	14,280	(4,100)	1,035	3,570	(2,535)
Advertising	4,420	3,000	1,420	310	-	310	308	1,000	(692)
Other expenses	30,208	500	29,708	20,552	19,922	630	100	600	(500)
Credit card merchant fees	42,298	42,886	(588)	6,142	5,878	264	4,283	783	3,500
Bad debt	(2,738)	-	(2,738)	-	-	-	-	1	(1)
Taxes	-	-	-	-	-	-	-	-	-
Total Other Expenses	<u>317,538</u>	<u>219,197</u>	<u>98,341</u>	<u>281,239</u>	<u>295,158</u>	<u>(13,919)</u>	<u>62,720</u>	<u>63,461</u>	<u>(741)</u>
Total Operating Expenses	<u>1,021,168</u>	<u>910,365</u>	<u>110,803</u>	<u>411,504</u>	<u>433,705</u>	<u>(22,201)</u>	<u>126,920</u>	<u>132,706</u>	<u>(5,786)</u>
Net Income(Loss) before Grants and Assistance	<u>(100,750)</u>	<u>161,345</u>	<u>(1,915)</u>	<u>245,712</u>	<u>301,076</u>	<u>(55,364)</u>	<u>10,610</u>	<u>(2,206)</u>	<u>12,816</u>
Grants and Assistance									
Grants to the National Park Service	52,825	29,000	23,825	-	-	-	54,410	18,500	35,910
Grants to other organizations	461	-	461	5	-	5	110	-	110
Total Grants and Assistance	<u>53,286</u>	<u>29,000</u>	<u>24,286</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>54,520</u>	<u>18,500</u>	<u>36,020</u>
Total Expenses	<u>1,074,454</u>	<u>939,365</u>	<u>135,089</u>	<u>411,509</u>	<u>433,705</u>	<u>(22,196)</u>	<u>181,440</u>	<u>151,206</u>	<u>30,234</u>
Segment Increase (Decrease) in Net Assets	<u>\$ (154,036)</u>	<u>\$ 132,345</u>	<u>\$ (26,201)</u>	<u>\$ 245,707</u>	<u>\$ 301,076</u>	<u>\$ (55,369)</u>	<u>\$ (43,910)</u>	<u>\$ (20,706)</u>	<u>\$ (23,204)</u>

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)**

	Program Services (Continued)								
	Wilderness Programs			Volunteer Programs			Program Service Totals		
	Actual	Budget	Difference	Actual	Budget	Difference	Actual	Budget	Difference
Revenue									
Program service fees	\$223,674	\$206,322	\$ 17,352	\$ 11,650	\$ 5,000	\$ 6,650	\$ 1,266,112	\$ 1,367,907	\$ (101,795)
Membership Dues	-	-	-	-	-	-	597,611	687,408	(89,797)
Donations	-	-	-	9,196	7,500	1,696	72,440	78,498	(6,058)
Grants	-	-	-	-	-	-	2,500	-	2,500
Interest/Investment income	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	21,021	22,000	(979)
Total Revenue	223,674	206,322	17,352	20,846	12,500	8,346	1,959,684	2,155,813	(196,129)
Salaries and Related Expenses									
Officers' and directors' salaries	-	-	-	-	-	-	7,388	-	7,388
Salaries and wages - other	82,649	89,030	(6,381)	34,016	34,966	(950)	814,733	820,153	(5,420)
Retirement plan contributions	122	435	(313)	519	2,057	(1,538)	10,146	23,982	(13,836)
Employee benefits - not pension	110	284	(174)	1,380	3,592	(2,212)	80,132	81,868	(1,736)
Payroll taxes, etc.	9,956	10,177	(221)	2,974	3,827	(853)	83,507	90,137	(6,630)
Workers' compensation insurance	9,002	6,738	2,264	739	1,251	(512)	43,656	35,177	8,479
Total Salaries and Related Expenses	101,839	106,664	(4,825)	39,628	45,693	(6,065)	1,039,562	1,051,317	(11,755)
Other Expenses									
Accounting fees	-	-	-	-	-	-	3,325	-	3,325
Professional fees - other	54	-	54	6,780	19,200	(12,420)	154,992	92,814	62,178
Supplies	12,723	11,825	898	5,745	7,705	(1,960)	64,771	58,855	5,916
Telephone and telecommunications	1,436	1,769	(333)	1,188	1,769	(581)	29,402	28,634	768
Postage and shipping	8	2,000	(1,992)	985	2,000	(1,015)	70,012	68,996	1,016
Mailing services	-	-	-	-	-	-	16,439	22,300	(5,861)
Printing and copying	6,007	-	6,007	2,853	3,000	(147)	101,236	100,690	546
Books, subscriptions, reference	-	-	-	-	500	(500)	284	1,000	(716)
Rent, parking, other occupancy	(220)	-	(220)	(55)	-	(55)	2,105	1,860	245
Utilities	168	456	(288)	169	456	(287)	2,527	6,840	(4,313)
Personal property taxes	88	-	88	88	-	88	1,321	-	1,321
Equipment rental, maintenance	648	938	(290)	915	938	(23)	12,685	14,072	(1,387)
Depreciation and amortization	-	2,500	(2,500)	641	2,500	(1,859)	41,872	37,496	4,376
Travel	30	-	30	18,864	18,145	719	35,267	41,895	(6,628)
Conventions, meetings, conferences	1	500	(499)	3,252	8,500	(5,248)	31,652	32,000	(348)

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)**

	Program Services (Continued)								
	Wilderness Programs			Volunteer Programs			Program Service Totals		
	Actual	Budget	Difference	Actual	Budget	Difference	Actual	Budget	Difference
Other Expenses (Continued)									
Interest - general	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,750	\$ 960	\$ 2,790
Insurance - non-employee related	1,206	1,650	(444)	1,206	1,650	(444)	17,534	24,750	(7,216)
Membership dues - organization	204	-	204	229	-	229	3,367	2,900	467
Staff development	-	675	(675)	-	675	(675)	3,060	10,125	(7,065)
Outside computer services	1,121	3,570	(2,449)	1,035	3,570	(2,535)	27,382	53,550	(26,168)
Advertising	-	-	-	95	-	95	5,133	4,000	1,133
Other expenses	4	-	4	11	-	11	50,875	21,022	29,853
Credit card merchant fees	7,086	1,238	5,848	168	100	68	59,977	50,885	9,092
Bad debt	-	-	-	-	-	-	(2,738)	1	(2,739)
Taxes	-	-	-	-	-	-	-	-	-
Total Other Expenses	30,564	27,121	3,443	44,169	70,708	(26,539)	736,230	675,645	60,585
Total Operating Expenses	132,403	133,785	(1,382)	83,797	116,401	(32,604)	1,775,792	1,726,962	48,830
Net Income(Loss) before Grants and Assistance	91,271	72,537	18,734	(62,951)	(103,901)	40,950	183,892	428,851	(244,959)
Grants and Assistance									
Grants to the National Park Service	1,751	36,000	(34,249)	314	-	314	109,300	83,500	25,800
Grants to other organizations	-	-	-	-	-	-	576	-	576
Total Grants and Assistance	1,751	36,000	(34,249)	314	-	314	109,876	83,500	26,376
Total Expenses	134,154	169,785	(35,631)	84,111	116,401	(32,290)	1,885,668	1,810,462	75,206
Segment Increase (Decrease) in Net Assets	\$ 89,520	\$ 36,537	\$ 52,983	\$ (63,265)	\$ (103,901)	\$40,636	\$ 74,016	\$ 345,351	\$ (271,335)

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)**

	<i>Administration</i>			<i>Support Service Donations Fundraising</i>			<i>Support Service Totals</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>
<i>Revenue</i>									
Program service fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-	-	-	-	-
Donations	-	-	-	199,075	210,000	(10,925)	199,075	210,000	(10,925)
Grants	-	-	-	152,205	-	152,205	152,205	-	152,205
Interest/Investment income	7,033	20,000	(12,967)	-	-	-	7,033	20,000	-
Other Income	5,596	-	5,596	-	500	(500)	5,596	500	5,096
	<u>12,629</u>	<u>20,000</u>	<u>(7,371)</u>	<u>351,280</u>	<u>210,500</u>	<u>140,780</u>	<u>363,909</u>	<u>230,500</u>	<u>146,376</u>
<i>Salaries and Related Expenses</i>									
Officers' and directors' salaries	140,368	151,950	(11,582)	13,928	-	13,928	154,296	151,950	2,346
Salaries and wages - other	87,891	100,586	(12,695)	32,815	52,416	(19,601)	120,706	153,002	(32,296)
Retirement plan contributions	6,862	13,339	(6,477)	1,644	4,605	(2,961)	8,506	17,944	(9,438)
Employee benefits - not pension	42,105	45,485	(3,380)	(94)	6,618	(6,712)	42,011	52,103	(10,092)
Payroll taxes, etc.	16,159	24,815	(8,656)	3,657	5,351	(1,694)	19,816	30,166	(10,350)
Workers' compensation insurance	8,401	5,707	2,694	623	1,303	(680)	9,024	7,010	2,014
Total Salaries and Related Expenses	<u>301,786</u>	<u>341,882</u>	<u>(40,096)</u>	<u>52,573</u>	<u>70,293</u>	<u>(17,720)</u>	<u>354,359</u>	<u>412,175</u>	<u>(57,816)</u>
<i>Other Expenses</i>									
Accounting fees	37,129	16,000	21,129	1,094	-	1,094	38,223	16,000	22,223
Professional fees - other	7,979	4,500	3,479	45	11,776	(11,731)	8,024	16,276	(8,252)
Supplies	13,943	15,100	(1,157)	21,912	10,025	11,887	35,855	25,125	10,730
Telephone and telecommunications	8,064	10,976	(2,912)	989	1,769	(780)	9,053	12,745	(3,692)
Postage and shipping	2,364	3,000	(636)	3,164	9,500	(6,336)	5,528	12,500	(6,972)
Mailing services	-	-	-	2,197	3,000	(803)	2,197	3,000	(803)
Printing and copying	619	-	619	7,407	7,000	407	8,026	7,000	1,026
Books, subscriptions, reference	195	1,000	(805)	99	500	(401)	294	1,500	(1,206)
Rent, parking, other occupancy	759	-	759	(55)	-	(55)	704	-	704
Utilities	781	1,824	(1,043)	168	456	(288)	949	2,280	(1,331)
Personal property taxes	352	500	(148)	88	-	88	440	500	(60)
Equipment rental, maintenance	5,301	3,751	1,550	666	938	(272)	5,967	4,689	1,278
Depreciation and amortization	23,237	10,000	13,237	-	2,500	(2,500)	23,237	12,500	10,737
Travel	13,511	14,200	(689)	976	1,550	(574)	14,487	15,750	(1,263)

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)**

	<i>Administration</i>			<i>Support Service Donations Fundraising</i>			<i>Support Service Totals</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>	<i>Actual</i>	<i>Budget</i>	<i>Difference</i>
<i>Other Expenses (Continued)</i>									
Conventions, meetings, conferences	\$ 14,198	\$ 19,160	\$ (4,962)	\$ 4,248	\$ 2,500	\$ 1,748	\$ 18,446	\$ 21,660	\$ (3,214)
Interest - general	1,511	1,860	(349)	-	-	-	1,511	1,860	(349)
Insurance - non-employee related	6,414	6,600	(186)	1,206	1,650	(444)	7,620	8,250	(630)
Membership dues - organization	2,783	4,250	(1,467)	455	500	(45)	3,238	4,750	(1,512)
Staff development	639	2,700	(2,061)	-	675	(675)	639	3,375	(2,736)
Outside computer services	6,565	14,280	(7,715)	1,035	3,570	(2,535)	7,600	17,850	(10,250)
Advertising	1,340	1,000	340	13,429	-	13,429	14,769	1,000	13,769
Other expenses	1,572	-	1,572	1,433	-	1,433	3,005	-	3,005
Credit card merchant fees	83	160	(77)	585	1,684	(1,099)	668	1,844	(1,176)
Bad debt	-	-	-	-	-	-	-	-	-
Taxes	64	-	64	-	-	-	64	-	64
Total Other Expenses	<u>149,403</u>	<u>130,861</u>	<u>18,542</u>	<u>61,141</u>	<u>59,593</u>	<u>1,548</u>	<u>210,544</u>	<u>190,454</u>	<u>20,090</u>
Total Operating Expenses	<u>451,189</u>	<u>472,743</u>	<u>(21,554)</u>	<u>113,714</u>	<u>129,886</u>	<u>(16,172)</u>	<u>564,903</u>	<u>602,629</u>	<u>(37,726)</u>
<i>Net Income(Loss) before Grants and Assistance</i>	<u>(438,560)</u>	<u>(452,743)</u>	<u>14,183</u>	<u>237,566</u>	<u>80,614</u>	<u>156,952</u>	<u>(200,994)</u>	<u>(372,129)</u>	<u>184,102</u>
<i>Grants and Assistance</i>									
Grants to the National Park Service	(676)	-	(676)	-	-	-	(676)	-	(676)
Grants to other organizations	520	-	520	1,125	-	1,125	1,645	-	1,645
Total Grants and Assistance	<u>(156)</u>	<u>-</u>	<u>(156)</u>	<u>1,125</u>	<u>-</u>	<u>1,125</u>	<u>969</u>	<u>-</u>	<u>969</u>
Total Expenses	<u>451,033</u>	<u>472,743</u>	<u>(21,710)</u>	<u>114,839</u>	<u>129,886</u>	<u>(15,047)</u>	<u>565,872</u>	<u>602,629</u>	<u>(36,757)</u>
<i>Segment Increase (Decrease) in Net Assets</i>	<u>\$ (438,404)</u>	<u>\$ (452,743)</u>	<u>\$ 14,339</u>	<u>\$ 236,441</u>	<u>\$ 80,614</u>	<u>\$ 155,827</u>	<u>\$ (201,963)</u>	<u>\$ (372,129)</u>	<u>\$ 183,133</u>

THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL (CONTINUED)

	<i>2008 Totals</i>			
	Actual	Budget	Difference	% Over/(Under) Budget
Revenue				
Program service fees	\$ 1,266,112	\$ 1,367,907	\$ (101,795)	-7.44%
Membership Dues	597,611	687,408	(89,797)	-13.06%
Donations	271,515	288,498	(16,983)	-5.89%
Grants	154,705	-	154,705	100.00%
Interest/Investment income	7,033	20,000	(12,967)	-64.84%
Other Income	26,617	22,500	4,117	18.30%
	<u>2,323,593</u>	<u>2,386,313</u>	<u>(62,720)</u>	<u>-2.63%</u>
Salaries and Related Expenses				
Officers' and directors' salaries	161,684	151,950	9,734	6.41%
Salaries and wages - other	935,439	973,155	(37,716)	-3.88%
Retirement plan contributions	18,652	41,926	(23,274)	-55.51%
Employee benefits - not pension	122,143	133,971	(11,828)	-8.83%
Payroll taxes, etc.	103,323	120,303	(16,980)	-14.11%
Workers' compensation insurance	52,680	42,187	10,493	24.87%
Total Salaries and Related Expenses	<u>1,393,921</u>	<u>1,463,492</u>	<u>(69,571)</u>	<u>-4.75%</u>
Other Expenses				
Accounting fees	41,548	16,000	25,548	159.68%
Professional fees - other	163,016	109,090	53,926	49.43%
Supplies	100,626	83,980	16,646	19.82%
Telephone and telecommunications	38,455	41,379	(2,924)	-7.07%
Postage and shipping	75,540	81,496	(5,956)	-7.31%
Mailing services	18,636	25,300	(6,664)	-26.34%
Printing and copying	109,262	107,690	1,572	1.46%
Books, subscriptions, reference	578	2,500	(1,922)	-76.88%
Rent, parking, other occupancy	2,809	1,860	949	51.02%
Utilities	3,476	9,120	(5,644)	-61.89%
Personal property taxes	1,761	500	1,261	252.20%
Equipment rental, maintenance	18,652	18,761	(109)	-0.58%
Depreciation and amortization	65,109	49,996	15,113	30.23%
Travel	49,754	57,645	(7,891)	-13.69%
Conventions, meetings, conferences	50,098	53,660	(3,562)	-6.64%
Interest - general	5,261	2,820	2,441	86.56%
Insurance - non-employee related	25,154	33,000	(7,846)	-23.78%
Membership dues - organization	6,605	7,650	(1,045)	-13.66%
Staff development	3,699	13,500	(9,801)	-72.60%
Outside computer services	34,982	71,400	(36,418)	-51.01%
Advertising	19,902	5,000	14,902	298.04%
Other expenses	53,880	21,022	32,858	156.30%
Credit card merchant fees	60,645	52,729	7,916	15.01%
Bad debt	(2,738)	1	(2,739)	-100.00%
Taxes	64	-	64	100.00%
Total Other Expenses	<u>946,774</u>	<u>866,099</u>	<u>80,675</u>	<u>9.31%</u>
Total Operating Expenses	<u>2,340,695</u>	<u>2,329,591</u>	<u>11,104</u>	<u>0.48%</u>
Net Income(Loss) before Grants and Assistance	<u>(17,102)</u>	<u>56,722</u>	<u>(73,824)</u>	<u>(0)</u>
Grants and Assistance				
Grants to the National Park Service	108,624	83,500	25,124	30.09%
Grants to other organizations	2,221	-	2,221	100.00%
Total Grants and Assistance	<u>110,845</u>	<u>83,500</u>	<u>27,345</u>	<u>32.75%</u>
Total Expenses	<u>2,451,540</u>	<u>2,413,091</u>	<u>38,449</u>	<u>1.59%</u>
Increase (Decrease) in Net Assets	<u>\$ (127,947)</u>	<u>\$ (26,778)</u>	<u>\$ (101,169)</u>	<u>377.80%</u>

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SCHEDULE OF TEMPORARILY RESTRICTED ACCOUNTS**

	December 31, 2008				
	Beginning Balance	Received	Transferred/ Disbursed	Adjustment	Ending Balance
Bear Awareness Programs	\$ 100	\$ -	\$ -	\$ -	\$ 100
Bechtel Grant - Publication Fund	-	150,000	-	-	150,000
Clyde Warhaftig Trust	17,225	-	6,000	-	11,225
Disabled Person Donation	1,514	-	-	-	1,514
Fricke Family Trust	10,000	-	-	-	10,000
Gene Rose Tioga Book	2,659	-	-	2,659	-
Gleason - Outdoor Adventure	1,325	-	-	-	1,325
Hank Johnston Yosemite Grant Book	10,000	-	10,000	-	-
Heritage Publication Fund	2,500	-	-	-	2,500
"Julia Parker" Book-Nishkian	21,400	-	-	-	21,400
Junior Ranger Program	-	1,725	1,725	-	-
"Keep Bears Wild" Grant	1,000	-	-	-	1,000
Merced Grove Parking Area	950	-	-	-	950
Packard Foundation Grant	43,815	-	6,618	-	37,197
Sierra Bird Book	10,875	-	10,875	-	-
Steve Medley Memorial	21,733	-	3,250	-	18,483
Student Interns	12,085	1,404	5,121	-	8,368
Tim Palmer Book	(11,230)	15,000	3,770	-	-
Volunteer Donation	1,000	-	-	-	1,000
Virginia Ferguson Memorial	1,080	-	-	-	1,080
Wawona Seasonal Ranger	12,360	-	12,360	-	-
YA Special Program Development	1,100	-	-	-	1,100
Work Week Equipment	-	950	314	-	636
Yosemite Theater Development	8,743	-	-	-	8,743
TOTALS	\$ 170,234	\$ 169,079	\$ 60,033	\$ 2,659	\$ 276,621

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
AID TO NATIONAL PARK SERVICE EXPENSES**

	Unrestricted	Temporarily Restricted	December 31,	
			Totals	
			2008	2007
"America's Best Idea" Sales Contribution	\$ -	\$ -	\$ -	\$ 17,455
Bear Awareness Programs	1,750	-	1,750	4,232
Clyde Warhaftig Trust	-	6,000	6,000	22,000
Experience Your Yosemite	15,129	-	15,129	10,621
Grants to Other Organizations/Agencies	2,222	-	2,222	15,402
Hank Johnston Yosemite Grant Book	-	10,000	10,000	-
HP Yosemite Falls Media Project	-	-	-	9,936
Junior Ranger Program	321	1,725	2,046	4,771
Miscellaneous Donations	602	-	602	308
NPS APPL Conference	-	-	-	2,518
NPS Seasonal Staffing for Visitor Center	-	-	-	26,540
Packard Foundation Grant	-	6,618	6,618	13,235
Park Partner Project	817	-	817	286
Parson's Lodge	304	-	304	305
Product Donations	2,623	-	2,623	3,933
Public Relations Fund	13,844	-	13,844	12,578
Seminar Instruction	-	-	-	740
Sierra Bird Book	-	10,875	10,875	-
Steve Medley Memorial	-	3,250	3,250	25,000
Student Interns	78	5,121	5,199	36,611
Supplies for Interpretation and Resource Management	8,122	-	8,122	2,600
Tim Palmer Book	-	3,770	3,770	26,480
Visitor Center Remodel	-	-	-	1,635
Wawona Seasonal Ranger	-	12,360	12,360	-
Wilderness Center Staffing	-	-	-	17,321
Work Week Equipment	-	314	314	-
Yosemite Guide	5,000	-	5,000	-
Yosemite Theater Development	-	-	-	1,857
TOTALS	\$ 50,812	\$ 60,033	\$ 110,845	\$ 256,364

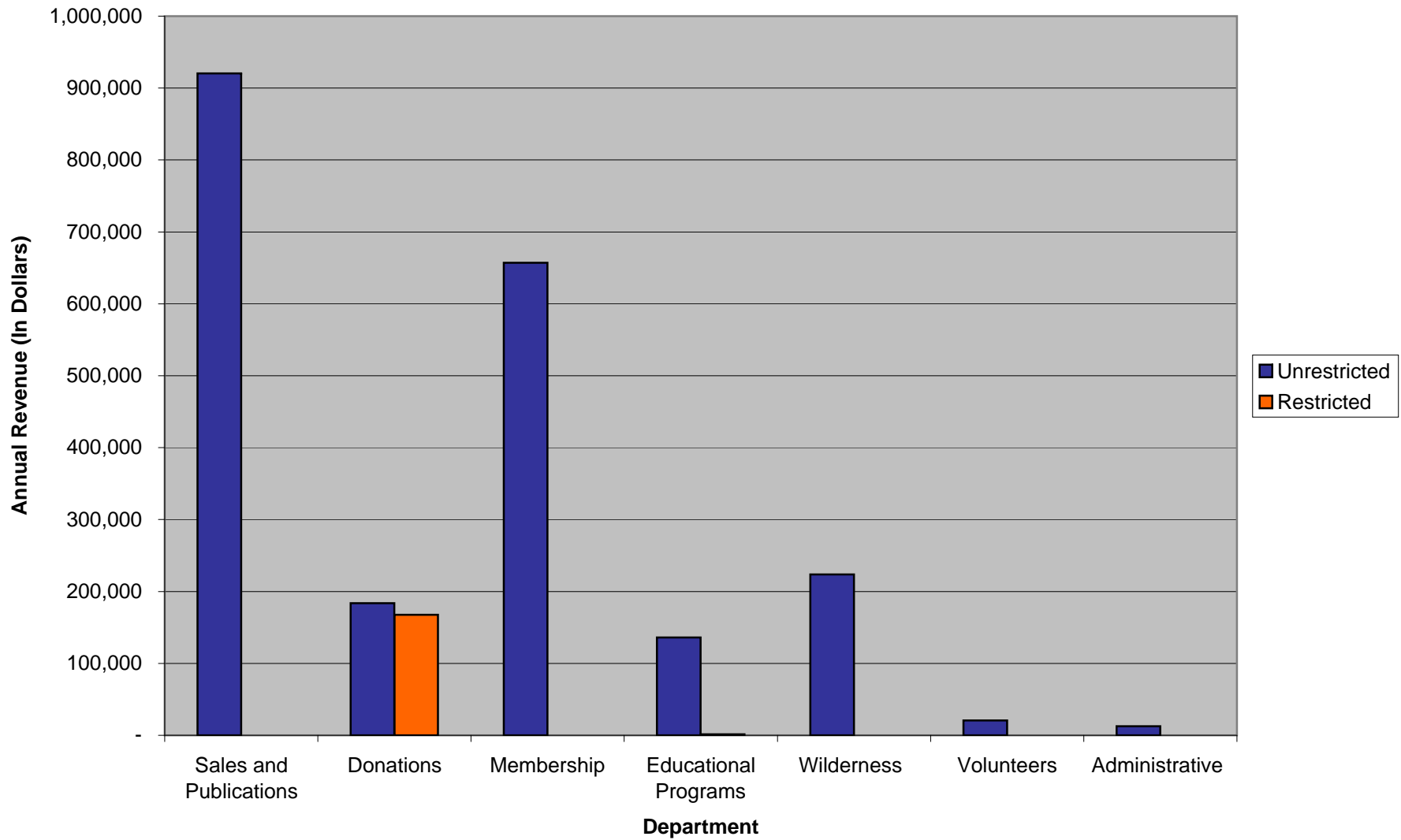
**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
SALES AND PUBLICATION INCOME - COMPARISONS**

	December 31,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Sales and Publication Revenues	\$ 1,919,876	\$ 2,064,561	\$ 1,862,820
Cost of Goods Sold	<u>999,458</u>	<u>1,088,014</u>	<u>943,150</u>
Gross Margin on Sales	<u>920,418</u>	<u>976,547</u>	<u>919,670</u>
Gross Margin Percentage	48%	47%	49%
Sales and Publication Expenses:			
Total program services expenses from Statements of Activities	* <u>1,021,168</u>	* <u>929,562</u>	* <u>828,886</u>
Gross Profit (Loss) on Sales	<u>\$ (100,750)</u>	<u>\$ 46,985</u>	<u>\$ 90,784</u>
Gross Profit (Loss) Percentage	-5%	2%	5%

* Aid to NPS expenditures were excluded from current and prior year amounts to properly report publication expenses.

**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
 REVENUE BY SEGMENT -
 BAR CHART
 FOR THE YEAR ENDING DECEMBER 31, 2008**

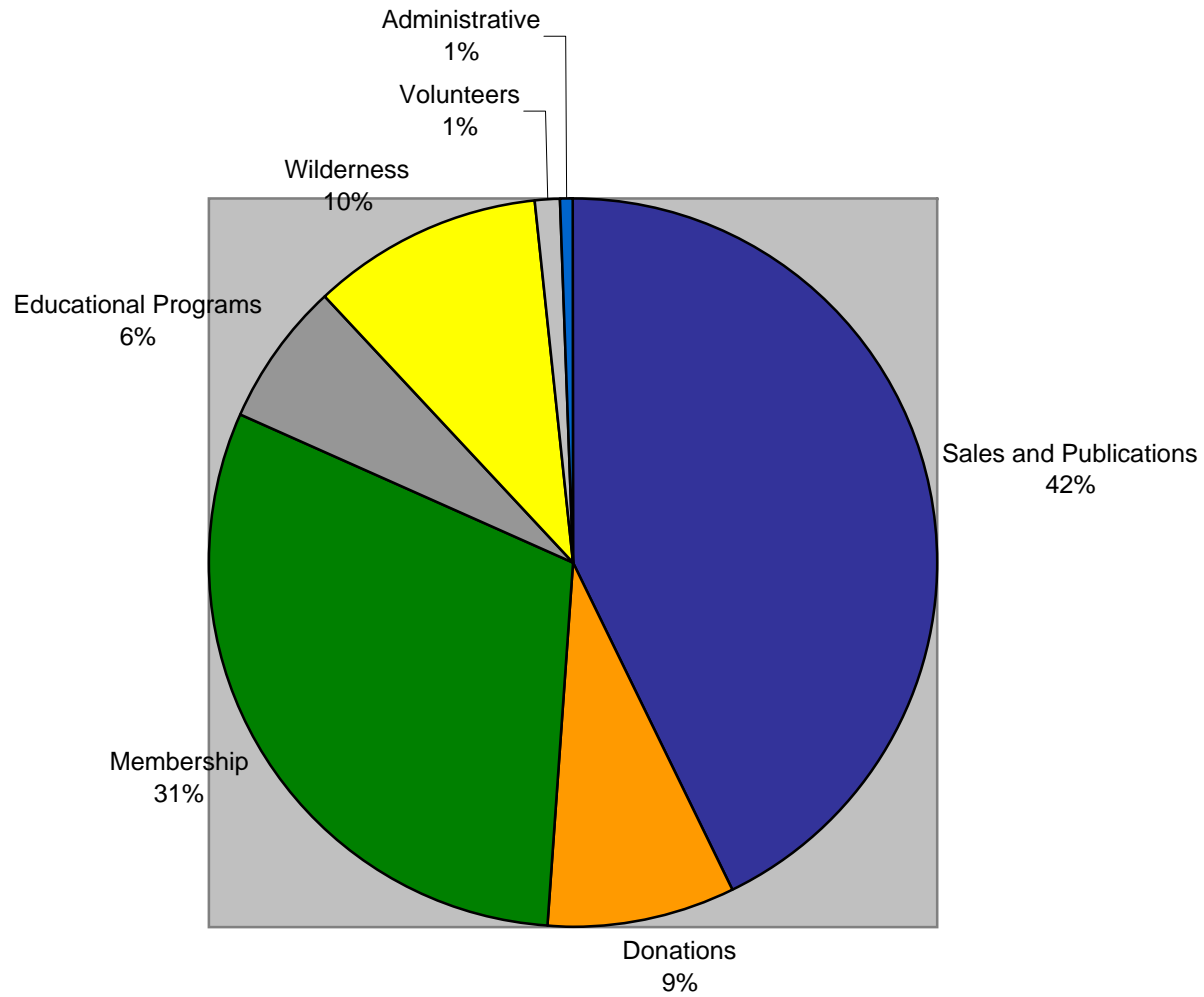
Revenue By Segment



See accompanying notes and auditors' report - supplementary financial information

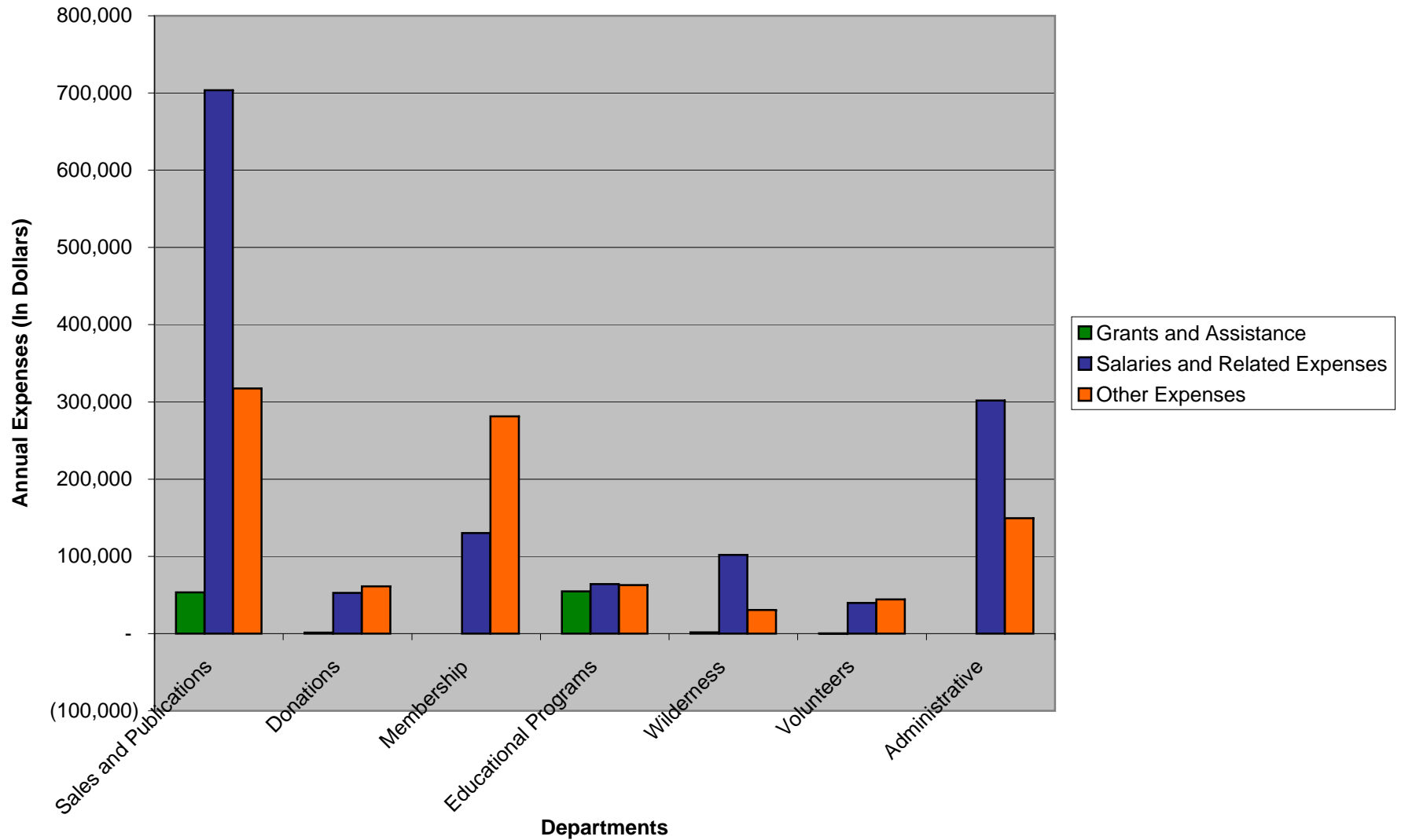
**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
REVENUE BY SEGMENT -
PIE CHART
FOR THE YEAR ENDING DECEMBER 31, 2008**

Unrestricted Revenue By Segment (by Percentage)



**THE YOSEMITE NATURAL HISTORY ASSOCIATION (dba) YOSEMITE ASSOCIATION
 EXPENSES BY SEGMENT -
 BAR CHART
 FOR THE YEAR ENDING DECEMBER 31, 2008**

Expenses By Segment



See accompanying notes and auditors' report - supplementary financial information