

Grand Traverse Regional Land Conservancy

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

June 30, 2024

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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, 2024, 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, 2024, 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 2023 financial statements, and our report dated October 18, 2023 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, 2023, 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 30 - 32 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 16, 2024

Grand Traverse Regional Land Conservancy

STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals for 2023)

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note C)	\$ 139,576	\$ 797,681
Restricted cash and cash equivalents (Note C)		
Restricted for stewardship	58,919	291,245
Restricted for endowment	3,837	519
Investments (Note D)	4,329,770	4,125,836
Board designated investments (Note D)	3,640,317	3,298,399
Pledges receivable, net (Note E)	1,026,057	2,295,910
Total current assets	9,198,476	10,809,590
FIXED ASSETS , net of accumulated depreciation (Note F)	15,407,853	15,545,865
LAND UNDER PROTECTION		
Nature preserves (Note H)	34,660,671	30,480,671
Development rights (Note I)	260	256
Options to purchase land (Note J)	629,000	145,000
Land held for transfer (Note K)	16,125,608	4,663,858
Total land under protection	51,415,539	35,289,785
OTHER ASSETS		
Investments for land protection and stewardship (Note D)	7,302,143	6,393,831
Restricted investments for endowments (Note D)	9,921,395	9,001,947
Restricted investments for stewardship (Note D)	8,076,169	8,335,237
Remainder interest in land (Note G)	530,000	530,000
Charitable gift annuity investment (Note D)	261,774	216,778
Pledges receivable, net of current portion (Note E)	1,121,434	2,588,421
Total other assets	27,212,915	27,066,214
Total assets	\$ 103,234,783	\$ 88,711,454
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 28,027	\$ 211,086
Accrued liabilities (Note L)	781,239	583,035
Deposits	8,001	8,001
Notes payable, current	2,500,000	-
Total current liabilities	3,317,267	802,122
OTHER LIABILITIES		
Notes payable (Note N)	5,750,000	2,500,000
Charitable gift annuity obligation, net of current portion (Note O)	321,823	279,155
Total liabilities	9,389,090	3,581,277
NET ASSETS		
Without donor restrictions		
Board designated		
Easement defense	611,904	549,383
Operating reserve	3,812,377	2,847,333
Stewardship	5,926,073	5,743,063
Board reserve	3,126,729	4,339,775
With donor restrictions		
Specified use (Note Q)	37,981,007	33,306,127
Expiration of time (Note Q)	840,979	1,223,853
With donor restrictions - perpetual in nature		
Land under protection (Note Q)	34,660,931	30,480,927
Endowment (Note Q)	6,885,693	6,639,716
Total net assets	93,845,693	85,130,177
Total liabilities and net assets	\$ 103,234,783	\$ 88,711,454

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, 2024
(With Comparative Totals for 2023)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	2023 Total
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Grants	\$ 77,942	\$ 524,291	\$ 602,233	\$ 1,206,508
Public support	1,912,472	7,273,697	9,186,169	7,683,097
Non-cash public support	183,000	3,088,501	3,271,501	1,498,188
Benefit proceeds	16,258	-	16,258	5,867
Gain (loss) from investments	980,328	2,551,519	3,531,847	2,329,106
Other	69,774	158,272	228,046	324,695
Net assets released from restriction:				
Satisfaction of program restrictions	<u>4,878,293</u>	<u>(4,878,293)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>8,118,067</u>	<u>8,717,987</u>	<u>16,836,054</u>	<u>13,047,461</u>
EXPENSES				
Program services	6,693,115	-	6,693,115	7,748,431
Management and general	650,296	-	650,296	596,790
Fundraising	<u>777,127</u>	<u>-</u>	<u>777,127</u>	<u>708,473</u>
Total expenses	<u>8,120,538</u>	<u>-</u>	<u>8,120,538</u>	<u>9,053,694</u>
CHANGES IN NET ASSETS	(2,471)	8,717,987	8,715,516	3,993,767
NET ASSETS , beginning of year	<u>13,479,554</u>	<u>71,650,623</u>	<u>85,130,177</u>	<u>81,136,410</u>
NET ASSETS , end of year	<u>\$ 13,477,083</u>	<u>\$ 80,368,610</u>	<u>\$ 93,845,693</u>	<u>\$ 85,130,177</u>

Grand Traverse Regional Land Conservancy

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Program Services	Management and General	Fundraising	Total	2023 Total
Salaries	\$ 1,954,726	\$ 359,581	\$ 445,924	\$ 2,760,231	\$ 2,364,593
Employee benefits	371,355	68,312	84,716	524,383	473,128
Payroll taxes	139,201	25,607	31,755	196,563	165,396
Professional development	13,175	2,423	3,005	18,603	38,804
Interest	414,214	-	-	414,214	66,855
Provision for doubtful pledges	-	-	-	-	36,817
Professional fees	707,123	85,688	-	792,811	517,055
Lease expense	-	694	694	1,388	8,892
Transfers to other organizations	687,900	-	-	687,900	1,971,364
Title work and recording fees	56,646	-	-	56,646	43,497
Property tax expenses	86,319	-	-	86,319	78,694
Repairs and maintenance	37,507	6,243	7,742	51,492	41,642
Other supplies	183,938	-	-	183,938	200,034
Travel	43,758	7,695	9,542	60,995	57,831
Rent	-	-	-	-	36,760
Depreciation (Note F)	478,648	3,431	4,254	486,333	491,127
Insurance	90,742	16,692	20,701	128,135	98,303
Utilities	31,816	5,024	6,230	43,070	47,624
Office supplies	36,478	5,932	7,356	49,766	45,857
Telephone	30,327	5,286	6,556	42,169	38,101
Software	45,346	8,342	10,345	64,033	52,256
Miscellaneous	16,277	2,565	15,684	34,526	62,368
Printing and publishing	425	24,906	74,719	100,050	90,144
Postage	-	15,462	15,462	30,924	31,018
Merchandise and fundraising events	14,617	2,689	21,395	38,701	47,254
Dues and subscriptions	10,730	1,974	2,448	15,152	24,450
Advertising	3,350	1,750	8,599	13,699	11,831
Executed development value on conservation easements	<u>1,238,497</u>	<u>-</u>	<u>-</u>	<u>1,238,497</u>	<u>1,911,999</u>
	<u>\$ 6,693,115</u>	<u>\$ 650,296</u>	<u>\$ 777,127</u>	<u>\$ 8,120,538</u>	<u>\$ 9,053,694</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, 2024
(With Comparative Totals for 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 8,715,516	\$ 3,993,767
Adjustments to reconcile changes in net assets to net cash flows from operating activities		
Depreciation	486,333	491,127
(Gain) from sale of land held for transfer	(90,000)	(250,000)
Development rights extinguished	1,238,497	1,911,999
Donated land held for transfer	(183,000)	-
Donated preserves	(1,850,000)	-
Donated development rights	(1,238,501)	(1,141,753)
Unrealized loss (gain) on investments	(2,420,571)	(1,775,101)
Realized loss (gain) on investments	(1,114,120)	(650,615)
Donated investments	(4,417,758)	(356,438)
Endowment contributions	(245,977)	(174,635)
Land options exercised or expired	120,000	1,375,467
(Increase) decrease in pledges receivable	2,736,840	2,265,009
Increase (decrease) in accounts payable and accrued liabilities	57,811	(1,422,747)
Net cash flows from operating activities	1,795,070	4,266,080
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of development rights	-	(770,250)
Acquisition of property and equipment	(348,319)	(4,551,015)
Proceeds from sale of land held for transfer	270,000	1,263,233
Acquisition of land held for transfer	(5,708,750)	(245,250)
Acquisition of preserves	(2,330,000)	(254,000)
Purchase of land options	(604,000)	(60,000)
Acquisition of investments	(35,396,671)	(7,962,925)
Proceeds from sale of investments	41,189,580	1,384,326
Net cash flows from investing activities	(2,928,160)	(11,195,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment contributions	245,977	174,635
NET CHANGE IN CASH AND CASH EQUIVALENTS	(887,113)	(6,755,166)
Cash and cash equivalents, beginning of year	1,089,445	7,844,611
Cash and cash equivalents, end of year	\$ 202,332	\$ 1,089,445
Cash and cash equivalents per the Statement of Financial Position:		
Unrestricted cash and cash equivalents	\$ 139,576	\$ 797,681
Restricted cash for stewardship	58,919	291,245
Restricted cash for endowment	3,837	519
	\$ 202,332	\$ 1,089,445

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

Grand Traverse Regional Land Conservancy

NOTES TO THE FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

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

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, 2021. 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, 2023, from which the summarized information was derived.

Reclassification

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

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, 2024:

Cash and cash equivalents	\$	139,576
Investments		4,329,770
Pledges receivable, net		<u>1,026,057</u>
Total current assets		5,495,403
Less restricted current assets		
Restricted pledges receivable, net		<u>(817,192)</u>
Total current assets available for operations	\$	<u>4,678,211</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 S, respectively.

The board-designated investments of \$3,640,317 are subject to an annual spending rate of 5 percent as described in Note S. 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, 2024:

	<u>Bank Amount</u>	<u>Carrying Amount</u>
Insured (FDIC)	\$ 288,617	\$ 202,332
Uninsured and uncollateralized	<u>97,289</u>	<u>-</u>
	<u>\$ 385,906</u>	<u>\$ 202,332</u>
Financial Statement Presentation		
Cash and cash equivalents		\$ 139,576
Restricted cash and cash equivalents		
Restricted for stewardship		58,919
Restricted for endowment		<u>3,837</u>
		<u>\$ 202,332</u>

NOTE D - INVESTMENTS

GTRLC's investments are held in trust by financial institutions and consisted of the following at June 30, 2024:

	<u>Cost</u>	<u>Market</u>
Cash equivalents	\$ 5,847,252	\$ 5,847,252
Certificates of deposit with maturities greater than 90 days	31,651	31,651
Mutual funds	23,380,191	25,053,274
Alternative investments	1,353,500	1,940,398
Real estate investment trust	<u>688,505</u>	<u>658,993</u>
Totals	<u>\$ 31,301,099</u>	<u>\$ 33,531,568</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

Financial Statement Presentation

Current investments	\$ 4,329,770
Board designated investments	3,640,317
Investments for land protection and stewardship	7,302,143
Restricted investments for endowments	9,921,395
Restricted investments for stewardship	8,076,169
Charitable gift annuity investment	<u>261,774</u>
	<u>\$ 33,531,568</u>

Investment returns consisted of the following for the year ended June 30, 2024:

Interest and dividends	\$ 44,701
Net realized gains (losses)	1,114,120
Unrealized gains (losses)	2,420,571
Investment fees	<u>(47,545)</u>
Net investment returns	<u>\$ 3,531,847</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 \$282,000 are insured under federal depository insurance. The balance of investments exceeded insured limits by approximately \$33 million at June 30, 2024.

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, 2024, 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>	
2025	\$ 1,298,891
2026	537,500
2027	292,500
2028	200,000
2029	<u>300,000</u>
Total pledges receivable	2,628,891
Discount on pledges receivable	(349,955)
Allowance for doubtful pledges	<u>(131,445)</u>
	<u>\$ 2,147,491</u>
Financial statement presentation	
Pledges receivable, current	\$ 1,026,057
Pledges receivable, noncurrent	<u>1,121,434</u>
	<u>\$ 2,147,491</u>

The allowance for doubtful pledges and 7% 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.

NOTE F - FIXED ASSETS

Fixed assets are comprised of the following at June 30, 2024:

Nature Preserves	
Universally accessible trail	\$ 3,607,429
Buildings	396,998
Land Held for Transfer	
Buildings	581,140
Office equipment	611,607
Leasehold improvements	49,035
Equipment	114,841
Vehicle	42,753
Conservation Center	<u>12,031,059</u>
Total fixed assets, at cost	17,434,862
Less accumulated depreciation	<u>(2,027,009)</u>
Total fixed assets, net of accumulated depreciation	<u>\$ 15,407,853</u>

Total depreciation expense was \$486,333 for the year ended June 30, 2024.

NOTE G - REMAINDER INTEREST IN LAND

GTRLC has received two remainder trust in properties with life estates. Total remainder interest in land was \$530,000 for the year ended June 30, 2024.

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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, 2024	Total Acquired Through June 30, 2024
Arcadia Dunes	-	3,927.30
Arcadia Marsh	3.21	494.55
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	10.00	32.00
Intermediate Lake Sanctuary	-	131.71
Kewadin Wetlands	-	40.50
Lake St. Clair/Six Mile Lake	-	263.80
Lower Woodcock Lake	-	230.00
Maple Bay Farm	-	11.00
Medenbrook	-	47.63
Misty Acres Preserve	-	627.37
Mitchell Creek Meadows	-	202.80
Mitchell Creek Meadows - Bercini addition	-	38.00
Mitchell Creek Preserve	-	128.39
Mnaadeddan Shkaakimikwe Nature Sanctuary	-	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
Turtle Cove	116.99	116.99
Upper Manistee Headwaters	69.03	1,357.03
Wilcox-Palmer-Sha	11.00	68.64
Wintergreen Woods - Rottenbucher	-	13.00
Wintergreen Woods - Saylor	-	8.00
	<u>210.23</u>	<u>10,621.45</u>
Total acres	<u>210.23</u>	<u>10,621.45</u>
Total value reported	<u>\$ 4,180,000</u>	<u>\$ 34,660,671</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, 2024</u>		<u>Total Secured Through June 30, 2024</u>	
	<u>Number of Easements</u>	<u>Acres Protected</u>	<u>Number of Easements</u>	<u>Acres Protected</u>
Antrim	1	68.28	47	5,304.36
Benzie	1	40.29	35	2,854.96
Grand Traverse	2	55.00	118	7,976.28
Kalkaska	-	-	35	3,666.41
Leelanau	-	-	5	250.45
Manistee	-	-	20	2,421.85
Total	<u>4</u>	<u>163.57</u>	<u>260</u>	<u>22,474.31</u>

At June 30, 2024, the total historical value of development rights acquired by GTRLC was \$68,088,610, of which \$68,088,350 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, 2024:

	<u>Option Purchase Price</u>
Birch Point	\$ 10,000
Williams Trust	10,000
Goodheart	3,000
Gardner	2,000
Schwing	2,000
Elberta Dunes Waterfront	500,000
Kiessel	100,000
Betsie Dunes	<u>2,000</u>
	<u>\$ 629,000</u>

During the year ended June 30, 2024, four options valued at \$120,000 were exercised, four options valued at \$604,000 were purchased and no options expired.

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NOTES TO THE FINANCIAL STATEMENTS - Continued

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:

	Beginning of Year	Purchase	Transfers	Sales	End of Year
Birch Point	\$ 109,500	\$ 100,000	\$ -	\$ -	\$ 209,500
Reffitt	786,000	-	-	-	786,000
Spring Lake	2,500,000	-	-	-	2,500,000
Srdjack	475,000	-	-	-	475,000
Maple Bay	160,508	-	-	-	160,508
Gardner	272,858	135,750	-	-	408,608
Lake Dubonet	136,000	-	-	-	136,000
Indian Hill Woodland	180,000	-	180,000	-	-
Boardman/McDonald	20,992	-	-	-	20,992
Nichols	23,000	-	-	-	23,000
Upper Manistee	-	885,000	-	-	885,000
The Ridge	-	5,100,000	-	-	5,100,000
North Camp Greilick	-	3,250,000	-	-	3,250,000
Torch Lake Kienbaum	-	1,900,000	-	-	1,900,000
Bestsie Dunes	-	88,000	-	-	88,000
Deer Creek	-	183,000	-	-	183,000
	<u>\$ 4,663,858</u>	<u>\$11,641,750</u>	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$16,125,608</u>

NOTE L - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consisted of the following:

Accrued wages and payroll liabilities	\$ 105,971
Accrued vacation time and sick time	524,744
Accrued interest	118,750
Accrued charitable gift annuities	<u>31,774</u>
	<u>\$ 781,239</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

NOTE M - LINE OF CREDIT

GTRLC had available a \$3,000,000 revolving line of credit at June 30, 2024. There was no balance outstanding on the line of credit at June 30, 2024. The line of credit matures on October 9, 2024. Interest is charged at 0.50% below the Wall Street Journal prime rate, which resulted in a rate of 8.00% at June 30, 2024.

NOTE N - NOTES PAYABLE

At June 30, 2024, 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 7.10% as of June 30, 2024, due on or before March 3, 2025, secured by property.	\$ 2,500,000
Note payable to a Foundation in the amount of \$5,100,000 with interest charged at a fixed interest accrued monthly at 5.00%, due on or before March 4, 2027, secured by property.	5,100,000
Note payable to individuals in the amount of \$750,000 with interest charged at a fixed interest accrued monthly at 5.00%, due on or before July 11, 2026, secured by property.	<u>650,000</u>
Total notes payable	8,250,000
Current portion	<u>(2,500,000)</u>
Long term notes payable	<u>\$ 5,750,000</u>

Interest expense related to the above notes payable amounted to \$296,151 for the year ended June 30, 2024.

NOTE O - GIFT ANNUITIES

GTRLC has received \$474,435 in charitable gift annuity agreement proceeds which have been added to the general investments of GTRLC of which \$353,597 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, 2024, GTRLC received one new annuity, retired one annuity and made payments totaling \$31,774. 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	\$ 31,774
Charitable gift annuity obligation	<u>321,823</u>
	<u>\$ 353,597</u>

NOTE P - 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 \$346,691 on June 30, 2024.

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 \$70 million in grants from the Michigan Natural Resources Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS - Continued

NOTE Q - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2024:

Subject to expenditure for specified purpose:	
Land Protection and Stewardship	\$ 34,941,468
Spendable endowment income reinvested	<u>3,039,539</u>
	<u>37,981,007</u>
Subject to the passage of time:	
Conservancy Fund pledges receivable	<u>840,979</u>
Perpetual in nature - for land under protection:	
Preserves	34,660,671
Development rights	<u>260</u>
	<u>34,660,931</u>
Perpetual in nature - for endowment:	
Restricted cash for endowment	3,837
Restricted investments for endowment	9,921,395
Spendable endowment income	<u>(3,039,539)</u>
	<u>6,885,693</u>
 Total net assets with donor restrictions	 <u>\$ 80,368,610</u>

NOTE R - CONTRIBUTIONS OF NON-FINANCIAL ASSETS

GTRLC received the following contributions of non-financial assets for the year ended June 30, 2024:

	Without Donor <u>Restrictions</u>	With Donor Restrictions	<u>Total</u>
Nature preserves	\$ -	\$ 1,850,000	\$ 1,850,000
Development rights	-	1,238,501	1,238,501
Land held for transfer	<u>183,000</u>	<u>-</u>	<u>183,000</u>
 Total contributions of non-financial assets	 <u>\$ 183,000</u>	 <u>\$ 3,088,501</u>	 <u>\$ 3,271,501</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

NOTE S - 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, 2024:

Net assets with donor restrictions (Note Q)	
Specified use - spendable endowment income	\$ 3,039,539
Perpetual in nature	<u>6,885,693</u>
	<u>\$ 9,925,232</u>

The net changes in endowment net assets are as follows for June 30, 2024:

	Net Assets With Donor Restrictions - Specified Use	Net Assets With Donor Restrictions - Perpetual in Nature	Total
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets, beginning of year	\$ <u>3,220,090</u>	\$ <u>6,639,716</u>	\$ <u>9,859,806</u>
Investment return			
Investment income, net of fees	254,176	-	254,176
Net appreciation (realized and unrealized)	<u>983,863</u>	<u>-</u>	<u>983,863</u>
Total investment return	1,238,039	-	1,238,039
Contributions	-	245,977	245,977
Appropriation and expenditure of endowment assets	<u>(1,418,590)</u>	<u>-</u>	<u>(1,418,590)</u>
	<u>(180,551)</u>	<u>245,977</u>	<u>65,426</u>
Endowment net assets, end of year	<u>\$ 3,039,539</u>	<u>\$ 6,885,693</u>	<u>\$ 9,925,232</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 T - 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, 2024.

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

Alternative Investments: These investments are valued using the NAV provided by the investment trust company and are classified as Level 3. The NAV is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market.

Real estate investment trust: These investments are valued at estimated value by the issuer and are classified as Level 3.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Index funds	\$ 11,381,620	\$ -	\$ -	\$ 11,381,620
Growth funds	4,141,468	-	-	4,141,468
Fixed income funds	7,430,762	-	-	7,430,762
Exchange traded funds	2,098,336	-	-	2,098,336
Other funds	1,088	-	-	1,088
Alternative investments	-	-	1,940,398	1,940,398
Real estate investment trust	-	-	658,993	658,993
	<u>\$ 25,053,274</u>	<u>\$ -</u>	<u>\$ 2,599,391</u>	<u>\$ 27,652,665</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued

The following table sets forth a summary of changes in fair value of the GTRLC's Level 3 investment securities for the years ended June 30, 2024:

Balance, beginning year	\$ -
Purchases	2,042,005
Management fees	(4,300)
Investment income	55,855
Unrealized (losses) gains	<u>505,831</u>
Total	<u>\$ 2,599,391</u>

NOTE U - 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, 2024 was \$90,287.

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, 2024 was \$16,833. 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 V - 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 \$1,090,455 at June 30, 2024. GTRLC received distributions of \$40,890 from the funds for the year ended June 30, 2024, 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 reported in the statement of activities as public support.

NOTE W - SUPPLEMENTAL CASH FLOWS INFORMATION

GTRLC paid interest of \$295,464 and \$66,855 for the years ended June 30, 2024 and 2023, respectively.

GTRLC records donated development rights at the fair market value at the date of donation. GTRLC recognized \$1,238,501 and \$1,141,753 in non-cash contribution revenue from donated development rights for the years ended June 30, 2024 and 2023, respectively.

GTRLC records donated preserves at the fair market value at the date of donation. GTRLC recognized \$1,850,000 in non-cash contribution revenue from donated preserves for the year ended June 30, 2024.

GTRLC purchased land held for transfer using secured notes payable in the amount of \$5,850,000 for the year ended June 30, 2024.

GTRLC records donated land held for transfer at the fair market value at the date of donation. GTRLC recognized \$183,000 in non-cash contribution revenue from donated land held for transfer for the year ended June 30, 2024.

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.

NOTE X - SUBSEQUENT EVENTS

GTRLC has evaluated subsequent events and transactions for potential recognition and disclosure through October 16, 2024, the date the financial statements were available to be issued.

On August 27, 2024, GTRLC closed on the sale of the North Camp Greilick property, included in land held for transfer. The property was sold for \$3,000,000 resulting in a loss on sale of property of \$250,000.

On September 9, 2024 GTRLC paid off a note payable to a limited liability company in the amount of \$2,500,000.

SUPPLEMENTAL INFORMATION

Grand Traverse Regional Land Conservancy

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2024

(With Comparative Totals for 2023)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2023 Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 139,576	\$ -	\$ -	\$ 139,576	\$ 797,681
Restricted cash	-	58,919	3,837	62,756	291,764
Investments	4,329,770	-	-	4,329,770	4,125,836
Board designated investments	3,640,317	-	-	3,640,317	3,298,399
Pledges receivable, net	208,865	817,192	-	1,026,057	2,295,910
Total current assets	8,318,528	876,111	3,837	9,198,476	10,809,590
FIXED ASSETS , net of accumulated depreciation	100,089	15,307,764	-	15,407,853	15,545,865
LAND UNDER PROTECTION					
Nature preserves	-	34,660,671	-	34,660,671	30,480,671
Development rights	-	260	-	260	256
Options to purchase land	-	629,000	-	629,000	145,000
Land held for transfer	-	16,125,608	-	16,125,608	4,663,858
Total land under protection	-	51,415,539	-	51,415,539	35,289,785
OTHER ASSETS					
Land protection and stewardship investments	-	7,302,143	-	7,302,143	6,393,831
Restricted investments for endowments	-	-	9,921,395	9,921,395	9,001,947
Restricted investments for stewardship	-	8,076,169	-	8,076,169	8,335,237
Remainder interest in land	-	530,000	-	530,000	530,000
Charitable gift annuity investment	-	261,774	-	261,774	216,778
Pledges receivable, net of current portion	632,114	489,320	-	1,121,434	2,588,421
Total other assets	632,114	16,659,406	9,921,395	27,212,915	27,066,214
Total assets	\$ 9,050,731	\$ 84,258,820	\$ 9,925,232	\$103,234,783	\$ 88,711,454

Grand Traverse Regional Land Conservancy

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - Continued

June 30, 2024

(With Comparative Totals for 2023)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2023 Total
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 28,027	\$ -	\$ -	\$ 28,027	\$ 211,086
Accrued liabilities	630,715	150,524	-	781,239	583,035
Deposits	-	8,001	-	8,001	8,001
Notes payable, current	-	<u>2,500,000</u>	-	<u>2,500,000</u>	-
Total current liabilities	658,742	2,658,525	-	3,317,267	802,122
OTHER LIABILITIES					
Notes payable, net of current portion	-	5,750,000	-	5,750,000	2,500,000
Charitable gift annuity obligation, net of current portion	-	<u>321,823</u>	-	<u>321,823</u>	<u>279,155</u>
Total liabilities	<u>658,742</u>	<u>8,730,348</u>	-	<u>9,389,090</u>	<u>3,581,277</u>
NET ASSETS					
Without donor restrictions					
Board designated					
Easement defense	611,904	-	-	611,904	549,383
Board reserve	3,126,729	-	-	3,126,729	2,847,333
Stewardship	-	5,926,073	-	5,926,073	5,743,063
Operating reserve	3,812,377	-	-	3,812,377	4,339,775
With donor restrictions					
Specified use	-	34,941,468	3,039,539	37,981,007	33,306,127
Expiration of time	840,979	-	-	840,979	1,223,853
With donor restrictions - perpetual in nature					
Land under protection	-	34,660,931	-	34,660,931	30,480,927
Endowment	-	-	<u>6,885,693</u>	<u>6,885,693</u>	<u>6,639,716</u>
Total net assets	<u>8,391,989</u>	<u>75,528,472</u>	<u>9,925,232</u>	<u>93,845,693</u>	<u>85,130,177</u>
Total liabilities and net assets	<u>\$ 9,050,731</u>	<u>\$ 84,258,820</u>	<u>\$ 9,925,232</u>	<u>\$103,234,783</u>	<u>\$ 88,711,454</u>

Grand Traverse Regional Land Conservancy

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2024
(With Comparative Totals for 2023)

	Operating Fund	Land Protection and Stewardship Fund	Endowment Fund	Total	2023 Total
REVENUE AND SUPPORT					
Grants	\$ 77,942	\$ 524,291	\$ -	\$ 602,233	\$ 1,206,508
Public support	1,912,472	7,027,720	245,977	9,186,169	7,683,097
Contribution of non-financial assets	-	3,271,501	-	3,271,501	1,498,188
Benefit proceeds	16,258	-	-	16,258	5,867
Gain (loss) from investments	980,328	1,313,480	1,238,039	3,531,847	2,329,106
Other	69,774	158,272	-	228,046	324,695
	<u>3,056,774</u>	<u>12,295,264</u>	<u>1,484,016</u>	<u>16,836,054</u>	<u>13,047,461</u>
EXPENSES					
Salaries	2,760,231	-	-	2,760,231	2,364,593
Employee benefits	524,383	-	-	524,383	473,128
Payroll taxes	196,563	-	-	196,563	165,396
Professional development	18,603	-	-	18,603	38,804
Interest	-	414,214	-	414,214	66,855
Provision for doubtful pledges	-	-	-	-	36,817
Professional fees	277,388	515,423	-	792,811	517,055
Lease	1,388	-	-	1,388	8,892
Transfers to other organizations	-	687,900	-	687,900	1,971,364
Title work and recording fees	8,506	48,140	-	56,646	43,497
Property taxes	-	86,319	-	86,319	78,694
Repairs and maintenance	47,920	3,572	-	51,492	41,642
Other supplies	100,827	83,111	-	183,938	200,034
Travel	59,067	1,928	-	60,995	57,831
Rent	-	-	-	-	36,760
Depreciation	26,334	459,999	-	486,333	491,127
Insurance	128,135	-	-	128,135	98,303
Utilities	38,564	4,506	-	43,070	47,624
Office supplies	45,536	4,230	-	49,766	45,857
Telephone	40,579	1,590	-	42,169	38,101
Software	64,033	-	-	64,033	52,256
Miscellaneous	32,203	2,322	-	34,525	62,368
Printing and publishing	99,626	424	-	100,050	90,144
Postage	30,925	-	-	30,925	31,018
Merchandise and fundraising events	38,701	-	-	38,701	47,254
Dues and subscriptions	15,152	-	-	15,152	24,450
Advertising	13,699	-	-	13,699	11,831
Executed development value on conservation easements	-	1,238,497	-	1,238,497	1,911,999
	<u>4,568,363</u>	<u>3,552,175</u>	<u>-</u>	<u>8,120,538</u>	<u>9,053,694</u>
REVENUES OVER (UNDER) EXPENSES	(1,511,589)	8,743,089	1,484,016	8,715,516	3,993,767
Transfers in (out)	943,234	475,356	(1,418,590)	-	-
CHANGE IN NET ASSETS	(568,355)	9,218,445	65,426	8,715,516	3,993,767
NET ASSETS, beginning of year	<u>8,960,344</u>	<u>66,310,027</u>	<u>9,859,806</u>	<u>85,130,177</u>	<u>81,136,410</u>
NET ASSETS, end of year	<u>\$ 8,391,989</u>	<u>\$ 75,528,472</u>	<u>\$ 9,925,232</u>	<u>\$ 93,845,693</u>	<u>\$ 85,130,177</u>