

PISCATAQUOG LAND CONSERVANCY

FINANCIAL STATEMENTS  
For the Years Ended June 30, 2018 and 2017

(Accountants' Review)

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# 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 ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Piscataquog Land Conservancy  
New Boston, New Hampshire 03070

We have reviewed the accompanying financial statements of Piscataquog Land Conservancy (PLC), which comprise the statement of financial position as of June 30, 2018 and 2017, and the related statements of activities and net assets and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

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

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

#### **Supplementary Information**

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.



Rowley & Associates P.C.  
Concord, New Hampshire  
September 21, 2018

**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF FINANCIAL POSITION**

June 30, 2018 and 2017

| ASSETS                                 | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                  |                     |                     |
| Cash, unrestricted                     | \$ 129,165          | \$ 69,205           |
| Cash, temporarily restricted           | 141,301             | 141,038             |
| Investments                            | 609,166             | 531,598             |
| Pledges receivable                     | 2,000               | -                   |
| Grants receivable                      | 25,108              | 27,360              |
| Prepaid expenses                       | 229                 | 1,644               |
| Total Current Assets                   | <u>906,969</u>      | <u>770,845</u>      |
| <b>PROPERTY AND EQUIPMENT, at cost</b> |                     |                     |
| Land and improvements                  | 1,444,599           | 1,185,265           |
| Equipment                              | 16,119              | 16,119              |
|  | <u>1,460,718</u>    | <u>1,201,384</u>    |
| Less accumulated depreciation          | 15,368              | 15,026              |
|  | <u>1,445,350</u>    | <u>1,186,358</u>    |
| <b>OTHER ASSETS</b>                    |                     |                     |
| Conservation easements                 | 81                  | 79                  |
| Deposits                               | 2,050               | -                   |
| Total Other Assets                     | <u>2,131</u>        | <u>79</u>           |
| Total Assets                           | <u>2,354,450</u>    | <u>1,957,282</u>    |
| <b>LIABILITIES AND NET ASSETS</b>      |                     |                     |
| <b>CURRENT LIABILITIES</b>             |                     |                     |
| Accounts payable                       | 4,243               | 155                 |
| Accrued expenses                       | 7,691               | 2,553               |
| Total Current Liabilities              | <u>11,934</u>       | <u>2,708</u>        |
| <b>NET ASSETS</b>                      |                     |                     |
| Unrestricted, undesignated             | 224,034             | 199,910             |
| Unrestricted, board designated         | 110,858             | 116,329             |
| Total Unrestricted Assets              | <u>334,892</u>      | <u>316,239</u>      |
| Temporarily restricted                 | 1,991,562           | 1,622,275           |
| Permanently restricted                 | 16,062              | 16,060              |
| Total Net Assets                       | <u>2,342,516</u>    | <u>1,954,574</u>    |
| Total Liabilities and Net Assets       | <u>\$ 2,354,450</u> | <u>\$ 1,957,282</u> |

See Accompanying Notes and Independent Accountants' Review Report

**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended June 30, 2018

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|---|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Revenues, gains and other support:                  |                     |                                   |                                   |                     |
| Contributions, cash                                 | \$ 216,868          | \$ 356,045                        | \$ -                              | \$ 572,913          |
| Contributions, in-kind                              | 855                 | -                                 | -                                 | 855                 |
| Contributions, non-cash                             | -                   | -                                 | 2                                 | 2                   |
| Earned revenue, project management fees             | 2,928               | -                                 | -                                 | 2,928               |
| Events, net expenses of \$7,356                     | 6,657               | -                                 | -                                 | 6,657               |
| Interest and dividend income                        | 3,947               | 7,313                             | 348                               | 11,608              |
| Net realized loss on sale of investments            | 5,314               | 9,846                             | 469                               | 15,629              |
| Unrealized loss on investments                      | 6,629               | 12,284                            | 585                               | 19,498              |
| Other revenue                                       | 15                  | -                                 | -                                 | 15                  |
| Total revenues, gains and other support             | <u>243,213</u>      | <u>385,488</u>                    | <u>1,404</u>                      | <u>630,105</u>      |
| Net assets released from donor imposed restrictions | <u>17,603</u>       | <u>(16,201)</u>                   | <u>(1,402)</u>                    | <u>-</u>            |
| Expenses:   |                     |                                   |                                   |                     |
| PLC Programs & Conservation                         | 194,718             | -                                 | -                                 | 194,718             |
| General and Administrative                          | 36,037              | -                                 | -                                 | 36,037              |
| Fundraising   | 11,408              | -                                 | -                                 | 11,408              |
|   | <u>242,163</u>      | <u>-</u>                          | <u>-</u>                          | <u>242,163</u>      |
| Increase increase in net assets                     | 18,653              | 369,287                           | 2                                 | 387,942             |
| Net assets, beginning of year                       | <u>316,239</u>      | <u>1,622,275</u>                  | <u>16,060</u>                     | <u>1,954,574</u>    |
| Net assets, end of year                             | <u>\$ 334,892</u>   | <u>\$ 1,991,562</u>               | <u>\$ 16,062</u>                  | <u>\$ 2,342,516</u> |

See Accompanying Notes and Independent Accountants' Review Report

**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Year Ended June 30, 2017

|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>        |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Revenues, gains and other support:                     |                     |                                   |                                   |                     |
| Contributions, cash                                    | \$ 145,545          | \$ 342,214                        | \$ -                              | \$ 487,759          |
| Contributions, in-kind                                 | 3,373               | -                                 | -                                 | 3,373               |
| Contributions, non-cash                                | -                   | 30,650                            | -                                 | 30,650              |
| Events, net expenses of \$6,214                        | 8,261               | -                                 | -                                 | 8,261               |
| Interest and dividend income                           | 4,758               | 5,275                             | 310                               | 10,343              |
| Net realized gain on sale of investments               | 2,781               | 3,082                             | 181                               | 6,044               |
| Unrealized loss on investments                         | 15,952              | 17,686                            | 1,040                             | 34,678              |
| Other income   | 170                 | -                                 | -                                 | 170                 |
| Total revenues, gains and other support                | <u>180,840</u>      | <u>398,907</u>                    | <u>1,531</u>                      | <u>581,278</u>      |
| Net assets released from donor<br>imposed restrictions | <u>243,205</u>      | <u>(241,674)</u>                  | <u>(1,531)</u>                    | <u>-</u>            |
| Expenses:  |                     |                                   |                                   |                     |
| PLC Programs & Conservation                            | 335,152             | -                                 | -                                 | 335,152             |
| General and Administrative                             | 32,900              | -                                 | -                                 | 32,900              |
| Fundraising  | 4,320               | -                                 | -                                 | 4,320               |
|  | <u>372,372</u>      | <u>-</u>                          | <u>-</u>                          | <u>372,372</u>      |
| Increase in net assets                                 | 51,673              | 157,233                           | -                                 | 208,906             |
| Net assets, beginning of year                          | <u>264,566</u>      | <u>1,465,042</u>                  | <u>16,060</u>                     | <u>1,745,668</u>    |
| Net assets, end of year                                | <u>\$ 316,239</u>   | <u>\$ 1,622,275</u>               | <u>\$ 16,060</u>                  | <u>\$ 1,954,574</u> |

See Accompanying Notes and Independent Accountants' Review Report

**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF CASH FLOWS**  
Years Ended June 30, 2018 and 2017

|   | <u>2018</u>              | <u>2017</u>             |
|---|--------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                          |                         |
| Increase in net assets  | \$ 387,942               | \$ 208,906              |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                          |                         |
| Change in restricted cash   | (263)                    | (141,038)               |
| Non-cash contribution of land or easement   | (2)                      | (30,650)                |
| Realized (gain) on investments  | (15,629)                 | (6,044)                 |
| Unrealized (gain) on investments  | (19,498)                 | (34,678)                |
| Depreciation  | 342                      | 433                     |
| (Increase) Decrease in operating assets, net  |                          |                         |
| Pledges receivable  | (2,000)                  | 29,481                  |
| Grants receivable   | 2,252                    | (27,360)                |
| Prepaid expenses  | 1,415                    | (885)                   |
| Deposits  | (2,050)                  | -                       |
| Increase (Decrease) in operating liabilities, net   |                          |                         |
| Accounts payable  | 4,088                    | (1,047)                 |
| Accrued expense   | 5,138                    | (2,141)                 |
| Net cash provided (used) by operating activities  | <u>361,735</u>           | <u>(5,023)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                          |                         |
| Proceeds from sale of investments   | 73,232                   | 40,877                  |
| Purchase of investments   | (115,673)                | (85,771)                |
| Purchase of fixed assets  | -                        | (1,034)                 |
| Purchase of land  | <u>(259,334)</u>         | <u>-</u>                |
| Net cash (used) by investing activities   | <u>(301,775)</u>         | <u>(45,928)</u>         |
| Net increase (decrease) in unrestricted cash  | 59,960                   | (50,951)                |
| Unrestricted Cash, beginning of year  | <u>69,205</u>            | <u>120,156</u>          |
| Unrestricted Cash, end of year  | <u><u>\$ 129,165</u></u> | <u><u>\$ 69,205</u></u> |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|                        |               |                  |
|------------------------|---------------|------------------|
| Contributions in-kind  | <u>\$ 855</u> | <u>\$ 3,373</u>  |
| Contributions non-cash | <u>\$ 2</u>   | <u>\$ 30,650</u> |

See Accompanying Notes and Independent Accountants' Review Report

PISCATAQUOG LAND CONSERVANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 1. Nature of Activities

Piscataquog Land Conservancy is a nonprofit organization founded in 1970. Its purpose is to conserve the natural and scenic environment of the Piscataquog, Souhegan and Nashua River Watershed communities in southern New Hampshire. The organization is supported primarily through donor contributions and grants.

Note 2. Significant Accounting Policies

Financial Statement Presentation: The Organization 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.

Unrestricted net assets represent the revenues and expenses associated with the principal mission of the Association and assets allocated by the Board of Trustees for a particular purpose, principally to support conservation activities. These funds may be reallocated by a vote of the Board of Trustees. At June 30, 2018 and 2017 there was \$334,892 and \$316,239 in unrestricted net assets, respectively.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met. At June 30, 2018 and 2017 there was \$1,991,562 and \$1,622,275 in temporarily restricted net assets, respectively.

Permanently restricted net assets include gifts which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations or other designated purposes. At June 30, 2018 and 2017 there was \$16,062 and \$16,060 in permanently restricted net assets, respectively.

Revenue recognition: The financial statements of PLC reflect the accrual method of accounting.

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, PLC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited by Board designation or restriction. At June 30, 2018 and 2017, PLC had no cash equivalents.



PISCATAQUOG LAND CONSERVANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

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. Accordingly, actual results may 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.

Gifts and donations: Gifts and donations received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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

Donations of long-lived assets: PLC records donations of services and materials which increase long-lived assets at their fair values and recognizes these revenues as increases in unrestricted net assets.

Income taxes: PLC is a not-for-profit corporation under Section 501(c) (3) of the Internal Revenue Code, is exempt from federal income taxes, and is classified as other than a private foundation. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Depreciation: Depreciation of property, equipment and vehicles is computed using both the straight-line and accelerated methods over five to thirty-nine years. Depreciation as of June 30, 2018 and 2017 was \$342 and \$433, respectively.

Note 3. In Kind

PLC received \$855 and \$3,373 in-kind donations as of June 30, 2018 and 2017, respectively.

PISCATAQUOG LAND CONSERVANCY  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 4. Investments

Investments are carried in the aggregate at fair market value and are comprised of stocks, mutual funds, and cash as follows at June 30:

|   | <u>2018</u>       | <u>2017</u>       |
|---|-------------------|-------------------|
| Mutual funds & ETF's                              | \$ 596,322        | \$ 518,772        |
| Equity securities                                 | 12,844            | 12,826            |
| Certificates of deposit and<br>money market funds | <u>82,677</u>     | <u>8,789</u>      |
| Subtotal  | 691,843           | 540,387           |
| Less amounts included in cash                     | <u>(82,677)</u>   | <u>(8,789)</u>    |
| Total   | <u>\$ 609,166</u> | <u>\$ 531,598</u> |

Total return on investments as of June 30 is summarized as follows:

|   | <u>2018</u>      | Temporarily<br><u>Unrestricted</u> | Restricted        | Permanently<br><u>Restricted</u> | <u>Total</u> |
|---|------------------|------------------------------------|-------------------|----------------------------------|--------------|
| Investment interest and dividends                 | 3,947            | 7,313                              | 348               | \$ 11,608                        |              |
| Realized and unrealized (losses)                  | <u>11,943</u>    | <u>22,130</u>                      | <u>1,054</u>      | <u>35,127</u>                    |              |
|   | <u>\$ 15,890</u> | <u>\$ 29,443</u>                   | <u>\$ 1,402</u>   | <u>\$ 46,735</u>                 |              |
| Withdrawals in accordance<br>with spending policy | <u>\$ -</u>      | <u>\$ -</u>                        | <u>\$ (1,402)</u> | <u>\$ -</u>                      |              |
|   | <u>2017</u>      |                                    |                   |                                  |              |
| Investment interest and dividends                 | 4,758            | 5,275                              | 310               | \$ 10,343                        |              |
| Realized and unrealized (losses)                  | <u>18,733</u>    | <u>20,768</u>                      | <u>1,221</u>      | <u>40,722</u>                    |              |
|   | <u>\$ 23,491</u> | <u>\$ 26,043</u>                   | <u>\$ 1,531</u>   | <u>\$ 51,065</u>                 |              |
| Withdrawals in accordance<br>with spending policy | <u>\$ -</u>      | <u>\$ -</u>                        | <u>\$ (1,531)</u> | <u>\$ -</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. 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).

PISCATAQUOG LAND CONSERVANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 4. Investments (Continued)

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 restricted and unrestricted 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, losses, dividends and interest unrestricted activities are recorded as operating activities. Investment interest and dividend income on restricted activities is added to, or deducted from, the appropriate activity.

Spending Policy

The Organization does not have a formal spending policy. It has been the practice of the Organization to release all investment earnings.

Note 5. Commitments and Contingencies

Easements

As of June 30, 2018 the Organization held eighty-one conservation easements covering approximately four thousand nine-hundred and eighty-two acres. The Organization is committed to monitoring these properties in order to ensure that the conditions of the conservation easements are not violated. In the event that any violation of these easements is deemed to have occurred, the Organization is committed to bringing any and all actions necessary to bring remedy.

PISCATAQUOG LAND CONSERVANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 6. Conservation Easement Donations

The value of donated conservation easements or bargain sale component of acquired conservation easements is reflected in the statement of financial position at a value of \$1 as management has made the determination that a conservation easement is not an asset, but rather a contingent liability.

During the year ended June 30, 2018 PLC acquired two such conservation easements. These easements were donated in which the donor did not wish to record their contribution and had not done so as of the date of this report; no appraisal was done to assign a value to this easement. The easements totaled approximately ninety-six acres..

During the year ended June 30, 2017 PLC acquired one such conservation easement. This easement was donated in which the donor did not wish to record their contribution and had not done so as of the date of this report; no appraisal was done to assign a value to this easement. This easement totaled forty-nine acres.

Note 7. Concentration of Risk

Cash: PLC maintains cash balances in several accounts at a local bank. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2018 and 2017 the Organization had no uninsured cash balances.

Note 8. Tax Exempt Status

The Organization is a public charity exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code. The organization does not believe it has done anything during the past year that would jeopardize its tax exempt status at either the state or Federal level. The Organization reports its activities to the IRS in an annual information return. These filings are subject to review by the taxing authorities and the federal income tax returns for 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

In accordance with FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, the Organization is under the opinion that there are no unsustainable positions that have been taken in regards to federal or state income tax reporting requirements. Accordingly, management is not aware of any unrecognized tax benefits or liabilities that should be recognized in the accompanying statements.

PISCATAQUOG LAND CONSERVANCY  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of the following as of June:

|   | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|
| Conservation Land                       | \$ 1,444,599        | \$ 1,185,265        |
| Easement Stewardship                    | 242,158             | 216,658             |
| Easement Defense Fund                   | 66,185              | 10,185              |
| Land Management                         | 71,604              | 38,104              |
| Horse Property                          | 270                 | 270                 |
| Sallada Education Fund                  | 2,156               | 2,156               |
| Projects                                | 163,351             | 168,398             |
| Legacy Society Fund                     | 1,239               | 1,239               |
| Total Temporarily Restricted Net Assets | <u>\$ 1,991,562</u> | <u>\$ 1,622,275</u> |

Permanently restricted net assets consist of the following:

|   |                  |                  |
|---|------------------|------------------|
| French Endowment                        | \$ 10,963        | \$ 10,963        |
| Forever Wild Fund                       | 5,018            | 5,018            |
| Conservation Easements                  | 81               | 79               |
| Total Permanently Restricted Net Assets | <u>\$ 16,062</u> | <u>\$ 16,060</u> |

Note 10. Fair Value Measurements

Fair values of assets measured on a recurring basis at June 30, 2018 and 2017 are as follows:

|                          | Fair<br>Value     | Quoted Prices<br>In Active Markets<br>For Identical Assets<br>Level (1) | Significant Other<br>Observable<br>Inputs<br>Level (2) |
|--------------------------|-------------------|---|--|
| <u>June 30, 2018</u>     |                   |   |  |
| Investments              | \$ 609,166        | \$ 609,166  | \$ -   |
| Pledges Receivable       | 2,000             | -   | 2,000  |
| Grants Receivable        | <u>25,108</u>     | <u>-</u>  | <u>25,108</u>  |
| Total                    | <u>\$ 636,274</u> | <u>\$ 609,166</u>   | <u>\$ 27,108</u>                                       |
| <br><u>June 30, 2017</u> |                   |   |  |
| Investments              | \$ 531,598        | \$ 531,598  | \$ -   |
| Grants Receivable        | <u>27,360</u>     | <u>-</u>  | <u>27,360</u>  |
| Total                    | <u>\$ 558,958</u> | <u>\$ 531,598</u>   | <u>\$ 27,360</u>                                       |

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of accounts, pledges and grants receivable are estimated at the present value of expected future cash flows.

PISCATAQUOG LAND CONSERVANCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

Note 11. Retirement Plan

Beginning July 1, 2014, the PLC will match each dollar of an employee's documented contributions to a qualified retirement program, up to a maximum of 3% of salary for full-time employees, and 1.5% of salary for part time employees. Employer contributions for the years ended June 30, 2018 and 2017 were \$1,860 and \$1,800, respectively.

Note 12. Compensated Absences

Employees of the Organization are entitled to paid vacation depending on job classification, length of services and other factors. The statement of financial position reflects accrued vacation earned, but unpaid as of June 30, 2018 and 2016 in the amounts of \$4,399 and \$-0-, respectively.

Note 13. Reclassification

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

During the current year management adopted the policy of recording easements at \$1 each. As of June 30, 2017 the organization owned 79 conservation easements. Therefore \$79 was reclassified to Other Assets for the year ended June 30, 2017.

Note 15. Subsequent Event

Management has evaluated subsequent events through September 21, 2018, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure. It has been determined that no subsequent events matching this criterion occurred during this period.

**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF FINANCIAL POSITION DETAILED**  
June 30, 2018 With Comparative Totals for June 30, 2017

|  | Unrestricted          |                     |                   | Temporarily Restricted |                   |                     | Permanently Restricted | Total 2018          | Total 2017          |
|--|-----------------------|---------------------|-------------------|------------------------|-------------------|---------------------|------------------------|---------------------|---------------------|
|  | Undesignated By Board | Designated By Board | Subtotal          | Land and Easements     | Projects          | Subtotal            |                        |                     |                     |
| <b>ASSETS</b>                          |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| <b>CURRENT ASSETS</b>                  |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| Cash                                   | \$ 129,165            | \$ -                | \$ 129,165        | \$ -                   | \$ 141,301        | 141,301             | -                      | \$ 270,466          | \$ 210,243          |
| Investments                            | 98,715                | 110,858             | 209,573           | -                      | 383,612           | 383,612             | 15,981                 | 609,166             | 531,598             |
| Pledges receivable                     | 2,000                 | -                   | 2,000             | -                      | -                 | -                   | -                      | 2,000               | -                   |
| Grants receivable                      | 5,108                 | -                   | 5,108             | -                      | 20,000            | 20,000              | -                      | 25,108              | 27,360              |
| Prepaid expenses                       | 229                   | -                   | 229               | -                      | -                 | -                   | -                      | 229                 | 1,644               |
| Total Current Assets                   | <u>235,217</u>        | <u>110,858</u>      | <u>346,075</u>    | <u>-</u>               | <u>544,913</u>    | <u>544,913</u>      | <u>15,981</u>          | <u>906,969</u>      | <u>770,845</u>      |
| <b>PROPERTY AND EQUIPMENT, at cost</b> |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| Land and improvements                  | -                     | -                   | -                 | 1,444,599              | -                 | 1,444,599           | -                      | 1,444,599           | 1,185,265           |
| Equipment                              | 16,119                | -                   | 16,119            | -                      | -                 | -                   | -                      | 16,119              | 16,119              |
|  | 16,119                | -                   | 16,119            | 1,444,599              | -                 | 1,444,599           | -                      | 1,460,718           | 1,201,384           |
| Less accumulated depreciation          | 15,368                | -                   | 15,368            | -                      | -                 | -                   | -                      | 15,368              | 15,026              |
|  | 751                   | -                   | 751               | 1,444,599              | -                 | 1,444,599           | -                      | 1,445,350           | 1,186,358           |
| <b>OTHER ASSETS</b>                    |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| Conservation easements                 | -                     | -                   | -                 | -                      | -                 | -                   | 81                     | 81                  | 79                  |
| Deposits                               | -                     | -                   | -                 | -                      | 2,050             | 2,050               | -                      | 2,050               | -                   |
| Total Other Assets                     | <u>-</u>              | <u>-</u>            | <u>-</u>          | <u>-</u>               | <u>2,050</u>      | <u>2,050</u>        | <u>81</u>              | <u>2,131</u>        | <u>79</u>           |
| Total Assets                           | <u>235,968</u>        | <u>110,858</u>      | <u>346,826</u>    | <u>1,444,599</u>       | <u>546,963</u>    | <u>1,991,562</u>    | <u>16,062</u>          | <u>2,354,450</u>    | <u>1,957,282</u>    |
| <b>LIABILITIES AND NET ASSETS</b>      |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| <b>CURRENT LIABILITIES</b>             |                       |                     |                   |                        |                   |                     |                        |                     |                     |
| Accounts payable                       | 4,243                 | -                   | 4,243             | -                      | -                 | -                   | -                      | 4,243               | 155                 |
| Accrued expenses                       | 7,691                 | -                   | 7,691             | -                      | -                 | -                   | -                      | 7,691               | 2,553               |
| Total Current Liabilities              | <u>11,934</u>         | <u>-</u>            | <u>11,934</u>     | <u>-</u>               | <u>-</u>          | <u>-</u>            | <u>-</u>               | <u>11,934</u>       | <u>2,708</u>        |
| NET ASSETS                             | <u>224,034</u>        | <u>110,858</u>      | <u>334,892</u>    | <u>1,444,599</u>       | <u>546,963</u>    | <u>1,991,562</u>    | <u>16,062</u>          | <u>2,342,516</u>    | <u>1,954,574</u>    |
| Total Liabilities and Net Assets       | <u>\$ 235,968</u>     | <u>\$ 110,858</u>   | <u>\$ 346,826</u> | <u>\$ 1,444,599</u>    | <u>\$ 546,963</u> | <u>\$ 1,991,562</u> | <u>\$ 16,062</u>       | <u>\$ 2,354,450</u> | <u>\$ 1,957,282</u> |

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**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Years Ended June 30, 2018 and 2017

|   | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|
| Revenues, gains and other support:          |                     |                     |
| Contributions, cash                         | \$ 572,913          | \$ 487,759          |
| Contributions, in-kind                      | 855                 | 3,373               |
| Contributions, non-cash                     | 2                   | 30,650              |
| Earned revenue, project management fees     | 2,928               | -                   |
| Events, net expenses of \$7,356 and \$6,214 | 6,657               | 8,261               |
| Interest and dividend income                | 11,608              | 10,343              |
| Net realized gain on sale of investments    | 15,629              | 6,044               |
| Unrealized gain on investments              | 19,498              | 34,678              |
| Other revenue                               | 15                  | 170                 |
| Total revenues, gains and other support     | <u>630,105</u>      | <u>581,278</u>      |
| Expenses:                                   |                     |                     |
| PLC Conservation                            | 194,718             | 335,152             |
| General and Administrative                  | 36,037              | 32,900              |
| Fundraising                                 | 11,408              | 4,320               |
|   | <u>242,163</u>      | <u>372,372</u>      |
| Increase in net assets                      | 387,942             | 208,906             |
| Net assets, beginning of year               | <u>1,954,574</u>    | <u>1,745,668</u>    |
| Net assets, end of year                     | <u>\$ 2,342,516</u> | <u>\$ 1,954,574</u> |

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**PISCATAQUOG LAND CONSERVANCY**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2018 With Comparative Totals for June 30, 2017

|                              | <u>PLC Programs<br/>&amp; Conservation</u> | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total<br/>2018</u> | <u>2017</u>       |
|------------------------------|--|---------------------------------------|--------------------|-----------------------|-------------------|
| Salaries                     | \$ 122,443                                 | \$ 19,178                             | \$ 5,901           | \$ 147,522            | \$ 134,133        |
| Payroll taxes                | 9,539                                      | 1,494                                 | 460                | 11,493                | 11,519            |
| Employee Benefits            | 3,460                                      | 542                                   | 167                | 4,169                 | 4,198             |
| Legal and professional fees  | 2,971                                      | 4,968                                 | 2,908              | 10,847                | 12,224            |
| Accounting fees              | -  | 4,635                                 | -                  | 4,635                 | 4,500             |
| Dues and subscriptions       | 2,735                                      | -                                     | -                  | 2,735                 | 6,023             |
| Insurance                    | 2,894                                      | 453                                   | 139                | 3,486                 | 3,433             |
| Terrafirma                   | 5,556                                      | -                                     | -                  | 5,556                 | 5,540             |
| Printing and reproduction    | 1,613                                      | 323                                   | 752                | 2,688                 | 3,634             |
| Office supplies and expenses | 2,574                                      | 907                                   | 145                | 3,626                 | 5,736             |
| Occupancy                    | 6,643                                      | 1,041                                 | 320                | 8,004                 | 7,527             |
| Property taxes               | 1,192                                      | -                                     | -                  | 1,192                 | 1,210             |
| Signage                      | 102  | -                                     | -                  | 102                   | 2,326             |
| Depreciation                 | -  | 342                                   | -                  | 342                   | 433               |
| Travel                       | -  | 1,664                                 | 616                | 2,280                 | 876               |
| Volunteer/Donor recognition  | 2,296                                      | -                                     | -                  | 2,296                 | 298               |
| Training and conferences     | 4,235                                      | -                                     | -                  | 4,235                 | -                 |
| Appraisal                    | 1,400                                      | -                                     | -                  | 1,400                 | 400               |
| Other expenses               | 195  | -                                     | -                  | 195                   | 968               |
| Land and easement projects   | 24,870                                     | 490                                   | -                  | 25,360                | 167,394           |
|                              | <u>\$ 194,718</u>                          | <u>\$ 36,037</u>                      | <u>\$ 11,408</u>   | <u>\$ 242,163</u>     | <u>\$ 372,372</u> |

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