

**Grand Traverse Regional Land Conservancy**

FINANCIAL STATEMENTS  
AND REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2020

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
Grand Traverse Regional Land Conservancy

### Report on Financial Statements

We have audited the accompanying financial statements of the *Grand Traverse Regional Land Conservancy* ("GTRLC"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the GTRLC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the GTRLC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors  
Grand Traverse Regional Land Conservancy

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Grand Traverse Regional Land Conservancy as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited GTRLC's 2019 financial statements, and our report dated October 16, 2019 expressed an unmodified audit opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Report on Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 27 - 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Dennis, Gartland & Niergarth*

October 20, 2020

# Grand Traverse Regional Land Conservancy

## STATEMENT OF FINANCIAL POSITION

June 30, 2020

(With Comparative Totals for 2019)

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note C)	\$ 4,256,142	\$ 2,304,584
Restricted cash and cash equivalents (Note C)		
Restricted for stewardship	4,510,440	801,876
Restricted for endowment	61,085	2,156
Investments (Note D)	1,589	51,639
Pledges receivable, net (Note E)	3,087,805	1,704,591
Total current assets	11,917,061	4,864,846
<b>FIXED ASSETS</b> , net of accumulated depreciation (Note F)	3,174,799	3,107,171
<b>LAND UNDER PROTECTION</b>		
Nature preserves (Note G)	23,949,911	21,427,011
Development rights (Note H)	245	244
Development rights in progress (Note H)	760,816	573,112
Options to purchase land (Note I)	754,774	91,000
Land held for transfer (Note J)	4,255,250	6,526,018
Total land under protection	29,720,996	28,617,385
<b>OTHER ASSETS</b>		
Restricted investments for endowments (Note D)	6,104,591	6,124,347
Restricted investments for stewardship (Note D)	3,853,982	3,924,964
Board designated investments (Note D)	7,481,564	7,715,245
Charitable gift annuity investment (Note D)	254,014	276,543
Pledges receivable, net of current portion (Note E)	1,132,650	4,681,808
Total other assets	18,826,801	22,722,907
Total assets	\$ 63,639,657	\$ 59,312,309
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued liabilities (Note K)	\$ 436,246	\$ 623,520
Deposits	8,001	8,001
Line of credit	-	282,262
Notes payable, current (Note L)	599,939	413,627
Total current liabilities	1,044,186	1,327,410
<b>OTHER LIABILITIES</b>		
Notes payable (Note L)	243,623	1,422,244
Charitable gift annuity obligation, net of current portion (Note M)	279,490	283,201
Total liabilities	1,567,299	3,032,855
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated		
Easement defense	489,620	486,345
Operating reserve	3,473,721	1,979,686
Stewardship	4,410,923	4,559,736
Board reserve	2,678,789	2,769,164
With donor restrictions		
Specified use (Note O)	20,954,234	17,817,934
Expiration of time (Note O)	1,146,660	2,360,109
With donor restrictions - perpetual in nature		
Land under protection (Note O)	23,950,156	21,427,255
Endowment (Note O)	4,968,255	4,879,225
Total net assets	62,072,358	56,279,454
	\$ 63,639,657	\$ 59,312,309

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

# Grand Traverse Regional Land Conservancy

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	2019 Totals
<b>REVENUE AND SUPPORT</b>				
Grants	\$ 155,340	\$ 92,601	\$ 247,941	\$ 164,900
Public support	2,303,697	7,373,175	9,676,872	13,733,258
Benefit proceeds	5,916	-	5,916	3,869
Gain (loss) from investments	81,465	262,947	344,412	695,106
Other	49,388	74,716	124,104	70,612
Net assets released from restriction:				
Satisfaction of program restrictions	<u>3,268,657</u>	<u>(3,268,657)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>5,864,463</u>	<u>4,534,782</u>	<u>10,399,245</u>	<u>14,667,745</u>
<b>EXPENSES</b>				
Program services	3,617,094	-	3,617,094	7,237,549
Management and general	490,473	-	490,473	469,101
Fundraising	<u>498,774</u>	<u>-</u>	<u>498,774</u>	<u>524,940</u>
Total expenses	<u>4,606,341</u>	<u>-</u>	<u>4,606,341</u>	<u>8,231,590</u>
<b>CHANGES IN NET ASSETS</b>	1,258,122	4,534,782	5,792,904	6,436,155
<b>NET ASSETS, beginning of year</b>	<u>9,794,931</u>	<u>46,484,523</u>	<u>56,279,454</u>	<u>49,843,299</u>
<b>NET ASSETS, end of year</b>	<u>\$ 11,053,053</u>	<u>\$ 51,019,305</u>	<u>\$ 62,072,358</u>	<u>\$ 56,279,454</u>

# Grand Traverse Regional Land Conservancy

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Program Services	Management and General	Fund Raising	Total	2019 Total
Salaries	\$ 1,282,568	\$ 252,699	\$ 276,539	\$ 1,811,806	\$ 1,760,444
Employee benefits	260,978	51,420	56,271	368,669	377,110
Payroll taxes	93,716	18,465	20,207	132,388	121,376
Professional development	11,940	2,353	2,574	16,867	15,261
Interest	49,160	361	344	49,865	162,833
Provision for doubtful pledges	-	-	-	-	5,000
Professional fees	685,019	89,294	-	774,313	796,120
Lease expense	-	1,147	1,146	2,293	9,144
Transfers to other organizations	90,639	-	-	90,639	895,993
Title work and recording fees	91,514	-	-	91,514	63,525
Property tax expenses	106,447	-	-	106,447	53,630
Repairs and maintenance	21,652	4,266	4,668	30,586	29,206
Other supplies	155,213	-	-	155,213	112,769
Travel	21,560	4,248	4,648	30,456	46,952
Rent	39,033	7,691	8,416	55,140	54,240
Depreciation (Note F)	132,241	5,637	6,168	144,046	132,901
Insurance	48,419	9,540	10,440	68,399	83,298
Utilities	21,273	2,139	2,340	25,752	26,648
Office supplies	19,801	3,901	4,269	27,971	27,237
Telephone	21,698	4,275	4,679	30,652	24,989
Software	30,405	5,991	6,556	42,952	41,390
Miscellaneous	5,758	938	7,948	14,644	17,452
Printing and publishing	37,461	8,583	25,750	71,794	97,978
Postage	-	14,724	14,723	29,447	43,400
Merchandise and fundraising events	8,550	1,684	30,485	40,719	28,796
Dues and subscriptions	5,669	1,117	1,222	8,008	14,516
Advertising	9,381	-	9,381	18,762	13,388
Extinguished development value on conservation easements	366,999	-	-	366,999	3,175,994
	<b>\$ 3,617,094</b>	<b>\$ 490,473</b>	<b>\$ 498,774</b>	<b>\$ 4,606,341</b>	<b>\$ 8,231,590</b>

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

# Grand Traverse Regional Land Conservancy

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 5,792,904	\$ 6,436,155
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Depreciation	144,046	132,901
Development rights extinguished	366,999	3,175,994
Donated development rights	(367,000)	(802,000)
Unrealized gain on investments	(20,649)	(375,342)
Realized gain on investments	(400,623)	(426,790)
Donated investments	(1,286,730)	-
Land options exercised or expired	1,000	70,300
(Increase) decrease in pledges receivable	2,165,944	(996,921)
Decrease in accounts receivable	-	17,149
(Gain) from sale of land held for transfer	(30,000)	-
Increase (decrease) in accounts payable and accrued liabilities	(190,985)	26,146
Net cash from operating activities	6,174,906	7,257,592
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of development rights	(187,704)	(2,561,704)
Acquisition of property and equipment	(211,674)	(1,586,040)
Proceeds from sale of land held for transfer	330,000	3,115,000
Acquisition of land held for transfer	(138,232)	(1,327,300)
Acquisition of preserves	(413,900)	(3,309,275)
Purchase of land options	(664,774)	(88,000)
Acquisition of investments	(2,383,583)	(1,602,710)
Proceeds from sale of investments	4,488,583	2,050,929
Net cash flows from investing activities	818,716	(5,309,100)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	421,285	845,333
Repayment of borrowings	(1,695,856)	(3,459,462)
Net cash flows from financing activities	(1,274,571)	(2,614,129)
<b>NET CHANGE IN CASH</b>	5,719,051	(665,637)
Cash, beginning of year	3,108,616	3,774,253
Cash, end of year	\$ 8,827,667	\$ 3,108,616
Schedule of non-cash activity:		
Disposal of fully depreciated property	\$ 51,176	\$ -
Cash per Statement of Financial Position		
Unrestricted	\$ 4,256,142	\$ 2,304,584
Restricted	4,571,525	804,032
	\$ 8,827,667	\$ 3,108,616

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



# Grand Traverse Regional Land Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Grand Traverse Regional Land Conservancy ("GTRLC") is committed to protecting significant natural, agricultural and scenic areas in Antrim, Benzie, Grand Traverse, Kalkaska and Manistee Counties in Michigan - now and for future generations. GTRLC relies on contributions from individuals, foundations and State and Federal grant programs.

The significant accounting policies used in the preparation of the financial statements are described below:

#### *Basis of Accounting*

The financial statements have been prepared on the accrual basis of accounting and otherwise in accordance with generally accepted accounting principles applicable to not-for-profit organizations in the United States of America.

#### *Use of Estimates in the Preparation of Financial Statements*

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

#### *Cash Equivalents*

For the purposes of the statement of financial position classification and the statement of cash flows, GTRLC considers all restricted and unrestricted cash and other highly-liquid investments not held in trust with initial maturities of three months or less to be cash equivalents. Restricted cash is reported as a current asset on the statement of financial position. Cash is reported as restricted when it has been earmarked for a donor restricted project.

#### *Investments*

Investments in marketable securities are carried at fair market value. Unrealized increases or decreases resulting from changes in market value of investments are included annually in the statement of activities together with realized gains and losses. The realized gain or loss on sale of investments is the difference between the proceeds received and the cost basis of specific investments.

#### *Land*

GTRLC records land at its appraised value at the date of gift, if contributed or purchased below market value, or at cost if purchased at market value. The preserved land is reported as nature preserves or land held for transfer on the statement of financial position, depending upon its intended disposition.

### ***Conservation Easements***

A conservation easement is a legal agreement between a landowner and a qualified conservation organization (i.e., GTRLC) that permanently limits a property's use in order to protect its conservation values. Conservation easements, either purchased or donated, are initially valued at their appraised value. The difference between the purchase price and appraised value is reflected as grants and contributions in the statement of activities. Once the development rights for a specific conservation easement are extinguished, generally immediately after acquisition, a valuation allowance is established to reduce the value of the conservation easement to \$1. This value reflects the lack of marketability related to the easements. The reduction in value due to extinguishments of development rights is reflected as a program expense in the statement of activities and extinguished development value on conservation easements on the statement of functional expenses.

### ***Fixed Assets***

Fixed assets consist of equipment, leasehold improvements and preserve buildings and improvements (boardwalks, observation decks, etc.), which are recorded at cost. GTRLC capitalizes preserve improvements in excess of \$100,000 and other fixed assets in excess of \$2,500. Expenditures for maintenance and repairs which 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 gain or loss on retirement or disposal of the individual assets is recorded as revenue. Depreciation is provided using the straight-line method for all depreciable assets over their estimated future lives which have been estimated to be from five to fifty years.

### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, easement defense, and stewardship.

**Net Assets With Donor Restrictions:** Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other donor or grantor-imposed restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Donor or grantor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### ***Contributions***

Contributions, grants or other revenue received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor or grantor restrictions.

## NOTES TO THE FINANCIAL STATEMENTS - Continued

Gifts of cash and other assets are reported as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, or decreases in liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

### ***Charitable Gift Annuities***

Proceeds of charitable gift annuities are included in the general investments, the related obligation is carried at its net present value and the initial net difference is recorded as contribution revenue. The obligation is revalued annually based upon life expectancy tables and prevailing interest rates. The amortization of the obligation is reported annually as interest expense in the statement of activities.

### ***Contributed Services***

A portion of GTRLC's activities has been conducted by volunteers without compensation and by professional and business organizations at significantly reduced charges. Support for services contributed has only been recognized to the extent such contributions (1) require specialized skills (and are provided by individuals possessing those skills) and would typically need to be purchased if not provided by donation or (2) create or enhance the non-financial assets of GTRLC.

### ***Income Taxes***

No provision for Federal and State income taxes has been made since GTRLC is exempt under Section 501(c)(3) of the Internal Revenue Code.

GTRLC files information returns in the U.S. Federal jurisdiction and these returns are generally no longer subject to examination by tax authorities for years before June 30, 2017. Although GTRLC has been granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income".

### ***Prior Year Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with GTRLC's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE B - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following at June 30, 2020:

Cash	\$	4,256,142
Investments		1,589
Pledges receivable		<u>3,087,805</u>
Total current assets		7,345,536
Less restricted current assets		
Restricted pledges receivable		<u>(2,708,253)</u>
Total current assets available for operations	\$	<u>4,637,283</u>

GTRLC also has available access to endowments as permitted by endowment spending policies and board designated investments through board motion, as detailed in Note D and Note P.

The board-designated endowment of \$7,481,564 is subject to an annual spending rate of 5 percent as described in Note P. Although GTRLC does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Additionally, the GTRLC has available a \$3,000,000 line of credit that can be drawn upon, should the need arise.

**NOTE C - DEPOSITS**

GTRLC maintains substantially all of its cash at two financial institutions. Separate accounts are maintained where required by funding sources. A summary of cash deposits in the statement of financial position consist of the following at June 30, 2020:

	<u>Bank Amount</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$ 1,804,566	\$ 1,804,566
Uninsured and uncollateralized	<u>8,164,224</u>	<u>8,125,574</u>
	<u>\$ 9,968,790</u>	<u>\$ 9,930,140</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

Financial Statement Presentation	
Cash and cash equivalents	\$ 4,256,142
Restricted cash and cash equivalents	
Restricted for stewardship	4,510,440
Restricted for endowment	61,085
Restricted investments for stewardship	<u>1,102,473</u>
	<u>\$ 9,930,140</u>

**NOTE D - INVESTMENTS**

GTRLC's investments are held in trust by financial institutions and consist of the following at June 30, 2020:

	<u>Cost</u>	<u>Market</u>
Cash equivalents	\$ 889,038	\$ 889,038
Mutual funds	10,692,090	11,426,858
Common stocks	<u>2,611,409</u>	<u>4,277,371</u>
Totals	<u>\$ 14,192,537</u>	<u>\$ 16,593,267</u>
Financial Statement Presentation		
Current investments		\$ 1,589
Restricted investments for endowments		6,104,591
Restricted investments for stewardship		2,751,509
Board designated investments		7,481,564
Charitable gift annuity investment		<u>254,014</u>
		<u>\$ 16,593,267</u>

Investment returns consisted of the following for the year ended June 30, 2020:

Interest and dividends	\$ 5,240
Net realized gains (losses)	395,377
Unrealized gains (losses)	21,182
Investment fees	<u>(77,387)</u>
Net investment returns	<u>\$ 344,412</u>

***Concentration Custodial of Credit Risk - Investments***

Brokerage accounts have insurance of \$500,000 per broker, provided by the Securities Investor Protection Corporation. Certificates of deposit are fully insured under federal depository insurance. The balance of investments exceeded insured limits by \$16.1 million at June 30, 2020.

**NOTE E - PLEDGES RECEIVABLE**

Substantially all promises to give were initially pledged over a three to five year period. The pledges are initially recorded at fair value as determined by the present value of the future cash flows, utilizing a risk-adjusted interest rate. GTRLC amortizes imputed interest through a charge to pledge receivables and a credit to contributions.

During the year ended June 30, 2020, GTRLC received substantially all scheduled payments on a timely basis. However, GTRLC maintains allowances for doubtful pledges for estimated losses resulting from an inability of its donors to make pledged payments. Based on management's assessment, GTRLC provides for estimated uncollectible amounts through a charge to program services expense and a credit to a valuation allowance.

Pledges receivable are expected to be collected as follows:

Year Ended <u>June 30,</u>	
2021	\$ 3,467,391
2022	711,367
2023	144,114
2024	101,000
2025	<u>401,000</u>
Total pledges receivable	4,824,872
Discount on pledges receivable	(363,173)
Allowance for doubtful pledges	<u>(241,244)</u>
	<u>\$ 4,220,455</u>
Financial statement presentation	
Current assets	\$ 3,087,805
Other assets	<u>1,132,650</u>
	<u>\$ 4,220,455</u>

The allowance for doubtful pledges and 5% discount rate used to record the net amortized value of pledges receivables are based on management's best estimates and judgments. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE F - FIXED ASSETS**

Fixed assets are comprised of the following at June 30, 2020:

Nature Preserves	
Universally accessible trail	\$ 2,361,505
Buildings	396,997
Land Held for Transfer	
Buildings	500,000
Office equipment	537,628
Leasehold improvements	49,035
Equipment	<u>41,226</u>
Total fixed assets, at cost	3,886,391
Less accumulated depreciation	<u>(711,592)</u>
Total fixed assets, net of accumulated depreciation	<u>\$ 3,174,799</u>

Net fixed assets include the following at June 30, 2020:

Fixed assets - general	\$ 142,106
Nature Preserves	
Universally accessible trail	2,244,196
Buildings	387,497
Land Held for Transfer	
Buildings	<u>401,000</u>
Total fixed assets, at cost	<u>\$ 3,174,799</u>

Total depreciation expense was \$144,046 for the year ended June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE G - NATURE PRESERVES**

Nature preserves acquired by GTRLC are as follows:

	Acquired During the Year Ended June 30, 2020	Total Acquired Through June 30, 2020
Arcadia Dunes	-	3,786.73
Arcadia Marsh	-	305.05
Bauer	-	356.53
Boardman	-	50.64
Brinkman Bog	-	51.10
Carter Strong Bird Sanctuary	-	6.27
Cosner	-	134.63
Criger Nature Preserve	-	5.28
Elizabeth Parr	-	4.70
Edwards, Howard and Mary Dunn	-	77.00
Fox Island	-	10.00
Fruithaven Orchards	-	175.89
Golden Days Loon Preserve	-	18.04
Green Point Dunes	-	241.84
Halladay Hicks Chowning	-	40.50
Herring Lake	-	180.15
Intermediate Lake Sanctuary	-	106.56
Kewadin Wetlands	-	40.50
Lake St. Clair/Six Mile Lake	-	256.80
Lower Woodcock Lake	-	230.00
Maple Bay Farm	-	11.00
Medenbrook	-	42.63
Mitchell Creek Meadows	-	166.00
Mitchell Creek Meadows - Bercini addition	38.00	38.00
Mitchell Creek Preserve	-	128.39
Misty Acres Preserve	-	627.37
Nana's Woods	-	23.44
North Skegemog	-	36.72
Palastra	-	41.97
Papoose Lake Preserve	-	46.00
Point Betsie	-	94.39
Polaczyk	-	5.00
Wilcox-Palmer-Sha	-	57.64
Pyatt Lake	-	158.60
Reffitt	-	106.94
Wintergreen Woods - Rottenbacher	-	13.00
Wintergreen Woods - Sayler	-	8.00
Sagaser	-	20.00
Seven Bridges Cabin	-	5.60
South Island	-	13.80
The Gorge Nature Preserve	-	17.78
Torch Lake Nature Preserve	95.99	95.99
Trapp Farm	-	140.10
Upper Manistee Headwaters	1,288.00	1,288.00
Total acres	<u>1,421.99</u>	<u>9,264.57</u>
Total value reported	<u>\$ 2,522,900</u>	<u>\$ 23,949,911</u>



**NOTE H - DEVELOPMENT RIGHTS**

Development rights typically are donated through the gift of a conservation easement. The donation of a perpetual conservation easement which preserves the conservation values of a property deemed to be in the public benefit, such as agricultural land, scenic views, wetlands, forests and unique wildlife habitats, is recognized in the Federal Tax Code and may result in substantial income and estate tax benefits to the donor/landowner.

In situations where charitable tax benefits do not provide sufficient incentives, development rights are purchased rather than donated. This is often the case with farmland preservation programs. The amount paid to the landowner is determined by a "before and after" appraisal of the fair market value of the subject land. The amount recorded as development rights reflect only the fair value of the development rights. Other costs, such as appraisals, surveys, title work and personnel expenditures for securing the easement, are expensed.

When GTRLC receives a conservation easement, it takes on the permanent responsibility and legal right to enforce the terms of the easement. GTRLC monitors easements by inspecting the land regularly (yearly in most cases) and maintaining communications with the landowner about future plans in order to avoid conflict with the easement. If a future owner or someone else violates the easement, for example by erecting a building that the easement does not allow, GTRLC will take action to have the violation corrected, including going to court if necessary. These permanent responsibilities are a long-term cost to GTRLC. GTRLC has a designated easement defense fund for this purpose.

From its inception, GTRLC has secured (by purchase and donation) the following easements:

<u>County</u>	<u>Secured During the Year Ended June 30, 2020</u>		<u>Total Secured Through June 30, 2020</u>	
	<u>Number of Easements</u>	<u>Acres Protected</u>	<u>Number of Easements</u>	<u>Acres Protected</u>
Antrim	-	-	41	4,298.39
Benzie	-	-	35	2,836.67
Grand Traverse	1	42.55	110	7,709.35
Kalkaska	-	-	35	3,666.41
Leelanau	-	-	4	169.82
Manistee	-	-	20	2,421.85
Total	<u>1</u>	<u>42.55</u>	<u>245</u>	<u>21,102.49</u>

At June 30, 2020, the total historical value of development rights acquired by GTRLC was \$60,185,983, of which \$60,185,738 has been extinguished.

At June 30, 2020, GTRLC had development rights in progress of \$760,816 under a purchase agreement with five annual installments of \$187,704, including interest at 4%. The title transfer will occur after the final payment on August 1, 2020.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE I - OPTIONS TO PURCHASE LAND**

Options to purchase land are held for projects GTRLC is assisting with or for properties to be added to the nature preserves in perpetuity for which the funding is not complete. Options, which are stated at cost, were held for the following projects as of June 30, 2020:

	<u>Option Purchase Price</u>
Vicki Jacobs	\$ 125,000
Barbara White	45,000
Holiday Woodlands	22,000
Lighthouse	2,000
Johnson and Logee	2,000
Goodheart	3,000
Embayment Lake	520,774
Hickory Woods	5,000
Cooper	<u>30,000</u>
	<u>\$ 754,774</u>

During the year ended June 30, 2020, 1 option valued at \$1,000 was exercised, 12 options valued at \$664,774 were purchased and no options expired.

**NOTE J - LAND HELD FOR TRANSFER**

Land held for transfer includes projects where the final disposition of the property is not completed. The land may be intended for sale with a conservation easement (or without in the case of portions of acquisitions not requiring protection), to become the property of a State or local government or be financed land acquisitions that, when paid in full, become a part of our nature preserves.

Land held for transfer consists of:

	<u>Beginning of Year</u>	<u>Purchase</u>	<u>Transfers</u>	<u>Sales</u>	<u>End of Year</u>
Arcadia/CMS	\$ 1,191,110	\$ -	\$ -	\$ -	\$ 1,191,110
Reffitt	786,000	-	-	-	786,000
Srdjack	475,000	-	-	-	475,000
Maple Bay	160,508	-	-	-	160,508
Neahtawanta	156,108	-	-	-	156,108
Webster Bridge	-	75,000	-	-	75,000
Boardman/McDonald	20,992	-	-	-	20,992
Manistee Headwaters	2,109,000	-	2,109,000	-	-
Chain of Lakes	-	63,232	-	-	63,232
Platte River Park	300,000	-	-	300,000	-
Nichols	23,000	-	-	-	23,000
Goetz	104,300	-	-	-	104,300
Torch River Nature Preserve	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>
	<u>\$ 6,526,018</u>	<u>\$ 138,232</u>	<u>\$ 2,109,000</u>	<u>\$ 300,000</u>	<u>\$ 4,255,250</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE K - ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2020 consist of the following:

Accrued wages and payroll liabilities	\$ 36,998
Accrued vacation time	112,359
Accrued sick time	253,238
Accrued interest	4,464
Accrued charitable gift annuities	<u>29,187</u>
	<u>\$ 436,246</u>

**NOTE L - NOTES PAYABLE**

At June 30, 2020, GTRLC had notes payable as follows:

Real estate mortgage payable to a private party in the amount of \$2,150,000 with interest charged at 5.00%; due July 1, 2020, secured by Manistee Headwaters land. Interest has been forgiven and note is paid in full as of June 30, 2020.	\$ -
Note payable to a private party in the amount of \$793,333 with interest charged at 2.72% and annual installments of \$396,666; due January 31, 2021, secured by property.	396,666
Note payable to a financial institution in the amount of \$50,000 with interest charged at 5.35% and monthly payments of \$1,569; due January 31, 2021, secured by vehicles.	25,611
Note payable to a financial institution, issued through the SBA Paycheck Protection Program ("PPP"), in the amount of \$421,285 with interest charged at 1.00% and monthly payments of \$23,697, beginning on November 1, 2020 and maturing April 1, 2022, repayment to be forgiven if used for allowable expenses.	<u>421,285</u>
Total notes payable	<u>\$ 843,562</u>

Interest expense relating to the above debt obligations amounted to \$24,398 for the year ended June 30, 2020.

Principal maturities of notes payable are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>
2021	\$ 599,939
2022	<u>243,623</u>
Total	<u>\$ 843,562</u>

**NOTE M - GIFT ANNUITIES**

GTRLC has received \$446,435 in charitable gift annuity agreement proceeds which have been added to the general investments of GTRLC of which \$308,677 remains payable. In consideration of the proceeds, GTRLC is obligated to make agreed upon quarterly payments for the remainder of the donors' lives. During the year ended June 30, 2020, GTRLC received no new annuities, retired no annuities and made payments totaling \$29,187. The obligation is initially recorded at fair value as determined by the net present value of future cash outflows, utilizing life expectancy tables as provided in IRS section 1.401(a)(9)-9 and a discount rate of 6.5%, which reflects the level of assessed risk related to future payments and the borrowing rate available to GTRLC.

Financial Statement Presentation

Accrued current liabilities	\$ 29,187
Charitable gift annuity obligation	<u>279,490</u>
	<u>\$ 308,677</u>

**NOTE N - JOINT VENTURES**

*Little Traverse Conservancy*

GTRLC entered into a cooperative agreement with the Little Traverse Conservancy, which involved a joint fundraising effort for the purchase of the Lake St. Clair/Six Mile Lake Natural Area Project. The project's activities are accounted for by GTRLC, with the land included in nature preserves. The Little Traverse Conservancy retains an undivided 50% interest in the total nature preserve, valued at \$361,980 on June 30, 2020.

*Assist Projects*

GTRLC works with units of government to assist communities in creating public natural areas and parks. In addition to local public and private sources of funding, the Michigan Natural Resources Trust Fund ("MNRTF") is a frequent source of competitive funding for these types of projects. Since its inception in 1991, GTRLC has secured \$62 million in grants from the Michigan Natural Resources Trust Fund. GTRLC has helped assist local units of government with 52 MNRTF projects, featuring over 11,082 acres across its service region.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE O - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consists of the following at June 30, 2020:

Subject to expenditure for specified purpose:	
Land Protection and Stewardship	\$ 17,953,122
Spendable endowment income reinvested	<u>3,001,112</u>
	<u>20,954,234</u>
Subject to the passage of time:	
Conservancy Fund pledges receivable	<u>1,146,660</u>
Perpetual in nature - for land under protection:	
Preserves	23,949,911
Development rights	<u>245</u>
	<u>23,950,156</u>
Perpetual in nature - for endowment:	
Restricted cash for endowment	61,085
Restricted investments for endowment	6,104,591
Restricted pledges for endowment	1,803,691
Spendable endowment income	<u>(3,001,112)</u>
	<u>4,968,255</u>
Total net assets with donor restrictions	<u><u>\$ 51,019,305</u></u>

**NOTE P - ENDOWMENT**

GTRLC's endowment consists of donor restricted donations, and realized and unrealized losses. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net assets are classified as the following as of June 30, 2020:

Net assets with donor restrictions (Note O)	
Specified use - spendable endowment income	\$ 3,001,112
Perpetual in nature	<u>4,968,255</u>
	<u><u>\$ 7,969,367</u></u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

The net changes in endowment net assets are as follows for June 30, 2020:

	Net Assets With Donor Restrictions - Specified Use	Net Assets With Donor Restrictions - Perpetual in Nature	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Endowment net assets, beginning of year	\$ 3,020,870	\$ 4,879,225	\$ 7,900,095
Investment return			
Investment income	103,912	-	103,912
Net appreciation (realized and unrealized)	<u>54,527</u>	<u>-</u>	<u>54,527</u>
Total investment return	158,439	-	158,439
Contributions	-	89,030	89,030
Appropriation and expenditure of endowment assets	<u>(178,197)</u>	<u>-</u>	<u>(178,197)</u>
	<u>(19,758)</u>	<u>89,030</u>	<u>69,272</u>
	<u>\$ 3,001,112</u>	<u>\$ 4,968,255</u>	<u>\$ 7,969,367</u>

***Return Objectives and Risk Parameters***

GTRLC has adopted investment and spending policies for endowment assets that attempt to provide for consistent long-term financial stability of GTRLC. Endowment assets include donor-restricted assets that GTRLC must hold in perpetuity or for a donor-specified period.

***Strategies Employed for Achieving Objectives***

To meet its investment objectives, the Endowment Fund shall be invested in long-term investments. The goal of the Endowment Fund investments will be to provide a high total return on investments, consistent with the security of principal and prudent investment management coordinated by an Investment Consultant selected by the Board.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

GTRLC has a policy of appropriating income for distribution each year. The annual endowment fund distributions will not exceed five percent of the average market value for the previous 12 quarters ending December 31. Similarly, the annual board designated fund distributions will not exceed five percent of the average market value for the previous 12 quarters ending December 31. The distribution rate is established annually, for the next year, by the Board and may be adjusted to reflect special funding needs or financial market conditions.

To meet the distribution level determined each year, GTRLC may utilize interest and dividends generated by various investments, as well as capital appreciation of its investments. It is expected distributions will be made annually. Income of the general endowment is available for the use of the Operating Fund for ongoing activities. Income of the Stewardship Endowment is available for the use of the Land Protection and Stewardship Fund for current and future stewardship obligations related to any and all lands under protection by GTRLC, including easements and lands held in fee. The Executive Director is authorized to transfer budgeted amounts of income from the Endowment Fund to the Operating Fund, and Land Protection and Stewardship Funds with Board approval as the need exists. In the event that available income after two years is not utilized in ongoing operations, it is added to principal.

**NOTE Q - FAIR VALUE MEASUREMENTS**

GTRLC uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that GTRLC has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis.

There have been no changes in the methodologies used at June 30, 2020.

*Mutual funds:* Valued at the net asset value ("NAV") of shares held by GTRLC at year-end.

*U.S. government bonds, municipal bonds and corporate bonds:* Valued at fair value based on quoted market prices.

*Equity securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

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 GTRLC 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 fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, GTRLC's assets and liabilities at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Index funds	\$ 3,388,129	\$ -	\$ -	\$ 3,388,129
Growth funds	2,151,051	-	-	2,151,051
Fixed income funds	5,217,180	-	-	5,217,180
Other funds	670,498	-	-	670,498
Common stocks	<u>4,277,371</u>	<u>-</u>	<u>-</u>	<u>4,277,371</u>
	<u>\$ 15,704,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,704,229</u>



**NOTE R - RETIREMENT PLANS**

GTRLC's employees are eligible after one year of service to participate in the Grand Traverse Regional Land Conservancy Retirement Plan (the "Plan"). The Plan was established under the provisions of Section 403(b) of the Internal Revenue Code. An employer discretionary contribution, if approved by the Board of Directors, is contributed throughout the year based on percentages of salary as specified in the Plan document which takes into consideration years of service. GTRLC's total contribution to the Plan for the year ended June 30, 2020 was \$87,915.

GTRLC offers a deferred compensation plan created in accordance with Internal Revenue Code 457(b) effective July 1, 2016. The plan, available to one employee, permits the employee to defer a portion of their salary until future years. Employer contributions to the plan are discretionary. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GTRLC's total contribution to the Plan for the year ended June 30, 2020 was \$10,000. In complying with the amended Section 457(b) requirements, these assets are for the exclusive benefit of participants and not subject to the claims of the GTRLC's general creditors. As such, they are not included as assets of GTRLC.

**NOTE S - GRAND TRAVERSE REGIONAL COMMUNITY FOUNDATION**

Through its fundraising projects, GTRLC accepts donations directly or encourages donors to contribute to the Grand Traverse Regional Land Conservancy Agency Fund and the Grand Traverse Regional Land Conservancy Environmental Education Fund, maintained by the Grand Traverse Regional Community Foundation. GTRLC is the named beneficiary of all these endowment funds. The net assets of the funds was \$795,616 at June 30, 2020. GTRLC received distributions of \$31,640 from the funds for the year ended June 30, 2020, in accordance with the Grand Traverse Regional Community Foundation spending policy.

These assets are reported exclusively on the books of the Grand Traverse Regional Community Foundation. Distributions to the GTRLC from the endowment funds are made in accordance with the Grand Traverse Regional Community Foundation spending policy, and are reported in the statement of activities as public support.

**NOTE T - COMMITMENTS AND CONTINGENCIES**

***COVID-19***

On March 10, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. The Conservancy closed on-site operations on March 23, 2020 when the State of Michigan instituted a Stay Home Stay Safe Order. Some staff have returned to in-office operations and others are working remotely. The Conservancy believes it understands the risk associated with COVID-19. The Conservancy is in the process of implementing risk mitigation tactics as to the risk of the impact of COVID-19 related to the Conservancy operations. The extent to which the pandemic impacts other future funding or operations will depend on future developments, which are highly uncertain at this time and cannot be predicted.

**NOTE U - SUPPLEMENTAL CASH FLOWS INFORMATION**

GTRLC paid interest of \$229,476 for the year ended June 30, 2020.

During 2019, GTRLC received donated development rights. GTRLC recorded the donations at the fair market value at the date of donation and recognized \$367,000 in non-cash contribution revenue.

**NOTE V - SUBSEQUENT EVENTS**

GTRLC has evaluated subsequent events and transactions for potential recognition and disclosure through October 20, 2020, the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

## Grand Traverse Regional Land Conservancy

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2020

(With Comparative Totals for 2019)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2019 Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 4,256,142	\$ -	\$ -	\$ 4,256,142	\$ 2,304,584
Restricted cash	-	4,510,440	61,085	4,571,525	804,032
Investments	1,589	-	-	1,589	51,639
Pledges receivable, net	379,552	906,562	1,801,691	3,087,805	1,704,591
Total current assets	4,637,283	5,417,002	1,862,776	11,917,061	4,864,846
<b>FIXED ASSETS</b> , net of accumulated depreciation	163,244	3,011,555	-	3,174,799	3,107,171
<b>LAND UNDER PROTECTION</b>					
Nature preserves	-	23,949,911	-	23,949,911	21,427,011
Development rights	-	245	-	245	244
Development rights in progress	-	760,816	-	760,816	573,112
Options to purchase land	-	754,774	-	754,774	91,000
Land held for transfer	-	4,255,250	-	4,255,250	6,526,018
Total land under protection	-	29,720,996	-	29,720,996	28,617,385
<b>OTHER ASSETS</b>					
Restricted investments for endowments	-	-	6,104,591	6,104,591	6,124,347
Restricted investments for stewardship	-	3,853,982	-	3,853,982	3,924,964
Board designated investments	3,070,641	4,410,923	-	7,481,564	7,715,245
Charitable gift annuity investment	-	254,014	-	254,014	276,543
Pledges receivable, net of current portion	767,108	363,542	2,000	1,132,650	4,681,808
Total other assets	3,837,749	8,882,461	6,106,591	18,826,801	22,722,907
	\$ 8,638,276	\$ 47,032,014	\$ 7,969,367	\$ 63,639,657	\$ 59,312,309

# Grand Traverse Regional Land Conservancy

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION - Continued

June 30, 2020

(With Comparative Totals for 2019)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2019 Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accrued liabilities	\$ 402,590	\$ 33,656	\$ -	\$ 436,246	\$ 623,520
Deposits	-	8,001	-	8,001	8,001
Line of credit	-	-	-	-	282,262
Notes payable, current	203,273	396,666	-	599,939	413,627
Total current liabilities	605,863	438,323	-	1,044,186	1,327,410
<b>OTHER LIABILITIES</b>					
Notes payable, net of current portion	243,623	-	-	243,623	1,422,244
Charitable gift annuity obligation, net of current portion	-	279,490	-	279,490	283,201
Total liabilities	849,486	717,813	-	1,567,299	3,032,855
<b>NET ASSETS</b>					
Without donor restrictions					
Board designated					
Easement defense	489,620	-	-	489,620	486,345
Operating reserve	3,473,721	-	-	3,473,721	1,979,686
Stewardship	-	4,410,923	-	4,410,923	4,559,736
Board reserve	2,678,789	-	-	2,678,789	2,769,164
With donor restrictions					
Specified use	-	17,953,122	3,001,112	20,954,234	17,817,934
Expiration of time	1,146,660	-	-	1,146,660	2,360,109
With donor restrictions - perpetual in nature					
Land under protection	-	23,950,156	-	23,950,156	21,427,255
Endowment	-	-	4,968,255	4,968,255	4,879,225
Total net assets	7,788,790	46,314,201	7,969,367	62,072,358	56,279,454
	\$ 8,638,276	\$ 47,032,014	\$ 7,969,367	\$ 63,639,657	\$ 59,312,309

# Grand Traverse Regional Land Conservancy

## CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020  
(With Comparative Totals for 2019)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2019 Total
<b>REVENUE AND SUPPORT</b>					
Grants	\$ 155,340	\$ 92,601	\$ -	\$ 247,941	\$ 164,900
Public support	2,303,695	7,284,147	89,030	9,676,872	13,733,258
Benefit proceeds	5,916	-	-	5,916	3,869
Gain (loss) from investments	81,465	104,508	158,439	344,412	695,106
Other	49,388	74,716	-	124,104	70,612
Total revenue and support	2,595,804	7,555,972	247,469	10,399,245	14,667,745
<b>EXPENSES</b>					
Salaries	1,811,806	-	-	1,811,806	1,760,444
Employee benefits	368,669	-	-	368,669	377,110
Payroll taxes	132,388	-	-	132,388	121,376
Professional development	16,867	-	-	16,867	15,261
Interest	1,896	47,969	-	49,865	162,833
Provision for doubtful pledges	-	-	-	-	5,000
Professional fees	266,514	507,799	-	774,313	796,120
Lease expense	2,293	-	-	2,293	9,144
Transfers to other organizations	-	90,639	-	90,639	895,993
Title work and recording fees	6,340	85,174	-	91,514	63,525
Property tax expense	-	106,447	-	106,447	53,630
Repairs and maintenance	30,586	-	-	30,586	29,206
Other supplies	63,293	91,920	-	155,213	112,769
Travel	30,456	-	-	30,456	46,952
Rent	55,140	-	-	55,140	54,240
Depreciation	40,414	103,632	-	144,046	132,901
Insurance	68,399	-	-	68,399	83,298
Utilities	15,334	10,418	-	25,752	26,648
Office supplies	27,971	-	-	27,971	27,237
Telephone	30,652	-	-	30,652	24,989
Software	42,952	-	-	42,952	41,390
Miscellaneous	14,644	-	-	14,644	17,452
Printing and publishing	70,984	810	-	71,794	97,978
Postage	29,447	-	-	29,447	43,400
Merchandise and fundraising events	40,719	-	-	40,719	28,796
Dues and subscriptions	8,008	-	-	8,008	14,516
Advertising	18,762	-	-	18,762	13,388
Extinguished development value on conservation easements	-	366,999	-	366,999	3,175,994
Total expenses	3,194,534	1,411,807	-	4,606,341	8,231,590
<b>REVENUES OVER (UNDER) EXPENSES</b>					
<b>OTHER FINANCING SOURCES (USES)</b>	(598,730)	6,144,165	247,469	5,792,904	6,436,155
Transfers in (out)	792,216	(614,019)	(178,197)	-	-
<b>CHANGE IN NET ASSETS</b>	193,486	5,530,146	69,272	5,792,904	6,436,155
<b>NET ASSETS, beginning of year</b>	7,595,304	40,784,055	7,900,095	56,279,454	49,843,299
<b>NET ASSETS, end of year</b>	\$ 7,788,790	\$ 46,314,201	\$ 7,969,367	\$ 62,072,358	\$ 56,279,454