

**Grand Traverse Regional Land Conservancy**

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

June 30, 2023

# CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	2
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF ACTIVITIES.....	6
STATEMENT OF FUNCTIONAL EXPENSES.....	7
STATEMENT OF CASH FLOWS.....	8
NOTES TO THE FINANCIAL STATEMENTS.....	9
SUPPLEMENTAL INFORMATION	
CONSOLIDATING STATEMENT OF FINANCIAL POSITION.....	29
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS.....	31

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Grand Traverse Regional Land Conservancy

### *Opinion*

We have audited the accompanying financial statements of the Grand Traverse Regional Land Conservancy, ("GTRLC") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GTRLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

To the Board of Directors  
Grand Traverse Regional Land Conservancy

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GTRLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GTRLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GTRLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To the Board of Directors  
Grand Traverse Regional Land Conservancy

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited GTRLC's 2022 financial statements, and our report dated October 19, 2022 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, 2022, 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 29 - 31 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*

Certified Public Accountants  
Traverse City, Michigan

October 18, 2023

# Grand Traverse Regional Land Conservancy

## STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals for 2022)

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note C)	\$ 797,681	\$ 5,536,166
Restricted cash and cash equivalents (Note C)		
Restricted for stewardship	291,245	2,023,029
Restricted for endowment	519	285,416
Investments (Note D)	4,125,836	1,589
Investments for land protection and stewardship (Note D)	6,393,831	5,531,101
Board designated investments (Note D)	3,298,399	3,058,363
Pledges receivable, net (Note E)	2,295,910	3,123,835
Total current assets	17,203,421	19,559,499
<b>FIXED ASSETS</b> , net of accumulated depreciation (Note F)	15,545,865	11,485,979
<b>LAND UNDER PROTECTION</b>		
Nature preserves (Note H)	30,480,671	30,226,671
Development rights (Note I)	256	252
Options to purchase land (Note J)	145,000	1,460,467
Land held for transfer (Note K)	4,663,858	2,931,841
Total land under protection	35,289,785	34,619,231
<b>OTHER ASSETS</b>		
Restricted investments for endowments (Note D)	9,001,947	7,637,613
Restricted investments for stewardship (Note D)	8,335,237	5,799,569
Remainder interest in land (Note G)	530,000	285,000
Charitable gift annuity investment (Note D)	216,778	228,040
Pledges receivable, net of current portion (Note E)	2,588,421	4,025,505
Total other assets	20,672,383	17,975,727
Total assets	\$ 88,711,454	\$ 83,640,436
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable (Note L)	\$ 211,086	\$ 1,646,759
Accrued liabilities (Note L)	583,035	567,114
Deposits	8,001	8,001
Total current liabilities	802,122	2,221,874
<b>OTHER LIABILITIES</b>		
Notes payable (Note M)	2,500,000	-
Charitable gift annuity obligation, net of current portion (Note N)	279,155	282,152
Total liabilities	3,581,277	2,504,026
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated		
Easement defense	549,383	517,969
Operating reserve	2,847,333	2,641,055
Stewardship	5,743,063	5,531,101
Board reserve	4,339,775	5,002,071
With donor restrictions		
Specified use (Note P)	33,306,127	29,561,472
Expiration of time (Note P)	1,223,853	1,190,738
With donor restrictions - perpetual in nature		
Land under protection (Note P)	30,480,927	30,226,923
Endowment (Note P)	6,639,716	6,465,081
Total net assets	85,130,177	81,136,410
Total liabilities and net assets	\$ 88,711,454	\$ 83,640,436

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, 2023  
(With Comparative Totals for 2022)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	<u>Total</u>	<u>2022 Total</u>
<b>REVENUE AND SUPPORT</b>				
Grants	\$ 39,451	\$ 1,167,057	\$ 1,206,508	\$ 809,717
Public support	1,980,609	5,702,488	7,683,097	12,343,028
Non-cash public support	44,178	1,454,010	1,498,188	1,074,943
Benefit proceeds	5,867	-	5,867	5,043
Gain (loss) from investments	476,186	1,852,920	2,329,106	(3,174,560)
Other	46,175	278,520	324,695	43,026
Net assets released from restriction:				
Satisfaction of program restrictions	<u>6,248,586</u>	<u>(6,248,586)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>8,841,052</u>	<u>4,206,409</u>	<u>13,047,461</u>	<u>11,101,197</u>
<b>EXPENSES</b>				
Program services	7,748,431	-	7,748,431	4,988,214
Management and general	596,790	-	596,790	530,810
Fundraising	<u>708,473</u>	<u>-</u>	<u>708,473</u>	<u>589,815</u>
Total expenses	<u>9,053,694</u>	<u>-</u>	<u>9,053,694</u>	<u>6,108,839</u>
<b>CHANGES IN NET ASSETS</b>	(212,642)	4,206,409	3,993,767	4,992,358
<b>NET ASSETS, beginning of year</b>	<u>13,692,196</u>	<u>67,444,214</u>	<u>81,136,410</u>	<u>76,144,052</u>
<b>NET ASSETS, end of year</b>	<u>\$ 13,479,554</u>	<u>\$ 71,650,623</u>	<u>\$ 85,130,177</u>	<u>\$ 81,136,410</u>

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

# Grand Traverse Regional Land Conservancy

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023  
(With Comparative Totals for 2022)

	Program Services	Management and General	Fundraising	Total	2022 Total
Salaries	\$ 1,664,713	\$ 320,819	\$ 379,061	\$ 2,364,593	\$ 2,142,752
Employee benefits	333,090	64,192	75,846	473,128	441,420
Payroll taxes	116,442	22,440	26,514	165,396	153,563
Professional development	27,318	5,265	6,221	38,804	10,349
Interest	66,855	-	-	66,855	25,296
Provision for doubtful pledges	36,631	95	91	36,817	1,000
Professional fees	436,310	80,745	-	517,055	573,479
Lease expense	8,630	131	131	8,892	6,674
Transfers to other organizations	1,971,364	-	-	1,971,364	550,636
Title work and recording fees	43,497	-	-	43,497	134,968
Property tax expenses	78,694	-	-	78,694	123,077
Repairs and maintenance	29,317	5,650	6,675	41,642	30,830
Other supplies	200,034	-	-	200,034	122,691
Travel	40,865	7,777	9,189	57,831	36,766
Rent	25,880	4,987	5,893	36,760	55,140
Depreciation (Note F)	478,348	5,858	6,921	491,127	168,390
Insurance	69,319	13,286	15,698	98,303	85,335
Utilities	36,740	4,989	5,895	47,624	30,939
Office supplies	32,284	6,222	7,351	45,857	23,623
Telephone	27,025	5,077	5,999	38,101	30,030
Software	38,966	6,521	6,769	52,256	48,755
Miscellaneous	38,368	1,413	22,587	62,368	27,757
Printing and publishing	57	22,522	67,565	90,144	99,815
Postage	50	15,484	15,484	31,018	37,124
Merchandise and fundraising events	12,506	-	34,748	47,254	34,359
Dues and subscriptions	17,213	3,317	3,920	24,450	29,665
Advertising	5,916	-	5,915	11,831	10,108
Executed development value on conservation easements	<u>1,911,999</u>	<u>-</u>	<u>-</u>	<u>1,911,999</u>	<u>1,074,298</u>
	<u>\$ 7,748,431</u>	<u>\$ 596,790</u>	<u>\$ 708,473</u>	<u>\$ 9,053,694</u>	<u>\$ 6,108,839</u>

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, 2023  
(With Comparative Totals for 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 3,993,767	\$ 4,992,358
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Depreciation	491,127	168,390
(Gain) from sale of land held for transfer	(250,000)	-
Development rights extinguished	1,911,999	1,074,298
Donated development rights	(1,141,753)	(489,550)
Unrealized loss (gain) on investments	(1,775,101)	3,630,768
Realized loss (gain) on investments	(650,615)	(560,306)
Donated investments	(356,438)	(585,393)
Endowment contributions	(174,635)	(1,487,600)
Land options exercised or expired	1,375,467	147,750
(Increase) decrease in pledges receivable	2,265,009	227,130
Increase (decrease) in accounts payable and accrued liabilities	(1,422,747)	1,650,965
Net cash flows from operating activities	4,266,080	8,768,810
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of development rights	(770,250)	(428,642)
Acquisition of property and equipment	(4,551,015)	(7,917,235)
Proceeds from sale of land held for transfer	1,263,233	149,500
Acquisition of land held for transfer	(245,250)	(286,609)
Acquisition of preserves	(254,000)	(796,755)
Purchase of land options	(60,000)	(1,118,417)
Acquisition of investments	(7,962,925)	(5,263,587)
Proceeds from sale of investments	1,384,326	3,936,061
Net cash flows from investing activities	(11,195,881)	(11,725,684)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(7,738)
Endowment contributions	174,635	1,487,600
Net cash flows from financing activities	174,635	1,479,862
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(6,755,166)	(1,477,012)
Cash and cash equivalents, beginning of year	7,844,611	9,321,623
Cash and cash equivalents, end of year	\$ 1,089,445	\$ 7,844,611
Cash and cash equivalents per the Statement of Financial Position:		
Unrestricted cash and cash equivalents	\$ 797,681	\$ 5,536,166
Restricted cash and cash equivalents	291,764	2,308,445
	\$ 1,089,445	\$ 7,844,611

# Grand Traverse Regional Land Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

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

The 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. Donated investments are valued at the fair market value at the date of donation.

#### *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 executed, 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 establishment of development rights is reflected as a program expense in the statement of activities and executed development value on conservation easements on the statement of functional expenses.

### ***Fixed Assets***

Fixed assets consist of equipment, leasehold improvements, preserve buildings and improvements (boardwalks, observation decks, etc.) and conservation center assets, which are recorded at cost. GTRLC capitalizes preserve improvements in excess of \$100,000 and other fixed assets in excess of \$2,500. Construction in progress consists of capital assets not yet completed. Depreciation will begin as the asset is placed into service. 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.

### ***Remainder Interest in Property***

Proceeds of donated life estates are recorded at fair market value at the date the property is deeded to GTRLC.

### ***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, stewardship and a board reserve.

**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 and Pledges Receivable***

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.

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 pledges receivable 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 pledges receivable 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.

***Leases***

The GTRLC has elected to exclude short-term leases of 12 months or less from the balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term.

***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, 2020. Although GTRLC has been granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income".

## NOTES TO THE FINANCIAL STATEMENTS - Continued

### ***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, 2022, from which the summarized information was derived.

### ***Reclassification***

Certain prior year amounts have been reclassified to conform with the current presentation.

### ***Subsequent Events***

GTRLC has evaluated subsequent events and transactions for potential recognition and disclosure through October 18, 2023, the date the financial statements were available to be issued.

## **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 statement of financial position date, are comprised of the following at June 30, 2023:

Cash and cash equivalents	\$ 797,681
Investments	4,125,836
Pledges receivable, net	<u>2,295,910</u>
Total current assets	7,219,427
Less restricted current assets	
Restricted pledges receivable, net	<u>(2,059,455)</u>
Total current assets available for operations	<u>\$ 5,159,972</u>

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

The board-designated investments of \$3,298,399 are subject to an annual spending rate of 5 percent as described in Note R. Although GTRLC does not intend to spend from the board-designated investments (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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**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 consisted of the following at June 30, 2023:

	<u>Bank Amount</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$ 490,184	\$ 490,184
Uninsured and uncollateralized	<u>751,513</u>	<u>599,261</u>
	<u>\$ 1,241,697</u>	<u>\$ 1,089,445</u>
Financial Statement Presentation		
Cash and cash equivalents		\$ 797,681
Restricted cash and cash equivalents		
Restricted for stewardship		291,245
Restricted for endowment		<u>519</u>
		<u>\$ 1,089,445</u>

**NOTE D - INVESTMENTS**

GTRLC's investments are held in trust by financial institutions and consisted of the following at June 30, 2023:

	<u>Cost</u>	<u>Market</u>
Cash equivalents	\$ 5,952,060	\$ 5,952,032
Certificates of deposit with maturities greater than 90 days	247,556	247,316
Mutual funds	<u>23,995,810</u>	<u>25,172,680</u>
Totals	<u>\$ 30,195,426</u>	<u>\$ 31,372,028</u>
Financial Statement Presentation		
Current investments		\$ 4,125,836
Investments for land protection and stewardship		6,393,831
Board designated investments		3,298,399
Restricted investments for endowments		9,001,947
Restricted investments for stewardship		8,335,237
Charitable gift annuity investment		<u>216,778</u>
		<u>\$ 31,372,028</u>

## NOTES TO THE FINANCIAL STATEMENTS - Continued

Investment returns consisted of the following for the year ended June 30, 2023:

Interest and dividends	\$	6,407
Net realized gains (losses)		650,615
Unrealized gains (losses)		1,775,101
Investment fees		<u>(103,017)</u>
Net investment returns	\$	<u>2,329,106</u>

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

Brokerage accounts have insurance of \$500,000 per broker, provided by the Securities Investor Protection Corporation. Cash equivalents and certificates of deposit of approximately \$497,000 are insured under federal depository insurance. The balance of investments exceeded insured limits by approximately \$31 million at June 30, 2023.

### **NOTE E - PLEDGES RECEIVABLE**

Substantially all pledges receivable 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, 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Pledges receivable are expected to be collected as follows:

Year Ended <u>June 30,</u>	
2024	\$ 2,676,076
2025	1,768,500
2026	402,500
2027	350,000
2028	<u>500,000</u>
Total pledges receivable	5,697,076
Discount on pledges receivable	(527,891)
Allowance for doubtful pledges	<u>(284,854)</u>
	<u>\$ 4,884,331</u>
Financial statement presentation	
Pledges receivable, current	\$ 2,295,910
Pledges receivable, noncurrent	<u>2,588,421</u>
	<u>\$ 4,884,331</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, 2023:

Nature Preserves		
Universally accessible trail	\$	3,587,312
Buildings		396,998
Land Held for Transfer		
Buildings		500,000
Office equipment		601,211
Leasehold improvements		49,035
Equipment		82,526
Vehicle		42,753
Conservation Center		<u>11,826,708</u>
Total fixed assets, at cost		17,086,543
Less accumulated depreciation		<u>(1,540,678)</u>
Total fixed assets, net of accumulated depreciation	\$	<u>15,545,865</u>

Fixed assets net of accumulated depreciation is as follows at June 30, 2023:

Nature Preserves		
Universally accessible trail	\$	3,300,784
Buildings		373,248
Land Held for Transfer		
Buildings		326,750
Fixed assets - general		67,001
Conservation Center		<u>11,478,082</u>
Total fixed assets, net	\$	<u>15,545,865</u>

Total depreciation expense was \$491,127 for the year ended June 30, 2023.

**NOTE G - REMAINDER INTEREST IN LAND**

In 2023, GTRLC received a remainder trust in property with an appraised value of \$245,000 at the date of the gift. The appraised value was included in non-cash contributions in the year ended June 30, 2023. Total remainder interest in land was \$530,000 for the year ended June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE H - NATURE PRESERVES**

Nature preserves acquired by GTRLC are as follows:

	Acquired During the Year Ended June 30, 2023	Total Acquired Through June 30, 2023
Arcadia Dunes	-	3,927.30
Arcadia Marsh	39.00	491.34
Bauer	-	356.53
Boardman	-	50.64
Brinkman Bog	-	51.10
Carter Strong Bird Sanctuary	-	6.27
Cosner	-	134.63
Criger Nature Preserve	-	5.28
Eden Hill Woodland	-	63.00
Edwards, Howard and Mary Dunn	-	77.00
Elizabeth Parr	-	4.70
Embayment Lake Nature Preserve	-	166.27
Fox Island	-	10.00
Finch Creek	-	56.00
Fruithaven Orchards	-	175.89
Golden Days Loon Preserve	-	52.47
Green Point Dunes	-	241.84
Halladay Hicks Chowning	-	40.50
Herring Lake	-	180.15
High Bluffs Dune Sanctuary	-	22.00
Intermediate Lake Sanctuary	-	131.71
Kewadin Wetlands	-	40.50
Lake St. Clair/Six Mile Lake	7.00	263.80
Lower Woodcock Lake	-	230.00
Maple Bay Farm	-	11.00
Medenbrook	-	47.63
Misty Acres Preserve	-	627.37
Mitchell Creek Meadows	17.68	202.80
Mitchell Creek Meadows - Bercini addition	-	38.00
Mitchell Creek Preserve	-	128.39
Mnaadeddan Shkaakimikwe Nature Sanctuary	26.68	26.68
Mt. Minnie Nature Preserve	-	64.96
Nana's Woods	-	23.44
North Skegemog	-	36.72
Palastra	-	41.97
Papoose Lake Preserve	-	46.00
Point Betsie	-	94.39
Polaczyk	-	5.00
Pyatt Lake	-	176.40
Reffitt	-	106.94
Sagaser	-	20.00
Seven Bridges Cabin	-	5.60
South Island	-	13.80
St. Claire Lake	-	-
The Gorge Nature Preserve	-	17.78
Torch Lake Nature Preserve	-	95.99
Torch River Ridge Nature Preserve	-	294.70
Trapp Farm	-	140.10
Upper Manistee Headwaters	-	1,288.00
Wilcox-Palmer-Sha	-	57.64
Wintergreen Woods - Rottenbucher	-	13.00
Wintergreen Woods - Saylor	-	8.00
	<u>90.36</u>	<u>10,411.22</u>
Total acres	<u>90.36</u>	<u>10,411.22</u>
Total value reported	<u>\$ 254,000</u>	<u>\$ 30,480,671</u>

**NOTE I - 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, 2023</u>		<u>Total Secured Through June 30, 2023</u>	
	<u>Number of Easements</u>	<u>Acres Protected</u>	<u>Number of Easements</u>	<u>Acres Protected</u>
Antrim	1	211.00	46	5,255.47
Benzie	-	-	34	2,814.67
Grand Traverse	2	73.48	116	7,921.28
Kalkaska	-	-	35	3,666.41
Leelanau	1	80.63	5	250.45
Manistee	-	-	20	2,421.85
Total	<u>4</u>	<u>365.11</u>	<u>256</u>	<u>22,330.13</u>

At June 30, 2023, the total historical value of development rights acquired by GTRLC was \$66,850,109, of which \$66,849,853 has been recorded in the valuation allowance.

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE J - 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, 2023:

	<u>Option Purchase Price</u>
Pellizzari	\$ 40,000
Turtle Cove	25,000
Birch Point	10,000
Torch Lake	20,000
Williams Trust	10,000
Paxson Trust	35,000
Goodheart	3,000
Gardner	<u>2,000</u>
	<u>\$ 145,000</u>

During the year ended June 30, 2023, four options valued at \$1,375,467 were exercised, two options valued at \$60,000 were purchased and no options expired.

**NOTE K - 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>
Birch Point	\$ -	\$ 109,500	\$ -	\$ -	\$ 109,500
Reffitt	786,000	-	-	-	786,000
Spring Lake	-	2,500,000	-	-	2,500,000
Srdjack	475,000	-	-	-	475,000
Cole	950,000	-	950,000	-	-
Maple Bay	160,508	-	-	-	160,508
Gardner	137,109	135,749	-	-	272,858
Lake Dubonet	136,000	-	-	-	136,000
Indian Hill Woodland	180,000	-	-	-	180,000
Boardman/McDonald	20,992	-	-	-	20,992
Chain of Lakes	63,232	-	63,232	-	-
Nichols	23,000	-	-	-	23,000
	<u>\$ 2,931,841</u>	<u>\$ 2,745,249</u>	<u>\$ 1,013,232</u>	<u>\$ -</u>	<u>\$ 4,663,858</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE L - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable at June 30, 2023 consisted of the following:

Mitchell Creek Nature Preserve construction	\$	184,498
Other accounts payable		<u>26,588</u>
	\$	<u>211,086</u>

Accrued liabilities at June 30, 2023 consisted of the following:

Accrued wages and payroll liabilities	\$	80,591
Accrued vacation time		143,478
Accrued sick time		330,297
Accrued charitable gift annuities		<u>28,669</u>
	\$	<u>583,035</u>

**NOTE M - NOTES PAYABLE**

At June 30, 2023, GTRLC had notes payable as follows:

Note payable to a limited liability company in the amount of \$2,500,000 with interest charged at a variable rate billed quarterly, effectively 5.38% as of June 30, 2023, due on or before March 3, 2025, secured by property. \$2,500,000

Interest expense related to the above note payable amounted to \$37,541 for the year ended June 30, 2023.

**NOTE N - GIFT ANNUITIES**

GTRLC has received \$439,435 in charitable gift annuity agreement proceeds which have been added to the general investments of GTRLC of which \$307,824 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, 2023, GTRLC received no new annuities, retired no annuities and made payments totaling \$28,669. 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	\$ 28,669
Charitable gift annuity obligation	<u>279,155</u>
	<u>\$ 307,824</u>

**NOTE O - 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 \$398,980 on June 30, 2023.

*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 P - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2023:

Subject to expenditure for specified purpose:	
Land Protection and Stewardship	\$ 30,086,037
Spendable endowment income reinvested	<u>3,220,090</u>
	<u>33,306,127</u>
Subject to the passage of time:	
Conservancy Fund pledges receivable	<u>1,223,853</u>
Perpetual in nature - for land under protection:	
Preserves	30,480,671
Development rights	<u>256</u>
	<u>30,480,927</u>
Perpetual in nature - for endowment:	
Restricted cash for endowment	519
Restricted investments for endowment	9,001,947
Restricted pledges for endowment	857,340
Spendable endowment income	<u>(3,220,090)</u>
	<u>6,639,716</u>
 Total net assets with donor restrictions	 <u><u>\$ 71,650,623</u></u>

**NOTE Q - NON-CASH DONATIONS**

GTRLC received the following non-cash donations for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Stock	\$ 44,178	\$ 312,260	\$ 356,438
Development rights	<u>-</u>	<u>1,141,750</u>	<u>1,141,750</u>
 Total non-cash donations	 <u><u>\$ 44,178</u></u>	 <u><u>\$ 1,454,010</u></u>	 <u><u>\$ 1,498,188</u></u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

**NOTE R - ENDOWMENT**

GTRLC's endowment consists of donor restricted donations, and realized and unrealized gains and 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, 2023:

Net assets with donor restrictions (Note P)	
Specified use - spendable endowment income	\$ 3,220,090
Perpetual in nature	<u>6,639,716</u>
	<u>\$ 9,859,806</u>

The net changes in endowment net assets are as follows for June 30, 2023:

	Net Assets With Donor Restrictions - Specified Use	Net Assets With Donor Restrictions - Perpetual in Nature	Total
Endowment net assets, beginning of year	<u>\$ 2,741,993</u>	<u>\$ 6,465,081</u>	<u>\$ 9,207,074</u>
Investment return			
Investment income	177,696	-	177,696
Net depreciation (realized and unrealized)	<u>700,949</u>	<u>-</u>	<u>700,949</u>
Total investment return	878,645	-	878,645
Contributions	-	174,635	174,635
Appropriation and expenditure of endowment assets	<u>(400,548)</u>	<u>-</u>	<u>(400,548)</u>
	<u>478,097</u>	<u>174,635</u>	<u>652,732</u>
Endowment net assets, end of year	<u>\$ 3,220,090</u>	<u>\$ 6,639,716</u>	<u>\$ 9,859,806</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 S - 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.

NOTES TO THE FINANCIAL STATEMENTS - Continued

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.

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, 2023.

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

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 at fair value as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Index funds	\$ 7,476,938	\$ -	\$ -	\$ 7,476,938
Growth funds	3,218,946	-	-	3,218,946
Fixed income funds	9,378,410	-	-	9,378,410
Exchange traded funds	5,097,298	-	-	5,097,298
Other funds	<u>1,088</u>	<u>-</u>	<u>-</u>	<u>1,088</u>
	<u>\$ 25,172,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,172,680</u>

**NOTE T - 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, 2023 was \$79,617.

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, 2023 was \$19,500. 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 GTRLC's general creditors. As such, they are not included as assets of GTRLC.

**NOTE U - 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 Endowment Fund, the Drummond - Skegemog Lake Wildlife Area Educational Endowment and the Wetland Mitigation Stewardship Endowment Fund, maintained by the Grand Traverse Regional Community Foundation. GTRLC is the named beneficiary of these endowments. The net assets of the funds were \$1,005,521 at June 30, 2023. GTRLC received distributions of \$39,600 from the funds for the year ended June 30, 2023, 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 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 V - SUPPLEMENTAL CASH FLOWS INFORMATION**

GTRLC paid interest of \$66,855 and \$25,296 for the years ended June 30, 2023 and 2022, respectively.

GTRLC sold \$950,000 of land held for sale for \$1,200,000 resulting in a gain on sale of land of \$250,000 for the year ended June 30, 2023.

GTRLC transferred \$63,233 of land held for transfer to development rights as part of a conservation easement purchase agreement for the year ended June 30, 2023.

GTRLC purchased land held for transfer using a secured note payable in the amount of \$2,500,000 for the year ended June 30, 2023.

GTRLC records donated development rights at the fair market value at the date of donation. GTRLC recognized \$1,141,753 and \$489,550 in non-cash contribution revenue from donated development rights for the years ended June 30, 2023 and 2022, respectively.

GTRLC transferred \$1,353,110 of land held for transfer to preserves for the year ended June 30, 2022.

GTRLC transferred \$104,300 of land held for transfer to options as part of a conservation easement purchase agreement for the year ended June 30, 2022.

GTRLC provided land held for transfer of \$156,108 in exchange for development rights for the year ended June 30, 2022.

**SUPPLEMENTAL INFORMATION**

# Grand Traverse Regional Land Conservancy

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Comparative Totals for 2022)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2022 Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 797,681	\$ -	\$ -	\$ 797,681	\$ 5,536,166
Restricted cash	-	291,245	519	291,764	2,308,445
Investments	4,125,836	6,393,831	-	10,519,667	5,532,690
Board designated investments	3,298,399	-	-	3,298,399	3,058,363
Pledges receivable, net	236,455	1,601,663	457,792	2,295,910	3,123,835
 Total current assets	 8,458,371	 8,286,739	 458,311	 17,203,421	 19,559,499
 <b>FIXED ASSETS</b> , net of accumulated depreciation	 95,525	 15,450,340	 -	 15,545,865	 11,485,979
 <b>LAND UNDER PROTECTION</b>					
Nature preserves	-	30,480,671	-	30,480,671	30,226,671
Development rights	-	256	-	256	252
Options to purchase land	-	145,000	-	145,000	1,460,467
Land held for transfer	-	4,663,858	-	4,663,858	2,931,841
 Total land under protection	 -	 35,289,785	 -	 35,289,785	 34,619,231
 <b>OTHER ASSETS</b>					
Restricted investments for endowments	-	-	9,001,947	9,001,947	7,637,613
Restricted investments for stewardship	-	8,335,237	-	8,335,237	5,799,569
Remainder interest in land	-	530,000	-	530,000	285,000
Charitable gift annuity investment	-	216,778	-	216,778	228,040
Pledges receivable, net of current portion	987,398	1,201,475	399,548	2,588,421	4,025,505
 Total other assets	 987,398	 10,283,490	 9,401,495	 20,672,383	 17,975,727
 Total assets	 <u>\$ 9,541,294</u>	 <u>\$ 69,310,354</u>	 <u>\$ 9,859,806</u>	 <u>\$ 88,711,454</u>	 <u>\$ 83,640,436</u>

# Grand Traverse Regional Land Conservancy

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION - Continued

June 30, 2023

(With Comparative Totals for 2022)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2022 Total
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 26,588	\$ 184,498	\$ -	\$ 211,086	\$ 1,646,759
Accrued liabilities	554,362	28,673	-	583,035	567,114
Deposits	-	8,001	-	8,001	8,001
Total current liabilities	580,950	221,172	-	802,122	2,221,874
<b>OTHER LIABILITIES</b>					
Notes payable, net of current portion	-	2,500,000	-	2,500,000	-
Charitable gift annuity obligation, net of current portion	-	279,155	-	279,155	282,152
Total liabilities	580,950	3,000,327	-	3,581,277	2,504,026
<b>NET ASSETS</b>					
Without donor restrictions					
Board designated					
Easement defense	549,383	-	-	549,383	517,969
Board reserve	2,847,333	-	-	2,847,333	2,641,055
Stewardship	-	5,743,063	-	5,743,063	5,531,101
Operating reserve	4,339,775	-	-	4,339,775	5,002,071
With donor restrictions					
Specified use	-	30,086,037	3,220,090	33,306,127	29,561,472
Expiration of time	1,223,853	-	-	1,223,853	1,190,738
With donor restrictions - perpetual in nature					
Land under protection	-	30,480,927	-	30,480,927	30,226,923
Endowment	-	-	6,639,716	6,639,716	6,465,081
Total net assets	8,960,344	66,310,027	9,859,806	85,130,177	81,136,410
Total liabilities and net assets	\$ 9,541,294	\$ 69,310,354	\$ 9,859,806	\$ 88,711,454	\$ 83,640,436

## Grand Traverse Regional Land Conservancy

### CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2023  
(With Comparative Totals for 2022)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2022 Total
<b>REVENUE AND SUPPORT</b>					
Grants	\$ 39,451	\$ 1,167,057	\$ -	\$ 1,206,508	\$ 809,717
Public support	1,980,609	5,527,853	174,635	7,683,097	12,343,028
Non-cash public support	44,178	1,454,010	-	1,498,188	1,074,943
Benefit proceeds	5,867	-	-	5,867	5,043
Gain (loss) from investments	476,186	974,275	878,645	2,329,106	(3,174,560)
Other	46,175	278,520	-	324,695	43,026
Total revenue and support	2,592,466	9,401,715	1,053,280	13,047,461	11,101,197
<b>EXPENSES</b>					
Salaries	2,364,593	-	-	2,364,593	2,142,752
Employee benefits	473,128	-	-	473,128	441,420
Payroll taxes	165,396	-	-	165,396	153,563
Professional development	38,804	-	-	38,804	10,349
Interest	-	66,855	-	66,855	25,296
Provision for doubtful pledges	501	36,316	-	36,817	1,000
Professional fees	244,194	272,861	-	517,055	573,479
Lease	261	8,631	-	8,892	6,674
Transfers to other organizations	-	1,971,364	-	1,971,364	550,636
Title work and recording fees	6,742	36,755	-	43,497	134,968
Property taxes	-	78,694	-	78,694	123,077
Repairs and maintenance	41,642	-	-	41,642	30,830
Other supplies	70,967	129,067	-	200,034	122,691
Travel	57,322	509	-	57,831	36,766
Rent	36,760	-	-	36,760	55,140
Depreciation	43,173	447,954	-	491,127	168,390
Insurance	97,922	381	-	98,303	85,335
Utilities	36,772	10,852	-	47,624	30,939
Office supplies	45,857	-	-	45,857	23,623
Telephone	37,424	677	-	38,101	30,030
Software	52,256	-	-	52,256	48,755
Miscellaneous	59,375	2,993	-	62,368	27,757
Printing and publishing	90,087	57	-	90,144	99,815
Postage	30,968	50	-	31,018	37,124
Merchandise and fundraising events	47,254	-	-	47,254	34,359
Dues and subscriptions	24,450	-	-	24,450	29,665
Advertising	11,831	-	-	11,831	10,108
Executed development value on conservation easements	-	1,911,999	-	1,911,999	1,074,298
Total expenses	4,077,679	4,976,015	-	9,053,694	6,108,839
<b>REVENUES OVER (UNDER) EXPENSES</b>	(1,485,213)	4,425,700	1,053,280	3,993,767	4,992,358
Transfers in (out)	1,093,724	(693,176)	(400,548)	-	-
<b>CHANGE IN NET ASSETS</b>	(391,489)	3,732,524	652,732	3,993,767	4,992,358
<b>NET ASSETS, beginning of year</b>	9,351,833	62,577,503	9,207,074	81,136,410	76,144,052
<b>NET ASSETS, end of year</b>	\$ 8,960,344	\$ 66,310,027	\$ 9,859,806	\$ 85,130,177	\$ 81,136,410