AUDITED FINANCIAL STATEMENTS

PEE DEE LAND TRUST
Florence, South Carolina

June 30, 2022

CONTENTS

Audited Financial Statements

Independent Auditors' Report ..... Page 3

Statements of Financial Position 5

Statement of Activities -- 2022 6

Statement of Activities -- 2021 7

Statement of Functional Expenses -- 2022 8

Statement of Functional Expenses -- 2021 9

Statements of Cash Flows 10

Notes to Financial Statements 11

BURCH, OXNER, SEALE CO
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

-MEMBERS OF-
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
S.C. ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS
DIVISION FOR CPA FIRMS
AMERICAN INSTITUTE OF CPAS

1341 W. ALICE DRIVE, 29505
P.O. DRAWER 4707
FLORENCE, SC 29502
TELEPHONE (843) 669-3142
TELECOPIER (843) 662-9255

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pee Dee Land Trust
Florence, South Carolina

Opinion

We have audited the accompanying financial statements of Pee Dee Land Trust, (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pee Dee Land Trust, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Pee Dee Land Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Pee Dee Land Trust's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pee Dee Land Trust's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pee Dee Land Trust'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.

Burch, Oxner, Sleale Co., CPA's, PA

Florence, South Carolina

November 1, 2022

Pee Dee Land Trust
Statements of Financial Position

	June 30, 2022	June 30, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 311,377	$ 564,498
Dividends receivables	10,425	7,514
Prepaid assets	-	6,702
Investments, at fair value--Note 3	3,232,518	3,649,949
TOTAL CURRENT ASSETS	3,554,320	4,228,663
NONCURRENT ASSETS		
Property and equipment, net--Note 4	396,397	353,552
Donated land--Note 10	396,000	266,000
TOTAL NONCURRENT ASSETS	792,397	619,552
TOTAL ASSETS	$ 4,346,717	$ 4,848,215
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 15,377	$ 12,810
Deferred revenues	-	50,000
TOTAL CURRENT LIABILITIES	15,377	62,810
TOTAL LIABILITIES	15,377	62,810
NET ASSETS		
Without donor restrictions		
For general operations	910,832	845,967
Board designated--Note 11	1,215,671	1,300,667
With donor restrictions		
Temporary in nature--Note 7	1,063,779	1,234,244
Perpetual in nature--Note 6	1,141,058	1,404,527
TOTAL NET ASSETS	4,331,340	4,785,405
TOTAL LIABILITIES AND NET ASSETS	$ 4,346,717	$ 4,848,215

See accompanying notes to financial statements.

Pee Dee Land Trust
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenues:			
Pledges, gifts and contributions	$ 299,609	$ 152,462	$ 452,071
Grants	48,138	926,618	974,756
Program revenue	56,427	-	56,427
Other revenue	1,147	-	1,147
Investment income, net	(116,191)	(306,436)	(422,627)
Total support and other revenues	289,130	772,644	1,061,774
Net assets released from restrictions	1,206,578	(1,206,578)	-
Total support and other revenues and net assets released from restriction	1,495,708	(433,934)	1,061,774
Expenses:			
Program expenses			
Conservation activities and actions	1,262,863	-	1,262,863
Supporting services			
Fundraising	122,688	-	122,688
Management and general	130,288	-	130,288
Total supporting services	252,976	-	252,976
Total expenses	1,515,839	-	1,515,839
Change in net assets	(20,131)	(433,934)	(454,065)
Net assets, July 1, 2021	2,146,634	2,638,771	4,785,405
Net Assets, June 30, 2022	$ 2,126,503	$ 2,204,837	$ 4,331,340

See accompanying notes to financial statements.

Pee Dee Land Trust
Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and other revenues:			
Pledges, gifts and contributions	$ 445,329	$ 204,770	$ 650,099
Grants	55,363	668,482	723,845
Program revenue	29,952	-	29,952
Other revenue	925	-	925
Gain on forgiveness of paycheck protection program (PPP) loan	61,094	-	61,094
Investment income, net	218,844	580,731	799,575
Total support and other revenues	811,507	1,453,983	2,265,490
Net assets released from restrictions	973,811	(973,811)	-
Total support and other revenues and net assets released from restriction	1,785,318	480,172	2,265,490
Expenses:			
Program expenses			
Conservation activities and actions	887,810	-	887,810
Supporting services			
Fundraising	98,676	-	98,676
Management and general	88,238	-	88,238
Total supporting services	186,914	-	186,914
Total expenses	1,074,724	-	1,074,724
Change in net assets	710,594	480,172	1,190,766
Net assets, July 1, 2020	1,436,040	2,158,599	3,594,639
Net Assets, June 30, 2021	$ 2,146,634	$ 2,638,771	$ 4,785,405

See accompanying notes to financial statements.

Pee Dee Land Trust
Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Total Program and Supporting Services
Salaries	$ 243,518	$ 74,929	$ 56,197	$ 374,644
Employee benefits	3,070	945	708	4,723
Payroll taxes	18,629	5,732	4,299	28,660
TOTAL SALARIES AND RELATED EXPENSES	265,217	81,606	61,204	408,027
Accounting	37,054	10,587	5,293	52,934
Attorney fees	6,280	-	2,094	8,374
Bank charges	166	166	498	830
Computer service	6,795	3,399	3,399	13,593
Conferences, conventions & meetings	3,179	-	3,179	6,358
Consultants	5,397	-	4,565	9,962
Contributions and donations	50	-	-	50
Depreciation	-	-	7,049	7,049
Dues and subscriptions	9,520	6,664	2,856	19,040
Event expense	12,786	2,951	3,934	19,671
Food, catering, etc.	12,773	2,948	3,930	19,651
Gift expense	375	-	-	375
Easement purchases	836,850	-	-	836,850
Insurance	29,472	3,930	5,895	39,297
Land management expenses	4,704	-	-	4,704
Marketing media	1,452	1,056	132	2,640
Meals, travel and entertainment	8,447	1,056	1,056	10,559
Miscellaneous	-	-	534	534
Office supplies	1,558	360	480	2,398
PDLT paraphernalia	1,293	862	-	2,155
Postage	94	68	9	171
Printing	2,316	1,684	210	4,210
Property tax	-	-	1,830	1,830
Rent	2,193	1,096	365	3,654
Repairs and maintenance	-	-	19,648	19,648
Telephone	6,227	1,779	890	8,896
Utilities	8,665	2,476	1,238	12,379
TOTAL FUNCTIONAL EXPENSES	$ 1,262,863	$ 122,688	$ 130,288	$ 1,515,839

See accompanying notes to financial statements.

Pee Dee Land Trust
Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services	Supporting Services: Fundraising	Supporting Services: Management and General	Total Program and Supporting Services
Salaries	$ 201,542	$ 62,013	$ 46,510	$ 310,065
Payroll taxes	15,418	4,744	3,558	23,720
TOTAL SALARIES AND RELATED EXPENSES	216,960	66,757	50,068	333,785
Accounting	37,905	10,830	5,415	54,150
Attorney fees	18,643	-	6,215	24,858
Bank charges	208	208	624	1,040
Computer service	2,974	1,488	1,487	5,949
Conferences, conventions & meetings	1,077	-	1,077	2,154
Consultants	7,596	-	4,809	12,405
Contributions and donations	350	-	-	350
Depreciation	-	-	3,803	3,803
Dues and subscriptions	4,087	2,861	1,226	8,174
Event expense	8,545	1,972	2,629	13,146
Food, catering, etc.	7,023	1,621	2,161	10,805
Gift expense	122	-	-	122
Easement Purchase	533,250	-	-	533,250
Insurance	21,720	2,896	4,344	28,960
Land management expenses	1,012	-	-	1,012
Marketing media	812	591	74	1,477
Meals, travel and entertainment	4,790	599	599	5,988
Miscellaneous	-	-	603	603
Office supplies	1,802	416	554	2,772
PDLT paraphernalia	796	531	-	1,327
Postage	397	288	36	721
Printing	3,004	2,185	273	5,462
Rent	5,828	2,914	971	9,713
Telephone	4,124	1,178	589	5,891
Utilities	4,625	1,321	661	6,607
Website	160	20	20	200
TOTAL FUNCTIONAL EXPENSES	$ 887,810	$ 98,676	$ 88,238	$ 1,074,724

See accompanying notes to financial statements.

Pee Dee Land Trust
Statements of Cash Flows

	Year Ended June 30, 2022	Year Ended June 30, 2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ (454,065)	$ 1,190,766
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	7,049	3,803
Contributed property	(130,000)	-
Forgiveness of paycheck protection program (PPP) loan	-	(61,094)
Net realized and unrealized (gain) loss on investments	462,757	(765,147)
(Increase) decrease in:		
Other receivables	(2,911)	5,372
Prepaid assets	6,702	(3,009)
Increase (decrease) in:		
Accounts payable	2,567	5,748
Deferred revenues	(50,000)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(157,901)	376,439
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	968,347	991,336
Purchases of investments	(1,013,673)	(828,005)
Purchases of property and equipment	(49,894)	(348,219)
NET CASH USED BY INVESTING ACTIVITIES	(95,220)	(184,888)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(253,121)	191,551
Beginning cash and cash equivalents	564,498	372,947
ENDING CASH AND CASH EQUIVALENTS	$ 311,377	$ 564,498

See accompanying notes to financial statements.

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operation and Nature of Activities

Pee Dee Land Trust (the Organization) is a nonprofit organization founded in 1998 with the mission to protect and to promote an appreciation of the significant natural, agricultural, and historical areas of the Pee Dee Watershed of South Carolina. The Organization receives third-party donations, grants from organizations and governments entities and private industry, and income from asset sales and investment.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenue and related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The actual outcome of the estimates could differ materially from the estimates made in the preparation of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank demand deposits and short-term, highly liquid investments which are readily convertible to cash within ninety days of purchase. For the statement of cash flows, the Organization considers all instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

Investments

Investments are carried at estimated fair value on the statement of financial position. Fair values of investments are estimated based on quoted market prices where available. Investments consist of shares of registered investment companies (mutual funds). Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost of the investments sold using the average cost of the investments sold. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Land and Land Interests

The Organization records land and land interests at cost, if purchased, or at fair value at the date of acquisition, if all or part of the land was received as a donation. Fair value is generally determined by appraisal.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Conservation Easements

A conservation easement is an agreement between a landowner and the Organization in which the landowner relinquishes some or all of the rights to develop the property for commercial, residential or industrial use in order to protect specific conservation values for the public good. The easement is publicly recorded and is binding on all future owners of the property. The Organization's principle responsibility is to ensure compliance with the terms of the easement. It meets this responsibility by periodically inspecting the property and, if necessary, taking appropriate action to enforce this easement. Associated costs of monitoring this easement are expensed as incurred.

The estimated value of easements is not recorded on the statement of financial position because the easements do not represent a future economic benefit to the Organization. As of June 30, 2022 the Organization has 90 easements totaling 37,822 acres, compared to 87 easements totaling 35,974 acres as of June 30, 2021.

Unconditional Promises to Give

Unconditional donor promises to give cash and other assets are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. The promises are reported as donor restricted support if received with donor stipulations that sufficiently limit the use of the donated assets.

Net Assets

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. A description of the two net asset categories follows:

- *Net Assets Without Donor Restrictions* - net assets that are not subject to donor-imposed restrictions, as well as funds designated for specific purposes by action of the Board of Directors.
- *Net Assets With Donor Restrictions* - net assets subject to donor-imposed restrictions, including underwater endowments that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities as net assets released from restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statement of activities as net assets released from restrictions.

Support

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

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Support - - Continued

The Organization receives grants and contracts from federal, state, and local agencies, as well as from private organizations, to be used for specific programs, conservation easement bargain sale purchases or land purchases. For government grants and contracts, the excess of reimbursable expenditures over cash receipts is included in government grant receivable and any excess of cash receipts over reimbursable expenditures is included in deferred revenue. For private grants and contracts, any excess of cash receipts over reimbursable expenditures is included in deferred revenue.

The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position of changes in net assets of the Organization.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Organization incurred no unrelated business income for the years ended June 30, 2022 and 2021.

Because the Organization is exempt from taxation under Internal Revenue Code 501(c)(3), the Organization is generally not exposed to interest and penalties related to income taxes. When applicable, the Organization recognizes interest and penalties paid related to tax obligations and benefits in management and general expenses.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions received are recorded as an increase in net assets without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. All goods and services are transferred at a point of time.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. Our federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Concentration of Credit Risk

The Organization currently maintains checking and money market accounts at various banks in South Carolina. All non-interest bearing and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization had $0 and $41,100 of uninsured cash at June 30, 2022 and 2021, respectively.

Planned Major Equipment Maintenance Activities

The Organization uses the direct expensing method to account for its major equipment maintenance activities. The method has been used historically, and no costs have been accrued in advance.

Recently Issued Accounting Standards

Leases

The FASB issued an ASU requiring organizations that lease assets to recognize on the balance sheet (statement of financial position) the assets and liabilities for the rights and obligations created by those leases. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with terms of more than 12 months. Additional disclosure will also be required. The accounting standards update on leases will be effective for fiscal years beginning after December 15, 2021. The Organization plans to comply with the standard when it becomes effective.

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies are not expected to have a material impact on the Organization's net assets or changes in net assets.

NOTE 2. - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of June 30, 2022:

Cash and cash equivalents	$ 311,377
Other receivables	10,425
Investments	3,232,518
Financial assets available at year end	3,554,320
Donor restricted funds – endowment	(1,141,058)
Donor restricted funds – conserving and promoting appreciation of , the significant natural, agricultural and historical resources of the Pee Dee Watershed of South Carolina	(1,063,779)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,349,483

As part of the Organization's liquidity management plan, the Board of Directors invests cash in excess of daily requirements in short-term investments and money market funds.

NOTE 3. - FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America provide a framework for measuring fair value (FASB ASC 820). The 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 the fair value hierarchy under FASB ASC 820 are described below:

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 specific (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's 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.

Following is a description of the valuation methodologies used for assets measured at fair value:

- *Remainder interest in land:* Valued using the income approach based on calculating the present value of the future distribution expected to be received, using published life expectancy tables and an applicable discount rate.

- *Shares of registered investment companies:* Valued at daily closing price as reported by the fund. Mutual funds held by the Company are open-end mutual funds that are registered with the Securities and Exchange Commission.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while 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.

NOTE 3. - FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021:

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Shares of Registered Investment Companies Equities:				
Basic materials/resources	$ 30,279	$ -	$ -	$ 30,279
Business/consumer services	44,322	-	-	44,322
Energy services	113,422	-	-	113,422
Consumer goods	130,028	-	-	130,028
Communication services	39,990	-	-	39,990
Consumer defense	34,260	-	-	34,260
Financial services	401,515	-	-	401,515
Healthcare/life sciences	323,560	-	-	323,560
Industrial goods	95,248	-	-	95,248
Leisure/arts/hospitality	47,223	-	-	47,223
Media/entertainment	68,970	-	-	68,970
Retail wholesale	254,687	-	-	254,687
Technology	582,116	-	-	582,116
Utilities	59,544	-	-	59,544
Fixed Income:				
US Treasuries	209,065	-	-	209,065
Agency securites	104,086	-	-	104,086
Corporate bonds	618,176	-	-	618,176
Other Assets:				
Real estate/construction	48,840	-	-	48,840
Agency funds	27,187	-	-	27,187
Total assets at fair value	$ 3,232,518	$ -	$ -	$ 3,232,518

NOTE 3. - FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Shares of Registered Investment Companies Equities:				
Basic materials/resources	$ 35,559	$ -	$ -	$ 35,559
Business/consumer services	91,168	-	-	91,168
Energy services	63,175	-	-	63,175
Consumer goods	190,738	-	-	190,738
Communication services	66,760	-	-	66,760
Consumer defense	37,575			37,575
Financial services	458,990	-	-	458,990
Healthcare/life sciences	375,584	-	-	375,584
Industrial goods	140,209	-	-	140,209
Leisure/arts/hospitality	43,762	-	-	43,762
Media/entertainment	110,559	-	-	110,559
Real estate/construction	69,261	-	-	69,261
Retail wholesale	328,549	-	-	328,549
Technology	744,633	-	-	744,633
Fixed Income:				
US Treasuries	205,050	-	-	205,050
Agency securites	112,211	-	-	112,211
Corporate bonds	481,820	-	-	481,820
Other Assets:				
Real estate/construction	62,752	-	-	62,752
Agency funds	31,594	-	-	31,594
Total assets at fair value	$ 3,649,949	$ -	$ -	$ 3,649,949

NOTE 4. - PROPERTY AND EQUIPMENT

	June 30,	
	2022	2021
Land	$ 196,649	$ 196,649
Building	199,769	149,875
Computer hardware and software	31,133	31,133
Furniture, fixtures and equipment	29,537	29,537
	457,088	407,194
Less: accumulated depreciation	(60,691)	(53,642)
	$ 396,397	$ 353,552

NOTE 5. - LEASE OBLIGATIONS

The Organization rents offsite storage space on a month to month basis. Total rent expense during the years ended June 30, 2022 and 2021 was $3,653 and $9,713, respectively.

NOTE 6. - NET ASSETS - ENDOWMENT

The Organization's Endowment (Endowment) provides stable financial support to a variety of programs and activities in perpetuity, playing a critical role in enabling the Organization to achieve its mission of protecting and promoting an appreciation of the significant natural, agricultural, and historical areas of the Pee Dee Watershed of South Carolina. The Endowment is made up of donor-restricted endowment funds. As required by Generally Accepted Accounting Principals (GAAP), net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Effective July 1, 2008, the Organization adopted the FASB's guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for all Endowment Funds.

UPMIFA, as enacted by the General Assembly of South Carolina, under which laws the Organization is incorporated, and is interpreted by the Organization, requires the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. In addition, net appreciation on donor-restricted endowment funds is required to be classified and reported as net assets with donor restrictions

Interpretation of Relevant Law – The State of South Carolina adopted UPMIFA effective July 1, 2008. The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (1) the original value of the gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instruments at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of various fund;
- The purposes of the organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and appreciation of investments;
- Other resources of the organization; and
- The Organization's investment policy.

NOTE 6. - NET ASSETS - ENDOWMENT--Continued

Return Objectives and Risk Parameters – The Organization has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the Organization. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor specified period. Under this policy, as adopted by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees and inflation without putting the principal value at imprudent risk, and diversify investments consistent with commonly accepted industry standards to minimize the risk of large losses.

Strategies Employed by Achieving Objectives – To satisfy long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that meets the Organization's long-term rate of return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to the Spending Policy – The Organization's spending policy is consistent with its objective or preservation of the fair value of the original gift of the endowment assets held in perpetuity as well as to provide additional real growth through investment returns. Only the interest income can be appropriated by the board for expenditure from the endowment fund.

From time to time, certain restricted endowment funds may have fair values less than the amount required to be maintained by donor by law (underwater) endowment. The Board of Directors of the Organization has interpreted UPMIFA to permits spending, from underwater endowments in accordance with prudent measures required by law.

At June 30, 2022, the Organization had the following endowment net assets composition by type of Fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,141,058	$ 1,141,058
Total funds	$ -	$ 1,141,058	$ 1,141,058

At June 30, 2021, the Organization had the following endowment net assets composition by type of Fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,404,527	$ 1,404,527
Total funds	$ -	$ 1,404,527	$ 1,404,527

NOTE 6. - NET ASSETS - ENDOWMENT--Continued

Changes in endowment fund net asset classification for the year ended June 30, 2022 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2021	$ -	$ 1,404,527	$ 1,404,527
Contributions	-	8,612	8,612
Investment return:			
Investment income	38,242	-	38,242
Net losses (realized and unrealized)	-	(230,049)	(230,049)
Appropriation of endowment assets for expenditure	(38,242)	(42,032)	(80,274)
Endowment Net Assets, June 30, 2022	$ -	$ 1,141,058	$ 1,141,058

Changes in endowment fund net asset classification for the year ended June 30, 2021 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2020	$ -	$ 1,208,990	$ 1,208,990
Contributions	-	15,950	15,950
Investment return:			
Investment income	37,132	-	37,132
Net gains (realized and unrealized)	-	337,490	337,490
Appropriation of endowment assets for expenditure	(37,132)	(157,903)	(195,035)
Endowment Net Assets, June 30, 2021	$ -	$ 1,404,527	$ 1,404,527

NOTE 7. - CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS – TEMPORARY IN NATURE

Changes in net assets with donor restrictions - temporary in nature at June 30, 2022 and 2021 are as follows:

	2022	2021
Balance at beginning of year - July 1	$ 1,234,244	$ 949,609
Support	955,458	820,567
Net assets released from restrictions	(1,125,923)	(535,932)
Balance at end of year - June 30	$ 1,063,779	$ 1,234,244

The following amounts remain as net assets with donor restrictions – temporary in nature at June 30, 2022 and 2021:

	June 30,	
	2022	2021
To conserve, and to promote an appreciation of, the significant natural, agricultural, and historical resources of the Pee Dee Watershed of South Carolina	$ 1,063,779	$ 1,234,244

NOTE 8. - CONTINGENCIES

The Organization is dependent on grants and contributions. The Organization must apply for renewals of grants. Funding is subject to increases or decreases at the discretion of the grantors or donors.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's donors, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

The Organization has obtained funding through the Small Business Administration (SBA) to assist the Company during the COVID-19 pandemic. This funding is detailed in Note 9 below.

NOTE 9. - LONG-TERM DEBT

In April 2020, the Organization received a Paycheck Protection Program (PPP) loan as provided under the CARES (Coronavirus Aid, Relief, and Economic Security) Act, and administered by the federal Small Business Administration (SBA) in the amount of $61,094. This loan bears interest at 1.0% and is repayable over a specified period depending on the timing of the loan, financial institution used, and the CARES Act guidance. The loan may be forgiven if the proceeds of the loan are spent on payroll and other qualifying non-payroll costs incurred over the applicable period specified by the CARES Act. During February 2021, the Organization received a notice from the SBA that the total amount of the loan had been forgiven. As a result, the Organization recorded a gain on the forgiveness of this loan on the accompanying statement of activities for year ended June 30, 2021.

NOTE 10. - DONATED LAND

Donated land, as reported on the statements of financial position, consists of the three properties, Dargan Preserve and Mozingo Preserve, transferred from Black Creek Land Trust received in December 2014. In connection with the original donation of these properties, the Organization is required to preserve the property in its natural state in perpetuity. The third property is the Mary Burns tract, which was donated in June 2022 with the donor intent for the Organization to sell the property with proceeds being contributed to the Scarborough Opportunity Fund.

NOTE 11. - BOARD DESIGNATED FUNDS – SCARBOROUGH OPPORTUNITY FUND

The Scarborough Opportunity Fund's purpose is to generate income for operations expenses of Pee Dee Land Trust, to provide financial assistance on land protection projects, and other opportunities as deemed appropriate by the Board of Directors; includes the former Revolving Land Fund for Land Protection.

The authorized expenditures are up to 4% of the value of this fund at the end of the prior calendar year and may be spent to meet ongoing operational needs. Requests for up to $5,000 are to be approved by the Executive Committee Requests over $5,000 and the 4% expenditure require the full board's majority vote. Funds may be transferred to the General Fund for this purpose. Principal may be drawn down to a minimum of $25,000. Override of the floor may only be made by 75% majority vote of the board of directors.

As of June 30, 2022 and 2021, the board designated funds for Scarborough Opportunity Funds were $1,215,671 and $1,300,667.

NOTE 12. - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the financial statement date and up to the date these financial statements were available to be issued.