
GREAT PENINSULA CONSERVANCY
A Washington Not For Profit Organization

Financial Statements

For the Years Ended December 31, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors
Great Peninsula Conservancy
Bremerton, WA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Great Peninsula Conservancy (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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.

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 the Organization's ability to continue as a going concern for 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 GAAS 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

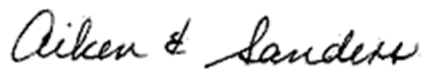
resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Organization'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 the Organization'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.

Aiken & Sanders, Inc., PS

A handwritten signature in cursive script that reads "Aiken & Sanders".

Certified Public Accountants
& Consultants

June 27, 2024

Montesano, WA

Great Peninsula Conservancy
A Washington Not For Profit Organization

Statement of Financial Position
As of December 31, 2023 and December 31, 2022

	Assets	
	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 626,339	\$ 1,182,182
Accounts and pledges receivable	464,192	24,338
Prepaid expenses	6,730	8,062
Total Current Assets	1,097,261	1,214,582
 Fixed Assets:		
Equipment and improvements	109,449	108,928
Buildings	827,620	-
Land	22,753,278	19,544,008
	23,690,347	19,652,936
Less: Accumulated depreciation	(59,976)	(43,139)
Fixed assets, net	23,630,371	19,609,797
 Other Assets:		
Investments	2,303,860	1,899,540
Cash restricted for long term purposes	1,770,823	1,661,974
Total Other Assets	4,074,683	3,561,514
 Total Assets	 \$ 28,802,315	 \$ 24,385,893

The accompanying notes are an integral part of these financial statements

Great Peninsula Conservancy
A Washington Not For Profit Organization

Statement of Financial Position
As of December 31, 2023 and December 31, 2022

	2023	2022
Liabilities & Net Assets		
Current Liabilities:		
Accrued expenses	\$ 88,143	\$ 47,010
Total Current Liabilities	88,143	47,010
Long-Term Liabilities:		
Total Long-Term Liabilities	-	-
 Net Assets:		
Without donor restrictions	3,021,945	2,219,371
With donor restrictions	25,692,227	22,119,512
Total Net Assets	28,714,172	24,338,883
Total Liabilities & Net Assets	\$ 28,802,315	\$ 24,385,893

The accompanying notes are an integral part of these financial statements

Great Peninsula Conservancy
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2023</u>
Support and Revenues:			
Contributions	\$ 1,046,615	\$ 889,791	\$ 1,936,406
Grant income	599,607	1,720,000	2,319,607
Donated goods and services	1,567	-	1,567
Donated land	27,620	1,284,270	1,311,890
Merchandise sales and special events	224,626	-	224,626
Interest and dividend income	37,938	44,812	82,750
Investment income (loss)	194,161	229,332	423,493
Other revenue	9,107	-	9,107
Net assets released from restriction	595,490	(595,490)	-
Total Support and Revenue	<u>2,736,731</u>	<u>3,572,715</u>	<u>6,309,446</u>
Expenses:			
Program services	1,598,627	-	1,598,627
Management and general	181,487	-	181,487
Fundraising	154,043	-	154,043
Total Expenses	<u>1,934,157</u>	<u>-</u>	<u>1,934,157</u>
Change in Net Assets	802,574	3,572,715	4,375,289
Net Assets, Beginning of Year	<u>2,219,371</u>	<u>22,119,512</u>	<u>24,338,883</u>
Net Assets, End of Year	<u>\$ 3,021,945</u>	<u>\$ 25,692,227</u>	<u>\$ 28,714,172</u>

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Great Peninsula Conservancy
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>
Support and Revenues:			
Contributions	\$ 1,685,140	\$ 1,446,419	\$ 3,131,559
Grant income	1,600,006	1,645,677	3,245,683
Donated land	-	919,000	919,000
Donated goods and services	390	-	390
Merchandise sales and special events	103,372	-	103,372
Interest and dividend income	6,994	-	6,994
Investment income (loss)	(264,439)	(116,732)	(381,171)
Net assets released from restriction	189,433	(189,433)	-
Total Support and Revenue	<u>3,320,896</u>	<u>3,704,931</u>	<u>7,025,827</u>
Expenses:			
Program services	2,689,953	-	2,689,953
Management and general	141,724	-	141,724
Fundraising	117,084	-	117,084
Total Expenses	<u>2,948,761</u>	<u>-</u>	<u>2,948,761</u>
Change in Net Assets	372,135	3,704,931	4,077,066
Net Assets, Beginning of Year	<u>1,847,236</u>	<u>18,414,581</u>	<u>20,261,817</u>
Net Assets, End of Year	<u>\$ 2,219,371</u>	<u>\$ 22,119,512</u>	<u>\$ 24,338,883</u>

The accompanying notes are an integral part of these financial statements

Great Peninsula Conservancy
A Washington Not For Profit Organization

Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program	Management and General	Fund- Raising	2023 Total
Salaries and wages	\$ 548,015	\$ 118,490	\$ 74,056	\$ 740,561
Payroll taxes	50,062	10,824	6,765	67,651
Employee benefits	48,002	10,379	6,487	64,868
Bank fees	7,939	1,717	1,073	10,729
Depreciation	14,143	2,694	-	16,837
Dues, fees, and licenses	7,400	1,600	1,000	10,000
Easement acquisition	2,260	-	-	2,260
Events	-	-	43,326	43,326
Insurance	15,062	3,257	2,035	20,354
Meetings	13,480	4,472	1,822	19,774
Miscellaneous	21,280	992	1,432	23,704
Office expense	36,233	7,834	4,896	48,963
Postage	4,393	950	594	5,937
Printing	13,017	2,815	1,759	17,591
Professional fees	7,617	3,034	1,029	11,680
Property costs and maintenance	752,238	-	-	752,238
Rents	27,963	6,046	3,779	37,788
Travel	9,639	2,084	1,303	13,026
Utilities	19,884	4,299	2,687	26,870
Total Expenses	\$ 1,598,627	\$ 181,487	\$ 154,043	\$ 1,934,157

The accompanying notes are an integral part of these financial statements

Great Peninsula Conservancy
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Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program	Management and General	Fund- Raising	2022 Total
Salaries and wages	\$ 429,897	\$ 92,951	\$ 58,094	\$ 580,942
Payroll taxes	38,620	8,350	5,219	52,189
Employee benefits	32,757	7,083	4,427	44,267
Bank fees	5,057	1,093	683	6,833
Depreciation	11,383	2,347	-	13,730
Dues, fees, and licenses	15,944	3,447	2,155	21,546
Easement acquisition	1,822,000	-	-	1,822,000
Events	-	-	30,945	30,945
Insurance	13,314	2,879	1,799	17,992
Meetings and training	9,722	2,354	1,314	13,390
Miscellaneous	26,031	803	1,003	27,837
Office expense	21,430	4,633	2,896	28,959
Postage	5,481	1,185	741	7,407
Printing	10,306	2,228	1,393	13,927
Professional fees	6,767	3,431	915	11,113
Property costs and maintenance	200,363	-	-	200,363
Rents	24,606	5,320	3,325	33,251
Travel	6,976	1,508	943	9,427
Utilities	9,299	2,112	1,232	12,643
Total Expenses	\$ 2,689,953	\$ 141,724	\$ 117,084	\$ 2,948,761

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

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Statement of Cash Flows
For the Years Ended December 31, 2023 and December 31, 2022

	2023	2022
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in net assets:	\$ 4,375,289	\$ 4,077,066
Adjustments:		
Depreciation expense	16,837	13,730
Inkind contributions of property	(1,311,890)	(919,000)
Unrealized (gain)/loss on investments	(419,017)	406,580
Realized (gain)/loss on investments	(4,476)	4,637
Changes in assets and liabilities:		
(Increase) decrease in pledges and accounts receivable	(439,854)	11,219
(Increase) decrease in prepaid expense	1,332	(4,671)
(Increase) decrease in cash for restricted purposes	(108,849)	(327,671)
Increase (decrease) in accrued expenses	41,133	6,466
Net cash provided (used) by operating activities	\$ 2,150,505	\$ 3,268,356
Cash flows from investing activities:		
Payments for purchase of property and equipment	(2,725,521)	(3,773,139)
Cash received from investments	64,148	65,805
Cash paid for investments	(44,975)	(41,842)
Net cash provided (used) by investing activities	(2,706,348)	(3,749,176)
Cash flows from financing activities:		
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash & cash equivalents	(555,843)	(480,820)
Cash & cash equivalents at beginning of year	1,182,182	1,663,002
Cash & cash equivalents at end of year	\$ 626,339	\$ 1,182,182
Supplemental Information:		
Cash paid for interest	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Great Peninsula Conservancy (the Conservancy) is a not-for-profit corporation governed by a volunteer Board of Directors. The Conservancy was organized under the laws of the State of Washington with Articles of Incorporation dated January 1980 as Indianola Land Trust. Articles of Merger dated May 12, 2000 merged Hood Canal Land Trust, Indianola Land Trust, Kitsap Land Trust, and Peninsula Heritage Land Trust under the new name of Great Peninsula Conservancy.

Nature of Activities

Great Peninsula Conservancy is dedicated to preserving in perpetuity natural habitats, rural landscapes, open space and land with scenic or educational value in Kitsap County (except for Bainbridge Island), Mason County, and Pierce County west of the Tacoma Narrows. The Conservancy purchases or accepts transfers of title to property whereby the Conservancy becomes the owner and steward of the land. Preservation activities also include the development of conservation easements on selected properties where the owner continues to use the land subject to permanent restrictions agreed to with the Conservancy.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation

Great Peninsula Conservancy follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958 Not-for Profit Entities. Under ASC 958, the Conservancy is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

With Donor Restrictions: Net assets that result from contributions whose use by the Conservancy is restricted by donor imposed stipulations that may expire with the passage of time or can be fulfilled or otherwise removed by actions of the Conservancy.

Without Donor Restrictions: Net assets that are not restricted by donor stipulation.

Gifts of goods and equipment are reported as without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of land are reported as donor restricted if the Conservancy intends to protect the land in perpetuity. Gifts of land, which the donor stipulates may be sold, are reported as without donor restriction.

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

Functional Allocation of Expenses

The Conservancy records its expenses by function. Expenses are allocated amongst the functions based on that function's incurrence of actual expenses. Expenses that are shared between functions are allocated on a pro-rata basis, based on benefits provided to each functional area.

Use of Estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosures during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Conservancy considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Restricted cash and cash equivalents are limited in use to special funds and projects as designated by their donor and are considered restricted until used for their designated purpose.

Credit Risk

The Conservancy maintains its cash in deposit accounts at financial institutions that are insured up to \$250,000 each by the Federal Deposit Insurance Corporation. The Conservancy, in 2022, entered into banking arrangements to reduce the uninsured balances. The Conservancy had cash deposits in excess of insured amounts of \$895,664 and \$402,773 as of December 31, 2023 and 2022, respectively. Management does not believe the Conservancy is at significant risk of loss on uninsured amounts.

Investments

Investments consist of marketable debt and equity securities, which are carried at market value determined at the date of the statement of financial position.

Property and Equipment

Property and equipment are carried at cost or market value at the time of donation, except for conservation easements. Conservation easements are carried at zero value as they do not represent an economic asset and may require organizational resources for future monitoring, enforcement and defense. Depreciation is provided using the straight-line method over the estimated useful lives ranging from five to forty years.

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

Primary Sources of Support

The primary sources of support for Great Peninsula Conservancy are contributions, grants and memberships.

Revenue Recognition

All contributions are considered available for the Conservancy's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as having donor restrictions and increase net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as unrestricted support and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Donated Services

Donated services are accounted for using the criteria set forth in ASC 958 Not-for-Profit Entities.

Advertising

Advertising costs are expensed when accrued. Advertising costs for the years ended December 31, 2023 and 2022 were \$1,548 and \$1,778, respectively.

Federal Income Tax

Great Peninsula Conservancy is exempt from federal income tax on increases in net assets derived from activities related to the Conservancy's tax-exempt purpose under Internal Revenue Code Section 501(c)(3). The Conservancy is subject to taxation on unrelated business income.

The Conservancy has adopted the recognition requirement for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Conservancy believes that income tax filing positions will be sustained upon examination and do not anticipate any adjustment that would result in a material adverse effect on the Conservancy's financial condition, results of operation or cash flows. Accordingly, no reserve or related accruals for interest and penalties for uncertain income tax positions has been recorded at December 31, 2023 and 2022.

The Conservancy is subject to routine income tax audits by taxing jurisdictions: however, there are currently no audits for any tax periods in progress. The Conservancy believes that it is no longer subject to income tax examination for years prior to 2020. The Conservancy operates exclusively within Washington State which has no state income tax.

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

Subsequent Events

Management has evaluated subsequent events through June 27, 2024, the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents, net of restricted cash, at December 31, 2023 and 2022 are composed of the following:

	<u>2023</u>	<u>2022</u>
Checking accounts	\$ 435,304	\$ 602,840
Money market accounts	1,961,808	2,241,266
Petty cash	50	50
	<u>2,397,162</u>	<u>2,844,156</u>
Restricted cash and cash equivalents	<u>(1,770,823)</u>	<u>(1,661,974)</u>
Cash and cash equivalents, net	<u>\$ 626,339</u>	<u>\$ 1,182,182</u>

NOTE 3 - PLEDGES RECEIVABLE

The pledges receivable consist of operating and capital project fund-raising campaigns. At December 31, 2023 and 2022, all pledges receivable are expected to be collected during the subsequent year. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectable accounts is considered necessary at December 31, 2023 and 2022.

NOTE 4 - INVESTMENTS

Investments at December 31, 2023 and 2022 are stated at market value and are composed of the following:

	<u>2023</u>	<u>2022</u>
Mutual and money funds	\$ 1,917,023	\$ 1,547,413
Investments held by community foundations	<u>386,837</u>	<u>352,127</u>
Investments Total:	<u>\$ 2,303,860</u>	<u>\$ 1,899,540</u>

Funds that are donor restricted to stewardship, legal defense, and monitoring of all Conservancy properties are invested in mutual and money market funds with Vanguard Investments.

The general and stewardship endowments are held in pooled investment accounts at the Greater Tacoma Community Foundation, a not for profit organization, from which Great Peninsula

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

Conservancy receives an annual return of the rolling average investment. The distribution from the foundation is scheduled to be 4.3% in 2024.

Funds for maintenance of the Clear Creek Trail are held by the Kitsap Community Foundation. A grant can be requested from the foundation for the return of investment principal and income.

Investment expenses were \$4,869 and \$4,802, for the years ended December 31, 2023 and 2022, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

There was depreciation expense of \$16,837 and \$13,730 for the years ending December 31, 2023 and 2022, respectively. The Conservancy had property and equipment as of December 31, 2023 and 2022 that consisted of:

	<u>2023</u>	<u>2022</u>
Conservation land	\$ 22,612,328	\$ 19,403,058
Non-conservation land	140,950	140,950
Buildings	827,620	-
Equipment and improvements	109,449	108,928
	<u>23,690,347</u>	<u>19,652,936</u>
Accumulated depreciation	<u>(59,976)</u>	<u>(43,139)</u>
Property and equipment, net	<u>\$ 23,630,371</u>	<u>\$ 19,609,797</u>

NOTE 6 - IN-KIND CONTRIBUTIONS AND CONTRIBUTED SERVICES

A number of volunteers have donated significant amounts of their time to the Conservancy; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services. The Conservancy did receive donated professional service that met the criteria for recognition as contributed services, therefore are reflected in the financial statements at their fair market value, as determined by the donor. The following in-kind contributions and contributed services were received in 2023 and 2022, and have been recorded in the financial records:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,311,890	\$ 919,000
Professional services	1,567	390
	<u>\$ 1,313,457</u>	<u>\$ 919,390</u>

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

NOTE 7 - FAIR VALUE MEASUREMENT

In accordance with Accounting Standards Codification (ACS) 820, a three-tiered hierarchy of input levels is used for fair value measurements of financial assets and financial liabilities, and for value measurements of non-financial items that are recognized and disclosed at fair value in the financial statements on a recurring basis. ACS 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurement are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities. Great Peninsula Conservancy's level 1 assets and liabilities include equity and fixed income securities.

Level 2: Fair values are based on observable inputs that include: quoted market prices of similar assets or liabilities; quoted market prices that are not in an active market; of other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets. At December 31, 2023 and 2022, Great Peninsula Conservancy has no level 2 assets or liabilities.

Level 3: Fair values are calculated by the use of pricing models and or discounted cash flow methodologies; and may require significant management judgment or estimation. Those methodologies may result in a significant portion of the fair value being derived from unobservable data. At December 31, 2023 and 2022, Great Peninsula Conservancy had no level 3 assets or liabilities.

NOTE 8 - RETIREMENT PLAN

The Conservancy has a Simple-IRA retirement plan covering all employees who meet the eligibility requirements. The Conservancy's contributions to the plan have been determined by the Board of Directors. Contributions to the plan were \$20,045 and \$14,971 for the years ended December 31, 2023 and 2022, respectively.

NOTE 9 – ENDOWMENTS AND RESERVE FUNDS

Great Peninsula Conservancy's endowments and reserve funds are invested with Kitsap Community Foundation and Greater Tacoma Community Foundation. Investments held by the foundations are held in pooled investment accounts. The foundations' investment priorities are to preserve capital and maximize return, within the bounds of safety and prudence.

Greater Tacoma Community Foundation's investment objectives are to distribute 4.3% of the 16-quarter rolling market value annually (except for the Stewardship Endowment where the market value of the fund, on the date the distribution was determined, was less than the fund's historic dollar value, then the objective is to distribute 3% of the 16-quarter rolling average market value), and to earn a total return in an amount to fund the distributions and to compensate for inflation as

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

measured by the CPI over an average market cycle. Kitsap Community Foundation's investment objectives are to distribute 3.5% of rolling market value annually (or 3% of the rolling average market value for any fund that is below its historic dollar value). A reconciliation between endowment/reserve fund net assets and endowment/reserve fund investments accounts follows:

2023	<u>General Endowment</u>	<u>Stewardship Endowment</u>	<u>Clear Creek Endowment</u>	<u>Stewardship Reserve</u>	<u>Operating Reserve</u>
Beginning of year:					
Net assets with donor restrictions	\$ -	\$ 38,062	\$ 110,762	\$ 1,242,700	\$ -
Net assets without donor restrictions	203,164	-	-	-	641,895
Reclassification of restrictions	-	-	-	-	-
Endowment investment accounts	<u>203,164</u>	<u>38,062</u>	<u>110,762</u>	<u>1,242,700</u>	<u>641,895</u>
Change in investment accounts:					
Investment return	29,085	5,691	13,942	254,763	132,011
Contributions	-	-	-	-	-
Distributions	(9,000)	-	-	-	-
Investment expenses	(2,371)	(431)	(2,066)	-	-
Total changes in investment accounts	<u>17,714</u>	<u>5,260</u>	<u>11,875</u>	<u>254,763</u>	<u>132,011</u>
End of year:					
Net assets with donor restrictions	-	43,322	122,637	1,497,463	-
Net assets without donor restrictions	220,878	-	-	-	773,906
Reclassification of restrictions	-	-	-	-	-
Endowment investment accounts	<u>\$ 220,878</u>	<u>\$ 43,322</u>	<u>\$ 122,637</u>	<u>\$ 1,497,463</u>	<u>\$ 773,906</u>

Great Peninsula Conservancy
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December 31, 2023 and 2022

2022	<u>General Endowment</u>	<u>Stewardship Endowment</u>	<u>Clear Creek Endowment</u>	<u>Stewardship Reserve</u>	<u>Operating Reserve</u>
Beginning of year:					
Net assets with donor restrictions	\$ -	\$ 45,065	\$ 136,961	\$ 1,317,588	\$ -
Net assets without donor restrictions	249,554	-	-	-	764,737
Reclassification of restrictions	-	-	-	-	-
Endowment investment accounts	<u>249,554</u>	<u>45,065</u>	<u>136,961</u>	<u>1,317,588</u>	<u>764,737</u>
Change in investment accounts:					
Investment return	(35,244)	(6,589)	(24,156)	(74,888)	(122,842)
Contributions	-	-	-	-	-
Distributions	(8,800)	-	-	-	-
Investment expenses	(2,346)	(414)	(2,043)	-	-
Total changes in investment accounts	<u>(46,390)</u>	<u>(7,003)</u>	<u>(26,199)</u>	<u>(74,888)</u>	<u>(122,842)</u>
End of year:					
Net assets with donor restrictions	-	38,062	110,762	1,242,700	-
Net assets without donor restrictions	203,164	-	-	-	641,895
Reclassification of restrictions	-	-	-	-	-
Endowment investment accounts	<u>\$ 203,164</u>	<u>\$ 38,062</u>	<u>\$ 110,762</u>	<u>\$ 1,242,700</u>	<u>\$ 641,895</u>

NOTE 10 - SALE OF PROPERTY, NET

Great Peninsula Conservancy occasionally sells unrestricted conservation land and donated property. The Conservancy recognizes the income from these sales of property net of each property's historic cost, which can be related to the property's acquisition value or fair market value, for properties received as in-kind contributions. There were no sales of property during years ended December 31, 2023 and 2022.

Great Peninsula Conservancy
Notes to the Financial Statements
December 31, 2023 and 2022

NOTE 11 - RESTRICTIONS ON NET ASSETS

Restrictions on net assets at December 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Without donor restrictions:		
Undesignated	\$ 2,027,161	\$ 1,374,312
Board designated operations reserve	773,906	641,895
Board designated endowment fund	220,878	203,164
	<u>\$ 3,021,945</u>	<u>\$ 2,219,371</u>
With donor restrictions:		
Restricted by donor for conservation	\$ 1,459,800	\$ 1,370,498
Restricted by donor for stewardship, defense, and monitoring	1,620,099	1,345,956
Restricted by donor for conservation and stewardship of land	22,612,328	19,403,058
	<u>\$ 25,692,227</u>	<u>\$ 22,119,512</u>

Donor restrictions are recorded as released from restriction when expenditures are incurred that advance the restricted purpose.

NOTE 12-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Conservancy, although it expects to receive current support to fund operations for 2024 and later years, has \$1,090,531 and \$1,206,521 of financial assets available within one year of the statement of financial position dates on December 31, 2023 and 2022, respectively, to meet cash needs for general operating expenditures. The Conservancy also has \$994,784 and \$845,059, of board designated assets as of December 31, 2023 and 2022, respectively, that can be reallocated for general expenditures if needed. Financial assets available within one year consist of the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year end	\$ 5,165,214	\$ 4,768,034
Donor restricted to purpose	(3,079,899)	(2,716,454)
Board designations	<u>(994,784)</u>	<u>(845,059)</u>
Financial assets available to meet cash needs within one year	<u>\$ 1,090,531</u>	<u>\$ 1,206,521</u>