

GRANBY LAND TRUST, INC.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position, December 31, 2023 With Comparative Totals for December 31, 2022	3
Statement of Activities, Year Ended December 31, 2023 With Comparative Totals for Year Ended December 31, 2022	4
Statement of Functional Expenses December 31, 2023 With Comparative Totals for December 31, 2022	5
Statements of Cash Flows	6
Notes to Financial Statements	7-16

ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

46 NORTH STATE STREET
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Granby Land Trust, Inc.

Opinion

We have audited the accompanying financial statements of Granby Land Trust, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and the related statements of activities and changes in net assets, cash flows and functional expenses 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 Granby Land Trust, Inc. as of December 31, 2023 and the statements of activities and changes in its net assets, cash flows and functional expenses 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Granby Land Trust, 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 opinion.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Exercise professional judgement 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 Granby Land Trust, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Granby Land Trust, 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.

Report on Prior Year Financial Statement and Summarized Comparative Information

We previously audited Granby Land Trust's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rowley & Associates, P.C.
Concord, New Hampshire
June 5, 2024

GRANBY LAND TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023, With Comparative Totals for December 31, 2022

	<u>Net Assets Without Donor Restriction</u>	<u>Net Assets With Donor Restriction</u>	<u>2023</u>	<u>2022</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 181,069	\$ -	\$ 181,069	\$ 160,307
Accounts receivable	2,553	-	2,553	-
Investments	2,753,705	357,459	3,111,164	3,076,974
Total Current Assets	<u>2,937,327</u>	<u>357,459</u>	<u>3,294,786</u>	<u>3,237,281</u>
Other Assets				
HFPG Granby Land Trust Fund	117,609	-	117,609	104,205
HFPG Mary Edwards Fund	647,119	-	647,119	600,760
HFPG Bertha Dimock Fund	247,067	271,046	518,113	459,062
Total Other Assets	<u>1,011,795</u>	<u>271,046</u>	<u>1,282,841</u>	<u>1,164,027</u>
PROPERTY AND EQUIPMENT, at cost				
Land - Donated	-	8,307,406	8,307,406	8,307,406
Land - Purchased	-	800,598	800,598	800,598
Property and equipment	50,508	-	50,508	50,508
Conservation easements	-	28	28	28
	50,508	9,108,032	9,158,540	9,158,540
Less accumulated depreciation	4,872	-	4,872	3,592
	<u>45,636</u>	<u>9,108,032</u>	<u>9,153,668</u>	<u>9,154,948</u>
Total Assets	<u>3,994,758</u>	<u>9,736,537</u>	<u>13,731,295</u>	<u>13,556,256</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	2,181	-	2,181	501,246
Total Liabilities	<u>2,181</u>	<u>-</u>	<u>2,181</u>	<u>501,246</u>
COMMITMENTS AND CONTINGENCIES (See Notes)				
NET ASSETS				
Without donor restriction	3,992,577	-	3,992,577	3,481,730
With donor restriction	-	9,736,537	9,736,537	9,573,280
Total Net Assets	<u>3,992,577</u>	<u>9,736,537</u>	<u>13,729,114</u>	<u>13,055,010</u>
Total Liabilities and Net Assets	<u>\$ 3,994,758</u>	<u>\$ 9,736,537</u>	<u>\$ 13,731,295</u>	<u>\$ 13,556,256</u>

See Notes to Financial Statements

GRANBY LAND TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
With Comparative Totals for the Year Ended December 31, 2022

	<u>Net Assets Without Donor Restriction</u>	<u>Net Assets With Donor Restriction</u>	<u>Total 2023</u>	<u>Total 2022</u>
Revenues and other support:				
Contributions, cash and securities	\$ 54,031	\$ 81,096	\$ 135,127	\$ 335,139
Contributions, non-cash	-	-	-	1
Membership contributions	63,206	-	63,206	55,594
Other income	66	-	66	220
Art activities income, net expenses of 2023: \$9,975 and 2022: \$8,858	957	-	957	2,385
Total revenues and other support	<u>118,260</u>	<u>81,096</u>	<u>199,356</u>	<u>393,339</u>
Net Asset Transfers				
Released from donor imposed restriction	3,773	(3,773)	-	-
Total net asset transfers	<u>3,773</u>	<u>(3,773)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services	72,539	-	72,539	559,506
General and administrative	23,837	-	23,837	33,660
Fundraising	675	-	675	2,030
Total Operating Expenses	<u>97,051</u>	<u>-</u>	<u>97,051</u>	<u>595,196</u>
Net Operating Increase				
Increase (Decrease) in Net Assets	<u>24,982</u>	<u>77,323</u>	<u>102,305</u>	<u>(201,857)</u>
Investment Gain (Loss)				
Dividend and interest income	101,144	10,175	111,319	81,948
Realized & unrealized gain on investments	304,728	36,939	341,667	(790,220)
Unrealized gain on HFPG Funds	79,993	38,820	118,813	(246,127)
Total investment gain (loss)	<u>485,865</u>	<u>85,934</u>	<u>571,799</u>	<u>(954,399)</u>
Net Increase (Decrease) in Net Assets	510,847	163,257	674,104	(1,156,256)
Net assets, beginning of year	<u>3,481,730</u>	<u>9,573,280</u>	<u>13,055,010</u>	<u>14,211,266</u>
Net assets, end of year	<u>\$ 3,992,577</u>	<u>\$ 9,736,537</u>	<u>\$ 13,729,114</u>	<u>\$ 13,055,010</u>

See Notes to Financial Statements

GRANBY LAND TRUST, INC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	2023						Total 2023	Total 2022
	Maintenance and Stewardship	Property Acquisition	Public Outreach	Total Program Services	General and Administrative	Fundraising		
Professional services	\$ -	\$ 1,125	\$ -	\$ 1,125	\$ 7,281	\$ -	\$ 8,406	\$ 9,625
Records management				-		-	-	875
Consulting services	-	-	-	-	5,290	-	5,290	14,490
Insurance	-	-	-	-	7,187	-	7,187	7,172
Memberships and conferences	-	-	5,524	5,524	149	-	5,673	6,765
Membership development	-	-	14,651	14,651	-	675	15,326	8,571
Miscellaneous	-	-	100	100	500	-	600	848
Office supplies and expenses	-	-	-	-	1,030	-	1,030	1,066
Postage and printing	-	87	699	786	-	-	786	2,019
Property maintenance	15,785	175	-	15,960	-	-	15,960	18,176
Property stewardship	20,735	-	-	20,735	-	-	20,735	7,224
Property acquisition costs	-	-	-	-	-	-	-	502,969
Mapping	3,825	-	-	3,825	-	-	3,825	4,229
Rent expense	-	-	-	-	2,400	-	2,400	2,400
Marketing and education	298	-	4,208	4,506	-	-	4,506	3,507
Depreciation expense	1,279	-	-	1,279	-	-	1,279	1,279
Web site	240	-	3,808	4,048	-	-	4,048	3,981
Total operating expenses	\$ 42,162	\$ 1,387	\$ 28,990	\$ 72,539	\$ 23,837	\$ 675	\$ 97,051	\$ 595,196

See Notes to Financial Statements

GRANBY LAND TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 674,104	\$ (1,156,256)
Adjustments to reconcile change in net assets to net unrestricted cash provided by operating activities:		
Non-cash conservation easement donation	-	(1)
Net realized and unrealized (gain) loss on investments	(341,667)	790,220
Net unrealized (gain) loss on HFPG Funds	(118,814)	246,128
Depreciation expense	1,279	1,279
(Increase) Decrease in operating assets, net:		
Accounts receivable	(2,553)	-
Increase (Decrease) in operating liabilities, net:		
Accounts payable	(499,065)	495,609
Net cash provided (used) by operating activities	<u>(286,716)</u>	<u>376,979</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of land	-	(173,996)
Net purchases of investments	(274,177)	(867,168)
Proceeds from sales of investments	581,655	746,897
Net cash provided (used) by investing activities	<u>307,478</u>	<u>(294,267)</u>
Net increase in cash and cash equivalents	20,762	82,712
Cash and cash equivalents, beginning of year	<u>160,307</u>	<u>77,595</u>
Cash and cash equivalents, end of year	<u>\$ 181,069</u>	<u>\$ 160,307</u>
SUPPLEMENTAL INFORMATION ON NON-CASH ACTIVITIES		
Non-cash contributions	<u>\$ -</u>	<u>\$ 1</u>

See Notes to Financial Statements

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 1. Nature of Organization

The Granby Land Trust, Inc (the Organization) is a nonprofit land preservation and conservation organization dedicated to the protection of the natural environment in Granby, Connecticut for the benefit of all present and future residents and visitors. The Organization's primary sources of revenue are contributions from the public (including gifts of land) and investment income.

Note 2. Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of The Granby Land Trust, Inc's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Property, equipment, furniture and fixtures: Are carried at cost, less accumulated depreciation.

Investments: Investments are stated at fair-market value. The net realized and unrealized gains (losses) on investments are reflected in the statement of activities.

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 2. Significant Accounting Policies (Continued)

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a summary of the program services:

Property Maintenance and Stewardship:

This program involves the protection of property and associated natural resources through stewardship and maintenance of land and easements owned by the GLT. These activities are conducted by volunteers and professionals and include conducting natural resource inventories, site and boundary maintenance, habitat management and monitoring site visits on lands and easements.

Property Acquisition:

This program includes the permanent protection of property acquired either by purchase or donation, or by conservation easement. The GLT conducts long term planning to determine appropriate priority corridors in the town, and concentrates its acquisition efforts in those areas. These efforts are conducted by volunteers and professionals and include the evaluation, negotiation and completion of new land acquisition projects.

Public Outreach:

This program is focused on promoting public awareness in the community about the importance of land preservation and conservation and activities of the Granby Land Trust to protect the natural heritage of the town.

Capitalization policy: Expenditures for additions, renewals and betterments of property and equipment, unless of relatively minor amount, are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or sale, the cost of the assets disposed of and the related accumulated depreciation are removed from the accounts and any gain or loss is included in other income in the period in which the asset is disposed.

Contributions: Contributions received are recorded as an increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or 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. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Gifts and donations of investments or equipment are recorded at fair-market value on the date of the gift.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 2. Significant Accounting Policies (Continued)

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

Revenue and Revenue Recognition: Revenue is recognized when earned. Contributions are recognized when cash or other assets are received.

Conservation Easements: In conformity with the practice followed by many land trusts, conservation easements purchased or donated are recorded as assets at the nominal value of \$1 on the Statement of Financial Position. All easements acquired by purchase are recorded as conservation activities expenses in the statement of activities and changes in net assets. In addition, costs incurred in obtaining the easements are recorded as current period expenses.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited restriction. At years ended December 31, 2023 and 2022 the Organization had no cash equivalents.

Income taxes: The Organization has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and recognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Concentration of Risk: The Organization maintains cash balances at a local bank. These accounts are insured by the Federal Deposit Insurance Corporation. At various times throughout the year, the Organization may have cash balances at the financial institution that exceed the insured amount. Management does not believe this concentration of cash results in a high level of risk for the Organization. At December 31, 2023 and 2022 the Organization had no uninsured cash balances in these accounts.

As of December 31, 2023 and 2022 the Organization had \$14,688 and \$11,750 on deposit in cash sweep accounts with a brokerage firm. The Securities Investor Protection Corporation insures \$100,000 of these funds against losses due to the failure of the brokerage firm leaving no uninsured balances as of December 31, 2023 and 2022, respectively.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 2. Significant Accounting Policies (Continued)

Financial Instruments: The carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued expense are stated at carrying cost at December 31, 2023 and 2022, which approximates fair value due to the relatively short maturity of these instruments. Other financial instruments held at year-end are investments, and funds which are stated at fair value.

Subsequent Event: Management has evaluated subsequent events through June 5, 2024, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure. There were no events matching this criterion during this period.

Note 3. Investments

Investments are presented in the financial statements at fair-market value. Investments at December 31 were composed of the following:

	<u>2023</u>	<u>2022</u>
Bond funds	\$ 874,202	\$ 790,197
Equity funds	2,099,404	1,650,033
Equity securities	108,752	122,563
Government money market	14,118	502,431
Money market, sweep	<u>14,688</u>	<u>11,750</u>
	<u>\$3,111,164</u>	<u>\$3,076,974</u>

The cost basis of the investments as of December 31, 2023 was \$2,606,298.

Total investment return and activity on investments as of December 31 is summarized as follows:

	<u>Undesignated</u>	<u>Board Designated</u>	<u>With Donor Restriction</u>	<u>Total</u>
Balance at December 31, 2022	\$ 2,356,872	\$ 487,080	\$ 233,022	\$ 3,076,974
Donations/Transfers	-	-	81,096	81,096
Net investment gain	<u>334,165</u>	<u>71,707</u>	<u>47,114</u>	<u>452,986</u>
Subtotal	<u>2,691,037</u>	<u>558,787</u>	<u>361,232</u>	<u>3,611,056</u>
Amounts released from restriction and designation	(376,239)	(119,880)	(3,773)	(499,892)
Balance at December 31, 2023	<u>\$ 2,314,798</u>	<u>\$ 438,907</u>	<u>\$ 357,459</u>	<u>\$ 3,111,164</u>

FASB Accounting Standards Codification Topic 820-10 *Fair Value Measurements* defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined 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.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 3. Investments (Continued)

It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement).

Under Topic 820-10, the three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All investments are measured at Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets. None of the investments are Level 2 or Level 3 investments.

The Organization maintains individual and pooled investments containing both with and without donor restriction funds. Investment income, gains, losses, and management fees of any pool are allocated to activities based on each activity's pro-rata share (on dollar and time basis) in the pool. Investments in marketable equity securities and marketable debt securities are carried at fair market value determined by "quoted market prices" per unit (share) as of the balance sheet date. All other investments are stated at cost. Donated investments are recorded at the "fair market value" as of the date of receipt. Investment income; realized and unrealized gains and losses, dividends and interest are recorded as non-operating activities. Investment interest and dividend income on restricted activities is added to, or deducted from, the appropriate activity.

Note 4. Contingencies

The Organization holds 28 conservation easements covering approximately 1,070 acres. In addition, the Organization holds a conservation easement on a 151-acre parcel that it subsequently acquired in fee. This additional easement is not counted in our easement total acreage because the acreage is already included in our owned-property total acreage. There may be future costs associated with maintaining these properties in accordance with the conservation commitment the easements and properties were acquired to uphold. Because there is no reasonable basis for estimating the potential future cost of defending these easements and properties no liability has been recognized in these financial reports.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 5. Other Assets

Other assets consist of the three Funds held at the Hartford Foundation for Public Giving (HFPG) as follows:

Granby Land Trust, Inc General Fund had a fair market value of \$117,609 at December 31, 2023. These funds are available for use for any purpose that conforms with the mission of the Land Trust.

Activity in the General Fund was as follows:

Balance at December 31, 2022:	\$ 104,205
Net gain on investment	<u>13,404</u>
Balance at December 31, 2023:	<u>\$ 117,609</u>

Mary Edwards Charitable Fund had a fair market value of \$647,119 at December 31, 2023 which includes three Reserve Funds established at the direction of the Organization's Board of Directors. At December 31, 2023 the balances in these funds were as follows:

\$113,297 Mary Edward Charitable Reserve Fund Number 1 for the purpose of assuring that adequate funds are available for stewarding one or more of the Organization's conservation fee owned properties.

\$99,135 Mary Edwards Charitable Reserve Fund Number 2 for the purpose of assuring that adequate funds are available for monitoring the Organization's conservation easements.

\$76,475 Mary Edwards Charitable Reserve Fund Number 3 for the purpose of assuring that adequate funds are available for the legal defense of one or more of the Organizations conservation easements.

In addition to the three Reserve Funds there is a Mary W. Edwards Charitable Fund with a value at December 31, 2023 of \$358,212. These funds are without donor restriction and are available for use for any purpose that conforms with the mission of the Land Trust.

Activity in the Mary W Edwards Funds were as follows:

Balance at December 31, 2022:	\$600,760
Net gain on investment	74,913
Grant distributions	<u>(28,554)</u>
Balance at December 31, 2023:	<u>\$ 647,119</u>

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 5. Other Assets (Continued)

The Bertha Dimock Fund had a fair market value of \$518,113 at December 31, 2023. Income earned by the fund is available for use for any purpose that conforms with the mission of the Land Trust. Accumulated earnings that were available at December 31, 2023 amounted to \$247,067. Principal of the fund is restricted in perpetuity and is not available for expenditure. At December 31, 2023 the original principal totaled \$271,046. Activity in the Bertha Dimock Fund was as follows:

	Without Donor Restriction	With Donor Restriction	Total
Balance at December 31, 2022	\$ 226,836	\$ 232,226	\$ 459,062
Funds released from restriction	-	-	-
Net gain on investment	<u>20,231</u>	<u>38,820</u>	<u>59,051</u>
Balance at December 31, 2023	<u>\$ 247,067</u>	<u>\$ 271,046</u>	<u>\$ 518,113</u>

Note 6. Liquidity and Availability of Financial Assets

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's primary sources of support are contributions and memberships. Most of that support is held for the purpose of supporting the Organization's budget.

The Organization also raises funds to complete special conservation projects. This support is held for the purpose of maintaining current and future conservation properties. The Organization has the following financial assets that could readily be made available within one year to fund expenses without limitations as of December 31, 2023:

Cash and cash equivalents	\$ 181,069
Accounts receivable	2,553
Investments	3,111,164
Less amounts subject to donor imposed restriction	<u>(357,459)</u>
	<u>\$2,937,327</u>

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 7. Fair Value Measurement-Investments and Beneficial Interest in a Trust

Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Accounts receivable	\$ -	\$ 2,553	\$ -
Investments	3,111,164	-	-
Beneficial interest in trusts	<u>-</u>	<u>1,011,795</u>	<u>271,046</u>
Total assets measured at fair value on a recurring basis	<u>\$3,111,164</u>	<u>\$1,014,348</u>	<u>\$ 271,046</u>

The fair market value of accounts receivable is estimated at the present value of expected future cash flows. Fair values for investments in equity mutual funds are determined by reference quoted prices for the securities. Fair value for the beneficial interest in a trust is measured using the fair value of the assets held in the trust as reported by the trustee as of December 31, 2023. In accordance with the terms of the charitable trust agreement, the trustee makes annual distributions equal to net realized income on trust investments. The Organization considers the measurement of its beneficial interest in the trust to be a Level 2 measurement within the fair value measurement hierarchy because measurement is based on the unadjusted fair value of trust assets reported by the trustee and the Organization could receive those assets by directing the trustee to redeem them. These facts are true for Level 3 trust assets except they are restricted in perpetuity and the Organization cannot redeem them.

The Organization reports transfers between levels of the fair value hierarchy, if any, at the end of the reporting period. There were no such transfers at December 31, 2023.

The table below presents information about the changes in the contribution receivable-beneficial interest in the trust, which is measured at fair value on a recurring basis:

Balance, December 31, 2022	\$1,164,027
Change in value in beneficial interest	147,368
Distribution received from the trust	<u>(28,554)</u>
December 31, 2023	<u>\$ 1,282,841</u>

The change in value in beneficial interest is included in other gains and losses in the statement of activities.

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 8. Donated Land, Property and Easement

Two land properties were purchased by the Organization during the year ended December 31, 2022. The cost of the two parcels totaled \$173,996. In addition, an easement was donated to the Organization during the year ended December 31, 2022.

There were no land or easement additions during the year ended December 31, 2023.

Note 9. Lease for Office Space

In May 2012 the Organization entered a license agreement with the town of Granby, Connecticut. The license is for the use of office space for Granby Land trust. The license is in place until terminated. Rent expense related to this lease was \$2,400 for the year ended December 31, 2023. Because there is no determinable end date to the lease, there is no future minimum rent.

The Organization adopted FASB ASC 842, Leases (Topic 842) effective January 1, 2022. The Organization elected the short-term lease recognition exemption for this lease as it can be terminated at any time. The adoption did not have an impact on the Organization's financial statements.

Note 10. Net Assets with Donor Restrictions

Net assets subject to expenditure for specific purpose as of December 31, 2023 were:

Reserve for Dismal Brook Wildlife Preserve	<u>\$ 357,459</u>
SUBTOTAL	<u>357,459</u>

Net assets subject to restriction in perpetuity as of December 31 2023 were:

Principal portion of The Bertha Dimock Fund	271,046
Land and Easements	<u>9,108,032</u>
SUBTOTAL	<u>9,379,078</u>
Total Net Assets with Donor Restrictions	<u>\$ 9,736,537</u>

The Organization maintains a separate compilation of the activities and status of its Dismal Brook Wildlife Preserve. This fund was created through contributions from Jamie Gamble. The fund is maintained in a separate investment account presently held with Schwab Investments. The Organization keeps a separate tracking of all contributions, investment income (and losses), and expenditures. Expenditures are limited to Organization expenses for the maintenance and stewardship of the Dismal Brook Wildlife Preserve, in accordance with the terms of the contributions. Semi-annual reports of the fund's activities are prepared by the Organization's treasurer and reviewed by the Organization's Board of Directors. The Preserve consists of cash and investments and the activity was as follows:

Balance as of December 31, 2022:	\$ 229,249
Contribution	81,096
Net investment gain	<u>47,114</u>
Balance as of December 31, 2023	<u>\$ 357,459</u>

GRANBY LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2023 and 2022
Notes on the Financial Statements

Note 11. Board Designated Funds

Certain undesignated funds have been set aside by the Board of Directors for particular purposes based on a formula that takes into account expected staff time and probability of legal action, which is determined by the complexity of the document and other factors. The Land Trust Alliance, of which the Organization is a member, provides the formula based on these factors.

As of December 31, 2023 the board designated funds consisted of the following:

Stillwell Stewardship Fund	\$ 50,000
Hartford Foundation Fund Reserve	288,907
Holcombe Fund Reserve	<u>100,000</u>
	<u>\$ 438,907</u>

Further, the Organization maintains a separate compilation of the activities and status of its Holcombe Fund. This fund was created through contributions from the estates of Seth and Lucy Holcombe, given to the Organization in a series of contributions during 2016, 2017 and 2018. The fund is maintained in a separate investment account presently held with Schwab Investments. The Organization keeps a separate tracking of all contributions, investment income (and losses), and expenditures. Expenditures are limited to Organization expenses for land acquisition and stewardship, in accordance with the terms of the contributions. Semi-annual reports of the fund's activities are prepared by the Organization's treasurer and reviewed by the Organization's Board of Directors.

The Holcombe Fund consists of cash and investments. The activity in the Holcombe Fund was as follows:

Balance as of December 31, 2022:	\$2,220,242
Net investment gain	338,220
Released for acquisition, stewardship and property maintenance	<u>(502,072)</u>
Balance as of December 31, 2023	<u>\$2,056,390</u>