

LITTLE TRAVERSE CONSERVANCY, INC.

(a Michigan nonprofit corporation)

FINANCIAL STATEMENTS

AND OTHER FINANCIAL INFORMATION

for the year ended December 31, 2021

KAMMERMANN & BASCOM, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CHARLEVOIX, MICHIGAN

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KAMMERMANN & BASCOM, P.C.

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Established 1988
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INDEPENDENT AUDITOR'S REPORT

August 15, 2022

To the Board of Trustees of
Little Traverse Conservancy, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Little Traverse Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 present fairly, in all material respects, the financial position of Little Traverse Conservancy, Inc. as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Little Traverse Conservancy, Inc. 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 opinions.

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.

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Responsibilities of Management for the Financial Statements (Continued)

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 Little Traverse Conservancy, Inc.'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 the generally accepted auditing standards and *Government 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Little Traverse Conservancy, Inc.'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 Little Traverse Conservancy, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Also, fund schedules listed as additional information in the table of contents are presented for purposes of additional analysis and are 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 schedule of expenditures of federal awards and fund schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2022, on our consideration of the Little Traverse Conservancy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Little Traverse Conservancy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Traverse Conservancy, Inc.'s internal control over financial reporting and compliance.

Kammermann & Bascom, P.C.

LITTLE TRAVERSE CONSERVANCY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 5,253,075
Investments (Note F)	101,452
Pledges receivable	120,000
Land held for resale	517,910
Prepaid expenses	<u>193,152</u>

Total current assets 6,185,589

LAND, BUILDING AND EQUIPMENT:

Land and improvements	\$ 1,054,440
Buildings and improvements	1,518,285
Furniture, fixtures and equipment	151,716
Vehicles	<u>154,806</u>
	2,879,247
Less accumulated depreciation	<u>(708,489)</u>

Total land, building and equipment 2,170,758

OTHER ASSETS:

Endowment investments (Notes F and H)	18,716,372
Split-interest agreements (Notes F and I)	869,009
Working forest planning, net of amortization (Note J)	6,074
Conservation easements	6,539,834
Nature preserves	<u>96,570,400</u>

Total other assets 122,701,689

Total assets \$ 131,058,036

The accompanying notes are a part of the financial statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 65,202
Accrued vacation	9,704
Current portion of long-term debt	<u>577,753</u>

Total current liabilities 652,659

LONG-TERM DEBT (Note M):

Land contracts payable	\$ 918,532
Less current portion of long-term debt	<u>(577,753)</u>

Total long-term debt 340,779

OTHER LIABILITIES:

Deferred revenue, charitable gift annuity funds (Note I)	<u>235,716</u>
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Total liabilities 1,229,154

NET ASSETS:

Without donor restrictions	7,659,990
With donor restrictions (Note N)	<u>122,168,892</u>

Total net assets 129,828,882

Total liabilities and net assets \$ 131,058,036

LITTLE TRAVERSE CONSERVANCY, INC.

STATEMENT OF ACTIVITIES

for the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total All Funds
REVENUES AND SUPPORT:			
Contributions and grants	\$ 183,964	\$ 7,760,839	\$ 7,944,803
Memberships	1,201,601	-	1,201,601
Investment income	236,378	122,105	358,483
Special event, net expenses of \$17,632	142,179	-	142,179
Realized losses on sale of land and equipment	-	(135,926)	(135,926)
Realized gains on investments	-	115,818	115,818
Unrealized gains on investments	10,750	2,254,219	2,264,969
Other income	8,087	25,607	33,694
Support provided by expiring time and purpose restrictions	<u>2,087,348</u>	<u>(2,087,348)</u>	<u>-</u>
Total revenues and support	3,870,307	8,055,314	11,925,621
EXPENSES:			
Program services:			
Land preservation	490,867	-	490,867
Stewardship	919,725	-	919,725
Education and outreach	<u>209,080</u>	<u>-</u>	<u>209,080</u>
Total program services	1,619,672	-	1,619,672
Supporting services:			
Management	139,792	-	139,792
Fundraising	<u>228,214</u>	<u>-</u>	<u>228,214</u>
Total supporting services	<u>368,006</u>	<u>-</u>	<u>368,006</u>
Total expenses	<u>1,987,678</u>	<u>-</u>	<u>1,987,678</u>
Change in net assets	1,882,629	8,055,314	9,937,943
NET ASSETS, January 1, 2021	<u>5,777,361</u>	<u>114,113,578</u>	<u>119,890,939</u>
NET ASSETS, December 31, 2021	<u>\$ 7,659,990</u>	<u>\$122,168,892</u>	<u>\$ 129,828,882</u>

The accompanying notes are a part of the financial statements.

LITTLE TRAVERSE CONSERVANCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2021

	Program Services			
	Land Preservation	Stewardship	Education and Outreach	Total
Salaries and wages	\$ 246,768	\$ 416,079	\$ 100,277	\$ 763,124
Payroll taxes	18,849	31,780	7,659	58,288
Employee benefits	61,980	104,504	25,186	191,670
Professional services	20,144	16,610	11,307	48,061
Insurance	12,638	16,852	4,213	33,703
Printing	18,811	18,811	18,802	56,424
Office supplies	7,471	17,325	2,491	27,287
Travel and meetings	17,047	22,730	11,365	51,142
Telephone and internet	6,223	4,668	3,112	14,003
Signs and materials	-	42,010	-	42,010
Property taxes	30,045	-	-	30,045
Other land protection costs	-	95,181	-	95,181
Utilities	1,838	10,466	612	12,916
Repairs and maintenance	7,651	20,195	2,551	30,397
Conferences and education	6,488	3,244	3,244	12,976
Postage	7,516	7,516	7,521	22,553
Memberships and dues	9,638	9,638	4,820	24,096
Depreciation	12,859	37,053	4,286	54,198
Interest	-	38,528	-	38,528
Miscellaneous	4,901	6,535	1,634	13,070
Totals	\$ 490,867	\$ 919,725	\$ 209,080	\$ 1,619,672

The accompanying notes are a part of the financial statements.

Supporting Services

<u>Management</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total Expenses</u>
\$ 81,419	\$ 124,213	\$ 205,632	\$ 968,756
6,218	9,488	15,706	73,994
20,448	31,198	51,646	243,316
1,590	1,590	3,180	51,241
4,213	4,213	8,426	42,129
5,808	20,744	26,552	82,976
2,491	2,491	4,982	32,269
2,841	2,841	5,682	56,824
778	778	1,556	15,559
-	-	-	42,010
-	-	-	30,045
-	-	-	95,181
612	612	1,224	14,140
2,551	2,551	5,102	35,499
-	-	-	12,976
4,903	21,575	26,478	49,031
-	-	-	24,096
4,286	4,286	8,572	62,770
-	-	-	38,528
1,634	1,634	3,268	16,338
<u>\$ 139,792</u>	<u>\$ 228,214</u>	<u>\$ 368,006</u>	<u>\$ 1,987,678</u>

LITTLE TRAVERSE CONSERVANCY, INC.

STATEMENT OF CASH FLOWS

for the year ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets		\$ 9,937,943
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	\$ 72,146	
Unrealized gains on investments	(2,264,969)	
Realized gains on investments	(115,818)	
Realized losses on sale of property and equipment	135,926	
Change in split-interest agreements	208,130	
Noncash contributions	(902,350)	
Contributions restricted for land protection	(6,456,235)	
Contributions for endowment	(1,304,604)	
Decrease (increase) in operating assets:		
Prepaid expenses	110,621	
Pledges receivable	(120,000)	
Inventory	1,313	
Increase in operating liabilities,		
Accounts payable and accrued expenses	18,063	
Total adjustments		(10,617,777)
Net cash flows used by operating activities		(679,834)

CASH FLOWS FROM INVESTING ACTIVITIES:

Contributions for land protection	6,456,235	
Purchase of nature preserves and conservation easements	(4,900,367)	
Purchase of fixed assets	(86,064)	
Purchase of land held for resale	(671,668)	
Proceeds from the sale of property and equipment	549,781	
Proceeds from sales of long-term investments	2,144,520	
Purchase of long-term investments	(2,735,651)	
Decrease in short-term investments	25,023	
Net cash flows used by investing activities		781,809

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayments of long-term debt	(1,141,617)	
Issuance of long-term debt	1,121,020	
Contributions restricted for endowment	1,304,604	
Net cash flows provided by financing activities		1,284,007

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,385,982

CASH AND CASH EQUIVALENTS, January 1, 2021

3,867,093

CASH AND CASH EQUIVALENTS, December 31, 2021

\$ 5,253,075

Supplemental Disclosure:

Interest expense	\$ 38,528
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The accompanying notes are a part of the financial statements.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE A - NATURE OF ACTIVITIES:

Little Traverse Conservancy, Inc., a Michigan nonprofit corporation, was incorporated in 1972 under the provisions of Act 161 of P.A. of 1911, as amended, of the State of Michigan. The purpose of the Conservancy is to protect the natural diversity and beauty of northern Michigan by preserving significant land and scenic areas, and fostering appreciation and understanding of the environment.

Little Traverse Conservancy, Inc. has two wholly owned subsidiaries: LTC Endowment Holdings and LTC Recreational Properties. LTC Endowment Holdings retains land or other assets that have been contributed by donors, with the intent to sell and use the proceeds to further the mission of the Conservancy. LTC Recreational Properties holds a property that is leased to two unrelated nonprofit organizations for public use.

In addition, a separate 501(c)(3) nonprofit organization, Little Traverse Conservancy Conservation Trust, holds the nominal value of conservation easements that have been protected by Little Traverse Conservancy, Inc.

The financial statements include the accounts of the Conservancy, the Trust, and the two wholly owned subsidiaries. All significant inter-organization transactions and accounts are eliminated.

Support for the Conservancy comes primarily from donor contributions and long-term investment income.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The Conservancy uses the accrual basis of accounting whereby revenues are recognized when earned or when the commitment of a future gift to the Conservancy becomes unconditional and expensed when an obligation is incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

The Conservancy generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Conservancy with programs. No amounts have been recorded for volunteer services.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based on the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Conservancy, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The Conservancy's unspent contributions are included in this class if the donor limited their use, including land acquisition, donor-restricted endowment funds and its beneficial interest in community foundation.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without restrictions. Net assets restricted for acquisition of buildings or equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include checking, savings and money market accounts and certificates of deposit with initial maturities of 90 days or less.

Inventory

Inventory has been recorded at the lower of cost or market.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment

The Conservancy has purchased conservation easements totaling \$6,539,834. In addition, the Conservancy has received approximately 318 easements as donations since inception. The Conservancy has not recorded any of the donated easements in the accounting records due to the difficulty in establishing a value for these contributions.

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed over the estimated useful lives of such assets, using the straight-line method. Land and equipment held for resale is recorded at the lower of cost or market. Depreciation expense for the year totaled \$62,770.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Conservancy that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions.

NOTE C - INCOME TAX STATUS:

The Internal Revenue Service has determined the Conservancy to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, the financial statements reflect no provision or liability for federal income tax. The Conservancy believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations, or cash flows. Therefore, the financial statements reflect no provision or liability for federal income tax. The Organization's tax filings are no longer subject to examination for years prior to December 31, 2019.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE D – LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, this, without donor or other restrictions limiting their use, within one year of December 31, 2021 are:

Financial assets:	
Cash and cash equivalents	\$ 5,253,075
Investments, short term	101,452
Pledges receivable	120,000
Land held for resale	517,910
Endowment investments	18,716,372
Split-interest agreements	<u>869,009</u>
Total financial assets	25,577,818
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted financial assets	(4,778,672)
Split-interest agreements	(869,009)
Donor-restricted endowment fund	<u>(13,646,693)</u>
Amount available for general expenditures within one year	<u>\$ 6,283,444</u>

NOTE E - DATE OF MANAGEMENT REVIEW:

In preparing the financial statements, the Conservancy has evaluated events and transactions for potential recognition or disclosure through August 15, 2022, the date that the financial statements were available to be issued.

NOTE F - INVESTMENTS:

Investments include a portfolio of certificates of deposit and mutual funds. These investments are carried at fair market value as determined by the agencies holding the investments and are summarized as follows:

	Unrestricted	Restricted			Total
		Land Protection	Endowment	Split-Interest Agreements	
Money market	\$ -	\$ -	\$ -	\$ 969	\$ 969
Certificate of deposit	-	101,452	-	-	101,452
Exchange traded funds	111,107	-	18,485,834	819,911	19,416,852
Mutual funds:					
Equity	33,648	-	-	48,129	81,777
Bonds	<u>85,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,783</u>
Total	<u>\$ 230,538</u>	<u>\$ 101,452</u>	<u>\$18,485,834</u>	<u>\$ 869,009</u>	<u>\$ 19,686,833</u>

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE F – INVESTMENTS (CONTINUED):

Investment income, reported in the statement of activities totaled \$358,483 and is summarized as follows:

Interest and dividends	\$ 325,333
Investment management fees	(42,745)
Distributions to beneficiaries of split-interest agreements	<u>(44,543)</u>
Total interest and dividends, net of costs	238,045
Timber sales	\$137,914
Cost of sales	<u>(17,476)</u>
Total timber sales, net of costs	<u>120,438</u>
Total investment income	<u>\$ 358,483</u>

NOTE G - FAIR VALUE MEASUREMENTS:

Financial Accounting Standards Board Codification 820.10 establishes a framework for measuring fair value. That framework provides 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 the Conservancy 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 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.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE G - FAIR VALUE MEASUREMENTS:

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information by market transactions. Fair values for investment in community foundation are based on meaningful third-party transactions and comparable public market valuations.

At December 31, 2021, the Conservancy's investments, including split-interest agreements, measured on a recurring basis, are as follows:

	Level 1	Level 2	Level 3	Total
Money market	\$ 969	\$ -	\$ -	\$ 969
Certificates of deposit	101,452	-	-	101,452
Exchange traded funds	19,416,852	-	-	19,416,852
Mutual funds:				
Equity	81,777	-	-	81,777
Bond	<u>85,783</u>	<u>-</u>	<u>-</u>	<u>85,783</u>
Totals	<u>\$19,686,833</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,686,833</u>

NOTE H - ENDOWMENT FUNDS:

The Conservancy has designated funds for endowment to be used for education, land protection and unrestricted purposes. The spending policies vary from 5 percent to 10 percent, depending upon the purpose of the fund.

The investment policies set a target allocation of 40 to 70 percent equities and 30 to 60 percent fixed income investments. The objective is to achieve a total return in excess of spending and inflation. The volatility is expected to be no greater than 1.2 times the weighted average of various index funds, representing equities and fixed income funds.

Following is a schedule identifying the primary purposes of these funds:

Education	\$ 1,916,691
Stewardship	368,809
Conservation easements	258,887
Land acquisition	50,350
Operations	<u>11,051,956</u>
Total	<u>\$13,646,693</u>

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE H - ENDOWMENT FUNDS (CONTINUED):

The Conservancy has interpreted the Michigan Uniform Prudent Management of Institutional Funds Act (UPMIFA) (Act 87 of 2009) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. The original gift is defined by the Conservancy as (a) the original value of gifts donated to all donor-restricted endowments, (b) the original value of subsequent gifts to donor-restricted endowments and (c) accumulations to the donor-restricted endowments made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation.

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

1. The duration and preservation of the fund;
2. The purpose of the organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation (depreciation) of investments;
6. Other resources of the organization;
7. The investment policies of the organization.

The changes in endowment net assets for the year ended December 31, 2021, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2021	\$ 4,235,596	\$12,164,990	\$ 16,400,586
Investment income	259,282	-	259,282
Contributions	-	1,308,647	1,308,647
Realized gains	104,398	-	104,398
Unrealized gains	2,162,142	-	2,162,142
Net transfers	<u>(606,382)</u>	<u>173,056</u>	<u>(433,326)</u>
Endowment net assets, December 31, 2021	<u>\$ 6,155,036</u>	<u>\$13,646,693</u>	<u>\$ 19,801,729</u>

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE I - SPLIT-INTEREST AGREEMENTS:

Split-interest agreements include charitable gift annuities.

The charitable gift annuities provide for annual payments of \$44,543 over the donors' lifetimes and have been recorded at the net present value of the expected future benefits based on the donors' life expectations.

At December 31, 2021, the Conservancy held investments of \$869,008 relating to split-interest agreements with obligations of \$235,716. The remainder interests of \$633,293 are classified as net assets with donor restrictions because they are unavailable for spending until the deaths of the donors or other beneficiaries.

There was the following activity in the split-interest obligations during the year ended December 31, 2021:

Net split-interest agreements, January 1, 2021	\$ 737,925
Investment income	13,512
Realized gains	11,421
Unrealized gains	92,077
Payments to beneficiaries	(44,543)
Change in estimated obligations	(4,043)
Transfer to permanent endowment	<u>(173,056)</u>
Total net split-interest agreements, December 31, 2021	<u>\$ 633,293</u>

NOTE J - WORKING FOREST PLANNING:

The Conservancy contracted services for the planning and surveying of timber cuts for the working forest preserves totaling \$53,542 during 2017 and 2018. This timber plan is being amortized using the straight-line method over five years. Amortization expense totaled \$9,376 for the year ended December 31, 2021.

NOTE K - CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject the Conservancy to a significant concentration of credit risk consist of cash and investments. Cash is deposited with banks having 4-star credit ratings. Cash deposits exceed Federal and SIPC insurance limits by \$4,751,075. Investments are subject to market fluctuations but are invested among various different investments to minimize risk.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE L - RETIREMENT PLAN:

The Conservancy has a defined contribution annuity plan which covers all eligible employees with more than one year of service. The plan is formulated to comply with section 403(b) of the Internal Revenue Code. Contributions to the plan consist of an amount specified annually by the Board of Trustees plus an amount to match employee contributions to the plan within established limits. The cost recognized during 2021 totaled \$73,359.

NOTE M - LAND CONTRACTS PAYABLE:

As of December 31, 2021, the Conservancy has long-term debt obligations for the purchases of land with the terms as follows:

Land contract payable, with quarterly installments of \$2,000 including interest at 4 percent, with a balloon payment of \$64,682, maturing in 2024.	\$ 74,440
Land contract payable, with annual installments of \$95,000 including 3.77 percent imputed interest, maturing in 2024.	264,789
Land contract payable, with annual installments of \$92,600 including 1 percent interest, maturing in 2023.	183,332
Land contract payable, with annual installments of \$138,201 including 1 percent interest, maturing in 2022.	137,500
Land contract payable, with annual installments of \$265,000 including 3.77 percent imputed interest, maturing in 2022.	<u>258,471</u>
	918,532
Less portion due within one year	<u>(577,753)</u>
Total	<u>\$ 340,779</u>

The annual requirements to amortize all long-term debt outstanding as of December 31, 2021, including interest payments of \$35,498 are as follows:

Year ending December 31,	Principal	Interest	Total
2022	\$ 577,753	\$ 21,048	\$ 598,801
2023	185,194	10,353	195,547
2024	<u>155,585</u>	<u>4,097</u>	<u>159,682</u>
	<u>\$ 918,532</u>	<u>\$ 35,498</u>	<u>\$ 954,030</u>

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 2021

NOTE N – NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2021, net assets with donor restrictions are available for the following purposes:

Purpose restrictions, available for spending, Land protection	\$ 4,778,672
Time restrictions, Split-interest agreements, which are unavailable for spending until the deaths of the beneficiaries	633,293
Endowment funds	13,646,693
Nature preserves and conservation easements	<u>103,110,234</u>
Total net assets with donor restrictions	<u>\$ 122,168,892</u>

NOTE O – SUBSEQUENT EVENTS:

As of August 15, 2022, the Conservancy had commitments to purchase land totaling approximately \$1,884,000.

KAMMERMANN & BASCOM, P.C.

Certified Public Accountants

Velda K. Kammermann, CPA
Corey R. Bascom, CPA

Established 1988
www.northmi.cpa

August 15, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of Little Traverse
Conservancy, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Little Traverse Conservancy, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Little Traverse Conservancy, Inc.'s major federal programs for the year ended December 31, 2021. Little Traverse Conservancy, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Little Traverse Conservancy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Little Traverse Conservancy, Inc. to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Little Traverse Conservancy, Inc.'s compliance with the compliance requirements referred to above.

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~ Petoskey ~

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Little Traverse Conservancy, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Little Traverse Conservancy, Inc.'s compliance based on our audit. 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 the generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Little Traverse Conservancy, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Little Traverse Conservancy, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Little Traverse Conservancy, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Little Traverse Conservancy, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kammermann & Bascom, P.C.

KAMMERMANN & BASCOM, P.C.

Certified Public Accountants

Velda K. Kammermann, CPA
Corey R. Bascom, CPA

Established 1988
www.northmi.cpa

August 15, 2022

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of Little Traverse
Conservancy, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Little Traverse Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Little Traverse Conservancy, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Little Traverse Conservancy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Conservancy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Conservancy's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-1 and 2021-2 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Little Traverse Conservancy, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Little Traverse Conservancy, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Little Traverse Conservancy, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Little Traverse Conservancy, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conservancy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conservancy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kammermann & Bascom, P.C.

LITTLE TRAVERSE CONSERVANCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing #</u>	<u>Federal Grant Number</u>	<u>Provided to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Fish and Wildlife, North American Wetlands Conservation Act	15.623	F21AP01032	<u>\$ -</u>	<u>\$ 1,000,000</u>

The accompanying notes are a part of the financial statements.

LITTLE TRAVERSE CONSERVANCY, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

for the year ended December 31, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Little Traverse Conservancy, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Little Traverse Conservancy, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Little Traverse Conservancy, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Little Traverse Conservancy, Inc. has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance. All federal programs use only direct costs.

LITTLE TRAVERSE CONSERVANCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended December 31, 2021

I. Summary of Auditor's Results:

Financial Statements

Type of audit report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes (see pages 28-29)
Significant deficiency identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major federal programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
15.623	North American Wetlands Conservation Act
Dollar threshold to distinguish between Type A and Type B programs	\$750,000
Auditee qualifies as a low-risk auditee?	No

LITTLE TRAVERSE CONSERVANCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended December 31, 2021

II. Financial Statement Findings

MATERIAL WEAKNESSES

2021-1. Preparation of Financial Statements

Criteria: It is the Conservancy's policy to prepare financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This is the responsibility of the Conservancy's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (a) recording, processing and summarizing accounting data (i.e., maintaining internal books and records), and (b) reporting financial statements, including related notes and supplemental schedules (i.e. external financial reporting).

Condition: As is the case with many non-profit organizations, it was noted that employees and/or management have limited technical expertise to prepare the Conservancy's financial statements and notes to the financial statements in accordance with GAAP. Thus, the Conservancy relies on its independent external auditors to assist in the preparation of the financial statements. By definition, external auditors cannot be considered part of the Conservancy's internal control.

Cause: This condition was caused by the Conservancy's decision that it is more cost effective to outsource the preparation of its annual financial statements to its auditors than to incur the time and expense of obtaining the necessary resources for the Conservancy to perform this task internally.

Effect: As a result of this condition, the Conservancy lacks internal controls over the preparation of the financial statements in accordance with GAAP and instead relies, in part, on its external auditors for assistance with this task.

Management's Response: It is management's assessment, based on independent research, that the measures necessary to address this material weakness are neither cost-effective nor practical for the size of the organization. It is management's judgment that internal financial reports continue to be prepared in the same format, and that the Conservancy continue to rely on its contracted audit services firm to prepare the final annual statements, and particularly the related notes and supplemental schedules.

LITTLE TRAVERSE CONSERVANCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended December 31, 2021

II. Financial Statement Findings (Continued)

2021-2. Segregation of Duties

Criteria: Employees have custody of assets in combination with recording transactions in the general ledger and reconciling bank records.

Condition: It was noted during auditing procedures that the Conservancy's small administrative staff size prevents the organization from providing complete segregation of duties.

Cause: This condition was caused by the size of Conservancy's administrative staff, as well as lacking more definitive roles with regard to splitting the responsibilities of approving transactions, possessing custody of the assets, and preparing reconciliations of the bank accounts.

Effect: As a result of this condition, the Conservancy lacks segregation of accounting responsibilities from employees who have access to physical assets such as cash, investments, from authorization and approval of transactions and account reconciliations. Thus, there is more than a remote likelihood that material misstatement may occur.

Management's Response: While it is not cost-effective for the Conservancy to hire more employees to ensure a complete segregation of duties, management reviews the overall assignment of duties and determines the best division of duties of employees involved in the accounting process, on an annual basis.

III. Federal Findings and Questioned Costs

None

LITTLE TRAVERSE CONSERVANCY, INC.

SCHEDULE OF FINANCIAL POSITION BY FUND

as of December 31, 2021

	Operating	Land Protection	Endowment	Total
ASSETS:				
Cash and cash equivalents	\$ 943,931	\$ 2,993,249	\$ 1,315,895	\$ 5,253,075
Investments	230,538	101,452	18,485,834	18,817,824
Pledges receivable	-	120,000	-	120,000
Land held for resale	-	517,910	-	517,910
Prepaid expenses	41,107	152,045	-	193,152
Land, building, equipment, net of accumulated depreciation	328,081	1,842,677	-	2,170,758
Intangible asset, net of amortization	-	6,074	-	6,074
Split-interest agreements	-	-	869,009	869,009
Conservation easements	-	6,539,834	-	6,539,834
Nature preserves	-	96,570,400	-	96,570,400
Total assets	<u>\$ 1,543,657</u>	<u>\$ 108,843,641</u>	<u>\$ 20,670,738</u>	<u>\$ 131,058,036</u>
LIABILITIES:				
Accounts payable	\$ 28,999	\$ 36,203	\$ -	\$ 65,202
Accrued vacation	9,704	-	-	9,704
Land contracts payable	-	918,532	-	918,532
Deferred revenue, charitable gift annuity funds	-	-	235,716	235,716
Total liabilities	38,703	954,735	235,716	1,229,154
NET ASSETS:				
Without donor restrictions	1,504,954	-	6,155,036	7,659,990
With donor restrictions:				
Land protection	-	4,778,672	-	4,778,672
Split-interest arrangements	-	-	633,293	633,293
Endowment	-	-	13,646,693	13,646,693
Nature preserves and conservation easements	-	103,110,234	-	103,110,234
Total with donor restrictions	-	107,888,906	14,279,986	122,168,892
Total net assets	<u>1,504,954</u>	<u>107,888,906</u>	<u>20,435,022</u>	<u>129,828,882</u>
Total liabilities and net assets	<u>\$ 1,543,657</u>	<u>\$ 108,843,641</u>	<u>\$ 20,670,738</u>	<u>\$ 131,058,036</u>

The accompanying notes are a part of the financial statements.

LITTLE TRAVERSE CONSERVANCY, INC.

SCHEDULE OF ACTIVITIES BY FUND CLASSIFICATION

for the year ended December 31, 2021

	Operating	Land Protection	Endowment	Total
REVENUES AND SUPPORT:				
Contributions and grants	\$ 183,964	\$ 6,456,235	\$ 1,304,604	\$ 7,944,803
Memberships and annual giving	1,201,601	-	-	1,201,601
Special event, net expenses of \$17,632	142,179	-	-	142,179
Investment income	8,126	122,105	228,252	358,483
Realized losses on sale of land and equipment	-	(135,926)	-	(135,926)
Realized gains on investments	-	-	115,818	115,818
Unrealized gains on investments	10,750	-	2,254,219	2,264,969
Other income	8,087	25,607	-	33,694
Total revenues and support	1,554,707	6,468,021	3,902,893	11,925,621
EXPENSES:				
Program services:				
Land preservation	444,918	45,949	-	490,867
Stewardship	768,071	151,654	-	919,725
Education and outreach	202,012	7,068	-	209,080
Total program services	1,415,001	204,671	-	1,619,672
Supporting services:				
Management	139,792	-	-	139,792
Fundraising	228,214	-	-	228,214
Total supporting services	368,006	-	-	368,006
Total expenses	1,783,007	204,671	-	1,987,678
Excess (deficiency) of revenues over expenses	(228,300)	6,263,350	3,902,893	9,937,943
TRANSFERS:				
Transfers from (to) other funds	191,489	414,893	(606,382)	-
Change in net assets	(36,811)	6,678,243	3,296,511	9,937,943
NET ASSETS, January 1, 2021	1,541,765	101,210,663	17,138,511	119,890,939
NET ASSETS, December 31, 2021	\$ 1,504,954	\$ 107,888,906	\$ 20,435,022	\$ 129,828,882

The accompanying notes are a part of the financial statements.