

[Insert Subcommittee Name Here]

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

<p>Your Name, Business Address, and Telephone Number:</p> <p>Anthony Szema MD Department of Medicine SUNY -- Stony Brook School of Medicine Stony Brook NY 11794</p> <p>[REDACTED]</p> <p>Stony Brook Allergy & Asthma</p> <p>[REDACTED]</p> <p>Phone: [REDACTED]</p>
<p>1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.</p> <p>American Thoracic Society</p>
<p>2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?</p> <p>Yes X No</p>
<p>3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.</p> <p>See Attached</p>

Signature: [REDACTED]

Date: 4/11/11

TO: Grace Stephens FAX 202 225-9069

FR: Gary Ewart, staff American Thoracic Society

RE: Signed Truth in Testimony form – Dr. Anthony Szema

DT: 4/11/11

Please let me know if you have questions or need additional information.

Gary Ewart

Director, Government Relations

American Thoracic Society

1150 18th Street, N.W., Suite 300

Washington, D.C. 20036

Phone: 202 296-9770

Fax: 202 296-9776

**Anthony Ming Szema, M.D.
Federal Grants and Awards**

- 2010 \$10,000 Genentech unrestricted investigator-initiated grant for asthma research related to IgE
- 2004-9 NIH HL K08 02713
\$700,000
"Modulation of Airway Constriction and Inflammatory Response by Vasoactive Intestinal Peptide" (Sami I. Said, M.D., mentor)

**American Thoracic Society
Federal Grants and Awards**

Source	Project	2009	2010	Project #
NHLBI	Grant Support "Breathing in America"	\$25,000.00	\$25,000.00	Na
NHLBI	Publications Support: "Surgical Therapies for Lung Disease; Transplant and Lung Reduction"	\$4,800.00		Na
NHLBI	Publication Support: "Developmental Aspects of the Upper Airway"	\$7,200.00		Na
CDC	MECOR program	\$27,998.88		200-2009-M-28960
CDC	MECOR program		\$24,000.00	200-2009-M-31165
EPA	Grant Support: "Workshop: Respiratory Health Effects of Global Climate Change"		\$30,000.00	EP10H001399
USAID	Subcontract: TBTCa program	\$444,663.00	\$376,272.68	na
Total		\$509,661.88	\$455,272.68	

House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Ryan Schmitt
Petticoat-Schmitt Civil Contractors, Inc.,

1025 Blasius Road
Jacksonville, FL 32220

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

NUCA, Representing Utility and Excavation Contractors

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature:



Date: March 28, 2011

**Subcommittee on Interior, Environment, and Related Agencies
Witness Disclosure Form**

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Richard H. Opper
Director
Montana Department of Environmental Quality
[REDACTED]
Helena, MT 59620
email = ropper@mt.gov

[REDACTED]
(Mr. Opper is the current President of the Environmental Council of the States - 50 F St NW, Suite 350, Washington DC 20001)

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing. yes

Environmental Council of the States (ECOS)
www.ecos.org

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

See attached spreadsheet. No awards were to Mr. Opper. All awards were to ECOS or its subsidiary.

Signature:

[REDACTED SIGNATURE]

Date: 3/25/2011

Grant/Contract No.	Source		Awarded to:	Grant Amount (\$)	Project Period	Comments
	Agency	Program				
X5-83395401-2	EPA	OMNIBUS 2007	ECOS	5,000,000.00	4/1/09 - 3/31/14	
OS-83373001-3	EPA	Exchange Network Assoc. Program Support-2007	ECOS	5,000,000.00	2/1/08 - 2/1/13	Minus \$215,000 EPA In-Kind Amount
EA-83291301-4	EPA	Permit Compliance System Modernization and Training	ECOS	323,374.00	1/9/06 - 1/8/11	Ended
TI-83390401-2	EPA	Toxic release Inventory Capacity Building, Education and Outreach, and Clearinghouse	ECOS	1,000,000.00	7/1/08 - 6/30/13	
DE-FG02-06EW7044	DOE	Federal Facilities Forum	ECOS	663,000.00	6/1/2006 - 5/31/2012	Mod. #008
OS-83376501-4	EPA	State Info. Mgm't ENLC Prog Support	ECOS	1,597,204.00	6/1/08 - 1/31/13	
IR10-10	State of New Jersey DEP (EPA)	Multi-Partner Publishing, Exchange Network Browser	ECOS	240,000.00	7/1/10 - 8/31/11	
RT-83326001-2	EPA	Interstate Technology and Regulatory Council	ITRC	3,150,000.00	10/1/06 - 9/30/11	Minus \$18,400 Recipient Contribution
SUBCONTRACT NO. AC65322N	Savannah River Nuclear Solutions, LLC (DOE)	Attenuation Processes for Metals and Radionuclides	ITRC	150,000.00	10/1/08 - 12/31/11	SRNS Represented by DOE Contract No. DE-AC09-08SR22470
DE-FG01-06EW07039	DOE	Interstate Technology and Regulatory Council	ITRC	5,000,000.00	4/6/06 - 4/9/11	Mod. #006
W912HZ-10-2-0036	DOD	Interstate Technology and Regulatory Council	ITRC	759,044.64	7/1/10 - 6/30/11	Mod #PO0007
Note: ITRC is a subsidiary of ECOS.						

**Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies**

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Craig M. Schiffries, Ph.D.
Director for Geoscience Policy
Geological Society of America

[REDACTED]
Washington, D.C. 20005
[REDACTED]

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

Geological Society of America

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Please see attached list.

Signature:

[REDACTED]

Date: April 1, 2011

**The Geological Society of America (GSA)
Federal Grants or Contracts
2007 thru February 25, 2011**

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Source</u> <u>Agency</u>	<u>Program</u>	<u>Receiving</u> <u>Organization</u>
2007	173,900.00	NSF	Matching Research Grant Program	GSA
	6,263.43	NSF	BioGeo Website	GSA
	15,000.00	NSF	Drought Meeting	GSA
	33,491.00	Forest Service - USDA	GeoCorps America	GSA
	60,250.00	National Park Service	GeoCorps America	GSA
	29,059.87	USGS	Congressional Science Fellow	GSA
	21,870.00	USGS	GeoInfomatics	GSA
	2,475.00	BLM	GeoCorps America	GSA
	10,000.00	USGS	Sponsorship of Annual Meeting	GSA
	<u>352,309.30</u>			
2008	180,900.00	NSF	Matching Research Grant Program	GSA
	6,198.37	NSF	BioGeo Website	GSA
	10,000.00	National Park Service	Wildfires	GSA
	51,394.00	Forest Service - USDA	GeoCorps America	GSA
	43,905.00	National Park Service	GeoCorps America	GSA
	32,293.29	USGS	Congressional Science Fellow	GSA
	13,300.00	USGS	GeoInfomatics	GSA
	55,601.00	BLM	GeoCorps America	GSA
	10,000.00	USGS	Sponsorship of Annual Meeting	GSA
	<u>403,591.66</u>			
2009	30,800.91	USGS	International Year of Planet Earth	GSA
	42,026.89	USGS	Congressional Science Fellow	GSA
	13,300.00	USGS	GeoInfomatics	GSA
	188,100.00	NSF	Matching Research Grant Program	GSA
	9,098.92	NSF	BioGeo Website	GSA
	63,940.00	Forest Service - USDA	GeoCorps America	GSA
	209,210.00	National Park Service	GeoCorps America	GSA
	65,000.00	BLM	GeoCorps America	GSA
	<u>621,476.72</u>			

2010	105,620.00	Forest Service - USDA	GeoCorps America	GSA
	303,949.05	National Park Service	GeoCorps America	GSA
	60,325.00	BLM	GeoCorps America	GSA
	17,949.34	USGS	International Year of Planet Earth	GSA
	33,612.17	USGS	Congressional Science Fellow	GSA
	3,500.00	USGS	Annual Meeting Student Travel	GSA
	9,000.00	USGS	Annual Meeting Internet Café	GSA
	7,500.00	USGS	Annual Meeting Hall of Fame	GSA
			Matching Research Grant	GSA
	<u>252,060.00</u>	NSF	Program	GSA
	<u>541,455.56</u>			

2011	67,023.18	Forest Service - USDA	GeoCorps America	GSA
	370,032.50	National Park Service	GeoCorps America	GSA
	73,050.00	BLM	GeoCorps America	GSA
	24,201.31	USGS	Congressional Science Fellow	GSA
	3,500.00	USGS	Annual Meeting Student Travel	GSA
	6,500.00	USGS	Annual Meeting Hall of Fame	GSA
	<u>544,306.99</u>			

**Subcommittee on Interior, Environment and Related Agencies
Committee on Appropriations**

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself or herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Patrick J. Natale, P.E.


1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

The American Society of Civil Engineers

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes," please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

See attachments.

Signature: 

Date: April 1, 2011

**American Society of Civil Engineers
and Affiliates**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Award Number	Federal CFDA / Contract Number	Federal Expenditures
<i><u>Major Program - Research and Development:</u></i>			
<u>Federal Highway Administration:</u>			
LTTP International Data Analysis Contest	DTFH61-07-P-00265	20.200	54
<u>Department of Labor</u>			
Training for Engineers - Crane Safety at Construction Sites	SH-17794-08-60-F-51		92,826
<u>U.S. Department of Agriculture</u>			
Wood in Transportation Program		10.673	5,543
SEI Chilean Earthquake Structural Performance Team		10.673	5,000
Total Major Federal Awards			103,423
<i><u>Other Federal Awards</u></i>			
<u>International Joint Commission - US Section</u>			
Review of International Upper Great Lakes Study (IUGLS)	1042-800730		2,746
<u>U.S. Trade and Development Agency</u>			
Structural Fire Resistance of Concrete and Steel Structures			92,725
Total Expenditure of Federal Awards			\$ 198,894

American Society of Civil Engineers and Affiliates

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass – Through Grantor/Program or Cluster Title	Federal CFDA / Contract Number	Federal Expenditures
<u>Major Program – Research and Development:</u>		
<u>U.S. Department of Defense:</u>		
Flood Plain Management Services	12.104	\$ 62,519
<u>Environmental Protection Agency:</u>		
WISE Pre-Standard	66.606	241,207
<u>Federal Highway Administration:</u>		
Design and Maintenance of Paved Low-Volume Roads Training Course	20.205	3,000
Enhancing Bridge Performance Workshop	20.205	4,676
LTTP International Data Analysis Contest	20.200	7,494
		15,170
<u>Department of Commerce:</u>		
Support for The Infrastructure Security Partnership	11.609	10,000
Support for the 2008 Coastal Disasters Conference	11.473	10,500
		20,500
<u>U.S. Department of Agriculture:</u>		
Wood in Transportation Program	10.673	13,889
Total Major Federal Awards		353,285
<u>Other Federal Awards:</u>		
<u>U.S. Department of Defense:</u>		
Productivity Study	12.300	958
<u>U.S. Trade and Development Agency:</u>		
Enhancing Engineering Consulting Capacity in Afghanistan	GH058138383	252,981
Total Expenditures of Federal Awards		\$ 607,224

**American Society of Civil Engineers
and Affiliates**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal CFDA / Contract Number	Federal Expenditures
<u>Major Program - Research and Development:</u>		
<u>U. S. Department of Defence:</u>		
Flood Plain Management Services	12.104	23,780
International Conference Thailand		25,000
<u>Federal Highway Administration:</u>		
LTPP International Data Analysis Contest	20.200	2,576
Enhancing Bridge Performance Workshop	20.205	5,324
		7,900
<u>Department of Labor</u>		
Training for Engineers - Crane Safety at Construction Sites		76,904
<u>U.S. Department of Agriculture</u>		
Wood in Transportation Program	10.673	1,349
Total Major Federal Awards		134,934
<u>Other Federal Awards</u>		
<u>International Joint Commission - US Section</u>		
Review of International Upper Great Lakes Study (IUGLS)		24,401
<u>U.S. Trade and Development Agency</u>		
Enhancing Engineering Consulting Capacity in Afghanistan	GH058138383	62,239
Total Expenditure of Federal Awards		\$ 221,573

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Idaho Rural Water Association


1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

Idaho Rural Water Association
(a non-profit non-governmental organization)

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

All amounts listed were received by Idaho Rural Water Association as a subaward agreement between Idaho Rural Water Association and National Rural Water Association.

\$ 233,686 for September 1, 2010 through August 31, 2011
Federal Grant from Environmental Protection Agency (EPA)
Training and Technical Assistance for System Operations and Source Water Planning Program

\$ 204,475 for October 1, 2009 through August 15, 2010
Federal Grant from Environmental Protection Agency (EPA)
Training and Technical Assistance for System Operations and Source Water Planning Program

\$ 100,187 for April 1, 2010 through March 31, 2011
Federal contract from U.S. Department of Agriculture (USDA)
USDA Source Water Protection Program

\$ 100,187 for April 1, 2009 through March 31, 2010
Federal contract from U.S. Department of Agriculture (USDA)
USDA Source Water Protection Program

\$ 224,500 for August 1, 2010 through July 31, 2011
Federal Grant from Rural Utilities Service (RUS)
Wastewater Programs #1 & 2

\$ 207,500 for August 1, 2009 through July 31, 2010
Federal Grant from Rural Utilities Service (RUS)
Wastewater Programs #1 & 2

\$ 214,400 (annually) for June 1, 2009 through October 31, 2009 and November 1, 2009
through October 31, 2010
Federal contract from Rural Utilities Service (RUS)
ARRA Circuit Rider Programs #1 and 2

Signature: 

Date: 4/11/11

[Insert Subcommittee Name Here]

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Conrad Anker

[REDACTED]
[REDACTED] m
[REDACTED] ce

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

Land and Water Conservation Fund Coalition

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature:

[REDACTED SIGNATURE]

Date:

23 MARCH 2011

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Jim Blomquist



1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

The Wilderness Land Trust
P.O. Box 1420
Carbondale, Colorado 81623

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes X No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Bureau of Land Management, multiple contracts with The Wilderness Land Trust,
Land Acquisition -

RECEIVED: \$4,133,768 DONATED: \$2,306,603 TOTAL: \$6,440,271

United States Forest Service, multiple contracts with The Wilderness Land Trust,
Land Acquisition -

RECEIVED: \$702,252 DONATED: \$586,500 TOTAL: \$1,288,752

National Park Service, single contract with The Wilderness Land Trust

Land Acquisition -

RECEIVED: \$288,000

TOTAL: \$288,000

Signature:



Date: March 28, 2011

[Insert Subcommittee Name Here]

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Alan Rowsome
The Wilderness Society
[REDACTED] or
Washington, DC 20036
[REDACTED]

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

The Wilderness Society

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Signature: [REDACTED]

Date: 3/26/11

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Thomas C. Kiernan, President
National Parks Conservation Association

Washington, D.C. 20001

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

National Parks Conservation Association

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Please see attached document

Signature: 

Date: 5/29/11

National Parks Conservation Association - Grants or Contracts as of March 25,
2011

2008

DOI NPS, National Capital Region \$15,000

DOI NPS, Katmai NP \$15,000

2009

DOI NPS, Crown of the Continent \$60,000

DOI NPS, Katmai - \$6,750.00

2010

DOI NPS, Katmai - \$36,450.00

[Insert Subcommittee Name Here]

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Thomas J. Cassidy, Jr.
Director of Federal Land Programs
The Nature Conservancy
[REDACTED]
Arlington, VA 22207
[REDACTED]

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

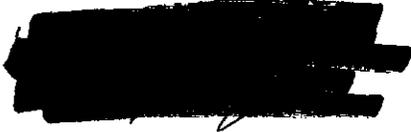
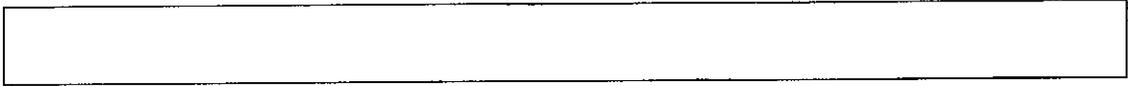
I am appearing on behalf of The Nature Conservancy.

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2008?

Yes

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

The Nature Conservancy receives a number of federal grants and awards. I have attached a copy of The Nature Conservancy's Financial Statement and Schedule of Federal Awards and Report in Accordance with OMB Circular A-133 for the year ended June 30, 2010.



Date:
March 31, 2011

The Nature Conservancy

**Financial Statements and Schedule of
Expenditures of Federal Awards and Report
In Accordance with OMB Circular A-133 Thereon
For the year ended June 30, 2010
EIN 53-0242652**

The Nature Conservancy

Table of Contents

	<u>Page</u>
Report of Independent Auditors	1
Financial Statements	2
Notes to the Financial Statements	8
Schedule of Functional Expenses	31
Schedule of Expenditures of Federal Awards	32
Notes to the Schedule of Expenditures of Federal Awards	55
Schedules of Indirect Cost Rate Computations and Fringe Benefit Calculation	58
Notes to the Schedules of Indirect Cost Rate Computations	60
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61
Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	63
Schedule of Findings and Questioned Costs	65
Summary Schedule of Prior Audit Findings	75

Report of Independent Auditors

PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean VA 22102-4261
Telephone (703) 918 3000
Facsimile (703) 918 3100

To the Board of Directors of
The Nature Conservancy

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of activities and of cash flows present fairly, in all material respects, the financial position of The Nature Conservancy (the Conservancy) as of June 30, 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. These consolidated financial statements are the responsibility of the Conservancy's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010, on our consideration of the Conservancy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2010. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses for the year ended June 30, 2010 with summarized totals for the year ended June 30, 2009 and schedules of indirect cost rate computations are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2010 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.



December 6, 2010

The Nature Conservancy
Consolidated Statements of Financial Position
As of June 30, 2010 and 2009

<i>(Amounts in thousands)</i>	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$ 31,339	\$ 14,120
Restricted cash	36,603	39,200
Investments	1,861	8,578
Notes receivable - current	501	525
Government grants receivable	31,427	27,923
Pledges receivable - current	80,739	59,889
Deposits on land	57,250	56,964
Other deposits and other current assets	29,298	17,239
Total current assets	<u>269,018</u>	<u>224,438</u>
Notes receivable - long-term	10,502	10,093
Pledges receivable - long-term, net	60,438	59,233
Investments held for conservation projects	537,204	466,277
Trade lands	16,625	16,618
Property and equipment, net of accumulated depreciation and amortization	101,111	95,970
Planned giving investments	246,571	230,824
Endowment investments	891,326	837,302
Conservation lands	1,892,328	2,157,385
Conservation easements	1,639,636	1,539,065
Total assets	<u>\$ 5,664,759</u>	<u>\$ 5,637,205</u>

Continued

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy
Consolidated Statements of Financial Position
As of June 30, 2010 and 2009

<i>(Amounts in thousands)</i>	2010	2009
Liabilities		
Current liabilities		
Accounts payable	\$ 13,121	\$ 9,446
Accrued salaries and vacation liability	20,408	20,437
Refundable advances	51,340	51,483
Other accrued liabilities - current	18,190	17,285
Current maturities of long-term debt	104,156	248,000
Deferred revenue - current	24,961	21,640
Total current liabilities	<u>232,176</u>	<u>368,291</u>
Long-term debt, less current maturities	346,292	216,828
Accrued liabilities - long-term	46,397	287,358
Deferred revenue - long-term	12,466	12,996
Planned giving liability	133,237	128,081
Total liabilities	<u>770,568</u>	<u>1,013,554</u>
Net assets		
Unrestricted		
Undesignated	(28,825)	(41,091)
Board-designated		
Land, easements, and project funds	3,441,919	3,269,676
Quasi endowment and similar funds	687,951	655,522
	<u>4,101,045</u>	<u>3,884,107</u>
Temporarily restricted	504,529	458,145
Permanently restricted	288,617	281,399
Total net assets	<u>4,894,191</u>	<u>4,623,651</u>
Total liabilities and net assets	<u>\$ 5,664,759</u>	<u>\$ 5,637,205</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy
Consolidated Statement of Activities
For the year ended June 30, 2010

<i>(Amounts in thousands)</i>	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenues				
Contributions for operations	\$ 107,720	\$ 59,758	\$ -	\$ 167,478
Contributions for land, land preservation fund, and other conservation projects	76,731	121,675	559	198,965
Contributions to endowments and similar funds	95	8,667	6,659	15,421
Contributions of goods and services	11,758	-	-	11,758
Mitigation and contracts	24,886	-	-	24,886
Government grants	138,135	-	-	138,135
Land and easements contributed for conservation	83,726	-	-	83,726
Contributions of trade lands	3,366	723	-	4,089
Investment returns	145,806	24,133	-	169,939
Change in value of planned giving investments	-	1,950	-	1,950
Royalties, fees, and other	25,063	-	-	25,063
Total support and revenues before sales of conservation land and easements and net assets released from restrictions	617,286	216,906	7,218	841,410
Sales of conservation land and easements to governments and others	148,783	-	-	148,783
Net assets released from restrictions	170,522	(170,522)	-	-
Total support and revenues	<u>936,591</u>	<u>46,384</u>	<u>7,218</u>	<u>990,193</u>
Expenses				
Program expenses				
Conservation activities and actions	349,101	-	-	349,101
Book value of conservation land and easements sold or donated to governments and others	200,476	-	-	200,476
Total program expenses	<u>549,577</u>	<u>-</u>	<u>-</u>	<u>549,577</u>
Support services expenses				
General and administration	98,683	-	-	98,683
Fund-raising				
General fund-raising	53,880	-	-	53,880
Membership development	17,513	-	-	17,513
Total support services expenses	<u>170,076</u>	<u>-</u>	<u>-</u>	<u>170,076</u>
Total expenses	<u>719,653</u>	<u>-</u>	<u>-</u>	<u>719,653</u>
Increase in net assets	216,938	46,384	7,218	270,540
Net assets at beginning of year	3,884,107	458,145	281,399	4,623,651
Net assets at end of year	<u>\$ 4,101,045</u>	<u>\$ 504,529</u>	<u>\$ 288,617</u>	<u>\$ 4,894,191</u>

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy
Consolidated Statement of Activities
For the year ended June 30, 2009

<i>(Amounts in thousands)</i>	Unrestricted	Temporarily restricted	Permanently restricted	Total
Support and revenues				
Contributions for operations	\$ 99,687	\$ 60,557	\$ -	\$ 160,244
Contributions for land, land preservation fund, and other conservation projects	93,482	131,848	840	226,170
Contributions to endowments and similar funds	803	5,830	11,213	17,846
Contributions of goods and services	12,538	-	-	12,538
Mitigation and contracts	36,733	-	-	36,733
Government grants	126,915	-	-	126,915
Land and easements contributed for conservation	115,655	-	-	115,655
Contributions of trade lands	7,007	389	-	7,396
Investment returns	(283,725)	(36,934)	-	(320,659)
Change in value of planned giving investments	-	(47,813)	-	(47,813)
Royalties, fees, and other	25,655	-	-	25,655
Total support and revenues before sales of conservation land and easements and net assets released from restrictions	234,750	113,877	12,053	360,680
Sales of conservation land and easements to governments and others	186,543	-	-	186,543
Net assets released from restrictions	195,580	(195,580)	-	-
Total support and revenues	616,873	(81,703)	12,053	547,223
Expenses				
Program expenses				
Conservation activities and actions	386,690	-	-	386,690
Book value of conservation land and easements sold or donated to governments and others	257,785	-	-	257,785
Total program expenses	644,475	-	-	644,475
Support services expenses				
General and administration	103,869	-	-	103,869
Fund-raising				
General fund-raising	58,293	-	-	58,293
Membership development	17,784	-	-	17,784
Total support services expenses	179,946	-	-	179,946
Total expenses	824,421	-	-	824,421
Increase (decrease) in net assets	(207,548)	(81,703)	12,053	(277,198)
Reclassifications	(3,665)	-	3,665	-
Increase in net assets	(211,213)	(81,703)	15,718	(277,198)
Net assets at beginning of year	4,095,320	539,848	265,681	4,900,849
Net assets at end of year	\$ 3,884,107	\$ 458,145	\$ 281,399	\$ 4,623,651

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy
Consolidated Statements of Cash Flows
For the years ended June 30, 2010 and 2009

<i>(Amounts in thousands)</i>	2010	2009
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 270,540	\$ (277,198)
Adjustments to reconcile the increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Contributions restricted for:		
Investment in endowment	(6,659)	(11,213)
Investment in land preservation fund and other capital projects	(559)	(840)
Contributions of trade lands	(4,089)	(7,396)
Land and easements contributed for conservation	(83,726)	(115,655)
Loss on trade land sales/valuations	2,290	1,130
Loss on sales of conservation land and easements	51,693	71,242
Depreciation and amortization	5,656	5,177
Realized/Unrealized investment (gains) losses	(149,950)	320,659
Change in value of planned giving investments	(1,950)	47,813
Changes in:		
Restricted cash	2,597	-
Government grants receivable	(3,504)	(3,574)
Pledges receivable	(22,055)	(5,735)
Deposits on land	(286)	(49,579)
Other deposits and other current assets	(12,059)	(7,141)
Accounts payable	3,675	(4,464)
Accrued salaries and vacation liability	(29)	(114)
Refundable advances	(143)	10,956
Other accrued liabilities	9,944	249,342
Deferred revenue	2,791	(293)
Planned giving liability	5,156	(12,948)
Additional cash provided by (used in) land activities:		
Proceeds from sales of conservation land and easements	148,783	186,543
Purchases of conservation land and easements	(204,488)	(628,012)
Proceeds from sales of trade lands	5,462	3,255
Purchases of of trade lands	-	(193)
Net cash provided by (used in) operating activities	<u>\$ 19,090</u>	<u>\$ (228,238)</u>

Continued

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy
Consolidated Statements of Cash Flows
For the years ended June 30, 2010 and 2009

<i>(Amounts in thousands)</i>	2010	2009
Cash flows from investing activities		
Proceeds from sale of investments	\$ 1,330,537	\$ 1,238,058
Purchases of investments	(1,307,311)	(1,038,771)
Issuance of notes receivable	(2,194)	(2,593)
Proceeds from notes receivable	1,809	5,158
Increase in planned giving investments	(5,307)	(2,376)
Purchases of property and equipment	(11,417)	(1,433)
Net cash provided by investing activities	<u>6,117</u>	<u>198,043</u>
Cash flows from financing activities		
Decrease in restricted cash	-	561
Proceeds from contributions restricted for:		
Investment in endowment	6,659	11,213
Investment in land preservation fund and other capital projects	559	840
Principal payments on debt	(250,156)	(96,183)
Proceeds from issuance of debt	235,776	118,963
Payments of financing costs	(826)	-
Net cash (used in) provided by financing activities	<u>(7,988)</u>	<u>35,394</u>
Net change in cash and cash equivalents	17,219	5,199
Cash and cash equivalents, beginning of year	14,120	8,921
Cash and cash equivalents, end of year	<u>\$ 31,339</u>	<u>\$ 14,120</u>
Supplemental data		
Interest paid	\$ 17,876	\$ 16,120
Seller debt-financed land acquisitions	153	963
Income taxes paid	283	244
Decrease in accrued liabilities for land acquired on behalf of, and transferred to, the U.S. Federal Government	(250,000)	-

The accompanying notes are an integral part of these consolidated financial statements.

The Nature Conservancy

Notes to Consolidated Financial Statements

June 30, 2010 and 2009

1. Organization

The Nature Conservancy (The Conservancy) is a global conservation organization. The mission of The Conservancy is to preserve plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy conducts its activities throughout the United States, Canada, Latin America, the Caribbean, Africa, Asia, and the Pacific.

The Conservancy's primary sources of revenue are contributions from the public (including gifts of land), investment income, government grants, and sales of conservation interests to government agencies or other conservation buyers. These resources are used to conserve portfolios of functional conservation areas within and across ecoregions and to pursue pragmatic solutions to conservation challenges. Through this portfolio approach, The Conservancy works with partners – including indigenous communities, governments and businesses – to conserve a variety of ecological systems and species.

2. Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of all The Conservancy's chapters and affiliates, both domestic and international, including those which are separately incorporated, receive gifts, and perform conservation activities in the name of The Conservancy. All significant intercompany transactions have been eliminated.

Basis of financial statement presentation

The consolidated financial statements are presented on the accrual basis of accounting.

Classification of net assets

The Conservancy's net assets have been grouped into the following three classes:

- **Permanently restricted net assets** – Contributions and other inflows of assets whose use by The Conservancy is limited by donor-imposed stipulations that the principal must be maintained permanently by The Conservancy.
- **Temporarily restricted net assets** – Contributions and other inflows of assets whose use by The Conservancy is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of The Conservancy, such as usage for specific programs, including certain overhead and indirect costs, or for spending from true endowment investment income.
- **Unrestricted net assets** – Revenues derived from dues, unrestricted contributions, government grants and contracts, investment income (other than the temporarily restricted portion of true endowment investment income), and other inflows of assets whose use by The Conservancy is not limited by donor-imposed restrictions. Certain unrestricted net assets have been designated by the Board of Directors to be maintained as land, easements, land preservation funds (for the purchase of conservation land), other conservation project funds, and quasi endowment funds.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Cash and cash equivalents and restricted cash

Highly liquid investments purchased with a maturity of three months or fewer when purchased are considered to be cash equivalents. Restricted cash represents monies held in trust related to requirements of specific conservation project agreements.

Concentration of credit risk

Cash and cash equivalents include cash in banks held in accounts in the United States of America and 29 foreign countries. The cash in foreign accounts is uninsured, but is limited per country to amounts deemed immaterial by management.

The Conservancy invests its excess cash with high quality financial institutions, the largest concentrations of which are invested in U.S. Agencies (85.7%) and corporate repurchase agreements (14.1%) backed by U.S. Treasury securities. Pursuant to the Conservancy's investment policy, the investments described below cannot have more than 10% of their assets in securities of any one issuer, be they short-term or long-term, other than the U.S. Government. At June 30, 2010, the single largest non-U.S. Government issuer exposure was 0.5% of the total portfolio.

Investments

Investments are carried at estimated fair market value on the consolidated statements of financial position. Fair values of investments are estimated based on quoted market prices where available. Fair values for certain private equity and real estate investments held through limited partnerships or commingled fund shares or planned giving investments held in trust by third party trustees are estimated by the respective external investment managers if market values are not readily ascertainable. These valuations necessarily involve assumptions and estimation methods that are reviewed by The Conservancy, and actual valuations could differ from those estimates. Investments may include some short term investments which consist primarily of money market funds and other short term investments temporarily held by investment managers or held for a specific purpose. The Conservancy's investments consist of the following:

- **Investments** – Short-term investments of working capital.
- **Investments held for conservation projects** – Funds for the acquisition of conservation land, easements, and for funding other conservation projects.
- **Planned giving investments** – Planned giving investments are donations that are held in trust by The Conservancy or third party trustees, representing beneficial interests in trusts. Planned giving investments are recorded at current fair value or at an estimated fair value based on the latest available information. Income earned on the invested funds is payable to the donor or the donor's designee for a specified period of time or until the donor's death, after which time The Conservancy may use the investments for operations or a restricted use specified by the donor. The Conservancy utilizes an IRS-approved annuity table to actuarially calculate the liability associated with the estimated lead payments where The Conservancy is the trustee. The Conservancy determines the discount rate to be used in the month the planned giving arrangements are entered into with the donor and these rates have ranged from 2.0 to 9.5%. The present value of the actuarially determined liability resulting from these gifts is recorded at the date of gift. The remaining portion of the gift is recorded as temporarily restricted revenue.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

- **Endowment investments** – Funds held as long-term capital to generate income for The Conservancy’s operations.

Land and Land Interests

The Conservancy records land and land interests at cost, if purchased, or at fair value at the date of acquisition, if all or part of the land was received as a donation. Fair value is generally determined by appraisal. These assets fall into three primary categories:

- **Trade lands** – real property with minimal ecological value. These properties are sold to provide funds for The Conservancy to carry out its conservation work.
- **Conservation lands** – real property with significant ecological value. These properties are either managed in an effort to protect the natural biological diversity of the property, or transferred to other organizations who will manage the lands in a similar fashion.
- **Conservation easements** – intangible assets comprised of listed rights and/or restrictions over the owned property that are conveyed by a property owner to The Conservancy, almost always in perpetuity, in order to protect the owned property as a significant natural area, as defined in federal regulations. These intangible assets may be sold or transferred to others so long as the assignee agrees to carry out, in perpetuity, the conservation purposes intended by the original grantor.

With the exception of trade lands, which are assets held for sale and are carried at the lower of cost or fair market value less costs to sell, land and land interests are reported at the original book value. Upon sale or gift, the book value of the land or land interest is removed as an asset from the consolidated statement of financial position and reported as a program expense. The related proceeds, if any, are reported as revenue in the consolidated statement of activities. The majority of land sales and gifts relate to transfers of real property. Conservation easements, by their very nature, do not generate material amounts of cash inflow annually.

Property and equipment

Property and equipment are carried at cost. The Conservancy’s minimum capitalization threshold is \$50,000. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any loss on retirement or gain or loss on disposal of the individual assets is recorded as revenue or expense.

Depreciation and amortization is provided using the straight-line method for all depreciable assets over their estimated future lives as follows:

Building and improvements	5 – 30 years
Computer equipment and software	3 – 5 years
Furniture, fixtures, and other	4 – 25 years

Contributions

Unconditional donor promises to give cash and other assets are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by The Conservancy. The promises are reported as either temporarily or permanently

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

restricted support if received with donor stipulations that sufficiently 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 are reported on the consolidated statements of activities as net assets released from restrictions.

Grants and contracts

The Conservancy receives grants and contracts from federal, state, and local agencies, as well as from private organizations, to be used for specific programs or land purchases. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in government grants receivable and any excess of cash receipts over reimbursable expenditures is included in deferred revenue. For private mitigation and other contracts, any excess of cash receipts over reimbursable expenditures is included in deferred revenue.

The Conservancy's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the consolidated financial position or consolidated changes in net assets of The Conservancy.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, \$56,964,000 in deposits on land and \$51,483,000 in refundable advances have been reclassified from deposits and other current assets and from other accrued liabilities – current, respectively, and \$39,200,000 in restricted cash has been reclassified from long-term to current in the accompanying statements of financial position.

New Accounting Pronouncements

For the year ended June 30, 2010, The Conservancy adopted Financial Accounting Standards Board (FASB) Accounting Standards codification (ASC) 105-10, *FASB Codification* (“the Codification”). The codification is the single source of authoritative accounting principles generally accepted in the United States of America (“GAAP”). Accordingly, references to GAAP have been updated.

Effective July 1, 2009, The Conservancy adopted the FASB's guidance regarding Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) as described in the note on fair value of financial instruments.

Effective July 1, 2009, The Conservancy adopted the FASB's guidance regarding Disclosures about Derivative Instruments and Hedging Activities as described in the note on long-term debt and derivatives.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

3. Fair value of financial instruments

Effective July 1, 2008, The Conservancy adopted the Financial Accounting Standards Board's (FASB) guidance regarding Fair Value Measurements, which addresses aspects of the expanding application of fair value accounting. The guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements about fair value measurements. The guidance, among other things, requires The Conservancy to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance requires disclosure of the level within the fair value hierarchy in which fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The remainder of this page is intentionally left blank

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

The following tables present the financial instruments carried at fair value as of June 30, 2010 and 2009, by caption on the statement of financial position by the valuation hierarchy defined above:

<i>(In thousands)</i>	2010			
	Level 1	Level 2	Level 3	Total
Investments:				
Short-term investments	\$ 25,777	\$ 2,139	\$ -	\$ 27,916
Fixed income:				
U.S. treasuries	18,044	-	-	18,044
Asset-backed securities	-	13,527	-	13,527
Corporate debt	-	63,530	-	63,530
Mortgage-backed securities	-	11,323	-	11,323
U.S. agency bonds	-	161,346	-	161,346
Convertible securities	-	3,787	-	3,787
Public equity:				
Retail and wholesale	64,952	-	-	64,952
Financial services	56,628	-	-	56,628
Technology	61,713	-	-	61,713
Health care	23,428	-	-	23,428
Energy	27,849	-	-	27,849
Transportation and utilities	6,982	-	-	6,982
Other services	25,651	-	-	25,651
Other industries	39,182	-	-	39,182
Commingled equity funds	-	-	330,402	330,402
Mutual funds	92,350	-	-	92,350
Closed end mutual funds	48,263	-	-	48,263
Hedge funds	-	-	208,823	208,823
Private equity	-	-	142,986	142,986
Split interests, trusteeed	78,790	120,832	12,584	212,206
Split interests, non-trusteed	-	-	36,074	36,074
Total investments	\$ 569,609	\$ 376,484	\$ 730,869	\$ 1,676,962
Pledges receivable			\$ 141,177	\$ 141,177
Liabilities:				
Interest rate swaps payable		\$ 41,916		\$ 41,916

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

<i>(In thousands)</i>	2009			
	Level 1	Level 2	Level 3	Total
Investments:				
Short-term investments	\$ 500	\$ 40,891	\$ -	\$ 41,391
Fixed income:				
U.S. treasuries	57,961	-	-	57,961
Commercial paper	-	6,197	-	6,197
Asset-backed securities	-	-	6,081	6,081
Corporate debt	-	32,388	-	32,388
Mortgage-backed securities	-	-	7,089	7,089
U.S. agency bonds	-	66,157	-	66,157
Convertible securities	-	593	-	593
Public equity:				
Retail and wholesale	58,178	-	-	58,178
Financial services	51,514	-	-	51,514
Technology	43,859	-	-	43,859
Health care	29,877	-	-	29,877
Energy	21,128	-	-	21,128
Transportation and utilities	9,826	-	-	9,826
Other services	54,554	-	-	54,554
Other industries	15,463	-	-	15,463
Commingled equity funds	-	-	239,453	239,453
Mutual funds	134,137	-	4,412	138,549
Closed end mutual funds	34,985	-	-	34,985
Hedge funds	-	-	264,799	264,799
Private equity	-	-	121,916	121,916
Split interests, trustee	81,685	115,173	9,944	206,802
Split interests, non-trustee	-	-	34,221	34,221
Total investments	<u>\$ 593,667</u>	<u>\$ 261,399</u>	<u>\$ 687,915</u>	<u>\$ 1,542,981</u>
Pledges receivable			<u>\$ 119,122</u>	<u>\$ 119,122</u>
Liabilities:				
Interest rate swaps payable		<u>\$ 32,564</u>		<u>\$ 32,564</u>

Following is a description of The Conservancy's valuation methodologies for assets and liabilities measured at fair value.

Fair value for Level 1 is based upon quoted prices in active markets that The Conservancy has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The Conservancy does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and on model-based valuation techniques, for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

Investments included in Level 3 primarily consist of The Conservancy's ownership in alternative investments (principally limited partnership interests in hedge and private equity funds) as well as public equity investments held within private arrangements. The value of certain alternative investments represents the ownership interest in the net asset value (NAV) of the respective partnership. Approximately 79% of Level 3 investments held by the partnerships consist of marketable securities and 21% are securities that do not have readily determinable fair values. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The Conservancy has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of June 30, 2010.

Interest rate swaps are valued using both observable and unobservable inputs, such as quotations received from the counterparty, dealers or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. The Conservancy's interest rate swap arrangements have inputs which can generally be corroborated by market data and are therefore classified within Level 2.

Split interest agreements where The Conservancy is not the trustee are valued at the present value of the future distributions expected to be received over the term of the agreement. There is no market for these agreements and they are therefore classified within Level 3.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while The Conservancy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Effective July 1, 2009, The Conservancy adopted the FASB's guidance regarding Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which amended the FASB's guidance on Fair Value Measurements and Disclosures - Overall, to provide a practical expedient in estimating the fair value of certain alternative investments. Under the practical expedient, entities are permitted to use NAV without adjustment for investments within the scope of the guidance.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Investments in certain entities that calculate net asset value at June 30, 2010 are as follows:

<i>(In thousands)</i>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global equity funds	\$ 138,453	\$ -	Weekly, monthly, quarterly	Same day, 10 or 30 business days
International equity funds	191,949	-	Monthly	6 business days, on 15th of prior month
Hedge funds	208,823	-	Monthly, quarterly, rolling 2,3 & 5 years	45 - 90 days, 3 - 4 months
Private equity funds	141,737	92,980	N/A	N/A
Total	<u>\$ 680,962</u>	<u>\$ 92,980</u>		

The remainder of this page is intentionally left blank

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

The following are rollforwards of the statement of financial position amounts for financial instruments classified by The Conservancy within Level 3 of the fair value hierarchy defined above as of June 30, 2010 and 2009:

(In thousands)

	2010				
	Fair value as of July 1, 2009	Net realized and unrealized gains (losses)	Net purchases and (sales)	Net transfers into (out of) Level 3	Fair value as of June 30, 2010
Asset and mortgage-backed securities	\$ 13,170	\$ -	\$ -	\$ (13,170)	\$ -
Commingled equity funds	239,453	42,111	23,838	25,000	330,402
Mutual funds	4,412	(13)	(4,399)	-	-
Hedge funds	264,799	29,235	(85,211)	-	208,823
Private equity	121,916	6,255	14,815	-	142,986
Split interests	44,165	(2,939)	7,432	-	48,658
Pledges	119,122	22,055	-	-	141,177
Total investments and pledges	\$ 807,037	\$ 96,704	\$ (43,525)	\$ 11,830	\$ 872,046

(In thousands)

	2009				
	Fair value as of July 1, 2008	Net realized and unrealized gains (losses)	Net purchases and (sales)	Net transfers into Level 3	Fair value as of June 30, 2009
Asset and mortgage-backed securities	\$ 7,639	\$ (6,482)	\$ 12,013	\$ -	\$ 13,170
Commingled equity funds	303,400	(61,562)	(2,385)	-	239,453
Mutual funds	-	-	-	4,412	4,412
Hedge funds	403,760	(96,215)	(54,428)	11,682	264,799
Private equity	115,270	(18,516)	25,162	-	121,916
Split interests	45,375	(1,210)	-	-	44,165
Pledges	113,387	5,735	-	-	119,122
Total investments and pledges	\$ 988,831	\$ (178,250)	\$ (19,638)	\$ 16,094	\$ 807,037

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

All net realized and unrealized gains (losses) in the tables above are reflected in the accompanying statement of activities and are reported in revenues as follows for the years ended June 30, 2010 and 2009, with the exceptions of a \$3,500,000 decrease in pledges reported in conservation activities and actions program expense for the year ended June 30, 2010 and a \$621,000 decrease in split interests reflected in the accompanying statement of financial position as a decrease in the planned giving liability as of June 30, 2010:

(In thousands)

	2010		
	Contributions for land, land preservation fund, and other conservation projects	Investment returns	Change in value of planned giving investments
Total gains (losses) included in changes in net assets	\$ 25,555	\$ 77,588	\$ (2,318)
Unrealized gains (losses) included in changes in net assets relating to assets still held	\$ 25,555	\$ 42,600	\$ (2,318)

(In thousands)

	2009		
	Contributions for land, land preservation fund, and other conservation projects	Investment returns	Change in value of planned giving investments
Total gains (losses) included in changes in net assets	\$ 5,735	\$ (182,775)	\$ (1,210)
Unrealized gains (losses) included in changes in net assets relating to assets still held	\$ 5,735	\$ (181,602)	\$ (1,210)

4. Notes receivable

Notes receivable relate primarily to sales of land by The Conservancy. Notes receivable are recorded annually at their net realizable value. Maturities range from 1 to 19 years with varying interest rates from 0 to 10.0%. Default interest rates may be higher.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

5. Pledges receivable

As of June 30, 2010 and 2009, unconditional promises to give were as follows:

<i>(In thousands)</i>	2010	2009
Amounts due in		
Less than one year	\$ 80,739	\$ 59,889
One to five years	66,425	61,520
More than five years	<u>907</u>	<u>1,349</u>
Subtotal	148,071	122,758
Less fair value adjustments:		
Discount to present value	3,394	3,636
Allowance for doubtful accounts	<u>3,500</u>	<u>-</u>
	<u>\$ 141,177</u>	<u>\$ 119,122</u>

Pledges receivable greater than one year in time are discounted at the prime interest rate, 3.25% at June 30, 2010 and 2009. As a result of adopting the FASB's Fair Value Measurements guidance, including the Fair Value Option for Financial Assets and Financial Liabilities, the discount rate used in the present value technique to determine fair value of pledges receivable is revised at each measurement date to reflect current market conditions and the creditworthiness of donors. In addition, management evaluates payment history and market conditions to estimate allowances for doubtful pledges. Changes in the fair value of pledges receivable are reported in the statement of activities as contribution revenue except for changes in the allowance which are reported as program expenses at each subsequent reporting date. Pledges receivable past due by 90 days is immaterial.

As of June 30, 2010 and 2009, The Conservancy received promises to give totaling approximately \$51,604,000 and \$56,887,000, respectively, that are conditioned upon The Conservancy raising matching gifts or acquiring certain conservation lands. Conditional promises to give are recognized as contributions when the donor-imposed conditions are substantially met.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

6. Investments

Investments consisted of the following at June 30, 2010 and 2009:

(In thousands)

	2010				
	Current investments	Investments held for conservation projects	Planned giving investments	Endowment investments	Total
Short term investments	\$ 972	\$ 83,752	\$ 4,811	\$ 72,915	\$ 162,450
Fixed income - bonds	-	184,430	70,279	29,899	284,608
Equities	26	223,186	124,532	481,693	829,437
Real estate trusts	-	-	12,584	-	12,584
Hedge funds	-	44,188	-	164,635	208,823
Private equity investments	863	386	-	141,737	142,986
Receivables from trusts	-	-	36,074	-	36,074
Interfund loans	-	1,262	(1,709)	447	-
Total investments	\$ 1,861	\$ 537,204	\$ 246,571	\$ 891,326	\$ 1,676,962

(In thousands)

	2009				
	Current investments	Investments held for conservation projects	Planned giving investments	Endowment investments	Total
Short term investments	\$ 7,260	\$ 160,343	\$ 14,108	\$ 3,820	\$ 185,531
Fixed income - bonds	-	58,925	65,841	38,877	163,643
Equities	304	172,189	116,909	473,525	762,927
Real estate trusts	-	-	9,944	-	9,944
Hedge funds	-	66,522	-	198,277	264,799
Private equity investments	1,014	199	-	120,703	121,916
Receivables from trusts	-	-	34,221	-	34,221
Interfund loans	-	8,099	(10,199)	2,100	-
Total investments	\$ 8,578	\$ 466,277	\$ 230,824	\$ 837,302	\$ 1,542,981

See Note 2 for a description of the classification of The Conservancy's investments.

Planned giving investments include charitable gift annuities, which must meet certain reserve level requirements. Due to the volatility in the financial markets, those reserves were required to be increased with other sources of funds. The amount of additional funds invested in the short term planned giving investments were \$1,710,000 and \$10,200,000 as of June 30, 2010 and 2009, respectively.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Planned giving investments include recognition of contribution revenue which is classified as temporarily restricted contributions to endowments and similar funds. The amount of planned giving contribution revenue recognized was \$8,355,000 and \$5,399,000 for the years ended June 30, 2010 and 2009, respectively.

Certain investment managers of The Conservancy use derivatives and currency hedging in order to manage risks and exposures related to interest rates, security positions, and foreign currency.

Investment returns consisted of the following for the years ended June 30, 2010 and 2009:

<i>(In thousands)</i>	2010	2009
Dividends and interest income	\$ 19,989	\$ 18,479
Realized gains (losses) (net of expenses of \$6,639 and \$7,202, respectively)	36,513	(78,102)
Unrealized gains (losses)	113,437	(261,036)
Investment returns	<u>\$ 169,939</u>	<u>\$ (320,659)</u>

7. Restricted net assets

Temporarily restricted net assets are available for the following purposes:

<i>(In thousands)</i>	2010	2009
Land acquisition and other conservation projects	\$ 187,924	\$ 189,748
Time restricted for periods after June 30	147,768	135,471
Time and purpose restricted for periods after June 30	96,662	75,977
True endowment gains subject to future Board of Directors appropriation	72,175	56,949
Total	<u>\$ 504,529</u>	<u>\$ 458,145</u>

Permanently restricted net assets are restricted in perpetuity; the income derived from these investments is expendable to support the operations of The Conservancy.

Effective July 1, 2008, The Conservancy adopted the FASB's guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for all Endowment Funds. UPMIFA, as enacted by the Council of the District of Columbia, under which laws The Conservancy is incorporated, and as interpreted by The Conservancy, requires the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. In addition, net appreciation on donor-restricted endowment funds is required to be classified and reported as temporarily restricted net assets.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

The Conservancy's Endowment (Endowment) provides stable financial support to a wide variety of programs and activities in perpetuity, playing a critical role in enabling The Conservancy to achieve its mission. Programs supported by the Endowment include restoring, monitoring, and managing natural areas owned by The Conservancy and others, as well as many other activities and actions vital to the preservation of natural diversity. The Endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors (Board) to function as endowments. Net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Conservancy classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by The Conservancy in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, The Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund;
- The purposes of the institution and the endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and appreciation of investments;
- Other resources of the institution; and
- The investment policy of the institution.

Endowment funds are categorized in the following net asset classes as of June 30, 2010 and 2009:

(In thousands)

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (7,096)	\$ 72,175	\$ 132,667	\$ 197,746
Board-designated endowment funds	690,828	-	-	690,828
Total endowment funds	<u>\$ 683,732</u>	<u>\$ 72,175</u>	<u>\$ 132,667</u>	<u>\$ 888,574</u>

(In thousands)

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (9,879)	\$ 56,949	\$ 126,008	\$ 173,078
Board-designated endowment funds	660,998	-	-	660,998
Total endowment funds	<u>\$ 651,119</u>	<u>\$ 56,949</u>	<u>\$ 126,008</u>	<u>\$ 834,076</u>

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Changes in endowment funds by net asset classification for the years ended June 30, 2010 and 2009 are summarized as follows:

(In thousands)

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 651,119	\$ 56,949	\$ 126,008	\$ 834,076
Investment returns	93,654	24,133	-	117,787
Contributions	95	313	6,659	7,067
Interfund transfers	5,534	1,213	-	6,747
Other revenue	234	-	-	234
Appropriation of assets for expenditure	(77,337)	-	-	(77,337)
Net assets released from restrictions	10,433	(10,433)	-	-
Total endowment funds	<u>\$ 683,732</u>	<u>\$ 72,175</u>	<u>\$ 132,667</u>	<u>\$ 888,574</u>

(In thousands)

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 866,045	\$ 96,635	\$ 111,130	\$ 1,073,810
Investment returns	(161,040)	(36,934)	-	(197,974)
Contributions	803	430	11,213	12,446
Interfund transfers	2,851	1,312	-	4,163
Other revenue	204	-	-	204
Appropriation of assets for expenditure	(58,573)	-	-	(58,573)
Net assets released from restrictions	4,494	(4,494)	-	-
Other reclassifications	(3,665)	-	3,665	-
Total endowment funds	<u>\$ 651,119</u>	<u>\$ 56,949</u>	<u>\$ 126,008</u>	<u>\$ 834,076</u>

The total amount of permanently restricted net assets on the consolidated statements of financial position includes the donor-restricted endowment funds displayed in the above tables, as well as amounts contributed to create a permanent capital fund. This fund, the land preservation fund, is used to finance capital projects, and is to be maintained in perpetuity for only this purpose. Permanently restricted net assets in the land preservation fund were \$155,614,000 and \$155,355,000 as of June 30, 2010 and 2009, respectively.

Endowments with Eroded Corpus

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires The Conservancy to retain as a fund of perpetual duration. In accordance with the FASB guidance, deficiencies of this nature that are reported in unrestricted net assets were \$7,096,000 and \$9,879,000 as of June 30, 2010 and 2009, respectively. These deficits resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments and authorized appropriation that was deemed prudent.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

Endowment Investment and Spending Policies

The amount of endowment funds provided each year for operations is established by the Finance Committee of the Board, through its adoption of an annual endowment spending rate and spending rate base. The spending rate for the year ended June 30, 2010 was 5.5% of the average fair market value over the 36 months of calendar years 2008, 2007 and 2006.

In order to maintain the purchasing power of the Endowment, The Conservancy must earn a nominal rate of return that compensates for both the endowment payout as well as the rate of inflation. With the current endowment payout of 5.5% and long-term inflation projected at 2.5%, The Conservancy needs to earn approximately 8% to maintain the purchasing power of the endowment. The Conservancy also seeks to grow endowment principal beyond inflation, and therefore strives to produce a premium above 8% over the long term, as discussed below.

The Conservancy has determined asset allocation targets and ranges across a variety of asset classes which The Conservancy feels acceptable for inclusion in its portfolio. The Conservancy has chosen not to manage its underlying assets directly, but to utilize independent investment managers. To maintain prudent diversification and to avoid undue risk, the Conservancy's portfolio is divided among 40 to 50 separate managers.

The Conservancy recognizes the difficulty of achieving its potential investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Conservancy also recognizes that significant risk must be assumed to achieve long-term investment objectives. In establishing its investment objectives in light of its risk tolerances, The Conservancy has considered its ability to withstand short and intermediate term variability and concluded that the portfolio can tolerate some interim fluctuations in market values and rates of return in order to achieve its objectives. However, The Conservancy realizes that market performance varies and that the portfolio's investment objectives may not be achievable during short-term periods.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

8. Property and equipment

Property and equipment consisted of the following at June 30, 2010 and 2009:

<i>(In thousands)</i>	2010	2009
Land	\$ 6,580	\$ 6,670
Buildings and improvements	105,523	99,323
Construction in progress	16,130	14,726
Computer equipment and software	1,156	2,521
Furniture, fixtures, and other	12,528	10,346
	<u>141,917</u>	<u>133,586</u>
Less - Accumulated depreciation and amortization	<u>(40,806)</u>	<u>(37,616)</u>
Total	<u>\$ 101,111</u>	<u>\$ 95,970</u>

Depreciation and amortization expense was \$5,656,000 and \$5,177,000 during the years ended June 30, 2010 and 2009, respectively. Of the total assets listed above, \$8,356,000 and \$5,493,000 were fully depreciated at June 30, 2010 and 2009, respectively.

The remainder of this page is intentionally left blank

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

9. Long-term debt and derivatives

Long-term debt consisted of the following at June 30, 2010 and 2009:

<i>(In thousands)</i>	2010	2009
Unsecured borrowings due at various dates through 2012. Interest is payable at various rates based on LIBOR plus 0.50%, depending on repayment terms; 0.85% and 0.82% at June 30, 2010 and 2009, respectively.	\$ 237	\$ 8,387
Unsecured Colorado Educational and Cultural Facilities Authority Tax Exempt Revenue Bonds, Series 2002A issued in the original principal amount of \$25,053,000 to refund the Industrial Development Authority of Arlington County (IDA) Tax Exempt Revenue Bonds Series 1997A and portions of the IDA Revenue Bonds Taxable Series 1997B; fixed interest rate pursuant to rate swap, 3.56% as of June 30, 2010 and 2009, due July, 2027.	22,071	22,910
Unsecured Extendable Floating Rate Notes, Taxable Revenue Bonds Series EXL5 issued in the original principal amount of \$100,000,000, with a variable interest rate reset quarterly, originally due October 5, 2009. See interest rate note below.	-	100,000
Unsecured Taxable Revenue Bonds Series 2009 in the aggregate principal amount of \$100,000,000 issued July 1, 2009 to refund the Extended Floating Rate Notes, Taxable Revenue Bonds Series EXL5 on October 5, 2009; fixed rate of 6.30% due July, 2019.	100,000	-
Unsecured Colorado Educational and Cultural Facilities Authority Taxable Revenue Bonds, Series 2008A issued in the original principal amount of \$90,000,000, with a variable interest rate reset weekly, due July, 2033. See interest rate note below.	88,180	90,000
Unsecured Colorado Educational and Cultural Facilities Authority Tax Exempt Revenue Bonds, Series 2003A-TE2008 issued in the original principal amount of \$102,400,000, with a variable interest rate reset weekly, due July, 2033. See interest rate note below.	98,500	100,500
New York State Environmental Facilities Corporation private bonds issued in the aggregate amount of \$50,000,000 with a fixed interest rate of 3.90%, due June, 2024.	50,000	-
Loans and mortgages on land, some of which are collateralized by the land and by a \$202,000 restricted cash account, and payable in monthly installments, including interest ranging from 0% to 8.5%; final payments are due at various dates through 2022.	85,835	137,656
Other notes payable without interest due on demand	5,625	5,375
	<u>450,448</u>	<u>464,828</u>
Less - current maturities	(104,156)	(248,000)
Total Long-term Debt	<u>\$ 346,292</u>	<u>\$ 216,828</u>

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

In order to partially insulate itself from the variable nature of the interest rates on much of its outstanding debt, The Conservancy has two interest rate swap agreements. The Conservancy pays a fixed rate of 4.373% on \$95,375,000 in return for receipt of variable rate interest in the amount of LIBOR; and 2.962% on \$190,000,000 of principal in return for receipt of variable rate interest in the amount of 67% of LIBOR. The counterparty to these swaps has the option to terminate these swaps beginning on July 1, 2010 and thereafter.

The following schedule of amounts due is based on the maturity dates per the debt agreements:

Year ended June 30	<i>(in thousands)</i>
2011	\$ 104,156
2012	112,310
2013	71,258
2014	3,733
2015	6,123
Thereafter	152,868
	<u>\$ 450,448</u>

The fair value of long-term debt, including current maturities, is estimated based on current market rates offered to or by The Conservancy for similar instruments. Based on a blended borrowing rate using current market rates as of June 30, 2010 the fair value of long-term debt is approximately \$449,585,000.

Due to the nature of certain variable rate bond agreements, The Conservancy may receive notice of an optional tender on its variable-rate bonds, in which case The Conservancy would have an obligation to purchase the bonds tendered if unable to secure alternate financing at that time. The Conservancy entered into standby purchase agreements with a financial institution to support the original principal amount of \$192,400,000 of the variable rate demand obligations. Under these agreements, the financial institution agreed to purchase the bonds if The Conservancy cannot remarket the bonds at which time the due dates would become accelerated to a three year period. As a result, The Conservancy has classified an additional \$58,222,000 as current maturities of long-term debt on the consolidated statements of financial position to reflect the potential accelerated payment schedule.

Interest expense incurred on total debt for 2010 and 2009 was \$22,499,000 and \$16,467,000, respectively.

The Conservancy has an unsecured line of credit providing total borrowings as of June 30, 2010 and 2009 of up to \$30,000,000 and \$50,000,000, respectively. As of June 30, 2010 and 2009 the balance on the line of credit was \$0 and \$8,000,000, respectively. Interest is payable at various rates based on LIBOR plus 0.50%, depending on repayment terms, as of June 30, 2010 and 2009.

Effective July 1, 2009, The Conservancy adopted the Financial Accounting Standards Board's (FASB) guidance regarding Disclosures about Derivative Instruments and Hedging Activities, which was an amendment to enhance the disclosure framework in the FASB's guidance regarding Accounting for Derivative Instruments and Hedging Activities. The guidance addresses constituent

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

concerns about the impact derivative instruments can have on an entity's financial position, results of operations, and cash flows.

Fair Value of derivatives consisted of the following at June 30, 2010 and 2009:

<i>(In thousands)</i>	2010	2009
Derivatives not designated as hedging instruments:		
Interest rate contracts - swap agreements		
Statement of Financial Position Location:		
Accrued liabilities - long-term	\$ 41,916	\$ 32,564
Statement of Activities Location:		
Investment returns	\$ (9,352)	\$ (17,513)

10. Contributed goods and services

The Conservancy periodically receives contributed professional services from third parties and recognizes revenue at the fair value of those services. During 2010 and 2009, these services totaled \$7,887,000 and \$8,042,000, respectively. In addition, The Conservancy received contributed goods that totaled \$3,871,000 and \$4,496,000 for the years ended June 30, 2010 and 2009, respectively. Contributed goods are recorded at fair value on the date of donation. Contributed goods and services with a fair value of \$50,000 or more are capitalized in accordance with The Conservancy's capitalization policy. Of the \$7,887,000 and \$8,042,000 in contributed services, \$57,000 and \$74,000 was capitalized for the years ended June 30, 2010 and 2009, respectively. Of the \$3,871,000 and \$4,496,000 in contributed goods, \$107,000 and \$0 was capitalized for the years ended June 30, 2010 and 2009, respectively.

11. Commitments and contingencies

The Conservancy is a party to various litigations arising out of the normal conduct of its operations. In the opinion of The Conservancy's management, the ultimate resolution of these matters will not materially affect the financial position, changes in net assets, or cash flows of The Conservancy.

Leases

The Conservancy has entered into noncancelable operating leases for office space, which expire at various dates through 2019. Certain of these leases contain rent escalation clauses based on the consumer price index.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

The following is a schedule of future minimum lease payments for all operating leases:

Year ended June 30	<i>(in thousands)</i>
2011	\$ 3,898
2012	3,377
2013	2,967
2014	2,469
2015	1,922
Thereafter	2,995
Total minimum lease payments	<u>\$ 17,628</u>

Rent expense was \$11,086,000 and \$10,719,000 for the years ended June 30, 2010 and 2009, respectively.

Land acquisitions and other commitments

The Conservancy has entered into contracts for the purchase of land and other purchase commitments that had not closed as of June 30, 2010, in the amount of \$181,651,000.

The Conservancy has remaining funding commitments to private equity and hedge fund investments of \$92,980,000 at June 30, 2010.

The Conservancy is a party to an agreement whereby under certain circumstances, the Conservancy may be required to establish a special purpose entity and accept a loan from the other party to the agreement. The Conservancy would, in turn, secure the loan with a qualified existing asset, and guarantee repayment of the loan should the special purpose entity fail to perform under the terms of the loan. The Conservancy believes the likelihood of any significant loss related to this guarantee to be remote.

12. Retirement plans

The Conservancy's employees are eligible after one month of service to participate in The Nature Conservancy Savings and Retirement Plan (the Plan), in which employees can make voluntary, tax-deferred contributions within specified limits. The Plan was established under the provisions of Internal Revenue Code Section 401(k) and has received a favorable determination as to its tax status from the Internal Revenue Service. As of August 2005, certain employees are also eligible to participate in a non-qualified deferred compensation plan created pursuant to Internal Revenue Code Section 457(b). The Conservancy's contributions to the plans were \$10,855,000 and \$11,574,000 for the years ended June 30, 2010 and 2009, respectively.

13. Program expense allocation

Operating expenses are allocated to program and support categories based on separate cost center types as defined below. Conservation land and easements that are acquired by The Conservancy, but not sold or donated, are reflected as an increase in conservation land and easements on the consolidated statements of financial position and are excluded from the program expense categories on the consolidated statements of activities.

The Nature Conservancy
Notes to Consolidated Financial Statements
June 30, 2010 and 2009

The Conservancy accounts for its program expenditures in the following categories:

- **Conservation Activities and Actions** – Expenditures related to the broad spectrum of activities and actions critical to advancing The Conservancy’s ecoregion-based approach to conservation. Expenditures related to understanding, monitoring, maintaining, restoring, and managing natural areas owned by The Conservancy and others are included, as are expenditures for developing and enhancing The Conservancy’s ability to gather and share ecological information and to assess and evaluate threats to the elements of natural diversity within ecoregions in which The Conservancy works. In addition, this area includes expenditures to mitigate, prevent, or slow the effects of threats to the elements of biodiversity, including investments in the institutional development of domestic and international conservation organizations. Expenditures related to improving public land management and supporting the development of sound global policies, including participating in conferences and events that help establish a common vision for conservation worldwide. Finally, this category includes expenditures relating to community outreach and education of key stakeholders and land users in areas where Conservancy conservation programs reside.
- **General and Administration** – Expenditures related to building and maintaining an efficient business infrastructure, including those related to corporate governance, to support and advance the programmatic conservation objectives of The Conservancy.
- **General Fund-Raising** – Expenditures related to fund-raising strategies that provide the revenue stream for both operations and capital needs to further the accomplishment of The Conservancy’s mission and objectives.
- **Membership Development** – Expenditures related to the acquisition and retention of The Conservancy members, primarily through the use of a direct-mail program.

14. Income taxes

The Conservancy has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified The Conservancy as other than a private foundation. The Conservancy pays a nominal amount of tax relating to several unrelated business income activities, primarily rental income from debt-financed property.

Effective January 1, 2007, The Conservancy adopted the FASB’s guidance related to Accounting for Income Taxes and Accounting for Uncertainty in Income Taxes. The adoption continues to have no effect on the consolidated financial statements.

15. Subsequent events

All subsequent events were evaluated through December 6, 2010.

**The Nature Conservancy
Schedules of Functional Expenses
For the year ended June 30, 2010 with summarized totals for the year ended June 30, 2009**

(Amounts in thousands)

	Program expenses		Support services expenses			Totals	
	Conservation activities and actions	General and administration	Fund-raising		Support services expenses	2010 Total expenses	2009 Total expenses
			General fund-raising	Membership development			
Personnel	\$ 157,304	\$ 61,199	\$ 43,036	\$ 1,737	\$ 105,972	\$ 263,276	\$ 281,385
Contract, professional fees	49,105	7,019	3,013	3,347	13,379	62,484	73,193
Grants and allocations	49,901	490	14	-	504	50,405	63,623
Supplies	6,902	2,766	668	1,452	4,886	11,788	14,157
Telecommunications	2,635	2,096	446	12	2,554	5,189	5,902
Postage and mailing service	1,410	367	505	6,521	7,393	8,803	9,677
Occupancy	1,931	8,968	187	-	9,155	11,086	10,719
Equipment rental and maintenance	4,047	1,113	212	-	1,325	5,372	6,182
Printing and publication	3,302	189	810	4,393	5,392	8,694	9,751
Travel	11,148	1,847	1,842	34	3,723	14,871	17,886
Conferences and meetings	4,625	779	989	6	1,774	6,399	8,963
Interest	22,608	24	-	-	24	22,632	16,498
Depreciation and amortization	5,345	305	6	-	311	5,656	5,177
Equipment	2,759	262	32	-	294	3,053	2,958
Taxes and licenses	1,007	430	63	7	500	1,507	1,745
Utilities, repairs, maintenance, and construction	6,446	1,740	186	-	1,926	8,372	12,315
Insurance	1,966	1,366	56	-	1,422	3,388	3,401
Real estate taxes	4,776	692	22	-	714	5,490	6,164
Closing costs	1,617	432	-	-	432	2,049	1,922
Contributed goods and services non-cash expense	4,780	5,103	1,711	-	6,814	11,594	12,464
All other	5,487	1,496	82	4	1,582	7,069	2,554
Subtotal	349,101	98,683	53,880	17,513	170,076	519,177	566,636
Book value of conservation land and easements sold or donated to government and others	200,476	-	-	-	-	200,476	257,785
Total	\$ 549,577	\$ 98,683	\$ 53,880	\$ 17,513	\$ 170,076	\$ 719,653	\$ 824,421

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
94.006	AMERICORPS	OR, HOUSING AND COMMUNITY SERVICES DEPARTMENT	1025	\$ 76,542
94.006	AMERICORPS	OR, HOUSING AND COMMUNITY SERVICES DEPARTMENT	2053	76,075
94.006 Sub-Total				152,617
66.437	LONG ISLAND SOUND PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0065-026	152,617
66.437	LONG ISLAND SOUND PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0061-017	22,443
66.437 Sub-Total				175,060
66.439	TARGETED WATERSHEDS GRANTS	FEDERAL DIRECT	WS-9544220	281
66.439	TARGETED WATERSHEDS GRANTS	FEDERAL DIRECT	WS-96031501-0	155,652
66.439 Sub-Total				155,933
66.456	NATIONAL ESTUARY PROGRAM	NY, COUNTY OF SUFFOLK	001-4405-45600000024	17,806
66.456 Sub-Total				17,806
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	AL, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	C70591032	(23)
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	IN, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	A305-6-75	3,917
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	MA, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	PON2 590 06000006812	335,116
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	MS, DEPARTMENT OF ENVIRONMENTAL QUALITY	650035	35,666
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	NH, DEPARTMENT OF ENVIRONMENTAL SERVICES	05-00883/C994866-060	48,594
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	OH, ENVIRONMENTAL PROTECTION AGENCY	B-08-CT-03	19,512
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	OR, DEPARTMENT OF ENVIRONMENTAL QUALITY	07(H)EPA-08	57,037
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	RI, DEPARTMENT OF ENVIRONMENTAL QUALITY	08(H)EPA-19	6,135
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	TN, DEPARTMENT OF AGRICULTURE	D42-08	15,326
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	TX, DEPARTMENT OF ENVIRONMENTAL QUALITY	EPA, TDA RC&D MULBERRY	7,379
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	VT, DEPARTMENT OF AGRICULTURE	GR-07-18397-00	143,109
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	WY, DEPARTMENT OF ENVIRONMENTAL QUALITY	DEQ GRASS CREEK REDUCT	27,185
66.460 Sub-Total				709,432
66.461	REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	NEW ENGLAND INTERSTATE WATER POLLUTION CONTROL COMMISSION	292-001	965
66.461	GREAT LAKES PROGRAM	FEDERAL DIRECT	GL-00E57101-0	965
66.469	GREAT LAKES PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2004-0005-208	56,462
66.469	GREAT LAKES PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0085-010	63,750
66.469	GREAT LAKES PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0063-011	20,512
66.469	GREAT LAKES PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0063-015	50,367
66.469 Sub-Total				199,746
66.475	GULF OF MEXICO PROGRAM	FEDERAL DIRECT	MX96451406-1	11,042
66.475	GULF OF MEXICO PROGRAM	VA, NATURESERVE	TNCNSL-002	1,578
66.475 Sub-Total				12,620
66.481	LAKE CHAMPLAIN BASIN PROGRAM	VT, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	WQ09-WC-01	10,171
66.481	LAKE CHAMPLAIN BASIN PROGRAM	VT, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	WQ10-WC-01	68
66.481 Sub-Total				10,239
66.510	SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS WITHIN THE OFFICE OF RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	X3-83238601	33,848
66.510	LDEQ-MOLLUCY FARM	LA, DEPARTMENT OF ENVIRONMENTAL QUALITY	671935	33,848
66.510 Sub-Total				236,015
66.671	ENVIRONMENTAL EDUCATION GRANTS	FEDERAL DIRECT	NE-96105701-0	236,015
66.671	ENVIRONMENTAL EDUCATION GRANTS	FEDERAL DIRECT	NE-96692901-0	14,278
66.671 Sub-Total				12,893

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASS-THROUGH #	FY10 FEDERAL EXPENDITURES
66.961 Sub-Total	EPA PDE DE ESTUARY	DE, PARTNERSHIP FOR THE DELAWARE ESTUARY	EPA PDE DE ESTUARY	\$ 27,171.00
66.EPA PDE DE ESTUARY	TE/PEPA NETARTS BAY	OR, TILLAMOK COUNTY	LGP 10-01	7,874
66.LGP 10-01	EPA-SOD ROTATION	FEDERAL DIRECT	X8-96498408-0	2,500
66.LGP 10-01 Sub-Total				2,500
66.X8-96498408-0	APPALACHIAN REGIONAL DEVELOPMENT	VA, THE CONSERVATION FUND	ENVIRONMENTAL PROTECTION AGENCY TOTAL	69,080
66.X8-96498408-0 Sub-Total			NEATCF/ARC VIEW TRAIL	69,080
23.001	BIOLOGICAL SCIENCES	DC, AMERICAN MUSEUM OF NATURAL HISTORY	NATIONAL ENDOWMENT FOR THE ARTS TOTAL	3,930
23.001 Sub-Total				3,930
47.074	NSF URI BIRD HABITAT	RI, UNIVERSITY OF RHODE ISLAND	NSF URI BIRD HABITAT	3,830
47.074 Sub-Total				3,830
47.NSF URI BIRD HABITAT	NSF URI SEAGRASS	RI, UNIVERSITY OF RHODE ISLAND	NSF URI SEAGRASS	34,465
47.NSF URI BIRD HABITAT Sub-Total				34,465
47.NSF URI SEAGRASS	EOP/CEQ FELLER IPA	FEDERAL DIRECT	CEQPC002	2,400
47.NSF URI SEAGRASS Sub-Total				2,400
99.CEQP0C02	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	MD, DEVELOPMENT ALTERNATIVES, INC.	3018	1,156
99.CEQP0C02 Sub-Total				1,156
98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	DC, WORLD WILDLIFE FUND	BZ90	587,499
98.001 Sub-Total				587,499
98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	DC, WORLD WILDLIFE FUND	WA69	1,880
98.001 Sub-Total				1,880
98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	FEDERAL DIRECT	538-A-00-09-00100-00	472,401
98.001 Sub-Total				472,401
98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	FEDERAL DIRECT	AID-514-G-10-00003	570
98.001 Sub-Total				570
98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	FEDERAL DIRECT	RLA-A-00-06-00070-00	952,549
98.001 Sub-Total				952,549
98.001	USAID/IDA1 ORANGUTAN CSP	MD, DEVELOPMENT ALTERNATIVES, INC.	3018	2,014,899
98.001 Sub-Total				2,014,899
98.3018	USAID/IED/GSTA/PHASE2	DC, ACADEMY FOR EDUCATIONAL DEVELOPMENT	3714-01-TNC-03-02	19,062
98.3018 Sub-Total				19,062
98.3714-01-TNC-03-02	USAID RAFT	FEDERAL DIRECT	486-A-00-06-00016-00	213,704
98.3714-01-TNC-03-02 Sub-Total				213,704
98.486-A-00-06-00016-00	USAID BOLFOR II	FEDERAL DIRECT	511-A-00-03-0020000	243,704
98.486-A-00-06-00016-00 Sub-Total				243,704
98.511-A-00-03-0020000	USAID-IPAM GREEN HIGHWAYS	BR, INSTITUTO DE PESQUISA AMBIENTAL DA AMAZONIA	512-A-00-03-00028-00	2,931,483
98.511-A-00-03-0020000 Sub-Total				2,931,483
98.511-A-00-03-0020000	USAID PIB	FEDERAL DIRECT	512-A-00-08-00002-00	13,559
98.511-A-00-03-0020000 Sub-Total				13,559
98.512-A-00-03-00028-00	RESPONSIBLE SOURCING 2	FEDERAL DIRECT	512-A-09-00003	561
98.512-A-00-03-00028-00 Sub-Total				561
98.512-A-00-08-00002-00	USAID/ENVIRON PROTECTION	ECUADOR, FONDO PARA LA PROTECCION DEL AGUA	517-A-00-09-00106-00	581
98.512-A-00-08-00002-00 Sub-Total				581
98.512-A-09-00003	FONAG FONDOS AGUA	DC, GALAPAGOS WWF	FQ49	933,303
98.512-A-09-00003 Sub-Total				933,303
98.517-A-00-09-00106-00	GALAPAGOS WWF	DC, WORLD WILDLIFE FUND	FQ49	933,303
98.517-A-00-09-00106-00 Sub-Total				933,303
98.517-A-00-09-00106-00	NTA GSTA ECUADOR	DC, ACADEMY FOR EDUCATIONAL DEVELOPMENT	IQS 3714-01-TNC-00	643,199
98.517-A-00-09-00106-00 Sub-Total				643,199
98.517-A-00-09-00106-00	SACR-ECOT-GSTA MGMT	DC, ACADEMY FOR EDUCATIONAL DEVELOPMENT	IQS 3714-01-TNC-00	1,774,433
98.517-A-00-09-00106-00 Sub-Total				1,774,433
98.FONAG FONDOS AGUA				51,786
98.FONAG FONDOS AGUA Sub-Total				51,786
98.FQ49				81,788
98.FQ49 Sub-Total				81,788
98.IQS 3714-01-TNC-00				(11,819)
98.IQS 3714-01-TNC-00				73,346
98.IQS 3714-01-TNC-00				946
98.IQS 3714-01-TNC-00 Sub-Total				74,292

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
98.LAG-A-00-99-00045-00	USAID GCP II	FEDERAL DIRECT	LAG-A-00-99-00045-00	\$ 207,485.00
98.LAG-A-00-99-00045-00 Sub-Total				207,485
98.ME68	BSP PNG CONS. TRUST FUND	BIODIVERSITY SUPPORT PROGRAM	ME68	(2,500)
98.ME68 Sub-Total				(2,500)
98.WA83	USAID/WWF ABCG BATS II	DC, WORLD WILDLIFE FUND	WA83	23,759
98.WA83 Sub-Total				23,759
10.072	WETLANDS RESERVE PROGRAM	FEDERAL DIRECT	66SA054	8,887,206
10.072 Sub-Total				135,140
10.072	WETLANDS RESERVE PROGRAM	FEDERAL DIRECT	66-6322-0-0001	113,279
10.072	WETLANDS RESERVE PROGRAM	FEDERAL DIRECT	66-6322-2-0088	161,873
10.072	WETLANDS RESERVE PROGRAM	FEDERAL DIRECT	66-6322-5-0011	29,673
10.072	WETLANDS RESERVE PROGRAM	FEDERAL DIRECT	66-6322-5-0054	98,499
10.072 Sub-Total				538,464
10.679	COLLABORATIVE FOREST RESTORATION	FEDERAL DIRECT	09-CS-11091500-008	49,229
10.679 Sub-Total				49,229
10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	FEDERAL DIRECT	68-8E49-4-43	274,500
10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	FEDERAL DIRECT	68-8E49-9-40	1,123,370
10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	FEDERAL DIRECT	73-7335-6-42	116,705
10.913 Sub-Total				1,514,575
10.000	INVASIVES NFWF PTI	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0079-031	-
10.000 Sub-Total				-
10.025	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	FEDERAL DIRECT	09-8225-0673-CA	273,796
10.025	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	FEDERAL DIRECT	09-8236-0674-CA	45,073
10.025 Sub-Total				318,869
10.03-CS-11081003-070	USFS OZARK ST. FRANCIS NF	FEDERAL DIRECT	03-CS-11081003-070	13,062
10.03-CS-11081003-070 Sub-Total				13,062
10.04-CS-11031600-060	USFS FOREST PLAN CCS	FEDERAL DIRECT	04-CS-11031600-060	35,986
10.04-CS-11031600-060 Sub-Total				35,986
10.05-CS-1104-1000-047	USFS FOREST PLANNING	FEDERAL DIRECT	05-CS-1104-1000-047	25,985
10.05-CS-1104-1000-047 Sub-Total				25,985
10.05-CS-11052007-105	USFS FIRE MATCH	FEDERAL DIRECT	05-CS-11052007-105	40,852
10.05-CS-11052007-105 Sub-Total				40,852
10.05-PA-11080500-005	USFS ANF 2006	FEDERAL DIRECT	05-PA-11080500-005	29,544
10.05-PA-11080500-005 Sub-Total				29,544
10.06-CS-11060600-779	USFS SANDY RIVER 2006	FEDERAL DIRECT	06-CS-11060600-779	22,036
10.06-CS-11060600-779 Sub-Total				22,036
10.06-CS-11080500-002	LLP GCEP USFS EST	FEDERAL DIRECT	06-CS-11080500-002	9,128
10.06-CS-11080500-002 Sub-Total				9,128
10.07-CS-11080821-001	USFS WARMS SPRINGS FIRE	FEDERAL DIRECT	07-CS-11080821-001	101,870
10.07-CS-11080821-001 Sub-Total				101,870
10.07-CS-11100100-099	USFS TONGASS INV DATASET	FEDERAL DIRECT	07-CS-11100100-099	11,178
10.07-CS-11100100-099 Sub-Total				11,178
10.07-PA-11041563-035	USFS/CROOKED CREEK FISH	FEDERAL DIRECT	07-PA-11041563-035	2,355
10.07-PA-11041563-035 Sub-Total				2,355
10.07-PA-11062023-010	USFS/RAC SYCAN WEIR REHA	FEDERAL DIRECT	07-PA-11062023-010	129,821
10.07-PA-11062023-010 Sub-Total				129,821
10.08-CS-11011800-002	USFS DPG RX FIRE 09	FEDERAL DIRECT	08-CS-11011800-002	2,339
10.08-CS-11011800-002 Sub-Total				2,339
10.08-CS-11051760-028	USFS BIRD MONITOR COST SH	FEDERAL DIRECT	08-CS-11051760-028	18,939
10.08-CS-11051760-028 Sub-Total				18,939
10.08-CS-11051760-028	USFS OZARK ST FRANCIS SPE	FEDERAL DIRECT	08-CS-11051760-028	2,871
10.08-CS-11051760-028 Sub-Total				2,871
10.08-CS-11081000-005	USFS/HARRIS RIVER RESTOR	FEDERAL DIRECT	08-CS-11081000-005	94,000
10.08-CS-11081000-005 Sub-Total				94,000
10.08-CS-11100500-091	NFF/CASCADE HEAD TRAIL	NATIONAL FOREST FOUNDATION	09-06-04-29	46,283
10.08-CS-11100500-091 Sub-Total				46,283
10.09-06-04-29				

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
10.09-06-04-29 Sub-Total	USFS FRRT YEAR 4	FEDERAL DIRECT	09-CS-11021000-034	\$ 46,283.00
10.09-CS-11021000-034		FEDERAL DIRECT		9,225
10.09-CS-11021000-034 Sub-Total				9,225
10.09-CS-11030700-029	USS KAIBAB FOREST ANALYSS	FEDERAL DIRECT	09-CS-11030700-029	1,384
10.09-CS-11030700-029 Sub-Total				1,384
10.09CS-11100100-089	USFS/CCS CONIFER ANALYSIS	FEDERAL DIRECT	09CS-11100100-089	93,557
10.09CS-11100100-089 Sub-Total				93,557
10.10-11080900-001	USFS QUACHITA NF	FEDERAL DIRECT	10-11080900-001	8,764
10.10-11080900-001 Sub-Total				8,764
10.10-CS-11080226-011	USFS DANIEL BOONE FLN	FEDERAL DIRECT	10-CS-11080226-011	18,695
10.10-CS-11080226-011 Sub-Total				18,695
10.10-DG-11330121-020	LOBLOLLY DECLINE III	FEDERAL DIRECT	10-DG-11330121-020	27,249
10.10-DG-11330121-020 Sub-Total				27,249
10.10-DG-11420004-146	USFS SCENARIOS 10	FEDERAL DIRECT	10-DG-11420004-146	6,016
10.10-DG-11420004-146 Sub-Total				6,016
10.215	SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION	SD, SOUTH DAKOTA STATE UNIVERSITY	E00004172	80
10.215 Sub-Total				80
10.651218614	NRCS HERP ST. JOHN RIVER	FEDERAL DIRECT	651218614	111
10.651218614 Sub-Total				111
10.652	FORESTRY RESEARCH	FEDERAL DIRECT	05-CS-11231300-058	27,894
10.652	FORESTRY RESEARCH	FEDERAL DIRECT	08-JV-11221632-277	11,737
10.652	FORESTRY RESEARCH	FEDERAL DIRECT	SRS08-DG-11330123080	30,841
10.652	FORESTRY RESEARCH	NY, CORNELL UNIVERSITY	56278-9114	2,628
10.652	FORESTRY RESEARCH	OK, NORTHERN ARIZONA UNIVERSITY	ER134GL-02	27,076
10.652 Sub-Total				100,176
10.65-4423-8-1823	NRS/HFRP MIKES POND	FEDERAL DIRECT	65-4423-8-1823	7,691
10.65-4423-8-1823 Sub-Total				7,691
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	04-CA-11132543-189	733,953
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	05-PA-11086002-001	4,792
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	06-DG-11244225-192	(2,225)
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	07-CA-11132543-049	1,400,504
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	07-DG-11420004-123	14,246
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	08-DG-11420004-140	2,189
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	08-DG-11420004-209	16,513
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	09-DG-11420004-010	11,257
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	09-DG-11420004-243	49,882
10.664	COOPERATIVE FORESTRY ASSISTANCE	FEDERAL DIRECT	10-CA-11192543-054	189,758
10.664	COOPERATIVE FORESTRY ASSISTANCE	IL, DEPARTMENT OF NATURAL RESOURCES	2008-DG-11062752-025	5,311
10.664	COOPERATIVE FORESTRY ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	RC08FHPCP	13,867
10.664 Sub-Total				4,851
10.665	SCHOOLS AND ROADS - GRANTS TO STATES	FEDERAL DIRECT	09-DG-11011200-022	2,424,878
10.665	SCHOOLS AND ROADS - GRANTS TO STATES	FEDERAL DIRECT	09-DG-11011600-036	1,603
10.665 Sub-Total				7,009
10.672	RURAL DEVELOPMENT, FORESTRY, AND	FEDERAL DIRECT	06-DG-11132564-222	8,612
10.672 Sub-Total				42,349
10.675	URBAN AND COMMUNITY FORESTRY PROGRAM	MS, RESOURCE CONSERVATION AND DEVELOPMENT COUNCIL	N.C. RC&D-GREEN INFR	52
10.675	URBAN AND COMMUNITY FORESTRY PROGRAM	VT, UNIVERSITY OF VERMONT	23462	6,740
10.675 Sub-Total				6,792
10.677	FOREST LAND ENHANCEMENT PROGRAM	FEDERAL DIRECT	08-JV-11221637-103	250
10.677	FOREST LAND ENHANCEMENT PROGRAM	FEDERAL DIRECT	08-PA-11081300-008	4,602
10.677 Sub-Total				4,852
10.678	DEPARTMENT OF AGRICULTURE FOREST SERVICE	FEDERAL DIRECT	09-CS-11080400-027	26,366
10.678	DEPARTMENT OF AGRICULTURE FOREST SERVICE	FEDERAL DIRECT	10-DG-11420004-082	25,693
10.678 Sub-Total				52,059

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
10.679	COLLABORATIVE FOREST RESTORATION	FEDERAL DIRECT	04-PA-11091500-001	1,058.00
10.679 Sub-Total	COLLABORATIVE FOREST RESTORATION	NATIONAL FISH AND WILDLIFE FOUNDATION	FS/NWF MIDEWIN VOL 2	17,154
10.680	FOREST HEALTH PROTECTION	FEDERAL DIRECT	07-DG-11052021-187	115,304
10.680	FOREST HEALTH PROTECTION	FEDERAL DIRECT	09-DG-11420004-014	28,480
10.680	FOREST HEALTH PROTECTION	FEDERAL DIRECT	09-DG-11420004-351	4,474
10.680	FOREST HEALTH PROTECTION	NC, DIVISION OF FOREST RESOURCES	10-CA-11041709-015	6,650
10.680	FOREST HEALTH PROTECTION	WA, DEPARTMENT OF AGRICULTURE	1731 K155	18,413
10.680 Sub-Total	NATIONAL FISH AND WILDLIFE FOUNDATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0029-000	173,321
10.683	NATIONAL FISH AND WILDLIFE FOUNDATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0038-018	19,308
10.683	NATIONAL FISH AND WILDLIFE FOUNDATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0040-005	919
10.683 Sub-Total	FEDERAL DIRECT	FEDERAL DIRECT	68-3A75-2-89 MOD 23	62,732
10.683-3A75-2-89 MOD 23 Sub-Total	USDA NRCS UMR INDICATOR	FEDERAL DIRECT	07-DG-11132762-189	82,959
10.684	INTERNATIONAL FORESTRY PROGRAMS	FEDERAL DIRECT	08-DG-11132762-205	60,804
10.684	INTERNATIONAL FORESTRY PROGRAMS	FEDERAL DIRECT	09-DG-11132762-183	167,459
10.684	INTERNATIONAL FORESTRY PROGRAMS	FEDERAL DIRECT	09-IG-11132762-108	317,488
10.684	INTERNATIONAL FORESTRY PROGRAMS	FEDERAL DIRECT	10-DG-11132762-165	146,549
10.684 Sub-Total	RURAL BUSINESS ENTERPRISE GRANTS	FEDERAL DIRECT	USDA RBEG ALLIANCE	54
10.769	NFF/ASHLAND FOREST RESILI	NATIONAL FOREST FOUNDATION	8-06-04-28	692,354
10.769 Sub-Total	NFF MLP WILDLIFE HAB IMP	NATIONAL FOREST FOUNDATION	8-07-07-19	25,000
10.8-06-04-28 Sub-Total	USFS/NFF HARRIS RIVER	NATIONAL FOREST FOUNDATION	8SP-10-03	43,355
10.8-07-07-19 Sub-Total	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	09-PA-11041560-04511	43,355
10.8SP-10-03 Sub-Total	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	68-0211-9-017	35,000
10.8SP-10-03 Sub-Total	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	68-3A75-4-182	35,000
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	68-3A75-6-169	82,500
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	69-3A75-7-127	20,000
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	69-3A75-9-132	7,129
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	69-3A75-9-159	(3,214)
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	69-3A75-9-169	5,267
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	7453A-7-090DB	132,250
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	745F48070H9	57,168
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	7467400710T	2,016
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	7474424 CA53	71,083
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	748E495B187	22,870
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	FEDERAL DIRECT	74945770909Y	(1)
10.912 Sub-Total	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0116-034	31,900
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7204360812H	6,044
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	720546070WD	3,304
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	720546070X6	3,066
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7205466A508	33,019
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7205466A512	391,921
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7205466B225	40,302
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7211060702J	15,740
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7211065A082	2,896
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7213206A191	14,257
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7213206A222	8,216
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	721428070B6	2,987
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT		3,087
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT		(2,751)
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT		3,259
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT		(1,913)
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT		16,653

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7214286A332	\$ 15,531.00
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	72-1644-3-23	1,073
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	72-1644-3-36	990
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	72-1644-3-7	361
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7216445A291	5,751
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7216445A420	617
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7216446A192	1,500
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7216446A418	24,311
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7233A75A688	(743)
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7245325E057	3,966
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7245326B594	3,748
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7252KY6B267	458
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7252KY6B275	667
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	7252KY6B277	5,571
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	725D216A574	5,149
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	725E34082L2	19,119
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	725F46071CO	8,229
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	726633081JC	(2)
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	728D436B072	375
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	FEDERAL DIRECT	EP4320941	5,405
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	NC, PLANT CONSERVATION PROGRAM	CA 09-199	1,200
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	WA, DEPARTMENT OF NATURAL RESOURCES	WD-81508	8,078
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	WA, DEPARTMENT OF NATURAL RESOURCES	720546080ZC	807
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	WA, THURSTON COUNTY	7205466A387	2,963
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	WA, THURSTON COUNTY	7205466A387	5,099
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	WA, WOLF HEAVEN INTERNATIONAL	7205466090SN	4,161
10.914 Sub-Total				227,085
10.999	LONG TERM STANDING AGREEMENTS FOR STORAGE.			
10.999 Sub-Total	TRANSPORTATION AND LEASE	AZ, UNIVERSITY OF ARIZONA	Y550676	32,003
10.999 Sub-Total	FS WHITE MTN SYEAR REPORT	FEDERAL DIRECT	AG-8173-C-09-0071	32,003
10.999 Sub-Total	USFS NFF WSC BLACK FRK MT	NATIONAL FOREST FOUNDATION	BC-801B	46,977
10.999 Sub-Total	USFS FIRE MGMT OFFICER II	FEDERAL DIRECT	NFS09-CS-11060120002	66
10.999 Sub-Total	NRCS PLIV LEPC	NM, PLAYA LAKES JOINT VENTURE	PLIV-TNC CEAP 2009	38,170
10.999 Sub-Total	USFS NFF WSC DRY CRK/POTE	NATIONAL FOREST FOUNDATION	WSC-08-04-19	15,574
10.999 Sub-Total	ARRA-CAPITAL IMPROVEMENT AND MAINTENANCE	FEDERAL DIRECT	08-DG-11060489-070	15,574
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	FEDERAL DIRECT	10-PA-11084419-045	9,768
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	FEDERAL DIRECT	10-PA-11094419-053	6,500
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	FEDERAL DIRECT	10-PA-11094419-054	6,500
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	FEDERAL DIRECT	10-SA-11080489-077	6,500
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	MA, DEPARTMENT OF CONSERVATION AND RECREATION	USFWS/MIDNRE ARRA 10	123,020
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	MA, DEPARTMENT OF CONSERVATION AND RECREATION	08-DG-11420004-900	61,863
10.999 Sub-Total	ARRA-WILDLIFE FIRE MANAGEMENT	MA, DEPARTMENT OF CONSERVATION AND RECREATION	08-DG-11420004-604	3,921
10.999 Sub-Total	NOAA/DNRE FISHES	MI, DEPARTMENT OF NATURAL RESOURCES	10D-0-10	83,268
10.999 Sub-Total	SEA GRANT SUPPORT	FEDERAL DIRECT	053109/0001711	13,838
10.999 Sub-Total				181,938
10.999 Sub-Total				10,804
10.999 Sub-Total				484,452
10.999 Sub-Total				8,225,093
10.999 Sub-Total				166
10.999 Sub-Total				3,324
10.999 Sub-Total				3,324

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	DE, DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL	07010106840	\$ 20,000.00
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	FEDERAL DIRECT	NA06NOS4190224	18,796
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	FEDERAL DIRECT	NA07NOS4000226	29,532
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	FEDERAL DIRECT	NA09NOS4190173	344,400
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	FL, ST. JOHNS RIVER WATER MANAGEMENT DISTRICT	25510	30,480
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	IL, DEPARTMENT OF NATURAL RESOURCES	NOAA/DNR DUNE	1,952
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	MD, ASSOCIATION OF NATIONAL ESTUARY PROGRAMS, INC.	CRM(IRL) NOAA ANEP 0210	1,442
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	MD, DEPARTMENT OF NATURAL RESOURCES	14-10-1321 CZM 170	20,177
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	MI, DEPARTMENT OF ENVIRONMENTAL QUALITY	08-309-19	288
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	MS, DEPARTMENT OF MARINE RESOURCES	S-08-TNC-NMF-654-1	48,966
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	VA, DEPARTMENT OF ENVIRONMENTAL QUALITY	NA08NOS4190486	42,104
11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	VA, DEPARTMENT OF ENVIRONMENTAL QUALITY	NA09NOS4190163	7,950
11.419 Sub-Total			NA06ORR4310009	586,087
11.431 Sub-Total				19,841
11.438	CLIMATE AND ATMOSPHERIC RESEARCH	FEDERAL DIRECT	NOAA/MSRDC MAT-SU FISH	129,819
11.438	PACIFIC COAST SALMON RECOVERY_PACIFIC	AK, MAT-SU RESOURCE CONSERVATION AND DEVELOPMENT COUNCIL	209-3047	10,717
11.438	SALMON TREATY PROGRAM	OR, WATERSHED ENHANCEMENT BOARD	209-5039	27,500
11.438	PACIFIC COAST SALMON RECOVERY_PACIFIC	OR, WATERSHED ENHANCEMENT BOARD	06-2209C	16,968
11.438	SALMON TREATY PROGRAM	WA, SALMON RECOVERY FUNDING BOARD		
11.438	PACIFIC COAST SALMON RECOVERY_PACIFIC	WA, SALMON RECOVERY FUNDING BOARD		
11.438	PACIFIC COAST SALMON RECOVERY_PACIFIC	ID, OFFICE OF SPECIES CONSERVATION	IOSC/COTTOM RANCH LAND	
11.438 Sub-Total				27,449
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA04NMF4630233	212,453
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA04NMF4630233-03	12,188
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA05NMF4631055	56,845
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA06NOS4630032	780
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA07NMF4630136	58,831
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA08NMF4630455	1,096,176
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA08NOS4630335	46,868
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA08NOS4630336	22,404
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA08NOS4630371	39,536
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMF4630122	439,779
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMF4630404	13,506
11.463	HABITAT CONSERVATION	FEDERAL DIRECT	NA09NOS4630123	16,187
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0090-012	2,719,850
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0083-013	783
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0083-035	8,158
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0051-009	571
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0061-008	25,116
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0043-000	38,229
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0046-000	179,426
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION		61,353

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0057-900	173.00
11.463	HABITAT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0057-902	11,543
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630301	130,018
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630303	810,805
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630304	1,802,744
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630308	589,121
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630312	1,045,482
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630314	312,722
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630317	991,352
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA09NMFF4630332	935,870
ARRA-11.463	ARRA-HABITAT CONSERVATION	FEDERAL DIRECT	NA16OR2515	28,740
11.463 Sub-Total				11,498,266
11.473	COASTAL SERVICES CENTER	FEDERAL DIRECT	NA09NOS4730249	62,869
11.473	COASTAL SERVICES CENTER	MS, DEPARTMENT OF MARINE RESOURCES	S-08-TNC-GOMA-01	28,654
11.473	COASTAL SERVICES CENTER	TX, GULF OF MEXICO FOUNDATION	NOAA GOMA 1001	48,541
11.473 Sub-Total				140,064
11.478	CENTER FOR SPONSORED COASTAL OCEAN RESEARCH	IN, UNIVERSITY OF NOTRE DAME	201551TNC	1,634
11.478	CENTER FOR SPONSORED COASTAL OCEAN RESEARCH	NY, NATIONAL AUDUBON SOCIETY INC.	C&MR AUDUBON/DOC MARES	4,194
11.478 Sub-Total				5,828
11.481	EDUCATIONAL PARTNERSHIP PROGRAM	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0182-006	12,386
11.481 Sub-Total				12,386
11.481	MOODY FOREST SUPP 7	GA, DEPARTMENT OF NATURAL RESOURCES	MOODY FOREST SUPP 7	12,386
11.481 Sub-Total				20,496
11.481	MOODY FOREST SUPP 7	FEDERAL DIRECT	NA09NOS4190173	20,496
11.481 Sub-Total				76,249
11.481	NOAA MAUI	FEDERAL DIRECT	WC133F-09-SE-4395	76,249
11.481 Sub-Total				18,297
11.481	NOAA STURGEON IDENTIFY	FEDERAL DIRECT	WC133F-09-SE-4395	18,297
11.481 Sub-Total				18,297
12.09-MOAPC-2	FY06 CAMP SHELBY	MS, MISSISSIPPI MILITARY DEPARTMENT	09-MOAPC-2	143,005
12.09-MOAPC-2 Sub-Total				143,005
12.10-MOAPC-02	DOD/IMD/CAMP SHELBY FY10	MS, MISSISSIPPI MILITARY DEPARTMENT	10-MOAPC-02	233,588
12.10-MOAPC-02 Sub-Total				233,588
12.120799	DOD/IMSCU CAMP RIPLEY	MN, ST. CLOUD STATE UNIVERSITY	120799	947
12.120799 Sub-Total				947
12.128215	DOD/IMSCU CAMP RIPLEY 09	MN, ST. CLOUD STATE UNIVERSITY	128215	108,039
12.128215	DOD/IMSCU CAMP RIPLEY 10	MN, ST. CLOUD STATE UNIVERSITY	128215	68,052
12.128215 Sub-Total				176,091
12.15A 20090803*0860	DOD MEARNG FIRE 10-12	FEDERAL DIRECT	15A 20090803*0860	37,520
12.15A 20090803*0860 Sub-Total				37,520
12.15A U079906370	DOD MEARNG FIRE MGMT	ME, ARMY NATIONAL GUARD	15A U079906370	1,763
12.15A U079906370 Sub-Total				1,763
12.201366TNC	USACE/UND GL CARP 10	IN, UNIVERSITY OF NOTRE DAME	201366TNC	48,075
12.201366TNC Sub-Total				48,075
12.420	MILITARY MEDICAL RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	DAMD17-01-2-0044	127,812
12.420	MILITARY MEDICAL RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	DAMD17-02-2-0075-4	930,000
12.420	MILITARY MEDICAL RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	DAMD17-95-2-5035	1,387,159
12.420	MILITARY MEDICAL RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	W81XWH-07-2-0007	124,588
12.420	MILITARY MEDICAL RESEARCH AND DEVELOPMENT	FEDERAL DIRECT	W81XWH-9351M058	2,288
12.420 Sub-Total				2,571,828
12.421	DOD EGLIN	FEDERAL DIRECT	DAMD17-03-2-0057	17,715
12.421	DOD PBA BURNS FY05	FEDERAL DIRECT	W81XWH-04-2-0040	15,184
12.421	DOD/FT BENNING ECOL MINTRG	FEDERAL DIRECT	W81XWH-04-2-0051	115,917
12.421	GCPEP-DOD EST	FEDERAL DIRECT	DAMD17-03-2-0050	165,386
12.421 Sub-Total				314,212
U.S. DEPARTMENT OF COMMERCE TOTAL				12,573,457

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
12.610	COMMUNITY ECONOMIC ADJUSTMENT PLANNING	FEDERAL DIRECT	W911SR-06-2-0007	\$ 9,078,097.00
12.610	ASSISTANCE FOR JOINT LAND USE STUDIES	FEDERAL DIRECT	W911SR-06-2-0009	2,146,846
12.610	COMMUNITY ECONOMIC ADJUSTMENT PLANNING	FEDERAL DIRECT	W911SR-07-2-0005	1,158,690
12.610	ASSISTANCE FOR JOINT LAND USE STUDIES	FEDERAL DIRECT	W911SR-08-2-0001	3,293,395
12.610	COMMUNITY ECONOMIC ADJUSTMENT PLANNING	FEDERAL DIRECT	W911SR-09-2-0003	1,000,000
12.610	ASSISTANCE FOR JOINT LAND USE STUDIES	FEDERAL DIRECT	W9133L-07-2-3063	4,935
12.610 Sub-Total				725,177
12.CAB	FT LEWIS SEED SOURCE	FEDERAL DIRECT	W812DY-07-2-0022	17,407,140
12.CAB	RDECOM ACUB	FEDERAL DIRECT	W911SR-06-2-0006	125,161
12.CAB Sub-Total				554,410
12.DABJ25-03-G-40021T38	FT LEWIS LARKS 2008	FEDERAL DIRECT	DABJ25-03-G-40021T38	679,571
12.DABJ25-03-G-40021T41	FT LEWIS HOWELLIA 2008	FEDERAL DIRECT	DABJ25-03-G-40021T41	706
12.DABJ25-03-G-40021T43	FT LWS INVASIVES WEEDS 08	FEDERAL DIRECT	DABJ25-03-G-40021T43	706
12.DABJ25-03-G-40021T44	FT LEWIS WATERSHED 2008	FEDERAL DIRECT	DABJ25-03-G-40021T44	1,601
12.DABJ25-03-G-40021T45	FT LEWIS BUTTERFLY 2008	FEDERAL DIRECT	DABJ25-03-G-40021T45	161
12.DABJ25-03-G-40021T45 Sub-Total				161
12.DACA-87-04-H-0003	DOD LEGACY-SAR PHASE 3	FEDERAL DIRECT	DACA-87-04-H-0003	3,478
12.DACA-87-04-H-0003 Sub-Total				3,478
12.DACA87-04-H-0007	DOD FORT LEWIS LEGACY III	FEDERAL DIRECT	DACA87-04-H-0007	4,003
12.DPW-ENV 02-A-0001	DOD FORT HOOD	FEDERAL DIRECT	DPW-ENV 02-A-0001	164,736
12.DPW-ENV 07-A-0001	DOD DT HOOD OAK WILT III	FEDERAL DIRECT	DPW-ENV 07-A-0001	164,736
12.DPW-ENV 07-A-0001 Sub-Total				1,714,060
12.F2Y3RY8177M001	MCCHORD AQUATIC VEG ERAD	FEDERAL DIRECT	F2Y3RY8177M001	1,713
12.F2Y3RY8177M001 Sub-Total				1,713
12.FT GORDON PRODUCT 18	FT GORDON PRODUCT 18	FEDERAL DIRECT	FT GORDON PRODUCT 18	28,825
12.FT GORDON MONIT/MGT 4	FT. GORDON MONIT/MGT 4	FEDERAL DIRECT	FT. GORDON MONIT/MGT 4	28,825
12.FT. GORDON MONIT/MGT 4 Sub-Total				5,160
Total				5,160
12.IPA 001STL	USACE IPA STROLE	FEDERAL DIRECT	IPA 001STL	43,115
12.IPA 001STL Sub-Total				43,115
12.JWJERC 032609	JONES CENTER/DOD	GA, JOSEPH W. JONES ECOLOGICAL RESEARCH CENTER	JWJERC 032609	15,236
12.JWJERC 032609 Sub-Total				15,236
12.N44255-08-2-0002	US NAVY BOARDMAN VEG 2008	FEDERAL DIRECT	N44255-08-2-0002	23,651
12.N44255-08-2-0002 Sub-Total				23,651
12.OS600156 09 2D	MCCHORD NOXIOUS WEEDS 09	FEDERAL DIRECT	OS600156 09 2D	53,711
12.OS600156 09 2D Sub-Total				53,711
12.OS60015608	MCCHORD NOXIOUS WEEDS 08	FEDERAL DIRECT	OS60015608	1,941
12.OS60015608 Sub-Total				1,941
12.PQWY050003A	MCCHORD HORNED LARK	FEDERAL DIRECT	PQWY050003A	325
12.PQWY050003A Sub-Total				325
12.PQWY070010	MCCHORD MOTH SURVEY	FEDERAL DIRECT	PQWY070010	5,937

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASS-THROUGH #	FY10 FEDERAL EXPENDITURES
12.PQWY070010 Sub-Total	MCCHORD HERPETOLOGY	FEDERAL DIRECT	PQWY070012	5,937.00
12.PQWY070012 Sub-Total	MCCHORD AQUATIC SURVEY 09	FEDERAL DIRECT	PQWY080005 11A/11B	1,570
12.PQWY080005 11A/11B Sub-Total	MCCHORD HORNE LARK 10	FEDERAL DIRECT	PQWY080025	50,000
12.PQWY080025 Sub-Total	PRODUCT 19 FT GORDON	FEDERAL DIRECT	PRODUCT 19 FT GORDON	50,000
12.PRODUCT 19 FT GORDON Sub-Total	USACE HEC WATER WORKSHOPS	FEDERAL DIRECT	USACE HEC WATER WORKSHOPS	4,638
12.USACE HEC WATER WORKSHOPS Sub-Total	DOD/SERDP IPA	FEDERAL DIRECT	W81EWF61045125	50,992
12.USACE HEC WATER WORKSHOPS Sub-Total	FT LEWIS	FEDERAL DIRECT	W911S8	275
12.W81EWF61045125 Sub-Total	USACE NOV08 TRAINING	FEDERAL DIRECT	W91238-09-P-0021	161,833
12.W911S8 Sub-Total	ACOE LEGACY RARE SPECIES	FEDERAL DIRECT	W912DY	161,833
12.W91238-09-P-0021 Sub-Total	DOD/JONES CENTER SERDP	GA, JOSEPH W. JONES ECOLOGICAL RESEARCH CENTER	W912HQ-09-C-0014	813,445
12.W912DY Sub-Total	SERDP PO J HALL	FEDERAL DIRECT	W912HQ-10-P-0067	813,445
12.W912HQ-09-C-0014 Sub-Total	BPA COBURG JAQUA	FEDERAL DIRECT	00033214	5,000
12.W912HQ-10-P-0067 Sub-Total	BPA WILLOW CREEK 2008	FEDERAL DIRECT	00042893	5,000
12.W912HQ-10-P-0067 Sub-Total	BPA WV ACO/RESTORATION	FEDERAL DIRECT	00048141	177,573
81.00033214	ODFW/BPA WV FLOODPLAIN II	OR, DEPARTMENT OF FISH AND WILDLIFE	020-9056-GA-WILDLIFE	2,085
81.00033214 Sub-Total	STWS/BPA DUNSTAN PHASE II	OR, THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON	T-13096-08	2,085
81.00042893	WILLOW CREEK/BPA WATSON	FEDERAL DIRECT	WILLOW CREEK/BPA WATSON	60,400
81.00042893 Sub-Total	CDFG-CANDIDATE CONSERVATION	CA, DEPARTMENT OF FISH AND GAME NATIONAL FISH AND WILDLIFE FOUNDATION	P0550004	60,400
81.00048141	USFWS BULL TROUT HABITAT	OR, DEPARTMENT OF FISH AND WILDLIFE	010-7290-S-WILDLIFE	12,253
81.00048141 Sub-Total	URMCC CSL SHORELANDS STEW	UT, RECLAMATION, MITIGATION AND CONSERVATION COMMISSION	04-FC-UT-1160	76,702
81.020-9056-GA-WILDLIFE Sub-Total	BOR WR WQ MONITORING	FEDERAL DIRECT	07-FG200081	21,579
81.020-9056-GA-WILDLIFE Sub-Total	GCPEP FWC MULTISTATE	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	09075	21,579
81.T-13096-08 Sub-Total	FWS/DOW CRAYFISH CONTROL	NV, DIVISION OF WATER	09-44	160,000
81.WILLOW CREEK/BPA WATSON Sub-Total	FWS/BENNETT PROP REPORT	FEDERAL DIRECT	10181AM561	160,000
81.WILLOW CREEK/BPA WATSON Sub-Total				(3,075)
Total				(3,075)
15.000				754,150
15.000				1,021,608
15.000 Sub-Total				5,577
15.010-7290-S-WILDLIFE				5,577
15.010-7290-S-WILDLIFE Sub-Total				63,189
15.04-FC-UT-1160 Sub-Total				63,189
15.07-FG200081				12,085
15.07-FG200081 Sub-Total				12,085
15.09075				87,170
15.09075 Sub-Total				87,170
15.09-44				11,100
15.09-44 Sub-Total				11,100
15.10181AM561				25,443
15.10181AM561 Sub-Total				25,443
				455

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.10181AM561 Sub-Total	NMDFG GILA MONITORING	NM, DEPARTMENT OF GAME AND FISH	10-516-0000-00023	455,00
15.10-516-0000-00023		FEDERAL DIRECT		20,186
15.10-516-0000-00023 Sub-Total	USFWS-PILN	FEDERAL DIRECT	12200-8-G023	20,186
15.12200-8-G023		FEDERAL DIRECT		5,048
15.12200-8-G023 Sub-Total	USFWS CCI ELLSWORTH	FEDERAL DIRECT	13552-4-J115	5,048
15.13552-4-J115		FEDERAL DIRECT		3,633
15.13552-4-J115 Sub-Total	USFWS WILLAPA THINNING	FEDERAL DIRECT	13552A0040	3,633
15.13552A0040		FEDERAL DIRECT		7,262
15.13552-4-J115 Sub-Total	USFWS JFSP HANFORD ALE	FEDERAL DIRECT	13580-9-J088	7,262
15.13580-9-J088		FEDERAL DIRECT		218
15.13580-9-J088 Sub-Total	USFWS FCTC MOD 4	FEDERAL DIRECT	144800038911	218
15.144800038911		FEDERAL DIRECT		12,037
15.144800038911 Sub-Total	USFWS FCTC DAVIS TRACK	FEDERAL DIRECT	1448-0003-8-911	12,037
15.1448-0003-8-911		FEDERAL DIRECT		16,975
15.1448-0003-8-911 Sub-Total	PPW RAMSEY POND REMOVAL	FEDERAL DIRECT	1448-20181-06-G562	16,975
15.1448-20181-06-G562		FEDERAL DIRECT		-
15.1448-20181-06-G562 Sub-Total	PPW SAN PEDRO 7B SPRING	FEDERAL DIRECT	1448-20181-06-G582	-
15.1448-20181-06-G582		FEDERAL DIRECT		5,549
15.1448-20181-06-G582 Sub-Total	USFWS CLINCH TN-VA	FEDERAL DIRECT	1448-40181-01-G150	5,549
15.1448-40181-01-G150		FEDERAL DIRECT		59,679
15.1448-40181-01-G150 Sub-Total	NFWF-NEHALEM CAP	NATIONAL FISH AND WILDLIFE FOUNDATION	2005-0127-031	86
15.2005-0127-031		NATIONAL FISH AND WILDLIFE FOUNDATION		86
15.2005-0127-031 Sub-Total	NFWF SKAGIT DELTA FEW	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0180-005	465
15.2006-0180-005		NATIONAL FISH AND WILDLIFE FOUNDATION		465
15.2006-0180-005 Sub-Total	BLM/NFWF BRISTOL BAY WATE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0035-008	47,391
15.2009-0035-008		NATIONAL FISH AND WILDLIFE FOUNDATION		47,391
15.2009-0035-008 Sub-Total	NFWFKWP KEYSTONE INITIAT	NATIONAL FISH AND WILDLIFE FOUNDATION	2010-001	6,353
15.2010-001		NATIONAL FISH AND WILDLIFE FOUNDATION		6,353
15.2010-001 Sub-Total	NATIONAL FIRE PLAN - WILDLAND URBAN INTERFACE	FEDERAL DIRECT	L07AC13219	4,455
15.228	COMMUNITY FIRE ASSISTANCE	FEDERAL DIRECT	L07AC14781	26,234
15.228	NATIONAL FIRE PLAN - WILDLAND URBAN INTERFACE	FEDERAL DIRECT	L09AP15720	30,888
15.228	COMMUNITY FIRE ASSISTANCE	FEDERAL DIRECT	L08AC14170	40,000
15.228 Sub-Total	WILD HORSE AND BURRO RESOURCE MANAGEMENT	FEDERAL DIRECT	L08AC15077	40,000
15.229	FISH, WILDLIFE AND PLANT CONSERVATION	FEDERAL DIRECT	L08AC14170	11,757
15.229 Sub-Total	RESOURCE MANAGEMENT	FEDERAL DIRECT	L08AC15077	34,498
15.231	FISH, WILDLIFE AND PLANT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0078-007	2,089
15.231	RESOURCE MANAGEMENT	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0035-009	2,089
15.231	FISH, WILDLIFE AND PLANT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0082-000	26,359
15.231	RESOURCE MANAGEMENT	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0086-000	13,947
15.231	FISH, WILDLIFE AND PLANT CONSERVATION	NATIONAL FISH AND WILDLIFE FOUNDATION	L10AP16426	59,919
15.231	RESOURCE MANAGEMENT	NATIONAL FISH AND WILDLIFE FOUNDATION	L08AC13309	13,142
15.231 Sub-Total	FOREST AND WOODLANDS RESOURCE	FEDERAL DIRECT	L10AC16251	161,711
15.233	SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION	FEDERAL DIRECT	L08AC13309	50,546
15.233	SOUTHERN NEVADA PUBLIC LAND MANAGEMENT	FEDERAL DIRECT	L10AC16251	50,546
15.233 Sub-Total		FEDERAL DIRECT	L09AC15574	115,125
15.234		FEDERAL DIRECT		115,125
15.234 Sub-Total		FEDERAL DIRECT		1,15,281
15.235		FEDERAL DIRECT		1,15,281

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.236 Sub-Total				115,281.00
15.40181-9-G502	IRL USFWS WATERSHED	FEDERAL DIRECT	40181-9-G502	13,290
15.40181-9-G502 Sub-Total	COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)	AR, NATURAL RESOURCES COMMISSION		13,290
15.426			10-10-012	195,000
15.426 Sub-Total	USFWS INVASIVES	FEDERAL DIRECT		195,000
15.50181-8-J296	USFWS CLINCH POWELL AML	FEDERAL DIRECT	50181-8-J296	3,125
15.50181-8-J296 Sub-Total				3,125
15.50181-9-M819	WATER 2025	NV, CITIES OF RENO AND SPARKS	50181-9-M819	27,063
15.50181-9-M819 Sub-Total	PROVIDING WATER TO AT-RISK NATURAL DESERT		06FG204103	27,063
15.507	TERMINAL LAKES	FEDERAL DIRECT		2,962,399
15.507 Sub-Total				2,962,399
15.508	USFWS/DSL SEC 6 FENDER SU	FEDERAL DIRECT	R10AP20652	6,836,760
15.508 Sub-Total				6,836,760
15.5211.587	USFWS GREEN PITCHER PLANT	OR, DIVISION OF STATE LAND	5211.587	2,311
15.5211.587 Sub-Total				2,311
15.602	NFF-FIRE ROUNDTABLE	FEDERAL DIRECT	1448-40181-02-J025	10,917
15.602 Sub-Total				10,917
15.6-02-13-26	SPORT FISH RESTORATION PROGRAM	NATIONAL FOREST FOUNDATION	6-02-13-26	17,500
15.6-02-13-26 Sub-Total	SPORT FISH RESTORATION PROGRAM	TN, WILDLIFE RESOURCES AGENCY		17,500
15.605		TN, WILDLIFE RESOURCES AGENCY	18911-GR1030662	1,500
15.605 Sub-Total		TN, WILDLIFE RESOURCES AGENCY	GR-09-24012-00	1,500
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	13320-9-J008	1,500
15.608 Sub-Total	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT		2,794
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	13410-6-J026	(1)
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	13410-6-J027	
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	13410-8-J006	2,409
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	13420-06-J604	11,611
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	1448-40181-02-G234	78
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	30181-8-J224	17,086
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	30181-9-G078	9,171
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	30181-9-J017	4,162
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	40181-9-G504	
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	50181-9-J089	9,375
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	70181-7-J665	10,040
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	70181-8-G513	57,945
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	70181-8-J702	8,877
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	70181-8-J732	57,062
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	70181-9-J052	68,532
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	FEDERAL DIRECT	84320-9-J423	25,000
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	MIN, RED LAKE WATERSHED DISTRICT	30181-7-J19-TNC1	12,970
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0098-074	35,179
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0138-000	20,093
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0067-002	33,729
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2007-0085-016	6
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0044-002	73,053
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0044-005	323,898
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0053-001	46,837
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0054-23	10,235
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0054-25	22,610
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0100-000	30,027
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2008-0100-000	43,283
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0004-000	6,760
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0020-003	20,000
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0035-015	1,019
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0035-016	21,560
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0037-005	14,641

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0059-004	\$ 17,242.00
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0059-005	7,635
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0061-004	22,668
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2009-0084-000	50,656
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2010-0019-000	35,000
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2010-0074-005	16,979
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	2010-0074-020	138
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	21730	3,281
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	61-4778A	17,845
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	NATIONAL FISH AND WILDLIFE FOUNDATION	FAF-8099	24,852
15.608 Sub-Total		PA, PENNSYLVANIA GAME COMMISSION	4000014961	1,196,357
15.611	WILDLIFE RESTORATION	TX, PARKS AND WILDLIFE DEPARTMENT	184040	95,707
15.611	WILDLIFE RESTORATION	TX, PARKS AND WILDLIFE DEPARTMENT	184040	1,390,713
15.611 Sub-Total		ME, DEPARTMENT OF INLAND FISHERIES AND WILDLIFE	SUBAWARD AGREEMENT UNDER AGREEMENT #C-16-L-1	1,486,420
15.614	COASTAL WETLANDS PLANNING, PROTECTION AND RESTORATION ACT	WA, DEPARTMENT OF FISH AND WILDLIFE	08-1848	803,200
15.614	COASTAL WETLANDS PLANNING, PROTECTION AND RESTORATION ACT	WI, DEPARTMENT OF NATURAL RESOURCES	NA2F-184	899,075
15.614	COASTAL WETLANDS PLANNING, PROTECTION AND RESTORATION ACT	AL, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES	USFWS FLOWERS	70,000
15.614 Sub-Total		AR, GAME AND FISH COMMISSION	E-25-HP	1,772,275
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	FEDERAL DIRECT	1448-40181-00-G220	493,500
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	FEDERAL DIRECT	1448-40181-02-G141	52,851
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	IN, DEPARTMENT OF NATURAL RESOURCES	E2-6-A535	(13,471)
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	MS, DEPARTMENT OF FISH AND WILDLIFE	E-1/SEGMENT 23	25,550
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	MS, DEPARTMENT OF FISH AND WILDLIFE	MDWFP-GOPHER FROG TRANS	(96)
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	MT, DEPARTMENT OF FISH, WILDLIFE AND PARKS	100017	27,395
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	ND, FISH WILDLIFE AND PARKS	10017	3,148
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	OR, DIVISION OF STATE LAND	09-103-59625	15,211
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TN, WILDLIFE RESOURCES AGENCY	10972-GR1029097	500,000
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TN, WILDLIFE RESOURCES AGENCY	GR 1031227	625,019
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TN, WILDLIFE RESOURCES AGENCY	GR-08-23223-00	29,392
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TN, WILDLIFE RESOURCES AGENCY	GR-08-23323-00	3,524
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	185956	116,563
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	212351	(147,163)
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	169972	801,187
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	185956	(144)
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT		-

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASS-THROUGH #	FY10 FEDERAL EXPENDITURES
15.615	COOPERATIVE ENDANGERED SPECIES			
	CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	203971	\$ 13,431.00
15.615	COOPERATIVE ENDANGERED SPECIES			
	CONSERVATION FUND	TX, PARKS AND WILDLIFE DEPARTMENT	212351	20,647
15.615	COOPERATIVE ENDANGERED SPECIES			
	CONSERVATION FUND	UT, DIVISION OF WILDLIFE RESOURCES	071900	400,000
15.615	COOPERATIVE ENDANGERED SPECIES			
	CONSERVATION FUND	VT, FISH AND WILDLIFE DEPARTMENT	06120FY1089	500,000
15.615	COOPERATIVE ENDANGERED SPECIES			
	CONSERVATION FUND	WA, DEPARTMENT OF FISH AND WILDLIFE	06-1287	(10,849)
15.615 Sub-Total				3,455,695
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	30181-8-J137	108,823
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	51410-A-G016	16,800
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	98210-3-G624	(2,312)
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N191	71,397
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N421A	50,000
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N431A	1,301
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N481C	192,861
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N491D	14,009
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N521	150,000
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N541	828,000
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N551	16,029
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N611B	60,575
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N621A	37,297
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N631A	2,398
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N641A	531,115
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N651	75,000
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N711	563,627
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N751	232,364
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	FEDERAL DIRECT	VA-N761	4,375
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	GA, DEPARTMENT OF NATURAL RESOURCES	B03658	21,728
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	MN, PHEASANTS FOREVER	IA-267-2	6,930
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	TN, DUCKS UNLIMITED INC.	MI-231-22	4,263
15.623	NORTH AMERICAN WETLANDS CONSERVATION FUND	TN, DUCKS UNLIMITED INC.	US-UT-38-7	510,000
15.623 Sub-Total				3,595,875
15.628	MULTISTATE CONSERVATION GRANT PROGRAM			
15.628	COASTAL PROGRAM	GA, DEPARTMENT OF NATURAL RESOURCES	SARP - SIFN	66,162
15.630	COASTAL PROGRAM	FEDERAL DIRECT	13410-7-J025	4,314
15.630	COASTAL PROGRAM	FEDERAL DIRECT	13410-8-J027	465
15.630	COASTAL PROGRAM	FEDERAL DIRECT	13410-9-J013	15,631
15.630	COASTAL PROGRAM	FEDERAL DIRECT	13420-A-J011	658
15.630	COASTAL PROGRAM	FEDERAL DIRECT	1448-20181-05-G922	30,316
15.630	COASTAL PROGRAM	FEDERAL DIRECT	1448-20181-08-J818	1,439
15.630	COASTAL PROGRAM	FEDERAL DIRECT	1448-20181-08-J826	666
15.630	COASTAL PROGRAM	FEDERAL DIRECT	1448-20181-09-J817	27,845
15.630	COASTAL PROGRAM	FEDERAL DIRECT	1448-20181-A-GS03	7,226
15.630	COASTAL PROGRAM	FEDERAL DIRECT	40781-6-G083	3,730
15.630	COASTAL PROGRAM	FEDERAL DIRECT	40781-7-J144	12,568
15.630	COASTAL PROGRAM	FEDERAL DIRECT	40781-9-GS36	7,137
15.630	COASTAL PROGRAM	FEDERAL DIRECT	40781-9-GS57	30,393
15.630	COASTAL PROGRAM	FEDERAL DIRECT	40781-9-J660	9,137
15.630	COASTAL PROGRAM	FEDERAL DIRECT	51120-9-J120	5,730
15.630	COASTAL PROGRAM	FEDERAL DIRECT	51120-A-G204	2,996
15.630	COASTAL PROGRAM	FEDERAL DIRECT	51140-A-J013A	41,067
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-8-J723	30,000

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-8-J724	24,408
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-9-J013	35,621
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-9-J014	24,667
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-9-J043	3,320
15.630	COASTAL PROGRAM	FEDERAL DIRECT	70181-A-J012	80
15.630 Sub-Total				319,414
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	06-0027	482
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	12200-5-G020	475
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1220-09-J009	214,733
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	12200-9-J018	13,416
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	13410-7-J014	84
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	13410-8-J007	1,114
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	13410-8-J018	22,739
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	13420-9-J933	1,391
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	14421-4-J-003	16,266
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	14421-7-J009	3,812
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	14450-9-J039	10,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-06-G935	19,173
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-08-G534	5,085
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-08-G536	8,643
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-08-G541	9,676
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-08-G554	10,639
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-08-G587	4,197
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-09-A-G507	333
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-5-G599	2,070
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-9-G566	8,486
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-A-G525	635
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	1448-20181-99-G062	36
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	20181-9-J830	38,315
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	30181-5-J201	3,469
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	30181-6-J199	1,013
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	30181-9-J140	12,651
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	33510-7-J003	8,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	33510-A-J001	10,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-4-G141	654
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-6-J039	16,677
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-6-J132	(179)
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-G054	2,717
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-G064	5,812
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-G084	6,785
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-G087	35,932
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-J026	294,225
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-J063	24,775
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-J095	6,534
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-7-J102	8,103
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-8-G516L	3,397
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-9-G520	11,050
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-9-J573	1,377
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-9-J597	13,589
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-9-J639	25,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	40181-9-J652	1,456
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	50181-7-J201	4,153
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	51411-9-J117	22,171
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	53410-A-J009A	2,832
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	60181-5-G207	17,615
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	60181-6-J571	35,510
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	60181-9-J602	18,438

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASS-THROUGH #	FY10 FEDERAL EXPENDITURES
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	60181-9-1607	10,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	60181-9-1607	422,425
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	61530-08-008	6,254
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	61530-08-009	21,710
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	61810-07-005	4,960
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	64860-5-G049	1,790
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	64860-8-G079	1,773
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	64860-9-G029	8,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	81333-9-0001	31,938
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	81333-9-0002	24,953
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	81430-9-0003	3,550
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	INPLO-2009-08	10,000
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	USFWS GR DRY PRAIRIE	6,230
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	USFWS HDA AUSTIN HILL	3,713
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	USFWS LEIF MTN WOOD VEG	1,099
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	USFWS SCHAEFER WOOD VEG	399
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	USFWS SHEEPBERRY WOOD VEG	891
15.631	PARTNERS FOR FISH AND WILDLIFE	COMMISSION	0182	1,591
15.631	PARTNERS FOR FISH AND WILDLIFE	VA. FISHAMERICA FOUNDATION	FAF-5096	14,936
15.631	PARTNERS FOR FISH AND WILDLIFE	VA. FISHAMERICA FOUNDATION	FWS PFW CLINCH VALLEY FRM	23,176
15.631	PARTNERS FOR FISH AND WILDLIFE	FEDERAL DIRECT	CO-GO-10-002	15,000
ARRA-15.631	ARRA-PARTNERS FOR FISH AND WILDLIFE			1,539,884
15.632	FWS PSG WHITE DOME POPPY	FEDERAL DIRECT	60181-7-G093	577
15.632	FWS REDFIELD CANYON	FEDERAL DIRECT	20181-9-J807	5,023
15.632	FWS SARP MIDDLE FRK SALIN	FEDERAL DIRECT	40181-9-G547	103,327
15.632	FWS YR 3 PRR HAB ENHANCE	FEDERAL DIRECT	40181-7-J013	79,046
15.632	FWS-GOPHER FROG	FEDERAL DIRECT	40181-7-G044	609
15.632	LWR USFWS JAY WATCH 2	FEDERAL DIRECT	40181-8-G019	14,228
15.632	NWFL-FWS APALACHICOLA INV	FEDERAL DIRECT	40181-3-G165	69,567
15.632	USFWS 19 AT RISK	FEDERAL DIRECT	50181-6-G004	33,723
15.632	USFWS ALUTJUN BUTTERCUP	FEDERAL DIRECT	60181-6-G186	3,295
15.632	USFWS BOARDMAN PSG	FEDERAL DIRECT	13420-04-J437	183
15.632	USFWS BOARDMAN PSG PH II	FEDERAL DIRECT	13420-7-J736	12,302
15.632	USFWS CANEBRAKE REST	FEDERAL DIRECT	40181-6-G135	20,520
15.632	USFWS CAVE SPECIES G1G2	FEDERAL DIRECT	40181-6-G079	15,047
15.632	USFWS CCAA LITTLE RED RVR	FEDERAL DIRECT	40181-6-G090	3,353
15.632	USFWS COOSA BASIN	FEDERAL DIRECT	40181-8-G579	5,437
15.632	USFWS CRYSTAL BOG	FEDERAL DIRECT	50181-8-G047	945
15.632	USFWS DIAMOND Y PLA	FEDERAL DIRECT	1448-2081-08-G501	3,602
15.632	USFWS EDWARDS PLATEAU	FEDERAL DIRECT	1448-201816-G952	29,444
15.632	USFWS GREENSWEET ISLAND	FEDERAL DIRECT	40181-5-J024	1,276
15.632	USFWS IBW COORDINATOR	FEDERAL DIRECT	40181-6-G131	46,398
15.632	USFWS KITTY TODD RESTOREU	FEDERAL DIRECT	30181-7-G080	13,207
15.632	USFWS LOGAN CAVE HYDROLAB	FEDERAL DIRECT	40181-6-G081	2,953
15.632	USFWS MIGRATORY SGBIRDS	FEDERAL DIRECT	40181-4-G148	841
15.632	USFWS NEST SHOREBIRDS	FEDERAL DIRECT	50181-7-G022	2,579
15.632	USFWS PACKSADDLE 05-06	FEDERAL DIRECT	20181-6-G912	447
15.632	USFWS PLA FOUR CANYON	FEDERAL DIRECT	1448-20181-05-G510	1,749
15.632	USFWS Plover 2009	FEDERAL DIRECT	50181-9-J110	22,206
15.632	USFWS PRIVATE STEW	FEDERAL DIRECT	40181-7-G098	100,068
15.632	USFWS PSG BENSON CREEK	FEDERAL DIRECT	40181-6-G141	74,376
15.632	USFWS PSG ELM SPRINGS	FEDERAL DIRECT	40181-6-G095	2,245
15.632	USFWS PSG LITTLE RED RVR	FEDERAL DIRECT	40181-6-G102	46,460
15.632	USFWS PSG MIDDLE FORK SAL	FEDERAL DIRECT	40181-7-G073	65,492
15.632	USFWS PSG PRAIRIE COITEAU	FEDERAL DIRECT	60181-7-G361	3,899
15.632	USFWS PSG RESTORATION	FEDERAL DIRECT	30181-5-G034	3,881

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASSSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.632	USFWS PSG STRAWBERRY RVR	FEDERAL DIRECT	40181-6-G103	1,176
15.632	USFWS PSPG RABBIT HABITAT	FEDERAL DIRECT	14421-6-J001	13,584
15.632	USFWS PVT STEW 2007	FEDERAL DIRECT	50181-7-G042	(378)
15.632	USFWS RCW RECOVERY PG	FEDERAL DIRECT	50181-7-G036	15,216
15.632	USFWS RED CEDAR REMOVAL	FEDERAL DIRECT	20881-6-G912	42,717
15.632	USFWS SMOKE HOLE CANYON	FEDERAL DIRECT	50181-7-G026	8,368
15.632	USFWS SO. APP. BOGS II	FEDERAL DIRECT	40181-6-G089	11,210
15.632	USFWS STAR CACTUS	FEDERAL DIRECT	1446-20181-07-G901	23,053
15.632	USFWS TURKEY CREEK BMP'S	FEDERAL DIRECT	40181-6-J029	-
15.632	USFWS ULRR SEDIMENT MAPP	FEDERAL DIRECT	40181-7-G066	1,839
15.632	USFWS WEST TEXAS FIRE	FEDERAL DIRECT	20181-7-G906	2,353
15.632	USFWS WOLF HAVEN 2007-10	FEDERAL DIRECT	13410-7-J024	26,555
15.632	USFWS WV PSG III	FEDERAL DIRECT	13420-06-J629	24,649
15.632	USFWS ZUMWALT PSG	FEDERAL DIRECT	13420-06-J634	7,930
15.632	USFWS/GLCI APC IN R-G	TX, GRAZING LANDS CONSERVATION INITIATIVE	071207	23,028
15.632 Sub-Total				988,685
15.633	BROKEN KETTLE GRASSLANDS/CHAD BANKS EASEMENT	IA, DEPARTMENT OF NATURAL RESOURCES	BROKEN KETTLE GRASSLANDS/CHAD BANKS EASEMENT	35,000
15.633	BROKEN KETTLE GRASSLANDS-BOBIER EASEMENT	IA, DEPARTMENT OF NATURAL RESOURCES	BROKEN KETTLE GRASSLANDS-BOBIER EASEMENT	24,000
15.633	DNR BLACK RIV 10 LIP	IA, DEPARTMENT OF NATURAL RESOURCES	CRDC9007CKSM100162	14,700
15.633	FWS DFW LIP 09 BARTHOLOMW	MA, DEPARTMENT OF NATURAL RESOURCES	DNR BLACK RIV 10 LIP	10,950
15.633	FWS DFW LIP 09 JUG END	MA, DEPARTMENT OF FISH AND WILDLIFE	FY09-15	(410)
15.633	FWS DFW LIP 09 KAMPOOSA	MA, DEPARTMENT OF FISH AND WILDLIFE	FY09-16	(412)
15.633	FWS DFW LIP 09 S D M	MA, DEPARTMENT OF FISH AND WILDLIFE	FY09-17	7,457
15.633	FWS DFW LIP 09 SCHENOB	MA, DEPARTMENT OF FISH AND WILDLIFE	FY09-19	3,533
15.633	FWS/DNR LIP RX FIRE 09	MA, DEPARTMENT OF FISH AND WILDLIFE	FY09-18	11,181
15.633	FWS/TWRA DUCK LIP	MN, DEPARTMENT OF NATURAL RESOURCES	91001	18,991
15.633	FWS/TWRA DUCK LIP 3	TN, WILDLIFE RESOURCES AGENCY	GR-09-26561-00	1,427
15.633	FWS/TWRA/CAVE LIP YR 2	TN, WILDLIFE RESOURCES AGENCY	GR1029685	50,833
15.633	HABITAT MAINT	NJ, DEPARTMENT OF ENVIRONMENTAL PROTECTION	GR-09-26795-00	4,903
15.633	LIP TORRANCE RANCH	NV, DIVISION OF WATER	FG06-045	22,854
15.633	NDOW/LIP TORRANCE SPRINGS	FEDERAL DIRECT	07-32	1,996
15.633	PRIMEHOOK NWR-ISLAND & SANCTUARY F	DE, DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL	10-37	14,579
15.633	USFWS AGFC LIP COORDINATO	AR, GAME AND FISH COMMISSION	PRIMEHOOK NWR-ISLAND & SANCTUARY	585,679
15.633	USFWS AL LIP	AL, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES	USFWS AGFC LIP COORDINATO	52,343
15.633	USFWS BONEHEAD 09 LIP	MI, BONEHEAD HUNT CLUB	USFWS AL LIP	190,210
15.633	USFWS CLARK 09 LIP	MI, THE LINCOLN CLUB	USFWS BONEHEAD 09 LIP	14,197
15.633	USFWS LINCOLN 09 LIP	MI, THE LINCOLN CLUB	USFWS CLARK 09 LIP	3,600
15.633	USFWS PERCH LK 09 LIP	MI, THE LINCOLN CLUB	USFWS LINCOLN 09 LIP	12,069
15.633	USFWS PFBC LIP	PA, PENNSYLVANIA FISH AND BOAT COMMISSION	USFWS PERCH LK 09 LIP	6,600
15.633	USFWS TURTLE 10 LIP	VA, DEPARTMENT OF FISH AND WILDLIFE	4100049862	37,228
15.633	USFWS WDFW LIP PSB SPARTI	WA, DEPARTMENT OF FISH AND WILDLIFE	USFWS TURTLE 10 LIP	150
15.633	USFWS/AGFC LIP	CT, DEPARTMENT OF ENVIRONMENTAL PROTECTION	05-2467	3,149
15.633	USFWS/DEP LORD COVE	MI, DEPARTMENT OF NATURAL RESOURCES	T-1	140,038
15.633	USFWS/DNR 2009 LIP	WI, DEPARTMENT OF NATURAL RESOURCES	USFWS/DEP LORD COVE	12,321
15.633	USFWS/DNR DOOR LIP 09	MI, DEPARTMENT OF NATURAL RESOURCES	USFWS/DNR 2009 LIP	42,809
15.633	USFWS/DNR GONZALEZ LIP	MI, DEPARTMENT OF NATURAL RESOURCES	LM2008-01A	3,251
15.633	USFWS/DNR LIP INVASIVE 09	MN, DEPARTMENT OF NATURAL RESOURCES	USFWS/DNR GONZALEZ LIP	50
15.633	USFWS/DNR SE MI LIP 08	MI, DEPARTMENT OF NATURAL RESOURCES	91001	20,362
15.633	USFWS/DNR WE MI LIP 08	MI, DEPARTMENT OF NATURAL RESOURCES	USFWS/DNR SE MI LIP 08	5,537
15.633	USFWS/DNRE DURKEE 10 LIP	MI, DURKEE LAKES HUNTING CLUB	USFWS/DNR WE MI LIP 08	9,853
15.633			USFWS/DNRE DURKEE 10 LIP	163

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.633	USFWS/MDC DNR LIP 2008	MD, DEPARTMENT OF NATURAL RESOURCES	KOOP9200257	44,117
15.633	USFWS/MDC DNR LIP FIRE	MD, DEPARTMENT OF NATURAL RESOURCES	KOOP9200636	8,198
15.633	USFWS/MDC LIP CURRENT RIV	NC, DEPARTMENT OF CONSERVATION	USFWS/MDC LIP CURRENT RIV	28,950
15.633	USFWS/NGRC SHAKEN CR RCW	NC, WILDLIFE RESOURCES COMMISSION	2895-2006-01-71-1	33,742
15.633	USFWS/NGPC LIP NIOBRARA	NE, GAME AND PARKS COMMISSION	LIP-02-05	451
15.633	USFWS/ODFW LIP II OAK	OR, DEPARTMENT OF FISH AND WILDLIFE	010-7332-S-WILDLIFE	10,841
15.633	USFWS/ODFW LIP II WILLOWC	OR, DEPARTMENT OF FISH AND WILDLIFE	010-8127-S-WILDLIFE	14,547
15.633	USFWS/ODFW LIP II WRENPPRA	OR, DEPARTMENT OF FISH AND WILDLIFE	010-8126-S-WILDLIFE	(357)
15.633	WDFW LIP CAYNESS	WA, DEPARTMENT OF FISH AND WILDLIFE	08-1232	3,660
15.633	WDFW LIP MIMA CORRIDOR	WA, DEPARTMENT OF FISH AND WILDLIFE	04-1604	15,679
15.633	WDFW LIP TARBOO RESTORE	WA, DEPARTMENT OF FISH AND WILDLIFE	08-1318	14,717
15.633 Sub-Total				1,536,001
15.634	STATE WILDLIFE GRANTS	AL, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES	2008C-CNR-101	11,582
15.634	STATE WILDLIFE GRANTS	AL, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES	2009C-CNR-208	53,060
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-20-5	10,957
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-20-9	6,411
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-26-03	2,084
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-26-05	11,471
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-26-09	1,912
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-26-10	1,977
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-26-14	861
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-01	8,286
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-05	28,879
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-06	16,694
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-09	27,487
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-10	5,166
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-11	50,054
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-27-R-12	3,952
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-29-01	3,945
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T30R-02	16,958
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-30-R-04	9,079
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-30-R-08	25
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-30-R-11	21,868
15.634	STATE WILDLIFE GRANTS	AR, GAME AND FISH COMMISSION	T-32-05	46,899
15.634	STATE WILDLIFE GRANTS	DC, WILDLIFE MANAGEMENT INSTITUTE	2007-01	25,255
15.634	STATE WILDLIFE GRANTS	DC, WILDLIFE MANAGEMENT INSTITUTE	2007-02	21,460
15.634	STATE WILDLIFE GRANTS	DC, WILDLIFE MANAGEMENT INSTITUTE	2007-05	21,302
15.634	STATE WILDLIFE GRANTS	DC, WILDLIFE MANAGEMENT INSTITUTE	2008-03	3,243
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	2008-05	6,934
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	07008	858
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	07220	233,585
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	08183	5,518
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	08232	27,860
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	09169	6,685
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	FWC 08005	4,647
15.634	STATE WILDLIFE GRANTS	FL, FISH AND WILDLIFE CONSERVATION COMMISSION	FWC 08012	1,305
15.634	STATE WILDLIFE GRANTS	IN, DEPARTMENT OF NATURAL RESOURCES	USFWS MIDNR MASSASAUGA	16,621
15.634	STATE WILDLIFE GRANTS	KY, DEPARTMENT OF FISH AND WILDLIFE	PON2 660 08000084351	2,112

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.634	STATE WILDLIFE GRANTS	ME, DEPARTMENT OF FISH AND GAME	U2-4-R	8,838
15.634	STATE WILDLIFE GRANTS	MI, DEPARTMENT OF NATURAL RESOURCES	USFWS/MIDNR MITCHELLS	33,946
15.634	STATE WILDLIFE GRANTS	ND, GAME AND FISH COMMISSION	T2-11-HM	1,192
15.634	STATE WILDLIFE GRANTS	ND, GAME AND FISH COMMISSION	T-23-HM	10,180
15.634	STATE WILDLIFE GRANTS	ND, GAME AND FISH COMMISSION	T-25-HM	10,923
15.634	STATE WILDLIFE GRANTS	NE, GAME AND PARKS COMMISSION	NGPC SWG PHP MATCH	254
15.634	STATE WILDLIFE GRANTS	NE, GAME AND PARKS COMMISSION	T2-1-HM-1	9,085
15.634	STATE WILDLIFE GRANTS	NE, GAME AND PARKS COMMISSION	T2-6-HM-1	1,728
15.634	STATE WILDLIFE GRANTS	NE, GAME AND PARKS COMMISSION	T-44-HM	4,104
15.634	STATE WILDLIFE GRANTS	NE, GAME AND PARKS COMMISSION	T56	4,300
15.634	STATE WILDLIFE GRANTS	NH, DEPARTMENT OF FISH AND GAME	U2-4-R	71,870
15.634	STATE WILDLIFE GRANTS	NH, DEPARTMENT OF NATURAL RESOURCES	RC07R115NS	85,551
15.634	STATE WILDLIFE GRANTS	NH, DEPARTMENT OF NATURAL RESOURCES	RC07T54D1	1,273
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C004390	(60,297)
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C005099	5,362
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C005104	(2,132)
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C006028	253,750
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C303568	53,683
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C303569	16,819
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C303573	16,158
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C303574	(1,744)
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	C303579	5,069
15.634	STATE WILDLIFE GRANTS	NY, DEPARTMENT OF FISH AND GAME	U2-4-R	10,722
15.634	STATE WILDLIFE GRANTS	OH, DIVISION OF WATER	MORGAN SWAMP ACCO/THE CITY MISSION	200,000
15.634	STATE WILDLIFE GRANTS	OR, DEPARTMENT OF FISH AND WILDLIFE	012-7354-G-WILDLIFE	10,854
15.634	STATE WILDLIFE GRANTS	PA, PENNSYLVANIA GAME COMMISSION	4100043367	19,246
15.634	STATE WILDLIFE GRANTS	TN, WILDLIFE RESOURCES AGENCY	GR-06-17877-00	28,298
15.634	STATE WILDLIFE GRANTS	VT, DEPARTMENT OF FISH AND GAME	U2-4-R	5,531
15.634	STATE WILDLIFE GRANTS	VT, UNIVERSITY OF VERMONT	06120F108141	133
15.634	STATE WILDLIFE GRANTS	WA, DEPARTMENT OF FISH AND WILDLIFE	10-1047	1,000
15.634	STATE WILDLIFE GRANTS	WI, DEPARTMENT OF NATURAL RESOURCES	SWG09-CAT1-019	1,521,748
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N111	(2,795)
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N261	(8)
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N301	202,606
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N591	124,468
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N691	41,730
15.635	NEOTROPICAL MIGRATORY BIRD CONSERVATION	FEDERAL DIRECT	VA-N731	57,159
15.637	MIGRATORY BIRD JOINT VENTURES	FEDERAL DIRECT		423,160
15.637	MIGRATORY BIRD JOINT VENTURES	NATIONAL FISH AND WILDLIFE FOUNDATION	40181-7-J007	9,035
15.637	MIGRATORY BIRD JOINT VENTURES	NM, PLAYA LAKES JOINT VENTURE	PLV LPC HABITAT	26,273
15.637	MIGRATORY BIRD JOINT VENTURES	NM, PLAYA LAKES JOINT VENTURE	PLV CAPACITY 2009	5,733
15.637	MIGRATORY BIRD JOINT VENTURES	NM, PLAYA LAKES JOINT VENTURE	PLV CAPACITY 2010	11,792
15.637	MIGRATORY BIRD JOINT VENTURES	TN, DUCKS UNLIMITED, INC.	US-UT-18-4	19,861
15.637	MIGRATORY BIRD JOINT VENTURES			72,574
15.642	CHALLENGE COST SHARE	FEDERAL DIRECT	20181-8-J600	12,915
15.642	CHALLENGE COST SHARE	FEDERAL DIRECT	30181-8-J127	10,000
15.642	CHALLENGE COST SHARE	FEDERAL DIRECT	70181-9-J507	10,000
15.634 Sub-Total				1,521,748
15.635 Sub-Total				(2,795)
15.637 Sub-Total				423,160
15.637 Sub-Total				9,035
15.642 Sub-Total				26,273
15.642 Sub-Total				5,733
15.642 Sub-Total				11,792
15.642 Sub-Total				19,861
15.642 Sub-Total				72,574
15.642 Sub-Total				12,915
15.642 Sub-Total				10,000
15.642 Sub-Total				10,000

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.642 Sub-Total				\$ 32,915
15.645	MARINE TURTLE CONSERVATION FUND	FEDERAL DIRECT	96200-9-G136	11,950
15.645 Sub-Total				11,950
15.648	SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	FEDERAL DIRECT	13410-7-J039	13,839
15.648	SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	FEDERAL DIRECT	13410-7-J040	17,011
15.649	SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	FEDERAL DIRECT	13410-7-J041	3,350
15.649	SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	FEDERAL DIRECT	81450-8-J250	-
15.649	SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	WA, DEPARTMENT OF FISH AND WILDLIFE	08-1764	2,230
15.649 Sub-Total				36,430
15.650	RESEARCH GRANTS (GENERIC)	FEDERAL DIRECT	11420-4-J199	48,000
15.650	RESEARCH GRANTS (GENERIC)	FEDERAL DIRECT	13410-8-J011	10,614
15.650	RESEARCH GRANTS (GENERIC)	FEDERAL DIRECT	13410-9-G007	12,411
15.650	RESEARCH GRANTS (GENERIC)	FEDERAL DIRECT	13410-9-J007	47,325
15.650	RESEARCH GRANTS (GENERIC)	WA, UNIVERSITY OF WASHINGTON	601615	1,972
15.650	RESEARCH GRANTS (GENERIC)	WA, UNIVERSITY OF WASHINGTON	669147	14,080
15.650 Sub-Total				134,402
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	13552R-J046	539,074
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	1448-20181-R-G002	23,091
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	1448-20181-R-G004	38,000
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	1448-20181-R-G005	28,160
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	30181-R-J012	6,943
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	30181-R-J028	12,920
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	30181-R-J055	9,029
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	30181-R-J088	5,551
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	40181-R-J002	6,173
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	40181-R-J007	99,811
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	81460RJ612	8,096
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	FEDERAL DIRECT	NE-64350-10-1B	12,170
ARRA-15.656	ARRA-HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	NV, RESOURCE CONCEPTS, INC.	09-621.7	620
ARRA-15.656 Sub-Total				789,638
ARRA-15.657	ARRA-ENDANGERED SPECIES CONSERVATION	FEDERAL DIRECT	13420-A-J002	12,256
ARRA-15.657	ARRA-ENDANGERED SPECIES CONSERVATION	WA, PACIFIC RIM INSTITUTE FOR ENVIRONMENTAL STEWARDSHIP	60181-A-G411	70,000
ARRA-15.657	ARRA-ENDANGERED SPECIES CONSERVATION	ENVIRONMENTAL STEWARDSHIP	1001	2,248
ARRA-15.657 Sub-Total				84,504
15.658	THE CEDARS ACQ-SINONIEWS SINON	FEDERAL DIRECT	50181-9-G015	38,730
15.658	THE CEDARS ACQ-SCHROCKFES SCHROCK	FEDERAL DIRECT	50181-9-G015	27,111
15.658	THE CEDARS- CRIDLIN-LEE CO PROP LLC	FEDERAL DIRECT	50181-9-G015	133,243
15.658	THE CEDARS-COPE	FEDERAL DIRECT	50181-9-G015	38,249

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.658	USFWS CEDARS FULKS STEW	FEDERAL DIRECT	50181-9-G015	10,056
15.658	USFWS LONG ISLAND YDL 10	FEDERAL DIRECT	13552AJ039	674
15.658 Sub-Total				249,065
15.811	GAP ANALYSIS PROGRAM	MO, UNIVERSITY OF MISSOURI AT COLUMBIA	C00017205-1	66,354
15.811 Sub-Total				66,354
15.81440-6-G006	USFWS-TAMARISK	FEDERAL DIRECT	81440-6-G006	23,696
15.81440-6-G006 Sub-Total				23,696
15.875	ECONOMIC, SOCIAL, AND POLITICAL DEVELOPMENT OF THE TERRITORIES	FEDERAL DIRECT	CRI-FSM-5	18,626
15.875	ECONOMIC, SOCIAL, AND POLITICAL DEVELOPMENT OF THE TERRITORIES	FEDERAL DIRECT	CRI-FSM-6	90,554
15.875 Sub-Total				109,180
15.916	OUTDOOR RECREATION ACQUISITION, DEVELOPMENT AND PLANNING	FEDERAL DIRECT	H1200050003	88,742
15.916 Sub-Total				88,742
15.921	RIVERS, TRAILS AND CONSERVATION ASSISTANCE	FEDERAL DIRECT	H8120090003	417,344
15.921 Sub-Total				417,344
15.929	SAVE AMERICA'S TREASURES	FEDERAL DIRECT	H6355050001	7,303
15.929 Sub-Total				7,303
15.97-058	BOR/NFWF WRD RESTORATION	NATIONAL FISH AND WILDLIFE FOUNDATION	97-058	685,455
15.97-058 Sub-Total				685,455
15.AAA	CW CMR NPS DRY TORTUGAS	FEDERAL DIRECT	H5299090014	2,057
15.AAA Sub-Total				2,057
15.BIA	BIA, NEW STUYAHOK CONTRACT	AK, NEW STUYAHOK TRIBAL COUNCIL	BIA, NEW STUYAHOK CONTRACT	30,750
15.BIA, NEW STUYAHOK CONTRACT				70,269
15.BIA, NEW STUYAHOK CONTRACT Sub-Total				70,269
15.COOP-10-009	FWS/ADFG SE AK ESTUARIES	AK, DEPARTMENT OF FISH AND GAME	COOP-10-009	18,555
15.COOP-10-009 Sub-Total				(2,190)
15.CRI-FSM-3	USDOI MP EFROYMSON #2	FEDERAL DIRECT	CRI-FSM-3	16,375
15.CRI-FSM-3 Sub-Total				500,000
15.DAK	NFW/FBLM SHRUB STEPPE	NATIONAL FISH AND WILDLIFE FOUNDATION	2006-0143-000	820,724
15.DAK	NPS SCI RESOURCE MGMT	FEDERAL DIRECT	J8120090037	820,724
15.DAK Sub-Total				21,051
15.E-24-RL-1; SG-9004TM	MONTEREY ACQ/GOULD/LOS VAQUEROS	FEDERAL DIRECT	E-24-RL-1; SG-9004TM	21,051
15.E-24-RL-1; SG-9004TM Sub-Total				21,051
15.E-48-RL-1	FWS/IDFG BOUNDARY CREEK	ID, DEPARTMENT OF FISH AND GAME	E-48-RL-1	18,165
15.E-48-RL-1 Sub-Total				10,320
15.FAA060053	BLM/ENLC SNPL DATA COLL	NV, EASTERN NEVADA LANDSCAPE COALITION	FAA060053	8,329
15.FAA060053 Sub-Total				2,000,000
15.FFB	FWS OSB SHA LANE CO	FEDERAL DIRECT	13420-9-J910	1,474
15.FFB	FWS SCI SCRUB LAY	FEDERAL DIRECT	81440-7-J308	14,879
15.FFB	FWS SCR FOCUS PLAN	FEDERAL DIRECT	81440-05-G012	2,285
15.FFB	LA VENTURA-FWS OIL MITIGATION ACQ	FEDERAL DIRECT	81440-05-G009	2,286
15.FFB	USFWS AL LEATHER FLOWER	FEDERAL DIRECT	1448-40181-00-G096	29,968
15.FFB	USFWS CONASAGUA PARTNERS	FEDERAL DIRECT	1448-40181-01-G074	28,968
15.FFB	USFWS MILKVETCH REC II	FEDERAL DIRECT	81450-7-J541	21,134
15.FFB	USFWS WV REST ACTIVITIES	FEDERAL DIRECT	13420-8-J839	60,824
15.FFB Sub-Total				36,974
15.FWS0710	USFWS CW PB GRAZING	IL, ILLINOIS CONSERVATION FOUNDATION	FWS0710	15,229
15.FWS0710 Sub-Total				133,981
15.G10PX00282	USGS WORKSHOP PROTOCOLS	FEDERAL DIRECT	G10PX00282	
15.G10PX00282 Sub-Total				
15.H3992060004	NPS MFR AND TI PRG	FEDERAL DIRECT	H3992060004	
15.H3992060004	NPS POGO MOD 1	FEDERAL DIRECT	H3992060004	
15.H3992060004	NPS POGO MOD 2	FEDERAL DIRECT	H3992060004	
15.H3992060004	NPS POGO MOD 3	FEDERAL DIRECT	H3992060004	
15.H3992060004 Sub-Total				

The accompanying notes are an integral part of this schedule.

**THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2010**

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
15.H6355-08-0001	NPS CA TPNP	FEDERAL DIRECT	H6355-08-0001	\$
15.H6355-08-0001 Sub-Total				4,000
15.H7700088020	NPS TRAIL OF TEARS	FEDERAL DIRECT	H7700088020	4,000
15.H7700088020 Sub-Total				23,686
15.H8420090605	NPS/GREAT BASIN ECAP	FEDERAL DIRECT	H8420090605	23,686
15.H8420090605 Sub-Total				124,081
15.J5240 07 0015	NPS CESU IBW FY08	FEDERAL DIRECT	J5240 07 0015	124,081
15.J5240 07 0015 Sub-Total				-
15.L08AC13170	BLM CIENEGA ECO MONITOR 4	FEDERAL DIRECT	L08AC13170	10,276
15.L08AC13170 Sub-Total				10,276
15.L09AC16125	BLM JFSP REGIONAL SCIENCE	FEDERAL DIRECT	L09AC16125	35,285
15.L09AC16125 Sub-Total				35,285
15.MA061508	USFWS NFWF NCASI CER WARB	NATIONAL FISH AND WILDLIFE FOUNDATION	MA061508	17,757
15.MA061508 Sub-Total				17,757
15.MDWFPIGPHER FROG TRANS	MDWFPIGPHER FROG TRANS	MS, DEPARTMENT OF WILDLIFE, FISHERIES AND PARKS	MDWFPIGPHER FROG TRANS	25,584
15.MDWFPIGPHER FROG TRANS Sub-Total				25,584
15.NFWFTUCO RIVER BASIN	NFWFTUCO RIVER BASIN	NATIONAL FISH AND WILDLIFE FOUNDATION	NFWFTUCO RIVER BASIN	14,401
15.NFWFTUCO RIVER BASIN Sub-Total				14,401
15.NY-007-FY07	AT VEG MAP	VA, NATURESERVE	NY-007-FY07	14,401
15.NY-007-FY07 Sub-Total				3,713
15.OKEFENKKEE/PINHOOK SYSTEM/USFWS/DNR	OKEFENKKEE/PINHOOK SYSTEM/USFWS/DNR	GA, DEPARTMENT OF NATURAL RESOURCES	OKEFENKKEE/PINHOOK SYSTEM/USFWS/DNR	3,713
15.OKEFENKKEE/PINHOOK SYSTEM/USFWS/DNR Sub-Total				500,000
15.OMP2009-01	OMP/BLM PRESCRIBED FIRE	FEDERAL DIRECT	OMP2009-01	500,000
15.OMP2009-01 Sub-Total				6,952
15.P0982008	DFG S6 SCI FOX RECOVERY	CA, DEPARTMENT OF FISH AND GAME	P0982008	6,952
15.P0982008 Sub-Total				1,291
15.PNEITNCDCH5901052009	USFWS/PNE NIMBCA EL UNO	MEXICO, PRONATURA NORESTE	PNEITNCDCH5901052009	1,291
15.PNEITNCDCH5901052009 Sub-Total				124,207
15.R10AP20630	BOR 102 RESTORATION DTL	FEDERAL DIRECT	R10AP20630	124,207
15.R10AP20630 Sub-Total				522,163
15.R09PX20028	OOR WRD FISHERIES MONITOR	FEDERAL DIRECT	R09PX20028	42,400
15.R09PX20028 Sub-Total				42,400
15.RWBJV SDM PROCESS	RWBJV SDM PROCESS	NE, RAINWATER BASIN JOINT VENTURE	RWBJV SDM PROCESS	10,132
15.RWBJV SDM PROCESS Sub-Total				10,132
15.SANDHILLS	SANDHILLS	GA, DEPARTMENT OF NATURAL RESOURCES	SANDHILLS	20,684
15.SANDHILLS Sub-Total				20,684
15.T303735	DEC LIP TOWN OF CLAYTON	NY, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	T303735	830
15.T303735 Sub-Total				830
15.TCB030001	BLM NTC LECTURES 05	FEDERAL DIRECT	TCB030001	9,364
15.TCB030001 Sub-Total				9,364
15.VA-N751	FWS NAWCA CHAMPLAIN III	FEDERAL DIRECT	VA-N751	1,021
15.VA-N751 Sub-Total				1,021
15.92045-E75002	USFWS MD DNR MAP FY10	MD, DEPARTMENT OF NATURAL RESOURCES	92045-E75002	1,021
15.92045-E75002 Sub-Total				7,000
19.S-LMAQM-07-GR-308	DOS PILNEAT	FEDERAL DIRECT	S-LMAQM-07-GR-308	36,888,860
19.S-LMAQM-07-GR-308 Sub-Total				(67)
19.S-LMAQM-09-GR-318	USDOS APFNET RAFT WRKSHOP	FEDERAL DIRECT	S-LMAQM-09-GR-318	(67)
19.S-LMAQM-09-GR-318 Sub-Total				82,699
19.S-OESCI-08-CA-106	DOS CTI SECRETARIAT	FEDERAL DIRECT	S-OESCI-08-CA-106	82,699
19.S-OESCI-08-CA-106 Sub-Total				379,693
				379,693

The accompanying notes are an integral part of this schedule.

THE NATURE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended June 30, 2010

CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	PASS-THROUGH GRANTOR/ FEDERAL GRANTOR	AGREEMENT ID OR PASSTHROUGH #	FY10 FEDERAL EXPENDITURES
20.205	HIGHWAY PLANNING AND CONSTRUCTION	NJ, DEPARTMENT OF TRANSPORTATION	01-DT-LGS-409	462,325
20.205 Sub-Total				3,365
20.219	RECREATIONAL TRAILS PROGRAM	NH, DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT	2008-024	(1,227)
20.219	RECREATIONAL TRAILS PROGRAM	NJ, DEPARTMENT OF ENVIRONMENTAL PROTECTION	FHA LIZARD TAIL SWAMP	3,974
20.219	RECREATIONAL TRAILS PROGRAM	TX, PARKS & WILDLIFE DEPARTMENT	148375	1,459
20.219	DOT RTP/BPL DEB TRAIL 08	FEDERAL DIRECT	0809	12,182
20.219 Sub-Total				16,388
20.26663	ODOT VERNAL POOL BANK	OR, DEPARTMENT OF TRANSPORTATION	26663	26,211
20.26663 Sub-Total				26,211
20.745-50-0005/SB-LA07	FHWA-SCENIC BYWAY	LA, DEPARTMENT OF TRANSPORTATION	745-50-0005/SB-LA07	11,951
20.745-50-0005/SB-LA07 Sub-Total				11,951
20.ANCA SCENIC BYWAYS II	ANCA SCENIC BYWAYS II	NY, ADIRONDACK NORTH COUNTY ASSOCIATION	ANCA SCENIC BYWAYS II	7,925
20.ANCA SCENIC BYWAYS II Sub-Total				7,925
20.DOT/OKV SEATRAILS	DOT/OKV SEATRAILS	AK, ORGANIZED VILLAGE OF KAKE	DOT/OKV SEATRAILS	36,266
20.DOT/OKV SEATRAILS Sub-Total				36,266
			U.S. DEPARTMENT OF TRANSPORTATION TOTAL	102,186
			Total Expenditures of Federal Awards	\$ 94,944,573

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Notes to the Schedule of Expenditures of Federal Awards

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards summarizes the federal expenditures of The Nature Conservancy (the Conservancy) under programs of the U.S. federal government for the year ended June 30, 2010. The amounts reported as federal expenditures were obtained from the Conservancy's general ledger. Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the operations of the Conservancy, it is not intended to and does not present the consolidated financial position, changes in net assets and cash flows of the Conservancy.

The Schedule of Expenditures of Federal Awards includes all grants, contracts, and similar agreements entered into directly between the Conservancy and agencies and departments of the U.S. federal government or passed through directly to the Conservancy through agencies receiving federal funding.

The Conservancy was the recipient of federal funds awarded through the American Recovery and Reinvestment Act (ARRA). These funds were generated by the federal government with the intent to stimulate the American economy, supplement existing federal programs and create new programs. There are additional compliance and reporting matters associated with these awards. These awards are presented in bold print in the Schedule and the title "ARRA" precedes each award title.

2. Summary of significant accounting policies

For the purpose of the Schedule of Expenditures of Federal Awards, expenditures for federal award programs are recognized on the accrual basis of accounting. Negative amounts on the Schedule of Expenditures of Federal Awards are adjustments to expenditures reported in the prior year in the course of normal business. Full CFDA and passthrough numbers are presented when available.

The Nature Conservancy
Notes to the Schedule of Expenditures of Federal Awards

3. Amounts awarded to subrecipients

The 2010 Schedule of Expenditures of Federal Awards includes approximately \$9.1 million of subawards made to organizations assisting in project implementation. Of the federal expenditures presented in the Schedule, The Conservancy provided federal awards to subrecipients as follows:

AWARDING AGENCY	CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	AGREEMENT ID OR PASSTHROUGH #	AMOUNT PROVIDED TO SUBRECIPIENT	
ENVIRONMENTAL PROTECTION AGENCY (EPA)	66.439	TARGETED WATERSHEDS GRANTS	WS-96031501-0	65,778	
	66.439 Sub Total			65,778	
	66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	B-08-CT-03	13,500	
	66.460 Sub Total			13,500	
	66.475	GULF OF MEXICO PROGRAM	MX06451406-1	35,383	
	66.475 Sub Total			35,383	
	66.510	SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS WITHIN THE OFFICE OF RESEARCH AND DEVELOPMENT	X3-83238601	24,950	
	66.510 Sub Total			24,950	
	ENVIRONMENTAL PROTECTION AGENCY Total			\$ 139,591	
	U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)	98.001	USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	638-A-00-09-00100-00	31,862
98.001		USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	B290	27,386	
98.001		USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	RLA-A-00-06-00070-00	515,151	
98.001 Sub Total				574,399	
98.3714-01-TNC-03-02		USAID/AE/DG/STAI/PHASE2	3714-01-TNC-03-02	6,634	
98.3714-01-TNC-03-02 Sub Total				6,634	
98.488-A-00-05-00016-00		USAID RAFT REGIONAL	488-A-00-06-00016-00	1,067,583	
98.488-A-00-05-00016-00 Sub Total				1,067,583	
98.511-A-00-03-0020000		USAID BOLFOR II	511-A-00-03-0020000	10,998	
98.511-A-00-03-0020000 Sub Total				10,998	
98.512-A-00-07-00016-00		AM AID RESP SOURCING	512-A-00-07-00016-00	(25,499)	
98.512-A-00-07-00016-00 Sub Total				(25,499)	
98.512-A-00-08-00002-00		USAID PIB	512-A-00-08-00002-00	264,505	
98.512-A-00-08-00002-00 Sub Total				264,505	
98.512-A-09-00003		RESPONSIBLE SOURCING 2	512-A-09-00003	343,134	
98.512-A-09-00003 Sub Total				343,134	
98.517-A-00-09-00106-00		USAID/ENVIROM PROTECTION	517-A-00-09-00106-00	404,313	
98.517-A-00-09-00106-00 Sub Total				404,313	
98.1Q5 3714-01-TNC-00		NTA GSTA ECUADOR	1Q5 3714-01-TNC-00	11,246	
98.1Q5 3714-01-TNC-00 Sub Total				11,246	
98.LAG-A-00-99-00045-00		USAID GCP II MAR	LAG-A-00-99-00045-00	3,164	
98.LAG-A-00-99-00045-00 Sub Total				3,164	
98.WA83		USAID/WWF ABOG BATS II	WA83	17,488	
98.WA83 Sub Total				17,488	
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT Total				\$ 2,676,965	
U.S. DEPARTMENT OF AGRICULTURE (USDA)		10.664	COOPERATIVE FORESTRY ASSISTANCE	04-CA-11132543-189	82,913
		10.664	COOPERATIVE FORESTRY ASSISTANCE	07-CA-11132543-049	26,800
		10.664	COOPERATIVE FORESTRY ASSISTANCE	09-DG-11420004-243	631
		10.664 Sub Total			110,344
		10.684	INTERNATIONAL FORESTRY PROGRAMS	07-DG-11132762-183	31,332
	10.684	INTERNATIONAL FORESTRY PROGRAMS	09-DG-11132762-205	59,000	
	10.684	INTERNATIONAL FORESTRY PROGRAMS	09-DG-11132762-163	57,896	
	10.684 Sub Total			148,228	
	10.8-06-04-28	NFFI/ASHLAND FOREST RESILI	8-06-04-28	10,340	
	10.8-06-04-28 Sub Total			10,340	
	10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	73-7335-6-42	116,705	
	10.913 Sub Total			116,705	
	ARRA-10.688	ARRA-WILDLIFE FIRE MANAGEMENT	10-SA-11060489-077	70,887	
	ARRA-10.688 Sub Total			70,887	
U.S. DEPARTMENT OF AGRICULTURE Total			\$ 456,606		

Continued

The Nature Conservancy

Notes to the Schedule of Expenditures of Federal Awards

AWARDING AGENCY	CFDA NUMBER	PROGRAM TITLE/PROJECT NAME	AGREEMENT ID	Amount Provided to Subrecipients
U.S. DEPARTMENT OF COMMERCE (DOC)	11.419	COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	NA08NOS4190173	5,000
	11.419 Sub Total			5,000
	11.483	HABITAT CONSERVATION	2009-0048-000	21,522
	11.483	HABITAT CONSERVATION	NA04NMF4630233-03	14,796
	11.483	HABITAT CONSERVATION	NA07NMF4630138	293,195
	ARRA-11.463	ARRA-HABITAT CONSERVATION	NA08NMF4630301	57,765
	ARRA-11.463	ARRA-HABITAT CONSERVATION	NA08NMF4630304	200,363
	ARRA-11.463	ARRA-HABITAT CONSERVATION	NA08NMF4630308	372,811
	ARRA-11.463	ARRA-HABITAT CONSERVATION	NA08NMF4630312	212,282
	ARRA-11.463	ARRA-HABITAT CONSERVATION	NA08NMF4630332	373,241
	11.483 Sub Total			1,646,008
U.S. DEPARTMENT OF COMMERCE Total				\$ 1,651,008
U.S. DEPARTMENT OF DEFENSE (DOD)	12.610	COMMUNITY ECONOMIC ADJUSTMENT PLANNING ASSISTANCE FOR JOINT LAND USE STUDIES	W911SR-06-2-0007	3,244,213
	12.610 Sub Total			3,244,213
	12.CAB	RDECOM ACUB	W911SR-06-2-0006	282,655
	12.CAB Sub Total			282,655
	12.W911S8	FT LEWIS BUTTERFLY HAB 09	W911S8-09-2-0011	17,600
	12.W911S8 Sub Total			17,600
U.S. DEPARTMENT OF DEFENSE Total				\$ 3,544,468
U.S. DEPARTMENT OF INTERIOR (DOI)	15.808	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	2009-0020-003	20,000
	15.808	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	2010-0019-000	35,000
	15.808	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	70181-7-0685	3,951
	15.808	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	70181-8-G513	25,810
	15.808 Sub Total			84,661
	15.823	NORTH AMERICAN WETLANDS CONSERVATION FUND	VA-N541	88,517
	15.823	NORTH AMERICAN WETLANDS CONSERVATION FUND	VA-N631A	30,310
	15.823 Sub Total			88,827
	15.630	COASTAL PROGRAM	70181-6-J723	24,390
	15.630 Sub Total			24,390
	15.831	PARTNERS FOR FISH AND WILDLIFE	FAF-5088	14,936
	15.831 Sub Total			14,936
	15.832	USFWS/GLCI APC IN R-G	071207	7,679
	15.832 Sub Total			7,679
	15.834	STATE WILDLIFE GRANTS	T-27-05	10,000
	15.834	STATE WILDLIFE GRANTS	T-27-06	1,734
	15.834	STATE WILDLIFE GRANTS	T-27-11	17,749
	15.834	STATE WILDLIFE GRANTS	U2-4-R	28,481
	15.834 Sub Total			57,964
	15.835	NEOTROPICAL MIGRATORY BIRD CONSERVATION	VA-N281	(9)
	15.835	NEOTROPICAL MIGRATORY BIRD CONSERVATION	VA-N601	185,051
	15.835	NEOTROPICAL MIGRATORY BIRD CONSERVATION	VA-N581	89,849
	15.835	NEOTROPICAL MIGRATORY BIRD CONSERVATION	VA-N731	8,771
	15.835 Sub Total			293,665
	15.850	RESEARCH GRANTS (GENERIC)	13410-0-0007	11,888
	15.850 Sub Total			11,888
	ARRA-15.857	ARRA-ENDANGERED SPECIES CONSERVATION	13420-A-0002	9,840
	ARRA-15.857 Sub Total			9,840
	15.H3992060004	NPS POGO MOD 2	H3992060004	23,951
	15.H3992060004 Sub Total			23,951
	15.H8355-08-0001	NPS CA TPNP	H8355-08-0001	4,000
	15.H8355-08-0001 Sub Total			4,000
	15.MA061508	USFWS NFWF NCASI CER WARB	MA061508	17,757
	15.MA061508 Sub Total			17,757
U.S. DEPARTMENT OF INTERIOR Total				\$ 649,458
U.S. DEPARTMENT OF STATE (DOS)	19.S-OESCI-08-CA-106	DOS CII SECRETARIAT	S-OESCI-08-CA-106	84,231
	19.S-OESCI-08-CA-106 Sub Total			84,231
U.S. DEPARTMENT OF STATE Total				\$ 84,231
U.S. DEPARTMENT OF TRANSPORTATION (DOT)	20.219	RECREATIONAL TRAILS PROGRAM	2008-024	(1,295)
	20.219 Sub Total			(1,295)
U.S. DEPARTMENT OF TRANSPORTATION Total				\$ (1,295)
Total Federal Awards Provided To Subrecipients				\$ 9,110,932

**The Nature Conservancy
Schedule of Indirect Cost Rate Computation
For the year ended June 30, 2010**

The Nature Conservancy			
Schedule of indirect cost rate calculation			
For the year ended June 30, 2010			
Indirect costs	Audited balance	Unallowable Costs	Allowable indirect costs
Salaries	\$ 42,084,973	\$ -	\$ 42,084,973
Fringe benefits	18,360,230	-	18,360,230
Fees and charges	9,554,838	-	9,554,838
Supplies and communications	4,773,617	-	4,773,617
Travel	1,792,201	-	1,792,201
Occupancy	11,371,648	-	11,371,648
Equipment	1,191,855	-	1,191,855
Unallowable and exclusions	5,930,475	5,930,475	-
	<u>\$ 95,059,837</u>	<u>\$ 5,930,475</u>	<u>\$ 89,129,362</u>
Total operating and land fund expenses per audited trial balance			\$ 718,365,686
Less:			
Exclusions			232,174,796
Total indirect costs			95,059,837
Distribution base (direct costs)			<u>\$ 391,131,052</u>
Indirect cost rate			
(Allowable indirect costs/distribution base)			<u>22.79%</u>

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Schedule of Fringe Benefit Rate Calculation
For the year ended June 30, 2010

Fringe benefit account	Fringe benefit expense - regular employees	Fringe benefit expense - short-term employees	Fringe benefit expense - foreign employees	Total
ACCRUED VACATION	\$ 11,743,922	\$ -	\$ -	\$ 11,743,922
SICK LEAVE EXPENSE	4,315,041	20,699	-	4,335,740
HOLIDAY & ADMINISTRATIVE LEAVE EXPENSE	6,865,670	32,933	-	6,898,603
MILITARY LEAVE	-	-	-	0
MEDICAL INSURANCE CLAIMS, FEES AND PREMIUMS	15,794,302	-	-	15,794,302
LIFE INSURANCE	280,757	-	-	280,757
ACCIDENTAL DEATH AND DISMEMBERMENT	73,421	-	-	73,421
DISABILITY INSURANCE	472,662	-	-	472,662
WORKERS' COMPENSATION	1,195,264	23,268	-	1,218,532
FICA	12,931,035	251,730	-	13,182,765
PENSION 401(K)	10,774,258	51,822	-	10,826,080
STATE UNEMPLOYMENT TAXES	1,733,004	33,741	-	1,766,745
INTERNATIONAL BENEFITS	452,406	-	-	452,406
FOREIGN MEDICAL BENEFITS	-	-	1,344,167	1,344,167
FOREIGN OTHER SOCIAL AND WELFARE TAXES	-	-	266,930	266,930
FOREIGN ALICO 401I PLAN	-	-	1,080,626	1,080,626
EMPLOYEE RELOCATION	1,670,116	-	-	1,670,116
PROFESSIONAL FEES	1,276,907	-	-	1,276,907
TOTAL FRINGE BENEFIT EXPENSE	\$ 69,578,765	\$ 414,193	\$ 2,691,723	\$ 72,684,681
TOTAL SALARIES EXPENSE	\$ 159,558,717	\$ 3,106,153	\$ 20,276,108	\$ 182,940,978
FRINGE BENEFIT EXPENSE AS A PERCENTAGE OF SALARIES EXPENSE	43.61%	13.33%	13.28%	39.73%

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Notes to the Schedules of Indirect Cost Rate Computations

1. Exclusions in indirect cost rate calculation

Certain items are excluded from the computation of the total direct cost base because their inclusion distorts the assessment of indirect costs. Exclusions include external transfers of land and the value of land sold or donated to government agencies and other conservation organizations. Equipment costs valued between \$5,000 and \$50,000 are included in the base limited to the first year of capitalization.

The remainder of this page is intentionally left blank

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To The Board of Directors of
The Nature Conservancy

We have audited the financial statements of The Nature Conservancy (the Conservancy) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Conservancy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Conservancy's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Conservancy's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conservancy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express

such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Conservancy in a separate letter dated December 6, 2010.

This report is intended solely for the information and use of the Conservancy's management, Board of Directors, audit committee, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers up

December 6, 2010

**Report of Independent Auditors on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133**

To the Board of Directors of
The Nature Conservancy

Compliance

We have audited the compliance of The Nature Conservancy (the Conservancy) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The Conservancy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Conservancy's management. Our responsibility is to express an opinion on the Conservancy's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Conservancy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Conservancy's compliance with those requirements.

In our opinion, the Conservancy complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2.

Internal Control Over Compliance

Management of the Conservancy is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Conservancy's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with

OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Conservancy's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance.

The Conservancy's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Conservancy's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Directors, the audit committee, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

January 6, 2011

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

• Material weakness(es) identified?	___ yes	<u>X</u> no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___	<u>X</u> none reported
Noncompliance material to financial statements noted?	___ yes	<u>X</u> no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	___ yes	<u>X</u> no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>X</u> yes	___ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u>X</u> yes	___ no
--	--------------	--------

<p>Identification of major programs: CFDA Number(s):</p> <p>11.463, ARRA</p> <p>12.610</p> <p>15.507</p> <p>15.508</p> <p>98.486-A-00-06-00016-00</p> <p>ARRA - 10.688</p> <p>ARRA - 15.656</p>	<p>Name of Federal Program or Cluster:</p> <p>U.S. Department of Commerce, National Oceanic Atmospheric Administration (NOAA), Habitat Conservation and ARRA - Habitat Conservation</p> <p>U.S. Department of Defense, U.S. Army Medical Command, Community Economic Adjustment Planning Assistance for Joint Land Use Studies</p> <p>U.S. Department of the Interior, Bureau of Reclamation, Water 2025</p> <p>U.S. Department of the Interior, Bureau of Reclamation, Providing Water to At-Risk Natural Desert Terminal Lakes</p> <p>U.S. Agency for International Development, Responsible Asia Forestry and Trade (RAFT)</p> <p>U.S. Department of Agriculture, U.S. Forest Service, ARRA - Wildlife Fire Management</p> <p>U.S. Department of the Interior, U.S. Fish and Wildlife Service, ARRA - Habitat Enhancement, Restoration and Improvement</p>
---	---

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Dollar threshold used to distinguish between type A and type B programs:	\$2,848,338	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

Section II -- Financial Statement Findings

No matters were reported.

Remainder of page intentionally left blank

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Section III – Federal Award Findings and Questioned Costs

Finding 2010-1: Cost Transfers

Federal Agency: All Federal Programs

Program: All Programs

CFDA #: Various

Award #: Various

Award Year: Various

Pass-through: Various

Criteria:

OMB Circular A-122 A.4.b establishes that any costs allocable to a particular award or other cost objectives may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by terms of the award. Appropriate controls should be in place to prevent frequent, tardy, and unexplained (or inadequately explained) transfers.

TNC policy requires that the journal entry form submitted to initiate a cost transfer include appropriate justification and is supported by sufficient documentation.

Condition:

The Conservancy has a formal policy and procedures over transfers, however, it does not address the length of time between the transaction and when the transfer occurs. The Conservancy had turnover in the grants specialist position for grant 486-A-00-06-00016-00.

During our testing of 25 cost transfers totaling \$9,829,683, seven cost transfers within CFDA# 98.486-A-00-06-00016 had a gross total of \$630,043 relating to a prior fiscal year. The transfers were corrections between accounts due to miscoding in prior years. The costs are allowable and within the period of availability, however, the transfers crossed fiscal years. The average lag between the original expense and the transfer is 580 days. The total program amount is \$2,931,483. Additional details of these items are presented in the table below.

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Agency	CFDA #	Program	Agreement ID	Reference	Exception Amount	Questioned Cost
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, C	\$(230,455)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, C	\$68,853	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, D	\$97,335	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$28,000	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, F	\$(163,000)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$(28,000)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$(14,400)	\$0

A - Untimely processing of cost transfer (transfer was completed over 1 year from original expenditure)

B - Transfers recorded relating to a prior year expense (out of period expense)

C - Transfer from contract/prof fees to federal subrecipient expenses - US Fed Gov't

D - Transfer between sub-centers within the same account, contract/prof fees

E - Transfer from non-federal sub-awards to contract/prof fees. Note that while the expense account description is for non-federal sub-awards, the charges related to a federal grant and were recorded to a federal grant cost center and were billed to the federal government.

F - Transfer from non-federal sub-awards to federal subrecipient expenses - US Fed Gov't. Note that while the expense account description is for non-federal sub-awards, the charges related to a federal grant and were recorded to a federal grant cost center and were billed to the federal government.

Questioned Costs:

None.

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Cause:

The Conservancy tracks revenues and expenses through approximately 22,000 cost centers. Due to the Conservancy's operating structure, a network of 54 grants specialists are responsible for monitoring the appropriateness of expenditures charged to grants through monitoring of the cost centers and to make corrections as necessary. This monitoring for agreement ID 486-A-00-06-00016-00 was not consistently and timely performed. When a turnover in grants specialist occurred, corrections to the coding of expenses were recorded in the current year. Additionally, the Conservancy's current policy on cost transfers does not specify a time limit between the date of the original cost and when a cost transfer can be made for federal grant cost centers.

Effect:

Untimely transfers may result in the misstatement of the amount of expenditures charged to a specific grant. The Conservancy runs the risk of issuing incorrect invoices to the government or submission of inaccurate financial reports due to untimely transfers.

Recommendation:

We recommend that the Conservancy expand its existing policy over cost transfers to address the following:

- 1) Communicate the importance of timeliness of transfer requests initiated from the field from the date of when the original cost was incurred. Consider requiring that cost transfers be completed within a certain period of time from the original expenditure date to ensure that errors are captured and corrected timely. In all cases, the required time period is subject to other deadlines (e.g., the filing of a Financial Status Report for government grants, year-end closing), and therefore may be shorter, as applicable.
- 2) That transfers over a certain threshold relating to federal grants (transfers in or out of grant cost center) be authorized by the Director of Grants for appropriateness and to ensure compliance.

Additionally, we recommend increased review and analysis of grants where there has been turnover by the grants specialist administering the grant, or when the grant is new or complex. More frequent periodic evaluations when a grant is first signed will help ensure that only allowable costs are charged to the grant and that project staff is charging the appropriate cost centers, which may reduce future cost transfers. We also recommend a detailed analysis of grants that have been assigned to new grants specialists during the transition period to help the new grants specialist identify corrections in a timely manner.

Views of Responsible Officials/Management Response:

As noted above, the Conservancy manages over 22,000 cost centers. Reclassifications of expenses, internal charging mechanisms, resource allocation implementation, funding of capital projects, etc. require that transfers between cost centers occur on a daily basis, and in considerable numbers. All of these transfers are documented in the form of a journal entry, whether they are automated or manually prepared. All of these journal entries are reviewed by the Conservancy's three central accountants when entered into the system, or when set up to occur as an automated recurring journal entry. Also, as noted above, there were no errors found in the auditor's testing.

The Conservancy agrees that more timely submission would be optimal and would minimize questions of propriety. Therefore, the Conservancy's Director, Grants Services, in coordination with the Controller, will

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

review the organization's procedures and written documentation tied to cost transfers to identify opportunities for improvement in the process and will consider the costs and benefits of establishing a threshold for unrestricted transfers, and for older government grant transfers, which would trigger a higher or more detailed level of review. The Director, Grants Services will work with the organization's Finance Resource Center and the Grants Service Network to communicate the importance of timeliness to all of our field/functional finance and grants professionals. The review of the process and the communication to field staff will be completed by March 31, 2011.

In addition, the Director, Grants Services, in coordination with the Grants Cabinet, will review the mentoring, monitoring, and training provided to new Grants Specialists in the organization and identify opportunities for improvement in the Conservancy's onboarding of new Grants Specialists. The Director, Grants Services will also review procedures to ensure a new complex or high risk grant is appropriately evaluated upon execution of the award and has sufficient administrative support within the organization. This review and implementation of any new procedures will be completed by June 30, 2011.

Remainder of page intentionally left blank

**The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010**

Finding 2010-2: Reporting

Federal Agency: All Federal Programs

Program: All Programs

CFDA #: Various

Award #: Various

Award Year: Various

Pass-through: Various

Criteria:

Inaccurate Financial Reports

OMB Circular A-110, Section .51 requires that a recipient's financial management system provide accurate, current and complete disclosure of financial results of each federally-sponsored project or program in accordance with the reporting requirement set forth in Section .52.

Financial Reports

OMB Circular A-110, Subpart C.51(b) states that the Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. It also states that performance reports shall not be required more frequently than quarterly or, less frequently than annually, except as provided in paragraph .51(f). Paragraph .51(b) also states that annual reports shall be due 90 calendar days after the grant year-end, quarterly or semi-annual reports shall be due 30 days after the end of the reporting period, and final reports are due 90 calendar days after the expiration or termination of the award.

Schedule of Expenditures of Federal Awards

OMB Circular A-133 - Section .310(b) sets forth that the auditee shall prepare a Schedule of Expenditures of Federal Awards ("the Schedule") for the period covered by the auditee's financial statements. At a minimum, the Schedule shall list individual Federal programs by Federal agency and to provide total Federal Awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

**The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010**

Condition:

Inaccurate Financial Reports

During testing procedures over the allowability of direct costs, we noted items that cross fiscal years that resulted in inaccurate quarterly and/or annual reports. Note that these items are allowable and within the period of allowability. The details of these items are as follows:

Agency	CFDA #	Program	Agreement ID	Amount out of period	Questioned Cost	Reference
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$6,932	\$0	A
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$90,474	\$0	B
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$630,043	\$0	C

A - Invoice date was 3/28/09, recorded on 12/1/09.

B - Represents payment to a subrecipient. Invoice received in August 2009, recorded on 12/22/09.

C - Represents untimely transfers noted in Finding 2010-1. Items relate to fiscal year 2008 and 2009.

Financial Reports

During our testing of 32 reports, two financial reports were not submitted and one was submitted late. Additional details of these items are as follows:

Agency	CFDA #	Program	Agreement ID	Reference
DOD	12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies	W911SR-08-2-0001	A
DOI	15.508	Providing Water to At-Risk Natural Desert Terminal Lakes	R10AP20652	B

A - SF 269 Report and Progress Report were not submitted.

B - SF 425 was not submitted in a timely manner. Report was 103 days late.

Schedule of Expenditures of Federal Awards

During testing of 40 grants and review of grants within major programs, we noted two grants that were not identified with the correct CFDA number on the draft SEFA. The details of these items are as follows:

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Agency	Incorrect CFDA #	Correct CFDA #	Program	Agreement ID	Reference
DOD	12.420	12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies	W911SR-08-2-0001	A
DOD	12.420	12.421	GCPEP-DOD EST	DAMD17-03-2-0050	A

A - CFDA classification in SEFA did not agree to supporting documentation based on the CFDA number per the grant agreement or program objective as described in CFDA.gov.

Questioned Costs:

\$0

Cause:

Due to the decentralized structure of the Conservancy, to ensure compliance with regulatory requirements, the Conservancy has a network of 54 grants specialists worldwide administering over 1,000 grants. The Director of Grants relies heavily on the grants specialists to ensure that policies and procedures are enforced and performed to comply with federal requirements. The grants specialists and program managers have varying level of experience and competence and may not be aware of the impact of non-compliance.

Effect:

Late submission of required progress reports to the Federal agency or pass-through entity makes it difficult for the sponsoring agency to monitor the Conservancy's compliance with the terms of its grant agreements. It also hinders the ability of the Federal awarding agency to perform a timely review of the financial status and progress of awards.

Classification of grants to the incorrect CFDA number has an impact on the ability to properly classify programs as type A or B for OMB Circular A-133 purposes and also results in an inaccurate presentation of the totals for government programs.

Recommendation:

We recommend for the Conservancy to continue providing training and coaching to develop the grants specialists and to keep them updated on changes in regulations or issues noted as part of internal and external audits. We also recommend continued oversight by the Worldwide Office through the Director of Grants and the Internal Audit Department of significant and/or complex grants to ensure that compliance is adequately monitored by the grants specialists and that appropriate classification of grants by CFDA number is performed. We recommend a periodic review of the CFDA numbers for old grants to ensure appropriateness. These procedures include a secondary review of reports submitted by the grants specialists or review of their analyses on a periodic basis.

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

Additionally, we recommend enhancements to the existing inventory of federal grants to include identification of compliance requirements applicable to the Conservancy, as well as status of the grants, to assist the Director of Grants and the Grants Financial Analyst with their responsibilities.

Views of Responsible Officials/Management Response:

At any given time, The Nature Conservancy has approximately 1,000 active government awards from various funding agencies. The Conservancy's 54 grants specialists administer all of these awards. The Conservancy has significant resources available to these staff, including training and documentation on federal regulations as well as the Conservancy's processes and procedures to ensure compliance with these regulations. The Conservancy also has a Standard Operating Procedure which identifies roles and responsibilities of Grants Specialists and program staff in the administration of government grants.

The condition tied to Inaccurate Financial Reports correlates specifically to the cost transfer issue addressed in Finding 2010-1. Note that no questioned costs were identified by the auditors. See Management's Response in Finding 2010-1 for the organization's plan to address this issue.

In response to the condition tied to Financial Reports, the Director, Grants Services will review the Grants Specialists' core responsibilities with these staff and will ensure the respective individuals supporting the awards identified above have sufficient tracking mechanisms in place to manage reporting due dates. This will be completed by January 31, 2011. Timely submission of programmatic and financial reports is clearly outlined as a requirement of staff managing and administering government grants in the Conservancy's Standard Operating Procedure on government grants.

In response to the condition tied to the CFDA numbers on the Schedule of Expenditures of Federal Awards, the Director, Grants Services will continue to require Grants Specialists to review the CFDA numbers in the organization's central government grants database as part of the semiannual certification process of award data. As part of the next certification process in February 2011, the Director, Grants Services will discuss the findings included in this report with the Grants Service Network and will underscore the importance of the review of the data included in the central government grants database. The Director, Grants Services, in coordination with the Grants Cabinet, will explore opportunities for additional periodic reviews of CFDA numbers. Finally, the Conservancy's internal audit team will include the review of CFDA numbers in their workplans when conducting internal audits of government grants; this will be implemented by December 31, 2010.

As discussed with the auditors, the Director, Grants Services, will implement procedures as part of the preparation process for the A-133 audit for the period ending June 30, 2011, to identify compliance requirements applicable to the major programs.

The Nature Conservancy
Summary Schedule of Prior Year Findings
For the year ended June 30, 2010

Other Auditor Reports

The U.S. Environmental Protection Agency (EPA) conducted a desk review of Assistance Agreement GL-00E57101. The review included an evaluation of the Conservancy's financial reporting procedures and testing of selected transactions from the period January 1, 2008 through June 25, 2009 as they related to the above agreement. In response to the desk review performed, the EPA issued a report in July 2009, which identified one area that needs to be improved to more fully comply with Federal and specific grant requirements. The Conservancy's procurement and conflict of interest policies and procedures did not identify potential disciplinary actions for violations of standards of conduct for employees, officers or agents engaged in the award and administration of contracts. As a result, the report determined that the Conservancy was not fully complying with the Federal requirements for procurement systems. No questioned costs were identified. Management responded to the report issued by the EPA in a letter dated August 19, 2009. The Nature Conservancy believes its Policies and Standard Operating Procedures as well as its Code of Conduct are in compliance with 40 CFR30.42 requirements.

Management Action Plan

2010 Update

EPA reviewed the additional information provided by the Conservancy in its response to the report in a letter dated August 19, 2009, and agreed that The Nature Conservancy's Policies and Standard Operating Procedures as well as its Code of Conduct are in compliance with 40 CFR30.42 requirements. EPA closed out this desk review on February 22, 2010.

January 6, 2011

PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean, VA 22101 - 4261
Attn: Anna Liamzon

**SUBJECT: Corrective Action Plan in response to A-133 audit for period ending
June 30, 2010**

Dear Ms. Liamzon:

Below you will find The Nature Conservancy's Corrective Action Plan in response to the findings included in the organization's A-133 audit report for the period ending June 30, 2010.

Finding 2010-1: Cost Transfers

Federal Agency: All Federal Programs

Program: All Programs

CFDA #: Various

Award #: Various

Award Year: Various

Pass-through: Various

Criteria:

OMB Circular A-122 A.4.b establishes that any costs allocable to a particular award or other cost objectives may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by terms of the award. Appropriate controls should be in place to prevent frequent, tardy, and unexplained (or inadequately explained) transfers.

TNC policy requires that the journal entry form submitted to initiate a cost transfer include appropriate justification and is supported by sufficient documentation.

Condition:

The Conservancy has a formal policy and procedures over transfers, however, it does not address the length of time between the transaction and when the transfer occurs. The Conservancy had turnover in the grants specialist position for grant 486-A-00-06-00016-00.

During our testing of 25 cost transfers totaling \$9,829,683, seven cost transfers within CFDA# 98.486-A-00-06-00016 had a gross total of \$630,043 relating to a prior fiscal year. The transfers were corrections between accounts due to miscoding in prior years. The costs are allowable and within the period of availability, however, the transfers crossed fiscal years. The average lag between the original expense and the transfer is 580 days. The total program amount is \$2,931,483. Additional details of these items are presented in the table below.

Agency	CFDA #	Program	Agreement ID	Reference	Exception Amount	Questioned Cost
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, C	\$(230,455)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, C	\$68,853	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, D	\$97,335	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$28,000	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, F	\$(163,000)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$(28,000)	\$0
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	A, B, E	\$(14,400)	\$0

A - Untimely processing of cost transfer (transfer was completed over 1 year from original expenditure)

B - Transfers recorded relating to a prior year expense (out of period expense)

C - Transfer from contract/prof fees to federal subrecipient expenses - US Fed Gov't

D - Transfer between sub-centers within the same account, contract/prof fees

E - Transfer from non-federal sub-awards to contract/prof fees. Note that while the expense account description is for non-federal sub-awards, the charges related to a federal grant and were recorded to a federal grant cost center and were billed to the federal government.

F - Transfer from non-federal sub-awards to federal subrecipient expenses - US Fed Gov't. Note that while the expense account description is for non-federal sub-awards, the charges related to a federal grant and were recorded to a federal grant cost center and were billed to the federal government.

Questioned Costs:

None.

Cause:

The Conservancy tracks revenues and expenses through approximately 22,000 cost centers. Due to the Conservancy's operating structure, a network of 54 grants specialists are responsible for monitoring the appropriateness of expenditures charged to grants through monitoring of the cost centers and to make corrections as necessary. This monitoring for agreement ID 486-A-00-06-00016-00 was not consistently and timely performed. When a turnover in grants specialist occurred, corrections to the coding of expenses were recorded in the current year. Additionally, the Conservancy's current policy on cost transfers does not specify a time limit between the date of the original cost and when a cost transfer can be made for federal grant cost centers.

Effect:

Untimely transfers may result in the misstatement of the amount of expenditures charged to a specific grant. The Conservancy runs the risk of issuing incorrect invoices to the government or submission of inaccurate financial reports due to untimely transfers.

Recommendation:

We recommend that the Conservancy expand its existing policy over cost transfers to address the following:

- 1) Communicate the importance of timeliness of transfer requests initiated from the field from the date of when the original cost was incurred. Consider requiring that cost transfers be completed within a certain period of time from the original expenditure date to ensure that errors are captured and corrected timely. In all cases, the required time period is subject to other deadlines (e.g., the filing of a Financial Status Report for government grants, year-end closing), and therefore may be shorter, as applicable.
- 2) That transfers over a certain threshold relating to federal grants (transfers in or out of grant cost center) be authorized by the Director of Grants for appropriateness and to ensure compliance.

Additionally, we recommend increased review and analysis of grants where there has been turnover by the grants specialist administering the grant, or when the grant is new or complex. More frequent periodic evaluations when a grant is first signed will help ensure that only allowable costs are charged to the grant and that project staff is charging the appropriate cost centers, which may reduce future cost transfers. We also recommend a detailed analysis of grants that have been assigned to new grants specialists during the transition period to help the new grants specialist identify corrections in a timely manner.

Views of Responsible Officials/Management Response:

As noted above, the Conservancy manages over 22,000 cost centers. Reclassifications of expenses, internal charging mechanisms, resource allocation implementation, funding of capital projects, etc. require that transfers between cost centers occur on a daily basis, and in considerable numbers. All of these transfers are documented in the form of a journal entry, whether they are automated or manually prepared. All of these journal entries are reviewed by the Conservancy's three central accountants when entered into the system, or when set up to occur as an automated recurring journal entry. Also, as noted above, there were no errors found in the auditor's testing.

The Conservancy agrees that more timely submission would be optimal and would minimize questions of propriety. Therefore, the Conservancy's Director, Grants Services, in coordination with the Controller, will review the organization's procedures and written documentation tied to cost transfers to identify opportunities for improvement in the process and will consider the costs and benefits of establishing a threshold for unrestricted transfers, and for older government grant transfers, which would trigger a higher or more detailed level of review. The Director, Grants Services will work with the organization's Finance Resource Center and the Grants Service Network to communicate the importance of timeliness to all of our field/functional finance and grants professionals. The review of the process and the communication to field staff will be completed by March 31, 2011.

In addition, the Director, Grants Services, in coordination with the Grants Cabinet, will review the mentoring, monitoring, and training provided to new Grants Specialists in the organization and identify opportunities for improvement in the Conservancy's onboarding of new Grants Specialists. The Director, Grants Services will also review procedures to ensure a new complex or high risk grant is appropriately evaluated upon execution of the award and has sufficient administrative support within the organization. This review and implementation of any new procedures will be completed by June 30, 2011.

Finding 2010-2: Reporting

Federal Agency: All Federal Programs

Program: All Programs

CFDA #: Various

Award #: Various

Award Year: Various

Pass-through: Various

Criteria:

Inaccurate Financial Reports

OMB Circular A-110, Section __.51 requires that a recipient's financial management system provide accurate, current and complete disclosure of financial results of each federally-sponsored project or program in accordance with the reporting requirement set forth in Section __.52.

Financial Reports

OMB Circular A-110, Subpart C_.51(b) states that the Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. It also states that performance reports shall not be required more frequently than quarterly or, less frequently than annually, except as provided in paragraph _.51(f). Paragraph _.51(b) also states that annual reports shall be due 90 calendar days after the grant year-end, quarterly or semi-annual reports shall be due 30 days after the end of the reporting period, and final reports are due 90 calendar days after the expiration or termination of the award.

Schedule of Expenditures of Federal Awards

OMB Circular A-133 - Section _.310(b) sets forth that the auditee shall prepare a Schedule of Expenditures of Federal Awards ("the Schedule") for the period covered by the auditee's financial statements. At a minimum, the Schedule shall list individual Federal programs by Federal agency and to provide total Federal Awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

Condition:

Inaccurate Financial Reports

During testing procedures over the allowability of direct costs, we noted items that cross fiscal years that resulted in inaccurate quarterly and/or annual reports. Note that these items are allowable and within the period of allowability. The details of these items are as follows:

Agency	CFDA #	Program	Agreement ID	Amount out of period	Questioned Cost	Reference
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$6,932	\$0	A
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$90,474	\$0	B
USAID	98.486-A-00-06-00016-00	RAFT	486-A-00-06-00016-00	\$630,043	\$0	C

A - Invoice date was 3/28/09, recorded on 12/1/09.

B - Represents payment to a subrecipient. Invoice received in August 2009, recorded on 12/22/09.

C - Represents untimely transfers noted in Finding 2010-1. Items relate to fiscal year 2008 and 2009.

Financial Reports

During our testing of 32 reports, two financial reports were not submitted and one was submitted late. Additional details of these items are as follows:

Agency	CFDA #	Program	Agreement ID	Reference
DOD	12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies	W911SR-08-2-0001	A
DOI	15.508	Providing Water to At-Risk Natural Desert	R10AP20652	B

		Terminal Lakes		
--	--	----------------	--	--

- A** - SF 269 Report and Progress Report were not submitted.
- B** - SF 425 was not submitted in a timely manner. Report was 103 days late.

Schedule of Expenditures of Federal Awards

During testing of 40 grants and review of grants within major programs, we noted two grants that were not identified with the correct CFDA number on the draft SEFA. The details of these items are as follows:

Agency	Incorrect CFDA #	Correct CFDA #	Program	Agreement ID	Reference
DOD	12.420	12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies	W911SR-08-2-0001	A
DOD	12.420	12.421	GCPEP-DOD EST	DAMD17-03-2-0050	A

A - CFDA classification in SEFA did not agree to supporting documentation based on the CFDA number per the grant agreement or program objective as described in CFDA.gov.

Questioned Costs:

\$0

Cause:

Due to the decentralized structure of the Conservancy, to ensure compliance with regulatory requirements, the Conservancy has a network of 54 grants specialists worldwide administering over 1,000 grants. The Director of Grants relies heavily on the grants specialists to ensure that policies and procedures are enforced and performed to comply with federal requirements. The grants specialists and program managers have varying level of experience and competence and may not be aware of the impact of non-compliance.

Effect:

Late submission of required progress reports to the Federal agency or pass-through entity makes it difficult for the sponsoring agency to monitor the Conservancy's compliance with the terms of its grant agreements. It also hinders the ability of the Federal awarding agency to perform a timely review of the financial status and progress of awards.

Classification of grants to the incorrect CFDA number has an impact on the ability to properly classify programs as type A or B for OMB Circular A-133 purposes and also results in an inaccurate presentation of the totals for government programs.

Recommendation:

We recommend for the Conservancy to continue providing training and coaching to develop the grants specialists and to keep them updated on changes in regulations or issued noted as part of internal and external audits. We also recommend continued oversight by the Worldwide Office through the Director of Grants and the Internal Audit Department of significant and/or

complex grants to ensure that compliance is adequately monitored by the grants specialists and that appropriate classification of grants by CFDA number is performed. We recommend a periodic review of the CFDA numbers for old grants to ensure appropriateness. These procedures include a secondary review of reports submitted by the grants specialists or review of their analyses on a periodic basis.

Additionally, we recommend enhancements to the existing inventory of federal grants to include identification of compliance requirements applicable to the Conservancy, as well as status of the grants, to assist the Director of Grants and the Grants Financial Analyst with their responsibilities.

Views of Responsible Officials/Management Response:

At any given time, The Nature Conservancy has approximately 1,000 active government awards from various funding agencies. The Conservancy's 54 grants specialists administer all of these awards. The Conservancy has significant resources available to these staff, including training and documentation on federal regulations as well as the Conservancy's processes and procedures to ensure compliance with these regulations. The Conservancy also has a Standard Operating Procedure which identifies roles and responsibilities of Grants Specialists and program staff in the administration of government grants.

The condition tied to Inaccurate Financial Reports correlates specifically to the cost transfer issue tied to Finding 2010-1. Note that no questioned costs were identified by the auditors. See Management's Response in Finding 2010-1 for the organization's plan to address this issue.

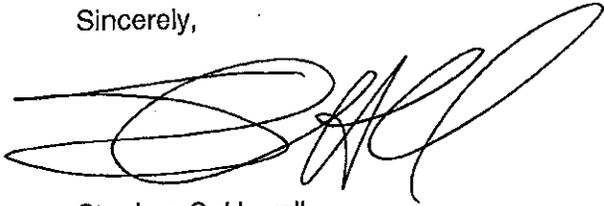
In response to the condition tied to Financial Reports, the Director, Grants Services will review the Grants Specialists' core responsibilities with these staff and will ensure the respective individuals supporting the awards identified above have sufficient tracking mechanisms in place to manage reporting due dates. This will be completed by January 31, 2011. Timely submission of programmatic and financial reports is clearly outlined as a requirement of staff managing and administering government grants in the Conservancy's Standard Operating Procedure on government grants.

In response to the condition tied to the CFDA numbers on the Schedule of Expenditures of Federal Awards, the Director, Grants Services will continue to require Grants Specialists to review the CFDA numbers in the organization's central government grants database as part of the semiannual certification process of award data. As part of the next certification process in February 2011, the Director, Grants Services will discuss the findings included in this report with the Grants Service Network and will underscore the importance of the review of the data included in the central government grants database. The Director, Grants Services, in coordination with the Grants Cabinet, will explore opportunities for additional periodic reviews of CFDA numbers. Finally, the Conservancy's internal audit team will include the review of CFDA numbers in their workplans when conducting internal audits of government grants; this will be implemented by December 31, 2010.

As discussed with the auditors, the Director, Grants Services, will implement procedures as part of the preparation process for the A-133 audit for the period ending June 30, 2011, to identify compliance requirements applicable to the major programs.

If you require additional information, please let me know.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a final flourish, positioned above the printed name.

Stephen C. Howell
Chief Financial and Administrative Officer

Cc: Liz Crowder, Director, Grants Services
Hilary Toma, Director, Conservation Operations