



CBIZ Accounting, Tax  
& Advisory Services, LLC

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MAY 27, 2008

THE CONSERVATION FUND A NONPROFIT  
CORPORATION  
1655 N. FORT MYER DRIVE  
ARLINGTON, VA 22209-3199

DEAR CLIENT,

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF YOUR INCOME TAX RETURNS  
FOR THE PERIOD ENDED DECEMBER 31, 2007 FOR:

THE CONSERVATION FUND A NONPROFIT  
CORPORATION AS FOLLOWS...

2007 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX  
2007 SCHEDULE A - ORGANIZATION EXEMPT UNDER 501(C)(3)  
2007 SCHEDULE B - SCHEDULE OF CONTRIBUTORS  
2007 8453 - U.S. INDIVIDUAL INCOME TAX DECLARATION FOR E-FILING

EACH ORIGINAL SHOULD BE DATED, SIGNED AND FILED IN ACCORDANCE WITH  
THE FILING INSTRUCTIONS. THE COPY SHOULD BE RETAINED FOR YOUR FILES.

THE ENCLOSED RETURNS WERE PREPARED PRIMARILY FROM DATA AND INFORMATION  
WHICH YOU SUBMITTED. YOU SHOULD REVIEW THE RETURNS TO ENSURE THAT  
THERE ARE NO OMISSIONS OR MISSTATEMENTS.

UPON AN AUDIT OF THE RETURN(S), REQUESTS MAY BE MADE FOR SUPPORTING  
DOCUMENTATION. THEREFORE, WE RECOMMEND THAT YOU RETAIN ALL PERTINENT  
RECORDS.

FORM 990 MUST BE MADE AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD  
OF THREE YEARS, BEGINNING WITH THE DATE THE RETURN IS FILED. THE  
AVAILABLE DOCUMENT MUST BE AN EXACT COPY OF THE RETURN AND SCHEDULES  
(INCLUDING SCHEDULE B), AS FILED WITH THE IRS, EXCEPT THAT THE NAMES  
AND THE ADDRESSES OF THE CONTRIBUTORS MAY BE EXCLUDED. ANY  
ORGANIZATION THAT FAILS TO COMPLY WITH THIS PROVISION IS SUBJECT TO A  
PENALTY OF \$20 FOR EACH DAY THAT INSPECTION IS NOT PERMITTED, UP TO A  
MAXIMUM OF \$10,000. ANY ORGANIZATION THAT WILLFULLY FAILS TO COMPLY  
SHALL BE SUBJECT TO AN ADDITIONAL PENALTY OF \$5,000. YOU ARE ALSO  
REQUIRED TO PROVIDE COPIES OF THE RETURN IF YOU RECEIVE SUCH A  
REQUEST. SHOULD YOU RECEIVE A REQUEST FOR INSPECTION OR FOR COPIES OF  
YOUR RETURN, YOU MAY WANT TO CONTACT US FOR FURTHER DETAILS.

TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN(S), WE SUGGEST THAT

YOU OBTAIN AND RETAIN PROOF OF MAILING. PROOF OF MAILING CAN BE ACCOMPLISHED BY SENDING THE TAX RETURN(S) BY REGISTERED OR CERTIFIED MAIL (METERED BY THE U.S. POSTAL SERVICE) OR THROUGH THE USE OF AN IRS APPROVED DELIVERY METHOD PROVIDED BY AN IRS DESIGNATED PRIVATE DELIVERY SERVICE.

SINCERELY,

JORGE ESTRADA  
CERTIFIED PUBLIC ACCOUNTANT

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)



Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2007 calendar year, or tax year beginning** 2007, **and ending** 2007

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C Name of organization</b> THE CONSERVATION FUND A NONPROFIT CORPORATION <b>Number and street (or P.O. box if mail is not delivered to street address) Room/suite</b> 1655 N. FORT MYER DRIVE 1300 <b>City or town, state or country, and ZIP + 4</b> ARLINGTON, VA 22209-3199	<b>D Employer identification number</b> 52-1388917 <b>E Telephone number</b> (703) 525-6300 <b>F Accounting method:</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶
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● Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**H and I are not applicable to section 527 organizations.**

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates ▶

**H(c)** Are all affiliates included?  Yes  No  
(If "No," attach a list. See instructions.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number ▶

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**G Website:** ▶ WWW.CONSERVATIONFUND.ORG

**J Organization type** (check only one) ▶  501(c)(3) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 194,136,627.

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

	1	Contributions, gifts, grants, and similar amounts received:		
	a	Contributions to donor advised funds	1a	
	b	Direct public support (not included on line 1a)	1b	75,606,026.
	c	Indirect public support (not included on line 1a)	1c	302,131.
	d	Government contributions (grants) (not included on line 1a)	1d	7,619,031.
	e	Total (add lines 1a through 1d) (cash \$ <u>72,040,412.</u> noncash \$ <u>11,486,776.</u> )	1e	83,527,188.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	107,003,386.
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	3,606,053.
	5	Dividends and interest from securities	5	
Revenue	6a	Gross rents	6a	
	b	Less: rental expenses	6b	
	c	Net rental income or (loss). Subtract line 6b from line 6a	6c	
	7	Other investment income (describe ▶ )	7	
	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
	b	Less: cost or other basis and sales expenses	8a	
	c	Gain or (loss) (attach schedule)	8b	
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c	
	8d		8d	
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>		
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a	
	b	Less: direct expenses other than fundraising expenses	9b	
	c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c	
	10a	Gross sales of inventory, less returns and allowances	10a	
	b	Less: cost of goods sold	10b	
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c	
	11	Other revenue (from Part VII, line 103)	11	
	12	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	194,136,627.
Expenses	13	Program services (from line 44, column (B))	13	183,753,714.
	14	Management and general (from line 44, column (C))	14	2,814,450.
	15	Fundraising (from line 44, column (D))	15	1,407,078.
	16	Payments to affiliates (attach schedule)	16	
	17	<b>Total expenses.</b> Add lines 16 and 44, column (A)	17	187,975,242.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	6,161,385.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	319,204,003.
	20	Other changes in net assets or fund balances (attach explanation) <u>STMT 1.</u>	20	4,000,050.
	21	<b>Net assets or fund balances at end of year.</b> Combine lines 18, 19, and 20	21	329,365,438.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2007)

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>			STMT 2	
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ 1,905,904. noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	1,905,904.	1,905,904.		
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	3,352,753.	2,597,096.	443,790.	311,867.
<b>25b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B				
<b>25c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	6,657,750.	5,179,155.	1,027,751.	450,844.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	388,922.	114,327.	173,583.	101,012.
<b>28</b> Employee benefits not included on lines 25a - 27	546,314.	415,626.	89,891.	40,797.
<b>29</b> Payroll taxes	599,041.	488,763.	74,494.	35,784.
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees				
<b>32</b> Legal fees				
<b>33</b> Supplies	520,210.	438,901.	55,916.	25,393.
<b>34</b> Telephone	343,244.	305,789.	26,622.	10,833.
<b>35</b> Postage and shipping	101,402.	82,542.	12,437.	6,423.
<b>36</b> Occupancy	908,204.	663,604.	159,096.	85,504.
<b>37</b> Equipment rental and maintenance	485,957.	459,349.	12,631.	13,977.
<b>38</b> Printing and publications	367,857.	298,948.	46,429.	22,480.
<b>39</b> Travel	1,099,660.	963,214.	93,077.	43,369.
<b>40</b> Conferences, conventions, and meetings	141,676.	123,146.	12,955.	5,575.
<b>41</b> Interest	1,112,733.	1,039,515.	59,531.	13,687.
<b>42</b> Depreciation, depletion, etc. (attach schedule)	150,549.	140,643.	8,054.	1,852.
<b>43</b> Other expenses not covered above (itemize):				
a STMT 3	169,293,066.	168,537,192.	518,193.	237,681.
b				
c				
d				
e				
f				
g				
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	187,975,242.	183,753,714.	2,814,450.	1,407,078.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_ ; (ii) the amount allocated to Program services \$ \_\_\_\_\_ ;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_ ; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_



**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing		<b>45</b>		
	46 Savings and temporary cash investments	59,287,747.	<b>46</b>	84,753,928.	
	47a Accounts receivable	<b>47a</b>			
	b Less: allowance for doubtful accounts	<b>47b</b>		<b>47c</b>	
	48a Pledges receivable	<b>48a</b> 2,907,110.			
	b Less: allowance for doubtful accounts	<b>48b</b>	1,833,930.	<b>48c</b> 2,907,110.	
	49 Grants receivable	4,781,421.	<b>49</b>	6,097,610.	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			<b>50a</b>	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			<b>50b</b>	
	51a Other notes and loans receivable (attach schedule)	<b>51a</b> 8,523,517.			
	b Less: allowance for doubtful accounts	<b>51b</b>	7,470,584.	<b>51c</b> 8,523,517.	
	52 Inventories for sale or use			<b>52</b>	
	53 Prepaid expenses and deferred charges			<b>53</b>	
	54a Investments - publicly-traded securities <small>STMT 6</small>	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	7,087,588.	<b>54a</b> 5,332,840.	
	b Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	6,486,491.	<b>54b</b> 2,060,542.	
	55a Investments - land, buildings, and equipment: basis	<b>55a</b>	<small>STMT 7</small>		
	b Less: accumulated depreciation (attach schedule)	<b>55b</b>		<b>55c</b>	
	56 Investments - other (attach schedule)			<b>56</b>	
	57a Land, buildings, and equipment: basis <small>STMT 8</small>	<b>57a</b> 2,318,296.			
b Less: accumulated depreciation (attach schedule)	<b>57b</b> 810,180.	1,507,454.	<b>57c</b> 1,508,116.		
58 Other assets, including program-related investments (describe <small>STMT 9</small> )		302,455,383.	<b>58</b> 318,010,034.		
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58		390,910,598.	<b>59</b> 429,193,697.		
Liabilities	60 Accounts payable and accrued expenses	3,289,521.	<b>60</b>	3,990,527.	
	61 Grants payable		<b>61</b>		
	62 Deferred revenue		<b>62</b>		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			<b>63</b>	
	64a Tax-exempt bond liabilities (attach schedule)			<b>64a</b>	
	b Mortgages and other notes payable (attach schedule) <small>STMT 10</small>		41,967,405.	<b>64b</b> 72,426,593.	
	65 Other liabilities (describe <small>STMT 14</small> )		26,449,669.	<b>65</b> 23,411,139.	
66 <b>Total liabilities.</b> Add lines 60 through 65		71,706,595.	<b>66</b> 99,828,259.		
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
Net Assets or Fund Balances	67 Unrestricted	199,887,280.	<b>67</b>	209,105,882.	
	68 Temporarily restricted	62,620,765.	<b>68</b>	60,424,509.	
	69 Permanently restricted	56,695,958.	<b>69</b>	59,835,047.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds			<b>70</b>	
	71 Paid-in or capital surplus, or land, building, and equipment fund			<b>71</b>	
	72 Retained earnings, endowment, accumulated income, or other funds			<b>72</b>	
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		319,204,003.	<b>73</b>	329,365,438.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		390,910,598.	<b>74</b>	429,193,697.	



Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 18

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) 75b X

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions. 75c X

d Does the organization have a written conflict of interest policy? 75d X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. All values are -0-.

Part VI Other Information (See the instructions.)

Yes No

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change 76 X

77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77 X

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X

b If "Yes," has it filed a tax return on Form 990-T for this year? 78b N/A

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a X

b If "Yes," enter the name of the organization STMP 23 and check whether it is [X] exempt or [ ] nonexempt

81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a

b Did the organization file Form 1120-POL for this year? 81b X

Part VI Other Information (continued)

Form with multiple rows and columns for reporting information. Includes questions 82a through 91b and a table with Yes/No columns. Questions cover topics like donated services, public inspection requirements, lobbying, and financial accounts.

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . 91c  Yes  No

If "Yes," enter the name of the foreign country ▶ \_\_\_\_\_

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here  and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶ 92 | \_\_\_\_\_ N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 98 Net rental income or (loss) from personal property, 99 Other investment income, 100 Gain or (loss) from sales of assets other than inventory, 101 Net income or (loss) from special events, 102 Gross profit or (loss) from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
<b>Totals</b>				

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

▶ Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature ▶	Date	Check if self-employed ▶ <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	EIN ▶		Phone no. ▶
CBIZ ACCOUNTING, TAX & ADVISORY SVCS 7475 WISCONSIN AVENUE, SUITE 700 BETHESDA, MD 20814			301-951-3636

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information - (See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **THE CONSERVATION FUND A NONPROFIT CORPORATION**

Employer identification number  
**52-1388917**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 27				
Total number of other employees paid over \$50,000 . . . ▶	50			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 28		
Total number of others receiving over \$50,000 for professional services . . . . . ▶	0	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 29		
Total number of other contractors receiving over \$50,000 for other services . . . . . ▶	12	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See page 2 of the instructions.)

Table with columns for question number, description, Yes, and No. Includes questions 1 through 4g regarding lobbying, property transactions, grants, and donor advised funds.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

Part V Private School Questionnaire (See page 9 of the instructions.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .		
d	Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .  If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges? . . . . .		
b	Admissions policies? . . . . .		
c	Employment of faculty or administrative staff? . . . . .		
d	Scholarships or other financial assistance? . . . . .		
e	Educational policies? . . . . .		
f	Use of facilities? . . . . .		
g	Athletic programs? . . . . .		
h	Other extracurricular activities? . . . . .  If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34 a	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		
b	Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check  **a** if the organization belongs to an affiliated group. Check  **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	36	2,500.
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	37	238,910.
38	Total lobbying expenditures (add lines 36 and 37) . . . . .	38	241,410.
39	Other exempt purpose expenditures . . . . .	39	43,032,398.
40	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	40	43,273,808.
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is -                      The lobbying nontaxable amount is - Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . . Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 . . . . . \$1,000,000 . . . . .	41	1,000,000.
42	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	42	250,000.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period					
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total	
45	Lobbying nontaxable amount . . . . .	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
46	Lobbying ceiling amount (150% of line 45(e)) . . . . .					6,000,000.
47	Total lobbying expenditures	241,410.	573,467.	194,911.	99,135.	1,108,923.
48	Grassroots nontaxable amount . . . . .	250,000.	250,000.	250,000.	250,000.	1,000,000.
49	Grassroots ceiling amount (150% of line 48(e)) . . . . .					1,500,000.
50	Grassroots lobbying expenditures . . . . .	2,500.	311,500.	142,283.		456,283.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** NOT APPLICABLE  
 (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers . . . . .			
b Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
c Media advertisements . . . . .			
d Mailings to members, legislators, or the public . . . . .			
e Publications, or published or broadcast statements . . . . .			
f Grants to other organizations for lobbying purposes . . . . .			
g Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
i Total lobbying expenditures (Add lines c through h.) . . . . .			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.



Name of organization THE CONSERVATION FUND A NONPROFIT CORPORATION	Employer identification number 52-1388917
---	--

Organization type (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

- 501(c)(3 ) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

**General Rule -**

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules -**

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization THE CONSERVATION FUND A NONPROFIT CORPORATION  
 Employer identification number 52-1388917

**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 2,100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 3,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 13,730,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 2,166,521.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>THE CONSERVATION FUND A NONPROFIT CORPORATION</b>	Employer identification number <b>52-1388917</b>
---	---

**Part II** Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	LAND _____ _____ _____	\$ 3,000,000.	12/14/2007
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
PRIOR PERIOD ADJUSTMENT	4,000,000.
ADJUSTMENT TO INTERCOMPANY AMOUNT	50.
	-----
TOTAL	4,000,050.
	=====

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT

PURPOSE OF GRANT OR CONTRIBUTION

RECIPIENT NAME AND ADDRESS

AMOUNT

GRANTS PAID

CASTANEA FOUNDATION  
PO BOX 64  
MONTPELIER, VT 05601

NONE

GRANT

305,000.

FOREST PRESERVE DISTRICT OF WILL COUNTY  
17540 WEST LARAWAY  
JOLIET, IL 60433

NONE

GRANT

280,000.

SOUTHERN APPALACHIAN HIGHLAND CONSERVANCY  
34 WALL STREET, STE 502  
ASHEVILLE, NC 28801

NONE

GRANT

265,000.

CHESAPEAKE BAY FOUNDATION  
6 HERNDON AVENUE  
ANNAPOLIS, MD 21403

NONE

GRANT

252,981.

VARIOUS OTHER ORGANIZATIONS  
1655 N FORT MYER DRIVE  
ARLINGTON, VA 22209

NONE

GRANTS

802,923.

TOTAL CONTRIBUTIONS PAID

1,905,904.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
CONTRACTUAL SERVICES/EXPENSES	4,572,104.	4,251,593.	238,558.	81,953.
PROFESSIONAL SERVICES	736,101.	669,134.	40,531.	26,436.
CONSERVATION RESEARCH	68,173.	63,687.	3,647.	839.
PUBLIC RELATIONS	69,268.	64,497.	3,728.	1,043.
GRAPHICS & PHOTOGRAPHY	60,263.	56,355.	3,154.	754.
ACQUISITION AND PROGRAM COSTS	3,473,580.	3,318,671.	96,248.	58,661.
REAL ESTATE & PERS PROP TAXES	776,104.	747,334.	13,277.	15,493.
MISCELLANEOUS EXPENSES	59,935.	49,298.	6,635.	4,002.
CHARITABLE CONTRIBUTIONS	119,895.		85,016.	34,879.
INSURANCE	257,920.	229,167.	17,582.	11,171.
CONSTRUCTION	19,659.	18,668.	684.	307.
BANK & FINANCE CHARGES	167,165.	156,251.	8,839.	2,075.
EXTERNAL TRANSFER	15,618,543.	15,618,181.	294.	68.
BOOK VALUE OF DEMONSTRATION PROJECTS (LAND AND EASEMENTS) SOLD TO OTHERS				
TOTALS	143,294,356.	143,294,356.	518,193.	237,681.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

THE CONSERVATION FUND CREATES PARTNERSHIPS WITH THE PRIVATE SECTOR,  
NONPROFIT ORGANIZATIONS AND PUBLIC AGENCIES TO PROTECT OUR OUTDOOR  
HERITAGE.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS  
=====

PROGRAM SERVICE ACCOMPLISHMENT A  
-----

THE PURPOSES OF THE ORGANIZATION ARE TO FURTHER THE UNDERSTANDING AND APPRECIATION OF MANKIND'S RELATIONSHIP TO THE NATURAL WORLD WITH AN EMPHASIS ON MEANS OF CONSERVING RESOURCES. THE FUND ENDEAVORS TO PROTECT IMPORTANT LANDSCAPES HAVING SIGNIFICANT NATURAL, HISTORIC OR OPEN SPACE VALUES. THE FUND EXPLORES CREATIVE TECHNIQUES TO FURTHER THIS OBJECTIVE AND ENSURE THAT THESE AREAS ARE PROTECTED IN ACCORDANCE WITH LOCAL LAND USE PLANS AND STATE OR NATIONAL LAND USE POLICIES. THE FUND ALSO UNDERTAKES DEMONSTRATION PROJECTS TO INTEGRATE LOCAL COMMUNITY LAND USE PLANNING WITH ECONOMIC DEVELOPMENT EFFORTS. ALL PROGRAM SERVICE EXPENSES ARE INCURRED IN FURTHERANCE OF THESE GOALS.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
SHORT-TERM CORPORATE BONDS	3,735,869.	FMV
US GOVT AGENCY INSTRUMENTS	1,596,971.	FMV
TOTALS	5,332,840.	

FORM 990, PART IV - INVESTMENTS - OTHER SECURITIES

DESCRIPTION -----	ENDING BOOK VALUE -----	COST OR FMV -----
FHL, FANNIE MAE FIXED INCOME	2,060,542.	FMV
TOTALS	2,060,542.	

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

ACCUMULATED DEPRECIATION DETAIL

FIXED ASSET DETAIL

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL			ACCUMULATED DEPRECIATION DETAIL				
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
BLD. FFSHWTR INST.	SL	1,273,455.			1,273,455.	328,976.	42,449.		371,425.
RESEARCH EQUIP.	SL	78,147.			78,147.	60,563.	7,815.		68,378.
RESEARCH EQUIP.	SL	164,588.			164,588.	115,213.	16,459.		131,672.
RESEARCH EQUIP.	SL	38,791.			38,791.	15,516.	3,877.		19,393.
SOFTWARE	SL	36,860.			36,860.	36,860.			36,860.
COMPUTER SOFTWARE	SL	50,514.			50,514.	39,338.	11,176.		50,514.
EQUIP-FRESHWR FAC.	SL	30,486.			30,486.	7,621.	3,049.		10,670.
CAPITALIZED RES. EQ	SL	105,065.			105,065.	13,518.	10,507.		24,025.
AUTOMOBILE	SL	18,967.			18,967.	3,477.	1,897.		5,374.
LEASEHOLD IMPRVMTS	SL	209,390.			209,390.	31,467.	24,182.		55,649.
AUTOMOBILES	SL		22,519.		22,519.		4,504.		4,504.
LEASEHOLD IMPRVMTS	SL	14,811.			14,811.	667.	1,347.		2,014.
RESEARCH EQUIP.	SL	123,491.			123,491.	6,414.	12,349.		18,763.
RESEARCH EQUIPMENTL	SL		78,966.		78,966.		3,948.		3,948.
LEASEHOLD IMPROVE	SL		72,246.		72,246.		6,990.		6,990.
TOTALS		2,144,565.			2,318,296.	659,630.			810,179.

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	ENDING BOOK VALUE -----
DEMO PRJCTS--LAND & EASEMENTS	305,359,684.
INVESTMENT IN PARTNERSHIPS	9,241,860.
PREPAID EXPENSES	274,801.
DUE FROM AFFILIATED ORGAN	3,133,689.
TOTALS	----- 318,010,034. =====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: THE MACARTHUR FOUNDATION  
 ORIGINAL AMOUNT: 2,000,000.  
 INTEREST RATE: 3.000000  
 DATE OF NOTE: 06/15/1999  
 MATURITY DATE: 07/01/2009  
 REPAYMENT TERMS: IN FULL AT DUE DATE  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV: NONE  
 OF CONSIDERATION:

BEGINNING BALANCE DUE ..... 2,000,000.  
 ENDING BALANCE DUE ..... 2,000,000.  
 -----

LENDER: CLAUDE WORTHINGTON BENEDUM FNDTN  
 ORIGINAL AMOUNT: 1,000,000.  
 INTEREST RATE: 1.000000  
 DATE OF NOTE: 01/13/2003  
 MATURITY DATE: 01/13/2008  
 REPAYMENT TERMS: DUE AT MATURITY, WITH ANNUAL INTEREST PAYMENTS  
 SECURITY PROVIDED: DEED OF TRUST  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV: NONE  
 OF CONSIDERATION:

BEGINNING BALANCE DUE ..... 1,000,000.  
 ENDING BALANCE DUE ..... 1,000,000.  
 -----

LENDER: KEITH CAMPBELL FOUNDATION  
 ORIGINAL AMOUNT: 5,000,000.  
 INTEREST RATE: 2.000000  
 DATE OF NOTE: 11/09/2004  
 MATURITY DATE: 12/31/2009  
 REPAYMENT TERMS: DUE AT MATURITY, WITH ANNUAL INTEREST PAYMENTS  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV: NONE  
 OF CONSIDERATION:

BEGINNING BALANCE DUE ..... 5,000,000.  
 ENDING BALANCE DUE ..... 5,000,000.  
 -----

LENDER: MARY YOUNG AND MELVIN YOUNG  
 ORIGINAL AMOUNT: 441,000.  
 INTEREST RATE: 3.000000  
 DATE OF NOTE: 10/18/2004  
 MATURITY DATE: 10/15/2008  
 REPAYMENT TERMS: ANNUAL PAYMENTS BEGINNING 10/15/2005  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV NONE  
 OF CONSIDERATION:

BEGINNING BALANCE DUE .....	441,000.
ENDING BALANCE DUE .....	141,000.
	-----

LENDER: DAVID AND LUCILLE PACKARD FOUNDATION  
 ORIGINAL AMOUNT: 2,500,000.  
 INTEREST RATE: 1.500000  
 DATE OF NOTE: 12/31/2004  
 MATURITY DATE: 12/31/2009  
 REPAYMENT TERMS: ANNUAL PAYMENTS BEGINNING IN 2008, MATURES 2009  
 SECURITY PROVIDED: DEED OF TRUST  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV NONE  
 OF CONSIDERATION:

BEGINNING BALANCE DUE .....	2,500,000.
ENDING BALANCE DUE .....	2,500,000.
	-----

LENDER: STATE WATER RESOURCES CONTROL BOARD  
 ORIGINAL AMOUNT: 25,000,000.  
 INTEREST RATE: 2.300000  
 DATE OF NOTE: 10/24/2006  
 MATURITY DATE: 10/24/2026  
 REPAYMENT TERMS: ANNUAL PAYMENTS OVER A 20 YR PERIOD  
 SECURITY PROVIDED: DEED OF TRUST  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:

BEGINNING BALANCE DUE .....	25,000,000.
ENDING BALANCE DUE .....	24,001,462.
	-----

LENDER: INTERNATIONAL PAPER COMPANY  
 ORIGINAL AMOUNT: 30,000,000.  
 INTEREST RATE: 7.250000  
 DATE OF NOTE: 12/20/2007  
 MATURITY DATE: 06/30/2008  
 REPAYMENT TERMS: DUE AT MATURITY  
 SECURITY PROVIDED: DEED OF TRUST  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 ENDING BALANCE DUE ..... 30,000,000.  
 -----

LENDER: LOUIS A BIBLER FAMILY TRUST  
 ORIGINAL AMOUNT: 2,000,000.  
 INTEREST RATE: 5.000000  
 DATE OF NOTE: 09/20/2007  
 MATURITY DATE: 09/20/2009  
 REPAYMENT TERMS: DUE AT MATURITY  
 SECURITY PROVIDED: DEED OF TRUST  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 ENDING BALANCE DUE ..... 2,000,000.  
 -----

LENDER: THE MEADOWS FOUNDATION  
 ORIGINAL AMOUNT: 1,000,000.  
 INTEREST RATE: 2.000000  
 DATE OF NOTE: 09/10/2003  
 MATURITY DATE: 09/10/2008  
 REPAYMENT TERMS: DUE AT MATURITY  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 BEGINNING BALANCE DUE ..... 1,000,000.

LENDER: TERRY AND WALTER ANDREWS  
 ORIGINAL AMOUNT: 760,805.  
 DATE OF NOTE: 12/18/2007  
 MATURITY DATE: 01/03/2008  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 ENDING BALANCE DUE ..... 760,805.  
 -----

LENDER: OTHER SHORT-TERM NOTES PAYABLE  
 ORIGINAL AMOUNT: 26,405.  
 DATE OF NOTE: VAR  
 MATURITY DATE: VAR  
 REPAYMENT TERMS: ANNUAL  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 BEGINNING BALANCE DUE ..... 26,405.  
 ENDING BALANCE DUE ..... 23,326.  
 -----

LENDER: DAVID AND LUCILLE PACKARD FOUNDATION  
 ORIGINAL AMOUNT: 5,000,000.  
 INTEREST RATE: 2.000000  
 DATE OF NOTE: 11/21/2006  
 MATURITY DATE: 11/21/2011  
 REPAYMENT TERMS: ANNUALLY  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: TO ACQUIRE CONSERVATION PROPERTY  
 DESCRIPTION AND FMV CASH  
 OF CONSIDERATION:  
 BEGINNING BALANCE DUE ..... 5,000,000.  
 ENDING BALANCE DUE ..... 5,000,000.  
 -----

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE ..... 41,967,405.  
 =====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE ..... 72,426,593.  
 =====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
AMOUNTS DUE OTHER NONPROFIT ORGANIZATIONS	18,062,186.
DEPOSITS HELD	5,348,953.
TOTALS	----- 23,411,139. =====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
LAWRENCE A SELZER 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	PRESIDENT & CEO 40.00	322,900.	44,109.	NONE
DAVID K PHILLIPS JR 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	SENIOR VP & CFO 40.00	181,900.	22,572.	
SYDNEY S MACY 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	SENIOR VP 40.00	186,000.	25,204.	
RICHARD L ERDMANN 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	EVP & GENERAL COUNCIL 40.00	284,400.	191,100.	
JOSEPH A HANKINS 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	146,200.	21,357.	
JEAN POMPA	ASST. SECRETARY 40.00	82,500.	13,670.	

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	ASST. SECRETARY 40.00	70,000.	10,623.	
BETH ANN BURNS 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	144,700.	12,335.	
REX R BONER 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	124,300.	17,313.	
MARK W ELSBREE 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	133,300.	20,011.	
ERIK J MEYERS 1655 N. FORT MYER DRIVE 1300	VICE PRESIDENT 40.00	147,900.	19,061.	

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ARLINGTON, VA 22209-3199				
JODI R O' DAY 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	169,600.	18,985.	
MATTHEW S SEXTON 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	126,500.	18,946.	
MARY M O' CONNOR 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	131,300.	11,758.	
PAUL F HURT 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	ASST SECRETARY & DEPUTY GC 40.00	166,600.	23,014.	
DAN SAKURA 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	131,300.	13,979.	

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
KATHRYN BROWN 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	VICE PRESIDENT 40.00	63,927.	5,377.	
MARGARET A MCCANIS 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	SECRETARY 40.00	75,000.	10,122.	
LILY ENGLE 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	ASST. SECRETARY 40.00	93,000.	3,892.	
CHARLES JORDAN 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	10.00	50,000.	NONE	NONE
KIKU H HANES 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 5.00	18,000.	NONE	NONE
J RUTHERFORD SEYDEL II	VICE CHAIR AND TREASURER 3.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
GILBERT GROSVENOR 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
TRUMAN T SEMANS SR 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
R MICHAEL LEONARD 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
HUBERT W VOGELMANN 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
NORMAN L CHRISTENSEN JR 1655 N. FORT MYER DRIVE 1300	DIRECTOR 3.00	NONE	NONE	NONE

FORM 990, PART V-A -- CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ARLINGTON, VA 22209-3199				
GEORGE A RANNEY JR 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
KAY KELLEY ARNOLD 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
RILEY P BECHTEL 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
B FRANCIS SAUL III 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
DENNIS H REILLEY 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SYLVIA A EARLE 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
GEORGINA A MORENO 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
GRAY N THORNTON 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
DAVID N WEIDMAN 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE
JAMES M WHITEHURST 1655 N. FORT MYER DRIVE 1300 ARLINGTON, VA 22209-3199	DIRECTOR 3.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
		2,849,327.	503,428.	NONE
GRAND TOTALS				

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

RELATED ORGANIZATION NAME: SUSTAINABLE CONSERVATION, INC.

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: NATURAL CAPITAL INVESTMENT FUND

EXEMPT: X NONEXEMPT:

FORM 990, PART VI, LINE 90A - STATES

=====

AL, AK, AZ, AR, CA, CT, DC, FL, GA,  
IL, KS, KY, ME, MD, MA, MI, MN, MS, MO, NH, NJ, NM,  
NY, NC, ND, OH, OK, OR, PA, RI, SC, TN, UT, VA, WA, WV, WI,

FORM 990, PART VII - PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
CONTRACT INCOME					9,009,158.
INTEREST INCOME FROM DEMONSTRATION PROJECTS					1,025,744.
OTHER PROGRAM INCOME					216,529.
RENT/LEASE INCOME					239,587.
ROYALTY INCOME FROM DEMONSTRATION PROJECTS					102,083.
GAIN FROM INVESTMENTS IN PARTNERSHIP					367,500.
SALES OF DEMONSTRATION PROJECTS ( LAND AND EASEMENTS) TO OTHERS					96,042,785.
TOTALS					107,003,386.

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES  
=====

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
---	-----

93A	SALES OF DEMONSTRATION PROJECTS TO OTHERS, INTEREST, ROYALTY
93A	AND PARTNERSHIP INCOME FROM DEMONSTRATION PROJECTS CONSERVE
93A	NATURAL RESOURCES, LAND AND PROVIDE MODELS FOR RATIONAL LAND
93A	USE
93A	CONTRACT AND PROGRAM SERVICE INCOME PROVIDE CONSERVATION
93A	SERVICES.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
RICHARD LUDINGTON 1655 N. FORT MYER DRIVE STE 1300 ARLINGTON, VA 22209-3199	SR. ASSOC. NC OFFICE 40.00	197,000.	20,753.	NONE
PATRICK NOONAN 1655 N. FORT MYER DRIVE STE 1300 ARLINGTON, VA 22209-3199	CHAIRMAN EMERITUS 40.00	150,000.	25,827.	NONE
CHRIS KELLY 1655 N. FORT MYER DRIVE STE 1300 ARLINGTON, VA 22209-3199	CA PROGRAM DIRECTOR 40.00	150,000.	20,624.	NONE
GLENN ELLISON 1655 N. FORT MYER DRIVE STE 1300 ARLINGTON, VA 22209-3199	ALASKA PROG DIRECTOR 40.00	153,300.	19,581.	NONE
ROBERT FERGUSON 1655 N. FORT MYER DRIVE STE 1300 ARLINGTON, VA 22209-3199	SOUTHERN CA PROG DIR 40.00	129,000.	18,068.	NONE
TOTAL COMPENSATION		779,300.	104,853.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
ALLAN C BEEZLEY PC ATTNY AT LAW 1327 SPRUCE STREET SUITE 302 BOULDER, CO 80302	LEGAL SERVICES	215,812.
KELLY AND WICKMAN LLC 18601 SPYGLASS ROAD HIDDEN VALLEY LAKE, CA 95467	LEGAL SERVICES	120,514.
CBIZ ATA OF BETHESDA LLC PO BOX 404466 ATLANTA, GA 30384-4466	ACCOUNTING SVCS	85,758.
GONZALEZ SAGGIO AND HARLAN LLP 225 E. MICHIGAN ST., 4TH FLOOR MILWAUKEE, WI 53202	LEGAL SERVICES	59,240.
TOTAL COMPENSATION		----- 481,324. =====

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
ANDERSON LOGGING PO BOX 1266 FORT BRAGG, CA 95437	PROGRAM SERVICES	491,304.
WYLATTIE RESOURCE MANAGEMENT INC PO BOX 575 COVELO, CA 95428	PROGRAM SERVICES	371,551.
PAUL MELTON PO BOX 5141 ABILENE, TX 79608	PROGRAM SERVICES	235,349.
PHASE 2 TECHNOLOGY LLC 1033 N. FAIRFAX STREET STE 404 ALEXANDRIA, VA 22314	PROGRAM SERVICES	199,663.
AMERICAN PUBLIC LAND EXCHANGE 125 BANK STREET, SUITE 610 MISSOULA, MT 59802	PROGRAM SERVICES	167,361.
TOTAL COMPENSATION		----- 1,465,228. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE PART V-A, FORM 990

SCHEDULE A, PART III - EXPLANATION FOR LINE 3C  
=====

- 1) NUMBER OF EASEMENTS HELD AT BEGINNING OF YEAR: 26; TOTAL ACREAGE OF THESE EASEMENTS WAS 51,345.44, HELD IN 11 STATES.
- 2) NUMBER OF EASEMENTS AND ACREAGE OF EASEMENTS RECEIVED OR ACQUIRED IN 2007: 10 EASEMENTS, IN 5 STATES, TOTALING 7,868.83 ACRES.
- 3) NUMBER OF EASEMENTS MODIFIED, SOLD, TRANSFERRED, RELEASED OR TERMINATED DURING YEAR: 16, IN 7 STATES, FOR A TOTAL ACREAGE OF 7,168.03. EASEMENTS WERE TRANSFERRED TO VARIOUS QUALIFIED ORGANIZATIONS INCLUDING GOVERNMENTAL ENTITIES, LAND ALLIANCES AND CONSERVATION TRUST IN ORDER TO PROTECT AND PRESERVE THE EASEMENT.
- 4) THERE ARE 14 EASEMENTS IN 6 STATES TOTALING 6,619.19 ACRES THAT CONTAIN BUILDINGS OR STRUCTURES; NO EASEMENTS THAT ENCUMBER A GOLF COURSE OR PORTION OF A GOLF COURSE, OR THAT ARE ADJACENT TO RESIDENTIAL DEVELOPMENTS AND HOUSING SUBDIVISIONS. 4 OF THE EASEMENTS THAT CONTAIN BUILDINGS AND STRUCTURES WERE ACQUIRED IN 2007.
- 5) THERE ARE 23 EASEMENTS, IN 10 STATES, TOTALING 57,565.86 ACRES, THAT WERE ACQUIRED IN A TRANSACTION DESCRIBED UNDER "PURCHASE OF REAL PROPERTY FROM CHARITABLE ORGANIZATIONS" IN NOTICE 2004-01, OF WHICH 6 WERE ACQUIRED IN 2007.
- 6) A TOTAL OF 8 EASEMENTS IN 4 STATES, TOTALING 5,820.43 ACRES, WERE MONITORED DURING THE YEAR, TAKING APPROXIMATELY 68 HOURS OF STAFF TIME WITH SOME TRAVEL AND DIRECT COSTS INCURRED.
- 7) THERE ARE 9 EASEMENTS THAT CONTAIN BUILDINGS AND STRUCTURES THAT WERE ACQUIRED AFTER AUGUST 17, 2006; NONE MEET THE REQUIREMENTS OF SECTION 170(H)(4)(B).

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

THE CONSERVATION FUND A NONPROFIT

Identifying number

52-1388917

Business or activity to which this form relates

**GENERAL DEPRECIATION**

**Part I Election To Expense Certain Property Under Section 179**

*Note: If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	
2	Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3	Threshold cost of section 179 property before reduction in limitation . . . . .	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29 . . . . .	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 . . . . .	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562 . . . . .	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12 . . . . .	13	

*Note: Do not use Part II or Part III below for listed property. Instead, use Part V.*

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions) . . . . .	14	
15	Property subject to section 168(f)(1) election . . . . .	15	
16	Other depreciation (including ACRS) . . . . .	16	150,549.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007 . . . . .	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . .		<input type="checkbox"/>

**Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

**Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28 . . . . .	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. . . . .	22	150,549.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	24b If "Yes," is the evidence written?				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .								25			
26 Property used more than 50% in a qualified business use:											
		%									
		%									
		%									
27 Property used 50% or less in a qualified business use:											
		%				S/L -					
		%				S/L -					
		%				S/L -					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .								28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								29			

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles) . . . . .	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year . . . . .												
32 Total other personal (noncommuting) miles driven . . . . .												
33 Total miles driven during the year. Add lines 30 through 32 . . . . .												
34 Was the vehicle available for personal use during off-duty hours? . . . . .	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
36 Is another vehicle available for personal use? . . . . .												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		X
39 Do you treat all use of vehicles by employees as personal use? . . . . .		X
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		X
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		X

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
43 Amortization of costs that began before your 2007 tax year . . . . .					43
44 Total. Add amounts in column (f). See the instructions for where to report . . . . .					44

THE CONSERVATION FUND A NONPROFIT

Description of Property

GENERAL DEPRECIATION

DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
BLD. FISHTR INST.	04/01/1999	1,273,455.	100.000			1,273,455.	328,376.	371,425.	SL	30.000				42,449.
RESEARCH EQUIP.	04/01/1999	78,147.	100.000			78,147.	60,563.	68,378.	SL	0.000				7,815.
RESEARCH EQUIP.	12/30/2000	164,588.	100.000			164,588.	115,213.	131,672.	SL	0.000				16,439.
RESEARCH EQUIP.	12/31/2003	38,791.	100.000			38,791.	15,516.	19,333.	SL	0.000				3,877.
SOFTWARE	02/01/2003	36,860.	100.000			36,860.	36,860.	36,860.	SL	3.000				
COMPUTER SOFTWARE	06/30/2004	50,514.	100.000			50,514.	39,338.	50,514.	SL	5.000				11,176.
EQUIP-FISHTR FAC.	06/30/2004	30,486.	100.000			30,486.	7,621.	10,670.	SL	10.000				3,049.
CAPITALIZED RES. EQ	06/30/2005	105,065.	100.000			105,065.	13,518.	24,025.	SL	10.000				10,507.
AUTOMOBILE	02/10/2005	18,967.	100.000			18,967.	3,477.	5,374.	SL	10.000				1,897.
LEASEHOLD IMPRVMTS	12/31/2005	209,390.	100.000			209,390.	31,467.	55,649.	SL	2.000				24,182.
AUTOMOBILES	12/31/2006	22,519.	100.000			22,519.		4,504.	SL	5.000				4,504.
LEASEHOLD IMPRVMTS	2005-2007	14,811.	100.000			14,811.	667.	2,014.	SL	1.000				1,347.
RESEARCH EQUIP.	2004-2006	123,491.	100.000			123,491.	6,414.	18,763.	SL	2.000				12,349.
RESEARCH EQUIPMENT	01/15/2007	78,966.	100.000			78,966.		3,248.	SL	10.000				3,248.
LEASEHOLD IMPROVE	2007	72,246.	100.000			72,246.		6,990.	SL	5.000				6,990.
Less: Retired Assets														
<b>Subtotals</b>		<b>2,318,296.</b>				<b>2,318,296.</b>	<b>659,630.</b>	<b>810,179.</b>						<b>150,549.</b>

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending accumulated amortization	Code	Life	Current-year amortization
Less: Retired Assets							
<b>Subtotals</b>							
<b>TOTALS</b>		<b>2,318,296.</b>	<b>659,630.</b>	<b>810,179.</b>			<b>150,549.</b>

\*Assets Retired  
J56  
7X8024 1.000