

**FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Financial Statements  
(with Independent Auditors' Report)

September 30, 2024 and 2023

**FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**  
September 30, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust  
Stowe, Vermont

### **Opinion**

We have audited the accompanying financial statements of Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Financial Statements**

The 2023 financial statements were reviewed by us, and our report thereon, dated February 13, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Summarized Comparative Information**

We previously reviewed the Organization's 2023 financial statements dated February 13, 2024. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended September 30, 2023, for it to be consistent with the reviewed financial statements from which it has been derived.



South Burlington, Vermont  
March 28, 2025  
VT Reg. No. 92-349

**Friends of Stowe Conservation, Inc.**  
**d/b/a Stowe Land Trust**  
Statements of Financial Position  
September 30, 2024 and 2023

	(audited) 2024	(reviewed) 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 131,201	\$ 72,565
Pledges receivable, net	156,450	240,000
Investments	4,209,502	2,790,258
Conservation land holdings	2,778,405	2,125,040
Property and equipment, net	103,986	99,599
Other assets	22,446	10,905
Right-of-use asset, net	<u>106,025</u>	<u>145,893</u>
 Total assets	 <u><u>\$ 7,508,015</u></u>	 <u><u>\$ 5,484,260</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 15,581	\$ 13,965
Accrued payroll liabilities	67,016	33,627
Lease liability	<u>108,007</u>	<u>146,738</u>
 Total liabilities	 <u>190,604</u>	 <u>194,330</u>
Net assets:		
Without donor restriction		
Unrestricted	747,979	684,159
Board designated	1,391,801	1,157,591
With donor restriction	<u>5,177,631</u>	<u>3,448,180</u>
 Total net assets	 <u>7,317,411</u>	 <u>5,289,930</u>
 Total liabilities and net assets	 <u><u>\$ 7,508,015</u></u>	 <u><u>\$ 5,484,260</u></u>

See accompanying notes to the financial statements.

**Friends of Stowe Conservation, Inc.**  
**d/b/a Stowe Land Trust**  
Statements of Activities  
For the Years Ended September 30, 2024 and 2023

	(audited) 2024			(reviewed) 2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Support and Revenue</b>						
Contributions and grants	\$ 447,545	\$ 1,723,049	\$ 2,170,594	\$ 630,241	\$ 235,000	\$ 865,241
Fundraising event revenue, net	57,773	-	57,773	53,765	-	53,765
Other revenue, net	1,238	-	1,238	2,213	-	2,213
Investment income	429,901	20,920	450,821	218,370	13,993	232,363
In kind donations	26,429	-	26,429	-	-	-
Net assets released from restriction	14,518	(14,518)	-	23,209	(23,209)	-
	<u>977,404</u>	<u>1,729,451</u>	<u>2,706,855</u>	<u>927,798</u>	<u>225,784</u>	<u>1,153,582</u>
Total support and revenue, net						
<b>Expenses</b>						
Program expenses	259,126	-	259,126	284,758	-	284,758
Management and general	266,559	-	266,559	197,485	-	197,485
Fundraising and development	153,689	-	153,689	111,639	-	111,639
	<u>679,374</u>	<u>-</u>	<u>679,374</u>	<u>593,882</u>	<u>-</u>	<u>593,882</u>
Total expenses						
Change in net assets	298,030	1,729,451	2,027,481	333,916	225,784	559,700
Net assets, beginning of year	<u>1,841,750</u>	<u>3,448,180</u>	<u>5,289,930</u>	<u>1,507,834</u>	<u>3,222,396</u>	<u>4,730,230</u>
Net assets, end of year	<u>\$ 2,139,780</u>	<u>\$ 5,177,631</u>	<u>\$ 7,317,411</u>	<u>\$ 1,841,750</u>	<u>\$ 3,448,180</u>	<u>\$ 5,289,930</u>

See accompanying notes to the financial statements.

**Friends of Stowe Conservation, Inc.**  
**d/b/a Stowe Land Trust**  
Statement of Functional Expenses  
For the Year Ended September 30, 2024  
(With Summarized Comparative Totals for the Year Ended September 30, 2023)

	Program	Management and General	Fundraising and Development	(audited) 2024 Total	(reviewed) 2023 Total
Salaries and wages	\$ 110,073	\$ 143,271	\$ 55,878	\$ 309,222	\$ 282,130
Payroll taxes and benefits	19,716	25,176	9,819	54,711	53,739
Total personnel expenses	129,789	168,447	65,697	363,933	335,869
Bank and service fees	2,510	3,235	1,262	7,007	4,178
Depreciation	5,538	-	-	5,538	4,638
Dues and subscriptions	230	292	114	636	3,503
Event expense	4,992	-	20,884	25,876	22,142
Information technology	5,711	7,293	2,844	15,848	17,539
In kind donations	2,241	7,700	16,488	26,429	-
Insurance	2,633	3,363	1,312	7,308	12,637
Land easement acquisitions	-	-	-	-	4,500
Licenses and fees	126	160	62	348	657
Marketing and promotion	32,886	2,454	16,315	51,655	42,518
Miscellaneous	5,297	2,684	1,047	9,028	4,351
Occupancy	18,629	23,792	9,279	51,700	39,267
Office supplies and printing	2,736	3,364	1,312	7,412	6,528
Postage and shipping	277	241	94	612	1,227
Professional fees	36,944	34,649	13,514	85,107	75,954
Stewardship	5,200	4,557	1,777	11,534	5,470
Training	1,160	1,482	578	3,220	4,990
Telephone and internet	1,321	1,688	658	3,667	3,111
Travel	906	1,158	452	2,516	4,803
Total	<u>\$ 259,126</u>	<u>\$ 266,559</u>	<u>\$ 153,689</u>	<u>\$ 679,374</u>	<u>\$ 593,882</u>

See accompanying notes to the financial statements.

**Friends of Stowe Conservation, Inc.**  
**d/b/a Stowe Land Trust**  
**Statements of Cash Flows**  
For the Years Ended September 30, 2024 and 2023

	(audited) 2024	(reviewed) 2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,027,481	\$ 559,700
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	5,538	4,638
Realized and unrealized gain on investments	(343,223)	(113,561)
Amortization of right-of-use asset	39,868	19,434
In-kind donation of investments	-	200,000
(Increase) decrease in assets:		
Pledges receivable	83,550	(205,000)
Other assets	(11,541)	(2,500)
Increase (decrease) in liabilities:		
Accounts payable	1,616	6,523
Accrued payroll liabilities	33,389	(16,528)
Lease liability	(38,731)	(18,589)
Net cash provided by operating activities	<u>1,797,947</u>	<u>434,117</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	4,894,986	1,453,155
Purchase of investments	(5,971,007)	(1,873,923)
Purchase of conservation land holdings	(653,365)	-
Purchase of property and equipment	(9,925)	(8,500)
Net cash used by investing activities	<u>(1,739,311)</u>	<u>(429,268)</u>
Net increase in cash and cash equivalents	58,636	4,849
Cash and cash equivalents, beginning of year	<u>72,565</u>	<u>67,716</u>
Cash and cash equivalents, end of year	<u><u>\$ 131,201</u></u>	<u><u>\$ 72,565</u></u>

See accompanying notes to the financial statements.



# **FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

## **(1) Summary of Organization and Significant Accounting Policies**

### ***(a) Description of Organization***

Friends of Stowe Conservation Inc. d/b/a Stowe Land Trust (the “Land Trust” or the “Organization”) is a land conservation organization. The mission of the Land Trust is the conservation of scenic, recreational, and productive farm and forest lands for the benefit of the greater Stowe community. The Land Trust, which operates from an office in Stowe, Vermont, was incorporated in the State of Vermont in 1987. The Land Trust has completed over 30 conservation projects, five of which are owned and managed by the Land Trust.

The Land Trust's primary sources of revenues are contributions from the general public, grants, events, and investment income.

During 2024, the Land Trust began the “Pick up the Pace” capital campaign, which is a three-year campaign with the goal of raising \$1,500,000. Contributions increased significantly in 2024 due to this campaign.

### ***(b) Basis of Presentation***

The Organization reports information regarding its financial position and activities according to two classes of net assets: those with donor restrictions and those without donor restrictions.

### ***(c) Basis of Accounting***

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

### ***(d) Use of Estimates***

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. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

### ***(e) Cash and Cash Equivalents***

For the purpose of the statements of cash flows, the Land Trust considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents related to the Land Trust's investment portfolio are presented as investments in the statements of financial position.

### ***(f) Contributions and Promises to Give***

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

# **FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

## **Summary of Organization and Significant Accounting Policies (continued)**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions with donor restrictions for which the restrictions are met in the same fiscal year in which they are contributed are classified as net assets without donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statement of activities as net assets released from restrictions.

### **(g) Investments**

Investments with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities. Investment income and gains are allocated within the net assets with donor restrictions and net assets without donor restrictions fund groups.

### **(h) Fair Value Measurements**

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# **FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

## **Summary of Organization and Significant Accounting Policies (continued)**

### ***(i) Property and Equipment***

The Land Trust capitalizes property and equipment with a cost of \$2,500 or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed over their estimated useful lives using the straight-line method.

### ***(j) Conservation Land Holdings***

Conservation land holdings acquired by purchase or donation are recorded at fair value as of the date donated or cost as of the date of purchase. Once acquired, land is held in perpetuity and recorded as net assets with restrictions.

### ***(k) Conservation Easements***

The Land Trust acquires easements and development rights on property through purchase and donation. Conservation easements impose numerous restrictions over the use and development of the land. Since these easements have no marketable value, they are not recorded as assets on the statements of financial position, but rather disclosed in Note 7. All easements acquired by purchase are expensed as easement acquisition expenses in the statement of functional expenses.

### ***(l) Functional Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Payroll expenses are common to several functions and are allocated based on estimated labor hours.

### ***(m) Advertising***

The Land Trust expenses advertising costs as incurred. During 2024 and 2023, advertising costs totaled \$14,287 and \$7,981, respectively.

### ***(n) Leases***

The Organization recognizes a right-of-use (“ROU”) asset and a lease liability on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either operating or finance, with such classifications affecting the pattern of expense recognition in the statements of income.

# **FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

## **Summary of Organization and Significant Accounting Policies (continued)**

### ***(o) Income Taxes***

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from income taxes under Section 501(a) of the IRC. In addition, it has been classified as an organization that is not a private foundation under Section 509(a) of the IRC.

U.S. generally accepted accounting principles require entities to disclose in their financial statements the nature of any uncertainty in their tax positions. For tax exempt entities, tax exempt status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Organization has no uncertain tax positions. The Organization anticipates that it will not have a change in uncertain tax positions during the next twelve months that would have a material impact on the Organization's financial statements. If necessary, the Organization would accrue interest and penalties on uncertain tax positions as a component of the provision for income taxes. The Organization is no longer subject to federal and state income tax examinations by tax authorities for years before 2021.

### ***(p) Donated Services and In-Kind Donations***

Donated services are recognized as contributions as recommended by the Financial Accounting Standards Board in accordance with Accounting Standards Codifications regarding contributions. The value of the donated services is presented in the financial statements at their estimated fair value.

Contributions of materials and supplies (in-kind donations) are recorded at fair value at the date of donation.

### ***(q) Comparative Financial Information***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

### ***(r) Subsequent Events***

The Organization evaluated subsequent events as of March 28, 2025, the date the Organization's financial statements were available to be used.

## **(2) Concentration of Cash on Deposit**

The Land Trust has concentrated its credit risk by maintaining deposits in financial institutions that, at times, exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). The Land Trust has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk to cash.

# FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2024 and 2023

## (3) Pledges Receivable

Pledges receivable consist of unconditional promises to give and are due from individuals. At September 30, 2024 and 2023, the pledges receivable balance of \$87,775 and \$240,000, respectively, are due in less than one year. Amounts due in more than one year totaled \$68,675 and \$0 as of September 30, 2024 and 2023, respectively. At September 30, 2024 and 2023, the Organization's allowance for doubtful pledges was \$0.

## (4) Conditional Promises

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of September 30, 2024 and 2023, the Organization had \$280,000 and \$0, respectively, in outstanding conditional promises.

## (5) Fair Value Measurements

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at September 30, 2024 and 2023.

*Cash and cash equivalents:* Valued at cost.

*Mutual funds, equity funds, US Treasury bills, US Treasury notes, fixed income, real asset funds, real estate funds, commodities, and common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Land Trust's assets at fair value as of September 30, 2024 and 2023.

	<u>Investments at Fair Value as of September 30, 2024</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash and cash equivalents	\$ 191,309	\$ -	\$ -	\$ 191,309
US Treasury bills	395,896	-	-	395,896
US Treasury notes	1,180,378	-	-	1,180,378
Fixed income	849,377	-	-	849,377
Equity funds	1,529,249	-	-	1,529,249
Real asset funds	<u>63,293</u>	<u>-</u>	<u>-</u>	<u>63,293</u>
Total	<u>\$ 4,209,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,209,502</u>

# FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2024 and 2023

## Fair Value Measurements (continued)

	<u>Investments at Fair Value as of September 30, 2023</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,464,951	\$ -	\$ -	\$ 1,464,951
Real estate funds	79,775	-	-	79,775
Commodities	68,545	-	-	68,545
Mutual funds and common stock	<u>1,176,987</u>	<u>-</u>	<u>-</u>	<u>1,176,987</u>
Total	<u>\$ 2,790,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,790,258</u>

## (6) Investments

The cost, fair market value, and unrealized appreciation (depreciation) of the Organization's investments, by investment class, at September 30 are summarized as follows:

	<u>2024</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Cash and cash equivalents	\$ 191,309	\$ 191,309	\$ -
US Treasury bills	386,136	395,896	9,760
US Treasury notes	1,163,206	1,180,378	17,172
Fixed income	821,644	849,377	27,733
Equity funds	1,394,317	1,529,249	134,932
Real asset funds	<u>57,292</u>	<u>63,293</u>	<u>6,001</u>
	<u>\$ 4,013,904</u>	<u>\$ 4,209,502</u>	<u>\$ 195,598</u>
	<u>2023</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Depreciation</u>
Cash and cash equivalents	\$ 1,464,951	\$ 1,464,951	\$ -
Real estate funds	89,545	79,775	(9,770)
Commodities	68,932	68,545	(387)
Mutual funds and common stock	<u>1,259,915</u>	<u>1,176,987</u>	<u>(82,928)</u>
	<u>\$ 2,883,343</u>	<u>\$ 2,790,258</u>	<u>\$ (93,085)</u>

The following schedule summarizes the investment income during the years ended September 30:

	<u>2024</u>	<u>2023</u>
Net realized and unrealized gain	\$ 343,223	\$ 113,561
Interest and dividends	121,327	118,802
Investment fees	<u>(13,729)</u>	<u>-</u>
Total investment income	<u>\$ 450,821</u>	<u>\$ 232,363</u>

# FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2024 and 2023

## (7) Easements Held and Deed Restrictions

As of September 30, 2024, the Land Trust held the following conservation easements:

Easement	# Conservation Easements	Acreage
Held by the Land Trust:		
Adams	1	95
Bouchard Farm/Landmark Meadow	2	196
Bryant	1	5
Crawford	1	63
Grandview Farm	1	65
Halvorson	1	32
Hunnewell	1	12
Joe's Pond	1	32
Lepine	1	47
Little River Properties	2	9
Mayo Farm	1	235
Palmer	1	12
Stanciff	1	10
Stowe Club Meadows	1	22
Strawberry Hill Farm	1	51
Trapps	1	1,100
Co-held with Town of Stowe and Vermont Housing & Conservation Board (VHCB):		
Adams Camp	1	513
Bingham Falls	1	72
Nichols	2	37
Co-held with Vermont Land Trust:		
Mill Trail	1	31
Co-held with VHCB:		
Burnham Farm	1	107
Brownsville Forest	1	759
Cady Hill Forest	1	258
Maple Run Lane-Chase	1	26
Moscow Recreation Field	1	5
Pinnacle Meadow	2	134
Sunset Rock	1	23
Valcour	1	29
Executory Interest - Co-held with Vermont Land Trust and VHCB:		
Kaiser Farm	1	49
Ricketson Farm	1	217

As of September 30, 2024 and 2023, the Land Trust held 3 deed restrictions for 25 acres at Wiessner Woods Lots 1, 2 and 3.

**FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

**(8) Conservation Land Holdings**

Conservation land holdings consist of the following:

<u>Year received</u>	<u>Description</u>	<u>Acres</u>	<u>Town</u>	<u>Transaction Type</u>
2024	Shutesville Ledges	86.5	Stowe	Fee simple purchase
2010	Kirchner Woods	72.5	Stowe	Fee simple purchase
2004	Dumont Land	47	Stowe	Fee simple donation
2004	Mill Trail	31	Stowe	Fee simple purchase
1998	Page Property	99	Stowe	Fee simple donation
1993	Wiessner Woods	79	Stowe	Fee simple donation

**(9) Property and Equipment**

Property and equipment consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Building	\$ 85,733	\$ 85,733
Furnishings	2,412	2,412
Land improvements	52,476	42,551
Leasehold improvements and artwork	5,049	5,049
Less accumulated depreciation	<u>(41,684)</u>	<u>(36,146)</u>
Property and equipment, net	<u>\$ 103,986</u>	<u>\$ 99,599</u>

Depreciation expense amounted to \$5,538 and \$4,638 for the years ended September 30, 2024 and 2023, respectively.

**(10) Board-Designated Net Assets**

As of September 30, 2024 and 2023, the Board has designated \$1,391,801 and \$1,157,591, respectively, of net assets without donor restrictions to be used for projects, stewardship activities, legal enforcement, general operating reserves and long-term growth.



**FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

**(11) Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes at September 30:

	2024	2023
Fee land stewardship	\$ 104,500	\$ 84,500
Easement stewardship	176,993	176,993
General stewardship	403,961	403,961
Land acquisition	347,717	316,031
Land project fund	166,207	-
Campaign gift for Gardner property	-	200,000
Capacity building campaign	1,037,274	-
Other	30,092	30,092
VHCB grant investment return	85,982	65,063
VHCB grant held in perpetuity	46,500	46,500
Land held in perpetuity	<u>2,778,405</u>	<u>2,125,040</u>
Total net assets with donor restrictions	<u>\$ 5,177,631</u>	<u>\$ 3,448,180</u>

The campaign gift for Gardner property as of September 30, 2023 was used toward the purchase of land held in perpetuity for the year ending September 30, 2024, now known as Shutesville Ledges.

Stewardship funds are available to cover the costs of carrying out stewardship program objectives, including, but not limited to: monitoring visits, responding to landowner and public concerns, preparing and implementing management plans, and responding to easement violations. Stewardship funds are also permitted to be used to prepare Baseline Documentation Reports. Stewardship contributions are pooled and invested prudently and conservatively so that the Land Trust will be able to meet its future stewardship responsibilities on all conserved properties. Land acquisition funds are available for land or easement acquisition. Land project funds are available for specifically identified land projects. Other restrictions consist of specific trail improvements, future audit costs and Land Trust Alliance funds which are available to increase staff capacity to complete land protection projects. Of the investment total, \$46,500 has been restricted in perpetuity by the grantor, VHCB, to be invested in perpetuity with the income restricted to expenditures for land stewardship, enforcement of conservation easements, and land management.

**(12) Related Party Transactions**

During the years ending September 30, 2024 and 2023, the Land Trust received \$0 and \$35,000, respectively, in contributions from the not-for-profit organization, Canadian Friends of Stowe Land Trust (the "Canadian Land Trust"). Several board members of the Land Trust are also board members of The Canadian Land Trust, which provides support for recreational areas located in and around the town of Stowe. At September 30, 2024 and 2023, there were no outstanding balances between the Trusts.

## FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST

Notes to Financial Statements

September 30, 2024 and 2023

### (13) Lease Liability

On June 1, 2022, the Land Trust renegotiated their non-cancelable operating lease agreement for office space for twelve months, which expired on May 31, 2023. The lease was renegotiated commencing April 1, 2023 with a maturity date of March 31, 2027, and included more square footage and a corresponding increase in their monthly rent payment. Rent expense was \$42,981 and \$33,900, respectively, for the years ended September 30, 2024 and 2023 and is included in occupancy expense. At lease inception, a one-time security deposit of \$4,600 was required.

The weighted-average remaining lease term for the operating lease is 2.5 year and 3.5 years, respectively, at September 30, 2024 and 2023. The weighted-average discount rate for the operating lease is 3.52% at September 30, 2024 and 2023.

The maturities of lease liabilities in accordance with *Leases (Topic 842)* are as follows:

	Years ending September 30:	
	2025	\$ 44,276
	2026	45,427
	2027	<u>23,005</u>
Total undiscounted cash flows		112,708
Less: present value discount		<u>(4,701)</u>
Total lease liabilities		<u>\$ 108,007</u>

### (14) Retirement Plan

The Land Trust maintains a “Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)”, which is open to all employees after six months of employment. The Organization matches employee contributions up to 3% of total compensation. The total employer contributions under the plan for the years ended September 30, 2024 and 2023 was \$6,322 and \$3,835, respectively.

### (15) Liquidity and Availability

The Land Trust regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets and other resources available for general expenditure within one year, the Land Trust has Board-designated funds that, while the Land Trust does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, with Board approval, if necessary. The Land Trust operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**FRIENDS OF STOWE CONSERVATION INC. D/B/A STOWE LAND TRUST**

Notes to Financial Statements

September 30, 2024 and 2023

**Liquidity and Availability (continued)**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of September 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 131,201	\$ 72,565
Pledges receivable, current	87,775	240,000
Investments	<u>4,209,502</u>	<u>2,790,258</u>
Total financial assets	<u>4,428,478</u>	<u>3,102,823</u>
Less amounts not readily available to meet general expenditures within one year:		
Restricted by donor to purpose	(2,352,725)	(1,276,639)
Restricted by donor in perpetuity (VHCB)	(46,500)	(46,500)
Funds with Board designations	<u>(1,391,801)</u>	<u>(1,157,591)</u>
Total	<u>(3,791,026)</u>	<u>(2,480,730)</u>
Financial assets available to meet cash needs		
for general expenditure within one year	<u>\$ 637,452</u>	<u>\$ 622,093</u>

**(16) Commitments**

In addition to paid staff members, the Land Trust has a member agreement of participation in the Vermont Housing and Conservation AmeriCorps Program during the years ended September 30, 2024 and 2023. The Land Trust has one full-time member in the program serving as a Lands and Trails Steward for the years ended September 30, 2024 and 2023. The AmeriCorps members are recruited, hired, and managed by the Land Trust, and their living stipends are reflected in the accompanying statement of functional expenses.

**(17) Reclassifications**

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.

**(18) Subsequent Events**

On February 21, 2025, the Organization purchased a conservation easement of 85 acres (known as Lot 5 or Bouchard Farm) for a purchase price of \$650,000, which was paid by liquidating investments.