

## Attachments for IRS Form 990 (Tax Year 2006)

### Form 990, Part I, Line 9

The Conservancy held a single special event in 2006: a fundraising dinner at the July 2006 Western Region Speleo-Educational Meeting held at Calaveras Big Trees State Park in California. Tickets were sold for \$15.00 each; these prices included tax, so the actual revenue reported from ticket sales is \$13.99 per ticket (70 tickets sold). In addition, excess food was sold off in four portions for \$15.00 each, again with tax included.

Food and supplies for the event amounted to \$286.09. All labor was provided by unpaid volunteers.

Gross receipts:	\$1034.84
Contributions included:	0.00
Gross revenue:	1034.84
Direct expenses:	286.09
Net income:	748.75

### Form 990, Part II, Line 33: Supplies

The negative number here (-56.99) arises from the expense adjustment described in the next note below.

### Form 990, Part III, Line e: Other Program Services

In 2005, the Conservancy had purchased and distributed some educational booklets to selected cave landowners, in an effort to educate them about to their cave resources and the options available for protecting them. It turns out the expense recorded for this was incorrectly calculated and was too high. Thus, the records for 2006 show a negative expense adjustment of \$74.72.

### Form 990, Part IV, Line 64(b): Mortgages and Other Notes Payable

As of 12/31/2006, the Conservancy owes on the following unsecured notes payable:

<u>Amount</u>	<u>Start</u>	<u>Term</u>	<u>Rate</u>	<u>Remaining balance</u>
\$10,000	2/6/06	36 months	7%	\$7,691.55
\$5,000	2/13/06	36 months	5%	\$3,818.99
\$10,000	2/6/06	36 months	5%	\$7,637.98
\$14,000	2/6/06	36 months	5%	\$10,693.14
\$2,000	2/13/06	36 months	5%	\$1,527.59
\$4,000	2/13/06	36 months	5%	<u>\$3,055.20</u>
			Total	\$34,424.55

Form 990, Part V-A, Line 75(b): Relationships

The following table identifies family relationships of individuals listed in Part V-A:

Marianne L. Russo and Jerald J. Johnson	Married couple
Robert C. Haye and Daniel S. Snyder	Domestic partners

Form 990, Schedule A, Part III, Line 2(b): Lending of money

Short and long term financing was required to complete the purchase of the property in Amador County containing Rippled Cave.

In order to meet the seller's timeline constraints, the Conservancy needed a short-term loan. Robert Haye and Daniel Snyder made a no-interest loan of \$88,000 to the Conservancy on February 13, 2006. Mr. Haye is the Treasurer of the Corporation and a Director; Mr. Snyder is Secretary of the Corporation. This loan was repaid in full (zero interest due or paid) two weeks later on February 26, 2006.

To cover the remainder of the purchase price, the Conservancy required additional funding. Several commercial banks were consulted and offered loans at rates of 8% or more annually. However, the Conservancy was able to obtain lower interest loans from private individuals that support its cause. The following table lists details of these loans, including their annual interest rate.

<u>Amount</u>	<u>Start</u>	<u>Term</u>	<u>Rate</u>	<u>Lender relationship</u>
\$10,000	2/6/06	36 months	7%	substantial contributor
\$5,000	2/13/06	36 months	5%	none
\$10,000	2/6/06	36 months	5%	none
\$14,000	2/6/06	36 months	5%	none
\$2,000	2/13/06	36 months	5%	none
\$4,000	2/13/06	36 months	5%	none

As the interest rates of all these loans were below the market rates at the time (and still are as of this filing date) the Board of Directors approved the loans. The highest interest loan was paid off on January 1, 2007.

Form 990, Schedule A, Part III, Line 2(c): Furnishing of Goods, Services, or Facilities

The organization's office is located at the home of Robert Haye, a Director. No rent was charged.

Form 990, Schedule A, Part III, Line 2(d): Reimbursement of Expenses

Volunteer staff paid for \$1,104.86 in goods and services used by the Conservancy, and they submitted expense reports. Each expense was examined and approved by the President, and then the Conservancy reimbursed the volunteers for the full amounts. The highest annual total reimbursed to any volunteer was \$323.14. The Treasurer keeps all of the receipts and expense reports on file.