

**COLUMBIA LAND CONSERVANCY, INC.**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b><i>INDEPENDENT AUDITOR'S REPORT</i></b>	1
<b><i>FINANCIAL STATEMENTS</i></b>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 22
<b><i>SUPPLEMENTAL INFORMATION</i></b>	
Schedule of Revenue	23
Schedule of Functional Expenses	24

# DOWNEY, SWEENEY, FITZGERALD & CO., P.C.

CERTIFIED  
PUBLIC  
ACCOUNTANTS



GARY G. FITZGERALD, CPA  
KATHERINE A. LIPPMAN, CPA  
KEITH H. PURCELL, CPA

ROBERT T. CROWLEY, CPA  
EDWARD J. FITZGERALD, CPA  
PAUL A. PENNA, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Columbia Land Conservancy, Inc.  
Chatham, New York

We have audited the accompanying financial statements of Columbia Land Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility 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; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Land Conservancy, Inc. as of December 31, 2013, 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.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and functional expenses on pages 23-24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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.

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, 2012, from which the summarized information was derived.

*Downey, Sweeney, Fitzgerald + Co., P.C.*

June 14, 2014

**COLUMBIA LAND CONSERVANCY, INC.**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012**

**ASSETS**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>ASSETS</b>					
Cash and cash equivalents (Notes 2 and 3)	\$ 369,178	\$ -	\$ -	\$ 369,178	\$ 458,415
Accounts receivable	207	-	-	207	1,135
Grants receivable (Note 2)	47,874	-	-	47,874	100,325
Unconditional promises to give (Notes 2 and 4)	34,855	-	-	34,855	87,884
Prepaid expenses	44,350	-	-	44,350	50,857
Inventory	2,358	-	-	2,358	2,991
Investments (Notes 2 and 5)	617,587	2,109,261	1,453,570	4,180,418	3,736,617
Mortgage receivable (Notes 2 and 6)	24,453	-	-	24,453	33,571
Due to/from	(18,537)	18,537	-	-	-
Property and equipment, net of accumulated depreciation (Notes 2 and 7)	1,486,489	-	-	1,486,489	1,288,552
Land (Notes 2 and 8)	<u>1,923,301</u>	<u>36,500</u>	<u>2,451,855</u>	<u>4,411,656</u>	<u>3,540,986</u>
 Total Assets	 <u>\$ 4,532,115</u>	 <u>\$ 2,164,298</u>	 <u>\$ 3,905,425</u>	 <u>\$ 10,601,838</u>	 <u>\$ 9,301,333</u>

## LIABILITIES AND NET ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 24,339	\$ -	\$ -	\$ 24,339	\$ 37,065
Accrued expenses	29,287	-	-	29,287	34,828
Deferred revenue (Note 9)	4,250	-	-	4,250	3,900
Other liabilities	1,983	-	-	1,983	1,627
Notes payable (Note 11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,667</u>
 Total Liabilities	 <u>59,859</u>	 <u>-</u>	 <u>-</u>	 <u>59,859</u>	 <u>79,087</u>
 <b>COMMITMENTS (Note 12)</b>					
 <b>NET ASSETS</b>					
Unrestricted:					
Undesignated	1,054,472	-	-	1,054,472	1,323,999
Board designated (Note 13)	1,931,295	-	-	1,931,295	1,825,110
Property and equipment fund (Note 7)	<u>1,486,489</u>	<u>-</u>	<u>-</u>	<u>1,486,489</u>	<u>1,288,552</u>
 Total unrestricted net assets	 4,472,256	 -	 -	 4,472,256	 4,437,661
Temporarily restricted (Note 14)	-	2,164,298	-	2,164,298	1,775,890
Permanently restricted (Note 14)	<u>-</u>	<u>-</u>	<u>3,905,425</u>	<u>3,905,425</u>	<u>3,008,695</u>
 Total Net Assets	 <u>4,472,256</u>	 <u>2,164,298</u>	 <u>3,905,425</u>	 <u>10,541,979</u>	 <u>9,222,246</u>
 Total Liabilities and Net Assets	 <u>\$ 4,532,115</u>	 <u>\$ 2,164,298</u>	 <u>\$ 3,905,425</u>	 <u>\$ 10,601,838</u>	 <u>\$ 9,301,333</u>

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

**COLUMBIA LAND CONSERVANCY, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>REVENUE AND SUPPORT</b>					
Fundraising and contributions	\$ 983,157	\$ 363,913	\$ 1,730	\$ 1,348,800	\$ 1,565,790
Donations of real property	155,000	-	895,000	1,050,000	552,000
Program revenues	38,096	-	-	38,096	15,840
Rental income (Note 15)	32,353	-	-	32,353	27,306
Investment income (Note 5)	59,680	378,493	-	438,173	392,030
Other income	695	-	-	695	4,589
Transfers	<u>(10,500)</u>	<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUE AND SUPPORT</b>	<b>1,258,481</b>	<b>752,906</b>	<b>896,730</b>	<b>2,908,117</b>	<b>2,557,555</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>					
Satisfaction of program restrictions	<u>364,498</u>	<u>(364,498)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<b><u>1,622,979</u></b>	<b><u>388,408</u></b>	<b><u>896,730</u></b>	<b><u>2,908,117</u></b>	<b><u>2,557,555</u></b>
<b>EXPENSES</b>					
Program services:					
Public conservation area management	356,578	-	-	356,578	344,878
Easement stewardship and management	99,861	-	-	99,861	82,976
Land protection activities	404,761	-	-	404,761	519,341
Community outreach and education	<u>432,413</u>	<u>-</u>	<u>-</u>	<u>432,413</u>	<u>558,369</u>
Total Program Services	<u>1,293,613</u>	<u>-</u>	<u>-</u>	<u>1,293,613</u>	<u>1,505,564</u>
Supporting services:					
General and administration	158,911	-	-	158,911	156,900
Fundraising and development	<u>135,860</u>	<u>-</u>	<u>-</u>	<u>135,860</u>	<u>132,572</u>
Total Supporting Services	<u>294,771</u>	<u>-</u>	<u>-</u>	<u>294,771</u>	<u>289,472</u>
<b>TOTAL EXPENSES</b>	<b><u>1,588,384</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,588,384</u></b>	<b><u>1,795,036</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>34,595</b>	<b>388,408</b>	<b>896,730</b>	<b>1,319,733</b>	<b>762,519</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>4,437,661</u></b>	<b><u>1,775,890</u></b>	<b><u>3,008,695</u></b>	<b><u>9,222,246</u></b>	<b><u>8,459,727</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u>\$ 4,472,256</u></b>	<b><u>\$ 2,164,298</u></b>	<b><u>\$ 3,905,425</u></b>	<b><u>\$ 10,541,979</u></b>	<b><u>\$ 9,222,246</u></b>

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

**COLUMBIA LAND CONSERVANCY, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 1,319,733	\$ 762,519
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	77,007	80,223
Realized and unrealized gains	(328,472)	(326,239)
Amortization of discount on life-estate	(1,731)	(2,478)
Donation of buildings and land	(1,050,000)	(552,000)
Gain on sale of land	4,381	-
Bad debt expense	1,960	638
(Increase) decrease in assets:		
Accounts receivable	928	(1,135)
Grants receivable	52,451	21,640
Unconditional promises to give	51,069	(6,960)
Prepaid expenses	6,507	(4,301)
Inventory	633	5,555
Increase (decrease) in liabilities:		
Accounts payable	(12,726)	15,006
Accrued expenses	(5,541)	(4,544)
Other liabilities	356	(1,000)
Deferred revenue	<u>350</u>	<u>(350)</u>
Cash provided (used) by operating activities	<u>116,905</u>	<u>(13,426)</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Proceeds from sale of land	21,680	-
Cash paid for purchase of investments	(2,398,384)	(641,064)
Collections on mortgage receivable	9,118	8,761
Proceeds from sale of investments	2,283,055	348,579
Cash paid for purchases of fixed assets	<u>(119,944)</u>	<u>(47,305)</u>
Cash used by investing activities	<u>(204,475)</u>	<u>(331,029)</u>
<b><u>Cash Flows From Financing Activities</u></b>		
Payments on note payable	<u>(1,667)</u>	<u>(6,666)</u>
Cash used by financing activities	<u>(1,667)</u>	<u>(6,666)</u>
Change in cash	(89,237)	(351,121)
Cash, beginning of year	<u>458,415</u>	<u>809,536</u>
Cash, end of year	<u>\$ 369,178</u>	<u>\$ 458,415</u>

**Supplemental Cash Flow Information (Note 17)**

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

# COLUMBIA LAND CONSERVANCY, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

### 1. **ORGANIZATION PURPOSE AND SUMMARY OF BASIS OF PRESENTATION**

Organization Purpose - Columbia Land Conservancy, Inc. (CLC) is a non-profit land trust that works with the community to conserve the farmland, forests, wildlife habitat and rural character of Columbia County, New York, strengthening connections between people and the land. CLC is located in Chatham, New York. It receives its support from private donations, program fees, investment income and private and government grants.

Program Services include:

*Land Protection* - CLC employs a three-pronged programmatic approach to its land protection mission.

- Conservation Easements. CLC helps families and individuals protect privately owned land including but not limited to working farmlands, by creating, accepting and stewarding conservation easements, ensuring the owner's conservation vision will be upheld forever.
- Support of land use planning & community projects. Working with municipalities, communities and conservation groups, CLC encourages land use planning practices and procedures that support protection of the county's rich conservation resources and helps to implement local conservation efforts, including fundraising, acquisition, site planning, and the like for creation of public open spaces, trail building, training of local officials and volunteers, and stewardship of land for habitat, recreation, and education.
- Support for agriculture. CLC believes that a strong and vibrant farm sector is, among other things, an important conservation asset to this area, where centuries of farming have left an indelible mark on the county's lands, conservation resources and scenic attributes. CLC works to find ways to support an active and resurgent agricultural community, including the development and implementation of innovative strategies to provide new farmers and farmers who want to expand their operation to farm land that might otherwise be unaffordable to them.

*Community Outreach and Education* - CLC works to communicate its mission and the importance of conservation throughout the County with an active and aggressive program of public information and advocacy for conservation values. Among other things, CLC provides numerous informational programs to community groups, issues frequent press releases about our programs and projects, maintains a substantive and active web site and Facebook presence, and supports a monthly column about conservation matters in the major local newspaper. CLC also provides free, hands-on customized education programs for daycare centers, after-school and enrichment programs, home-school programs, youth groups, senior centers, and the County's public and private schools. CLC also offers regular outdoor education and recreation opportunities for the general public to promote an appreciation for the natural resources and landscapes within Columbia County.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### ***ORGANIZATION PURPOSE AND SUMMARY OF BASIS OF PRESENTATION (CONTINUED)***

*Easement Stewardship* - CLC is responsible to ensure that the goals of every conservation easement CLC holds are respected in perpetuity. CLC monitors its easement properties annually (all sites are aerially monitored and/or visited in person by a staff person in alternating years) to ensure the terms of the easement are being upheld and appropriate action is taken in accordance with best professional standards and practices if and when necessary.

*Public Conservations Areas* - CLC owns 11 public conservation areas (PCA). Nine PCAs are open to the public for hiking and outdoor enjoyment. They are maintained for wildlife habitat, recreation, and CLC's educational programs. The areas offer a diversity of experiences and ecosystems. Two PCAs are not yet open to the public. CLC also manages one public preserve for Scenic Hudson Land Trust, Inc. (See Note 12).

Basis of Accounting - The accounts and financial statements are maintained and presented using the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

Contributions - CLC accounts for contributions in accordance with the recommendations of U.S. generally accepted accounting principles. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Financial Statement Presentation - CLC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, CLC is required to present a statement of cash flows. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees.

Temporarily Restricted - Net assets whose use by CLC is subject to donor-imposed restrictions that can be fulfilled by actions of CLC pursuant to those restrictions or that expire with the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by CLC.

Revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### ***ORGANIZATION PURPOSE AND SUMMARY OF BASIS OF PRESENTATION (CONTINUED)***

Contributions, including unconditional promises to give, are recognized as revenues in the period in which the contribution or promises to give are received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restrictions ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates - The preparation of financial statements in conformity with U.S. 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 reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

### **2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Liquidity Information - In order to provide information about liquidity, assets have been sequenced according to their nearness of conversion to cash, and liabilities have been sequenced according to the nearness of their resulting use of cash.

Cash Equivalents - For the purpose of the statement of cash flows, CLC considers cash equivalents to be investments with maturities of three months or less at acquisition date. The cost of the cash equivalents, which consist of certificates of deposit and commercial paper, approximates market value. Cash and cash equivalents held in investment accounts are included in investments and excluded from cash for the purposes of the Statements of Financial Position and Cash Flows.

Accounts and Grants Receivable - Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable.

Unconditional Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Inventory - Inventory consists of items for sale at the CLC Store and is stated at the lower of cost or market determined by the first-in, first out method.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

Investments - Investments consist of cash, cash equivalents, bonds, publicly traded shares of common stocks, and mutual funds, purchased and recorded at cost or received as contributions and recorded at fair market value as of the date received. Recorded amounts are adjusted to fair market value at year end. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Mortgage Receivable - Mortgage receivable represents a note receivable, secured by property, maturing on June 1, 2016. As the value of the property securing the note is greater than the value of the note, no allowance is deemed necessary.

Property, Equipment and Depreciation - Property and equipment with a value of \$1,000 or greater is recorded at cost. Donated property and equipment is recorded at fair market value as of the date of the donation. Expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method.

Land - CLC records both acquisitions and conveyances at fair market value as determined by one of the following valuation procedures:

- Values are primarily based on independent professional appraisals performed for CLC or on appraised values determined or adopted by public agencies.
- Where neither of the foregoing sources is readily available, CLC may use the full cash value as established by the local tax assessor, cost if the cash value is minimal, or internal estimates based on staff analyses.
- Where current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when CLC is satisfied that the appraisal is reasonable.

Easements - Conservation easements are voluntary legal agreements by which landowners can elect to ensure permanent protection of the conservation values of their property. Easement donors continue to own the property in fee, with the right to live on, rent, mortgage or convey their land subject only to the use restrictions and, sometimes, site planning constraints set out in the easement. CLC does not attribute value to the easements held. Easements are not marketable interests in real estate, and have no segregable economic value to CLC. Indeed, the easements impose on CLC a perpetual obligation to monitor and steward the properties, the costs of which are an on-going expense in CLC's annual budget. During the year ended December 31, 2013, CLC closed on eleven easements, adding 1,153 acres of protected land. CLC also amended two easements: one as of right amendment to activate a development right set forth in the easement and the other to extinguish a building right and correct a mapping error resulting in a net conservation gain. During the year ended December 31, 2012, CLC closed on three easements, adding 881 acres of protected land. As of December 31, 2013, CLC holds a total of 170 easements on 24,013 acres in Columbia County. During the years ended December 31, 2013 and 2012, CLC's expense for monitoring and stewarding easements was \$99,861 and \$82,976 respectively.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

Functional Expense Allocations - Management has performed occupancy (square-footage) and time studies of administrative personnel to enable the finance office to allocate shared costs to all departments that benefit from the expense. Expenses, such as salaries and benefits, office expense, depreciation and general professional services have been allocated among program services, development, and management and support services classifications based primarily on employee ratios, space occupied, and on estimates made by CLC's management.

Advertising Costs - Advertising costs are expensed as incurred. Total advertising costs were \$2,514 and \$2,644 for the years ended December 31, 2013 and 2012, respectively.

Presentation of Sales Taxes - New York imposes sales tax on the organization's sales of certain merchandise to non-exempt customers. CLC collects the sales tax from customers and remits the entire amount to the state. The accounting policy is to exclude the tax collected and remitted to the state from revenues and cost of sales.

Income Taxes - CLC has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified CLC as other than a private foundation. The State of New York also recognizes this classification.

Uncertain Tax Positions - Tax positions primarily include the Organization's tax exempt status and unrelated business income. Management has assessed significant tax positions and believes that there are no such tax positions required to be recognized. Penalties and interest, if any, assessed by taxing authorities will be included in expenses in the year of assessment. CLC files IRS Form 990 in the U.S. federal jurisdiction and the three prior years returns remain open to examination.

Payments in Lieu of Taxes (PILOT) - While CLC is exempt from property tax on the lands it owns for public access and conservation purposes, it is the organization's policy to make annual PILOT payments to the town or village in which the public conservation areas that it owns are located.

Donated Services, Goods and Facilities - A substantial number of volunteers have donated a considerable number of hours to CLC's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, legal services, and specialized skills, which enhanced or created a financial asset, are reflected in the statement of activities at their fair value.

### **3. CASH**

At year end and at various times during the year, CLC may have amounts on deposit with the bank that exceed FDIC insurance limits. CLC has suffered no losses due to these deposits. There were no uninsured amounts at December 31, 2013.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 4. *UNCONDITIONAL PROMISES TO GIVE*

Unconditional promises to give, in support of ongoing operations, were as follows:

	<u>2013</u>	<u>2012</u>
Amounts due in		
Less than one year	<u>\$ 34,855</u>	<u>\$ 87,884</u>

Unconditional promises to give greater than one year in time are discounted at a risk-free rate of return. Due to immateriality, no discount has been recorded. An allowance is made for uncollectible promises to give based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. No allowance for uncollectible promises to give was deemed required.

### 5. *INVESTMENTS*

CLC's investment policy conforms to NYPMIFA (New York Prudent Management of Institutional Funds Act). The primary investment objective of the Organization is to preserve, protect and enhance its assets, by earning a total return for each fund appropriate to each fund's time horizon, liquidity needs, and risk tolerance. This objective is achieved through the use of a portfolio that is diversified across a number of asset classes in a manner that is believed will balance the long-term total return objective while minimizing risk. The purpose of such diversification is to provide reasonable assurance that no single security, investment style, or asset class will have a disproportionate impact on the portfolio's aggregate results.

With approval from the Executive Committee, CLC may recognize as annual operating revenue a maximum of 5% of the three year rolling average of certain endowment funds each fiscal year. Such revenues are generally transferred from the endowment funds in the last month of each fiscal year. Other funds have been established for the express purpose of directly reimbursing the organization for annual expenditures and CLC draws those funds, if available, during the year the expenses are incurred.

As of December 31, 2013 investments of \$1,636,693 are held at Berkshire Taconic Community Foundation. The Board of Trustees of Berkshire Taconic Community Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### *INVESTMENTS (CONTINUED)*

As of December 31, 2013, investments consisted of the following:

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (loss)</u>
Money funds	\$ 121,587	\$ 121,587	\$ -
Equity mutual funds - US equities	695,500	617,536	77,964
International equities	328,066	307,322	20,744
Fixed income mutual funds	516,224	542,336	(26,112)
Berkshire Taconic Community Foundation *	1,636,693	1,501,841	134,852
Direct investment mutual funds	642,458	669,901	(27,443)
Direct investment bonds	237,638	245,387	(7,749)
Accrued interest	<u>2,252</u>	<u>2,252</u>	<u>-</u>
Total	<u>\$ 4,180,418</u>	<u>\$ 4,008,162</u>	<u>\$ 172,256</u>

A portion of this portfolio is considered permanently restricted (See Note 14).

\* As of December 31, 2013, the asset mix at Berkshire Taconic Community Foundation was: 27.2% Domestic Equity, 22.3% International Equity, 5.8% Global Long/Short Equity, 6.9% Global Private Equity, 14.1% Flexible Capital, 16.3% Credit Strategies, 1.1% Inflation Hedging, and 6.3% Liquid Capital.

As of December 31, 2012, investments consisted of the following:

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain (loss)</u>
Money funds	\$ 65,012	\$ 65,012	\$ -
Equity mutual funds - US equities	838,245	833,030	5,215
International equities	287,726	327,908	(40,182)
Fixed income mutual funds	499,634	481,262	18,372
Berkshire Taconic Community Foundation *	1,438,341	1,469,655	(31,314)
Direct investment mutual funds	357,872	198,092	159,780
Direct investment bonds	247,307	246,468	839
Accrued interest	<u>2,480</u>	<u>2,480</u>	<u>-</u>
Total	<u>\$ 3,736,617</u>	<u>\$ 3,623,907</u>	<u>\$ 112,710</u>

A portion of this portfolio is considered permanently restricted (See Note 14).

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### *INVESTMENTS (CONTINUED)*

\* As of December 31, 2012, the asset mix at Berkshire Taconic Community Foundation was: 21.9% Domestic Equity, 22.1% International Equity, 5.5% Global Long/Short Equity, 7.1% Global Private Equity, 14.5% Flexible Capital, 15.9% Credit Strategies, 6.3% Inflation Hedging, and 6.7% Liquid Capital.

Permanently and temporarily restricted investments are pooled with board designated investments in accounts managed by two investment managers. Income earned and realized and unrealized gains and losses are combined from all accounts and allocated to each fund based on each fund's total investment.

Investment returns for the year ended December 31, 2013, are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 20,450	\$ 116,310	\$ 136,760
Net realized and unrealized gains	<u>42,728</u>	<u>285,744</u>	<u>328,472</u>
Total investment income	63,178	402,054	465,232
Less: investment fees	<u>(3,498)</u>	<u>(23,561)</u>	<u>(27,059)</u>
Investment income as shown on statement of activities	<u>\$ 59,680</u>	<u>\$ 378,493</u>	<u>\$ 438,173</u>

Included in net realized and unrealized gains were realized investment gains of \$146,845 for the year ended December 31, 2013.

Investment returns for the year ended December 31, 2012, are summarized as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 18,799	\$ 64,554	\$ 83,353
Net realized and unrealized gains	<u>57,534</u>	<u>268,705</u>	<u>326,239</u>
Total investment income	76,333	333,259	409,592
Less: investment fees	<u>(3,220)</u>	<u>(14,342)</u>	<u>(17,562)</u>
Total investment income	73,113	318,917	392,030
Reversal of loss on restricted funds recognized as unrestricted	<u>151</u>	<u>(151)</u>	<u>-</u>
Investment income as shown on statement of activities	<u>\$ 73,264</u>	<u>\$ 318,766</u>	<u>\$ 392,030</u>

Included in net realized and unrealized gains were realized investment gains of \$31,954 for the year ended December 31, 2012.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 6. *MORTGAGE RECEIVABLE*

On June 1, 2005, CLC became the holder of a mortgage bequeathed to CLC as part of the Schor Estate. In 2010, payments were suspended on this mortgage. In March, 2011, a mortgage modification and extension agreement was entered into which extends the payments through June 1, 2016 and reduces the interest rate to 4%. At December 31, 2013 and 2012, the principal balance due was \$24,453 and \$33,571, respectively. Principal payments are estimated to be received as follows:

	2014	\$ 9,489
	2015	9,876
	2016	<u>5,088</u>
	Total	<u>\$ 24,453</u>

### 7. *PROPERTY AND EQUIPMENT*

Property and equipment consists of the following:

	<u>2013</u>	<u>2012</u>
<u>Operational assets</u>		
Land - Main St. office building, Chatham	\$ 25,000	\$ 25,000
Buildings and improvements	651,862	651,862
Furniture and fixtures	<u>197,610</u>	<u>196,385</u>
Total operational assets	874,472	873,247
Less: accumulated depreciation	<u>(337,191)</u>	<u>(312,894)</u>
Net operational assets	<u>537,281</u>	<u>560,353</u>
<u>Public Conservation Area assets</u>		
Buildings and improvements	1,181,422	907,705
Equipment and vehicles	<u>147,436</u>	<u>150,318</u>
Total Public Conservation Area assets	1,328,858	1,058,023
Less: accumulated depreciation	<u>(379,650)</u>	<u>(329,824)</u>
Net Public Conservation Area assets	<u>949,208</u>	<u>728,199</u>
Total Property and Equipment	<u>\$ 1,486,489</u>	<u>\$ 1,288,552</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

8. **LAND**

	<u>2013</u>	<u>2012</u>
Land consists of the following:		
Land - public conservation areas - permanently restricted	\$ 2,285,779	\$ 1,390,779
Other permanently restricted property	166,076	164,346
Other temporarily restricted property	36,500	36,500
Land - public conservation areas - board designated	1,378,678	1,299,078
Other land held - unrestricted	<u>544,623</u>	<u>650,283</u>
	<u>\$ 4,411,656</u>	<u>\$ 3,540,986</u>

Land - Public Conservation Areas - CLC owns eleven conservation areas: Drowned Lands Swamp Conservation Area, Bardwell Conservation Area, Borden's Pond Conservation Area, High Falls Conservation Area, Hand Hollow Conservation Area, Bloody Hill Conservation Area, Schor Conservation Area, Round Ball Mountain Conservation Area, Siegel-Kline Kill Conservation Area, Greenport Conservation Area and Ooms Conservation Area. The properties are recorded at appraised values based on the determination that the properties will be operated as public conservation areas in perpetuity. CLC also manages 1 additional conservation areas as described in Note 12.

Public conservation areas are of two types:

1. Permanently restricted, which represent properties donated or bequeathed to CLC to be held in perpetuity as public conservation areas and properties purchased with funds specifically donated to CLC for the purchase of property to be held in perpetuity as a public conservation area.
2. Board designated, which represent properties purchased by CLC or unrestricted property donated to CLC and converted to public conservation areas.

Other Permanently Restricted Property - CLC owns a property upon which the previous owner has the right to live for the rest of his life. The property was valued at market value, adjusted for the life estate, at the date of receipt.

Other Land Held - Other land held consists of several parcels that were gifted, bequeathed or purchased by CLC. When a determination has been made as to the disposition of these properties, the property will either be improved as appropriate and transferred to "Land - Public Conversation Areas" or sold with the proceeds to be used to support CLC's programmatic activities.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**9. DEFERRED REVENUE**

Deferred revenue results from current year collections for services to be performed in the subsequent year and will be recognized as revenue in the period earned.

**10. LINE OF CREDIT**

CLC maintains a line of credit that is due on demand with variable interest (5.99% at December 31, 2013); available balance of \$260,000 at December 31, 2013 and 2012. The outstanding balance was \$-0- at December 31, 2013 and 2012.

**11. NOTES PAYABLE**

CLC is party to notes payable as follows:

	<u>2013</u>	<u>2012</u>
Note payable, Ford Motor, non-interest bearing, secured by a vehicle; monthly payments of \$556, fully paid in March, 2013.	\$ _____ -	\$ <u>1,667</u>
Total notes payable		1,667
Less: current portion	_____ -	<u>1,667</u>
Long-term debt	<u>\$ _____ -</u>	<u>\$ _____ -</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 12. **COMMITMENTS**

#### **Management Contracts**

Easements and Public Conservation Areas - Acceptance of easements and permanently restricted public conservation areas impose on CLC a perpetual obligation to monitor and steward the properties.

Harrier Hill Park - CLC has entered into a contract to monitor, maintain and provide certain management services at Harrier Hill Park in Stockport, NY; the property is owned by the Scenic Hudson Land Trust, Inc. (SHLT). The contract requires that SHLT pay CLC \$4,000 per year for site management and monitoring as well as reimburse CLC for any repairs made to the site (repairs over \$100 must be preapproved by SHLT).

Farmer Landowner Match Program - In 2013, CLC entered into an agreement with Dutchess Land Conservancy, Inc. (DLC) to provide programmatic services expanding the scope of the existing Farmer Landowner Match Program from Columbia County into Dutchess County. DLC agreed to, among other terms, pay a \$3,000 upfront fee and \$1,000 per month to CLC for staff time related to this program.

### 13. **BOARD DESIGNATED NET ASSETS**

Board designated net assets are comprised of two components:

	<u>2013</u>	<u>2012</u>
Designated for investment	\$ 552,617	\$ 476,032
Founder's Fund	<u>          -</u>	<u>      50,000</u>
Total investments	<u>      552,617</u>	<u>      526,032</u>
Public Conservation Areas		
Schor Conservation Area	590,750	590,750
Round Ball Mountain Conservation Area	612,000	612,000
Hand Hollow Conservation Area	<u>      175,928</u>	<u>      96,328</u>
Total board designated public conservation areas	<u>      1,378,678</u>	<u>      1,299,078</u>
Total board designated net assets	<u>      \$ 1,931,295</u>	<u>      \$ 1,825,110</u>

The funds designated for investment are the accumulated contributions and earnings from a capital campaign endeavor in 2001. The funds are intended to support the on-going operations of the Conservancy and may be used only with approval from CLC's Board of Trustees. The funds designated for Founder's Fund are unrestricted donations added to the Founder's Fund by the Board.

The public conservation areas listed above are properties purchased with unrestricted assets or properties gifted with no restrictions and converted to public conservation areas.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**14. RESTRICTED NET ASSETS**

Permanently restricted net assets total \$3,905,425. These assets are comprised of \$2,451,855 in land that was gifted or bequeathed to CLC to be used as public conservation areas or purchased with funds restricted for the express purpose of acquiring land for a public conservation area (PCA). The additional \$1,453,570 is funds received from, and restricted by, donors in perpetuity for specific uses. These funds included endowments for specific PCA sites, a general PCA management endowment, a PCA staff endowment and a staff housing endowment fund. The PCA related endowments are intended to generate funds to maintain and improve all PCA sites, to support PCA staff and to offset direct expenses for specific sites. The staff housing endowment is designated for upkeep and improvement of housing that CLC owns in part to provide quality, affordable housing for the staff and to otherwise support staff housing expenses. All earnings and appreciation derived from the investment of permanently restricted endowments are recorded as temporarily restricted assets.

Summary of activity of invested permanently restricted net assets for the year ended December 31, 2013:

	Permanently Restricted <u>Net Assets</u>	Temporarily Restricted <u>Net Assets</u>	Unrestricted <u>Net Assets</u>	<u>Total</u>
Beginning balance	\$ 1,453,570	\$ 258,266	\$ -	\$ 1,711,836
Interest and dividends	-	62,220	-	62,220
Realized gains	-	68,773	-	68,773
Unrealized gains	-	84,085	-	84,085
Investment fees	-	(12,604)	-	(12,604)
Release of restrictions	-	(83,028)	83,028	-
Program expenses	-	-	(83,028)	(83,028)
	<u>\$ 1,453,570</u>	<u>\$ 377,712</u>	<u>\$ -</u>	<u>\$ 1,831,282</u>

Summary of activity of invested permanently restricted net assets for the year ended December 31, 2012:

	Permanently Restricted <u>Net Assets</u>	Temporarily Restricted <u>Net Assets</u>	Unrestricted <u>Net Assets</u>	<u>Total</u>
Beginning balance	\$ 1,453,570	\$ 152,928	\$ (151)	\$ 1,606,347
Interest and dividends	-	40,187	-	40,187
Realized gains	-	16,770	-	16,770
Unrealized gains	-	150,506	151	150,657
Investment fees	-	(8,928)	-	(8,928)
Release of restrictions	-	(93,197)	93,197	-
Program expenses	-	-	(93,197)	(93,197)
	<u>\$ 1,453,570</u>	<u>\$ 258,266</u>	<u>\$ -</u>	<u>\$ 1,711,836</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### *RESTRICTED NET ASSETS (CONTINUED)*

Temporarily restricted net assets represent earnings on permanently restricted net assets and donations designated by donors for specific uses which have not been spent for the designated purpose by year end and amounts transferred from unrestricted to meet the accreditation requirements of the Land Trust Alliance.

Restricted net assets at December 31, 2013 are held as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
<b>Conservation lands held</b>		
Schor Conservation Area	\$ 73,500	\$ -
Bardwell Conservation Area	92,600	-
Bloody Hill Conservation Area	40,500	-
Borden's Pond Conservation Area	128,590	-
Drowned Lands Conservation Area	37,150	-
Greenport Conservation Area	715,000	-
Hand Hollow Conservation Area	723,439	-
High Falls Conservation Area	145,000	-
Ooms Conservation Area	180,000	-
Siegel-Kline Kill Conservation Area	<u>150,000</u>	<u>-</u>
Total permanently restricted public conservation areas	<u>2,285,779</u>	<u>-</u>
<b>Other land held</b>	<u>166,076</u>	<u>36,500</u>
<b>Other restricted assets held:</b>		
Bardwell Conservation Area	4,000	1,139
Borden's Pond Conservation Area	71,904	16,997
Conservation, Stewardship, and Management	-	996,280
Drowned Lands Swamp Conservation Area	34,275	15,288
Founders Fund	-	394,603
Greenport Conservation Area	-	15,000
Hillsdale Community Wetlands	20,000	4,951
Niverville Community Park	-	1,291
Ooms Conservation Area	38,891	16,651
OPHRP-HVRT Grant	-	3,680
OSI Stewardship Funds	-	111,744
Other	-	1,200
Public Conservation Area Management Endowment	684,500	208,413
Public Conservation Area Staffing Endowment	500,000	106,307
Round Ball Mountain Conservation Area	-	127,137
Siegel - Kline Kill Conservation Area	-	59,188
Staff Housing Endowment	100,000	7,966
Wetlands Mitigation Fund	<u>-</u>	<u>39,963</u>
Total other assets	<u>1,453,570</u>	<u>2,127,798</u>
Total restricted net assets	<u>\$ 3,905,425</u>	<u>\$ 2,164,298</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

***RESTRICTED NET ASSETS (CONTINUED)***

Restricted net assets at December 31, 2012 are held as follows:

	<u>Permanently Restricted</u>	<u>Temporarily Restricted</u>
Conservation lands held		
Schor Conservation Area	\$ 73,500	\$ -
Bardwell Conservation Area	92,600	-
Bloody Hill Conservation Area	40,500	-
Borden's Pond Conservation Area	128,590	-
Drowned Lands Conservation Area	37,150	-
Hand Hollow Conservation Area	723,439	-
High Falls Conservation Area	145,000	-
Siegel-Kline Kill Conservation Area	<u>150,000</u>	<u>-</u>
Total permanently restricted public conservation areas	<u>1,390,779</u>	<u>-</u>
Other land held	<u>164,346</u>	<u>36,500</u>
Other restricted assets held:		
Bardwell Conservation Area	4,000	657
Borden's Pond Conservation Area	71,904	10,686
Conservation, Stewardship, and Management	-	837,469
Drowned Lands Swamp Conservation Area	34,275	13,154
Founders Fund	-	353,153
HRV - Greenway Grant	-	380
Hillsdale Community Wetlands	20,000	2,302
Hudson River Estuary Grant	-	5,764
LTA Grant	-	30,000
Niverville Community Park	-	1,793
Ooms Conservation Area	38,891	15,673
OPHRP-HVRT Grant	-	7,089
Public Conservation Area Management Endowment	684,500	135,955
Public Conservation Area Staffing Endowment	500,000	65,053
Round Ball Mountain Conservation Area	-	152,830
Siegel - Kline Kill Conservation Area	-	56,926
Staff Housing Endowment	100,000	14,786
Wetlands Mitigation Fund	<u>-</u>	<u>35,720</u>
Total other assets	<u>1,453,570</u>	<u>1,739,390</u>
Total restricted net assets	<u>\$ 3,008,695</u>	<u>\$ 1,775,890</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**15. RENTAL INCOME**

CLC rents housing to three tenants under lease agreements. Rental income collected for the years ended December 31, 2013 and 2012, totaled \$32,353 and \$27,306, respectively. The lease agreements are as follows:

- One year lease expiring May, 2014 that requires monthly payments of \$1,050.
- One year lease expiring July, 2014 that requires monthly payments of \$650.
- One year lease expiring August, 2014 that requires monthly payments of \$300
- One property is being rented on month-to-month basis for \$500 per month.

On December 31, 2013, aggregate net minimum rental commitment under the leases in 2013 is \$12,200.

The cost of the properties being rented is \$834,250 with a net book value of \$690,057 at December 31, 2013.

**16. PENSION PLAN**

Pension Plan - CLC has implemented a Title I 403(b) pension plan which provides tiered benefits. The plan provides for annual contributions to the plan starting at 5% after the 1st year of service, 5.5% after the 2nd year of service, 6% after the 3rd year of service and caps at 6.5% after the 4th year of service. In February 2009, due to financial constraints, contributions to the plan were suspended indefinitely. Contributions at 3% were reinstated at the February 8, 2014 Board meeting.

**17. SUPPLEMENTAL CASH FLOW INFORMATION**

	<u>2013</u>	<u>2012</u>
<b>Cash paid during the year for:</b>		
Interest	\$ <u>          -</u>	\$ <u>      83</u>
<b>Noncash transactions:</b>		
Donation of property and land	\$ <u>1,050,000</u>	\$ <u>552,000</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 18. *FAIR VALUE MEASUREMENTS*

Generally accepted accounting principles in the United States define 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 and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of fair value hierarchy are described below:

Level 1 - based upon unadjusted quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.

Level 2 - based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, either directly or by correlation or other means.

Level 3 - inputs for Level 3 fair values are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. Such inputs are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Fair values of assets measured on a recurring basis at December 31, 2013 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Equity mutual funds - US equities	\$ 695,500	\$ 695,500	\$ -
Mutual funds - International equities	328,066	328,066	-
Fixed income mutual funds	516,224	516,224	-
Mutual funds	1,636,693	1,636,693	-
Direct investment mutual funds	642,458	642,458	-
Direct investment bonds	237,638	237,638	-
Land - beneficial interest in life estate	<u>166,076</u>	<u>-</u>	<u>166,076</u>
 Total assets subject to fair value measurement	 <u>\$ 4,222,655</u>	 <u>\$ 4,056,579</u>	 <u>\$ 166,076</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

***FAIR VALUE MEASUREMENTS (CONTINUED)***

Fair values of assets measured on a recurring basis at December 31, 2012 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Equity mutual funds - US equities	\$ 838,245	\$ 838,245	\$ -
Mutual funds - International equities	287,726	287,726	-
Fixed income mutual funds	499,634	499,634	-
Mutual funds	1,438,341	1,438,341	-
Direct investment mutual funds	357,872	357,872	-
Direct investment bonds	247,307	247,307	-
Land - beneficial interest in life estate	<u>164,346</u>	<u>-</u>	<u>164,346</u>
 Total assets subject to fair value measurement	 <u>\$ 3,833,471</u>	 <u>\$ 3,669,125</u>	 <u>\$ 164,346</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

The fair value for the land is calculated on appraised value at the time of receipt discounted for the life estate. The discount was calculated based on the life expectancy tables at a discount rate of 4%.

**19. *SUBSEQUENT EVENTS***

Management has evaluated subsequent events through June 14, 2014, the date the financial statements were available to be issued. During this period, CLC did not have any material subsequent events to be reported, except as noted below.

On January 29, 2014 Columbia sold a parcel on Cemetery Rd. in Canaan, NY. on which they netted \$183,880.

At the February 8, 2014 Board meeting, the Board voted to reinstate the 403(b) contribution for employees at 3% of wages.

## **SUPPLEMENTAL INFORMATION**

**COLUMBIA LAND CONSERVANCY, INC.**

**SCHEDULE OF REVENUE**

**FOR THE YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b><u>Fundraising and Contributions</u></b>					
Board member annual support	\$ 206,179	\$ 15,000	\$ -	\$ 221,179	\$ 135,980
Corporate and business	31,200	-	-	31,200	31,150
Donations of real property	155,000	-	895,000	1,050,000	552,000
Government grants	20,000	50,000	-	70,000	78,337
Individual and foundation	656,267	298,913	1,730	956,910	1,215,248
Fundraising events	48,775	-	-	48,775	66,656
Merchandise sales	16,193	-	-	16,193	23,206
Donated services	4,543	-	-	4,543	15,213
	<u>4,543</u>	<u>-</u>	<u>-</u>	<u>4,543</u>	<u>15,213</u>
 Total Fundraising and Contributions	 <u>\$ 1,138,157</u>	 <u>\$ 363,913</u>	 <u>\$ 896,730</u>	 <u>\$ 2,398,800</u>	 <u>\$ 2,117,790</u>
 <b><u>Program Revenues</u></b>					
Public Conservation Area management	\$ 3,667	\$ -	\$ -	\$ 3,667	\$ 4,000
CE Stewardship	640	-	-	640	-
Easement planning services	33,789	-	-	33,789	11,840
	<u>33,789</u>	<u>-</u>	<u>-</u>	<u>33,789</u>	<u>11,840</u>
 Total Program Revenues	 <u>\$ 38,096</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 38,096</u>	 <u>\$ 15,840</u>
 <b><u>Other Income (Loss)</u></b>					
Miscellaneous fees	-	-	-	-	4,589
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,589</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,589</u>

**COLUMBIA LAND CONSERVANCY, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012**

	<u>Public Conservation Area Management</u>	<u>Easement Stewardship and Management</u>	<u>Land Protection Activities</u>	<u>Community Outreach and Education</u>	<u>Total Program</u>	<u>General and Administration</u>	<u>Fundraising and Development</u>	<u>2013 Total</u>	<u>2012 Total</u>
<b>Expenses</b>									
Staff salaries	\$ 141,248	\$ 57,425	\$ 223,060	\$ 220,954	\$ 642,687	\$ 77,781	\$ 86,566	\$ 807,034	\$ 837,189
Taxes and benefits	29,990	11,778	47,764	47,678	137,210	16,484	18,833	172,527	178,271
Professional development	<u>400</u>	<u>50</u>	<u>2,059</u>	<u>1,000</u>	<u>3,509</u>	<u>2,486</u>	<u>300</u>	<u>6,295</u>	<u>9,778</u>
 Total payroll and related	171,638	69,253	272,883	269,632	783,406	96,751	105,699	985,856	1,025,238
 Acquisition expenses	12,375	-	-	-	12,375	-	-	12,375	21,266
Advertising and marketing	-	-	-	2,264	2,264	-	250	2,514	2,644
Banking and credit card services	1,111	441	1,756	1,708	5,016	614	1,154	6,784	6,569
 Board and committees	429	170	678	660	1,937	237	267	2,441	3,471
Catering and event services	-	3,540	1,072	64,520	69,132	2,920	-	72,052	97,422
Consulting services	3,000	153	25,000	4,243	32,396	14,116	-	46,512	182,823
 Depreciation	55,697	2,282	8,164	3,793	69,936	5,224	1,847	77,007	80,223
Donations to other organizations	1,794	1,017	5,069	2,918	10,798	24	27	10,849	9,270
Donor/volunteer expenses	65	-	-	79	144	-	-	144	2,495

Duplication	233	778	813	265	2,089	95	107	2,291	2,378
Equipment and fixtures	11,713	2,121	2,720	3,580	20,134	1,308	9,751	31,193	35,752
In-kind services and materials	1,475	-	-	13,883	15,358	38	-	15,396	15,213
Insurance	17,149	12,824	2,307	800	33,080	7,417	-	40,497	27,872
Interest expense	-	-	-	-	-	-	-	-	83
Memberships and subscriptions	118	47	2,277	462	2,904	65	73	3,042	3,419
Merchandise expense	-	-	-	9,089	9,089	-	-	9,089	8,022
Miscellaneous expense	447	405	530	3,235	4,617	4,169	288	9,074	11,144
Occupancy	11,366	1,884	6,740	3,181	23,171	4,313	1,524	29,008	31,446
Payroll services	689	274	1,089	1,059	3,111	381	428	3,920	3,652
Payments in lieu of taxes	9,390	-	759	-	10,149	213	-	10,362	6,311
PCA vehicle expense	16,215	-	-	-	16,215	-	-	16,215	11,156
Postage/shipping/storage	1,313	1,249	3,149	6,013	11,724	574	4,413	16,711	19,020
Printing and design	12,677	744	2,056	24,811	40,288	158	5,574	46,020	55,376
Professional fees	-	-	4,956	-	4,956	16,282	-	21,238	20,705
Property maintenance and improvements	17,923	-	-	-	17,923	602	-	18,525	20,767
Recruitment	-	-	106	931	1,037	719	657	2,413	-
Staff travel	599	272	516	1,082	2,469	200	257	2,926	5,286
Supplies and service	9,162	2,204	11,177	14,205	36,748	2,458	3,544	42,750	36,766
Surveys and filings	-	203	43,489	-	43,692	33	-	43,725	43,343
Trade land expenses	-	-	7,455	-	7,455	-	-	7,455	5,904
<b>Total Operating Expenses</b>	<b>\$ 356,578</b>	<b>\$ 99,861</b>	<b>\$ 404,761</b>	<b>\$ 432,413</b>	<b>\$ 1,293,613</b>	<b>\$ 158,911</b>	<b>\$ 135,860</b>	<b>\$ 1,588,384</b>	<b>\$ 1,795,036</b>