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Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Wareham Land Trust, Inc.
Wareham, Massachusetts 02571

We have reviewed the accompanying financial statements of Wareham Land Trust, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities, functional expenses 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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.

We are required to be independent of Wareham Land Trust, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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 accordance with accounting principles generally accepted in the United States of America.

Benoit & McArdle, P.C.

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Certified Public Accountants

July 9, 2024

Wareham Land Trust, Inc.

Statements of Financial Position

December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 218,035	\$ 231,675
Accounts receivable	82	82
Investments, at market value	<u>212,119</u>	<u>181,450</u>
<u>Total Current Assets</u>	<u>430,236</u>	<u>413,207</u>
<u>Property and Equipment</u>		
Land	2,471,317	2,211,710
Furniture, fixtures and equipment	9,328	9,328
Less - accumulated depreciation	<u>(7,553)</u>	<u>(7,046)</u>
<u>Total Property and Equipment</u>	<u>2,473,092</u>	<u>2,213,992</u>
<u>Total Assets</u>	<u>\$ 2,903,328</u>	<u>\$ 2,627,199</u>

Liabilities and Net Assets

<u>Short Term Note- Marks Cove</u>	<u>\$ 125,000</u>	<u>\$ -</u>
<u>Net Assets</u>		
Without donor restrictions	<u>119,335</u>	<u>250,144</u>
With donor restrictions:		
Land Acquisition	31,197	12,342
Legal Defense	65,000	60,517
Stewardship	91,479	92,486
Land	<u>2,471,317</u>	<u>2,211,710</u>
<u>Total with Donor Restrictions</u>	<u>2,658,993</u>	<u>2,377,055</u>
<u>Total Net Assets</u>	<u>2,778,328</u>	<u>2,627,199</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 2,903,328</u>	<u>\$ 2,627,199</u>

See accompanying notes and independent accountant's review report.

Wareham Land Trust, Inc.

Statements of Activities

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Changes in Net Assets Without Donor Restrictions</u>		
<u>Contributions and Gains</u>		
Contributions (Foundations, Individuals and Governments)	\$ 235,824	\$ 80,689
Special events	1,415	1,188
Memberships	19,979	12,533
Realized Losses	(4,430)	(10,129)
Unrealized Gains/Losses	13,123	(6,683)
Investment income	10,077	4,311
Net assets released from (moved to) restrictions	<u>(22,331)</u>	<u>57,332</u>
<u>Total Contributions and Gains Without Donor Restrictions</u>	<u>253,657</u>	<u>139,241</u>
<u>Expenses:</u>		
Program	103,597	65,436
Fundraising	692	894
General and administrative	<u>20,570</u>	<u>52,768</u>
<u>Total Expenses</u>	<u>124,859</u>	<u>119,098</u>
<u>Increase in Net Assets Without Donor Restrictions</u>	<u>128,798</u>	<u>20,143</u>
<u>Changes in Net Assets With Donor Restrictions</u>		
Net assets released from restriction	<u>22,331</u>	<u>(57,332)</u>
<u>Increase (Decrease) in Net Assets With Donor Restrictions</u>	<u>22,331</u>	<u>(57,332)</u>
<u>Increase (Decrease) in Net Assets</u>	151,129	(37,189)
<u>Net Assets - Beginning of Year</u>	<u>2,627,199</u>	<u>2,664,388</u>
<u>Net Assets - End of Year</u>	<u>\$ 2,778,328</u>	<u>\$ 2,627,199</u>

See accompanying notes and independent accountant's review report.

Wareham Land Trust, Inc.

Statements of Functional Expenses

For the Years Ended December 31, 2023 and 2022

	December 31, 2023			
	<u>Program</u>	<u>Fundraising</u>	<u>General & Administrative</u>	<u>Total</u>
Books, subscriptions and dues	\$ 2,937	\$ -	\$ 213	\$ 3,150
Supplies	1,010		345	1,355
Professional fees			7,800	7,800
Executive director	60,835			60,835
Postage	173	672	317	1,162
Printing and copying	2,694			2,694
Depreciation expense			507	507
Land acquisition	14,295			14,295
Insurance	7,130			7,130
Advisory fees			1,453	1,453
Occupancy expense			7,367	7,367
Special event expense	14,453	20		14,473
Miscellaneous	70	-	2,568	2,638
	\$ 103,597	\$ 692	\$ 20,570	\$ 124,859

	December 31, 2022			
	<u>Program</u>	<u>Fundraising</u>	<u>General & Administrative</u>	<u>Total</u>
Books, subscriptions and dues	\$ 2,290	\$ 167	\$ -	\$ 2,457
Supplies			277	277
Professional fees	1,400			1,400
Executive director	39,442		39,442	78,883
Postage		159	714	873
Printing and copying	1,359	349		1,708
Depreciation expense			254	254
Taxes			70	70
Insurance	6,649			6,649
Occupancy expense			7,152	7,152
Special event expense	14,116		1,145	15,261
Miscellaneous	180	219	3,714	4,113
	\$ 65,436	\$ 894	\$ 52,768	\$ 119,098

See accompanying notes and independent accountant's review report.

Wareham Land Trust, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ 151,129	\$ (37,189)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	507	254
Unrealized capital (gains) and losses	(13,123)	6,683
Realized capital losses	4,430	10,129
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>142,943</u>	<u>(20,123)</u>
 <u>Cash Flows from Investing Activities</u>		
Proceeds from sale of investments	24,308	64,620
Purchase of investments	(46,284)	(161,862)
Purchase of property, plant and equipment	(259,607)	(2,536)
<u>Net Cash Used by Investing Activities</u>	<u>(281,583)</u>	<u>(99,778)</u>
 <u>Cash Flows from Financing Activities</u>		
Advance on short term note	<u>125,000</u>	<u>-</u>
 <u>Net Decrease in Cash and Cash Equivalents</u>	(13,640)	(119,901)
 <u>Cash and Cash Equivalents at Beginning of the Year</u>	<u>231,675</u>	<u>351,576</u>
 <u>Cash and Cash Equivalents at End of the Year</u>	<u>\$ 218,035</u>	<u>\$ 231,675</u>

See accompanying notes and independent accountant's review report.

Wareham Land Trust, Inc.

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Description of the Organization

Wareham Land Trust, Inc. (the Organization) is a nonprofit organization formed to promote the conservation and protection of the natural resources of the area in and around the Town of Wareham and its villages, neighborhoods and subdivisions for the benefit of the general public.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Wareham Land Trust, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

During the year the board has reviewed and changed its policy with respect to the land acquired and determined it should be reclassified to donor restricted net assets.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Basis of Accounting

The Organization’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenue is recorded when earned and expenses are recorded when incurred.

Revenue and Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 –

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition (Continued)

Revenue from Contracts with Customers (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of one year or less from the date of purchase.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash investments with several different banks. All of the banks are insured by the FDIC up to \$250,000. At December 31, 2023 and 2022 the Organization's uninsured cash balances were \$-0- for both years.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation. Depreciation is calculated using the straight-line method over five to seven years.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Note 2 – Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 reported in the statements activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated Services

The Organization receives donated services from its officers, directors, volunteers assisting the Organization in promoting and supporting the conservation and protection of natural resources of the area in and around the Town of Wareham. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated

Wareham Land Trust, Inc.
Notes to Financial Statements
December 31, 2023 and 2022 (Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Functional Expenses (Continued)

among conservation and protection of nature resources and supporting services benefited. Such allocations are determined by management on an equitable basis.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

Wareham Land Trust, Inc. is exempt from income tax under IRC Section 501(c) (3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization files information returns in the U.S. federal jurisdiction and the Commonwealth of Massachusetts. The Organization's December 31, 2021 to December 31, 2023 information returns are the only open periods with regard to potential audits. Generally, the statute of limitations is three years. The Organization is not currently being examined nor have they been notified of any pending examinations.

Interest and Penalties

Interest and penalties assessed by income taxing authorities are included in operating expenses. There were no penalties or interest included in operating expenses for the years ended December 31, 2023 or 2022.

Adoption of FASB ASC 842 - Leases

Effective January 1, 2022, the Organization adopted FASB ASC 842, Leases. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical

Wareham Land Trust, Inc.
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Adoption of FASB ASC 842 – Leases (Continued)

expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

The adoption of FASB ASC 842 did not result in the recognition of right-of use assets or any lease liabilities as all the Organization leases were pre-existing prior to the effective date the Organization adopted this new standard. See Note 8 for more information on Organization leases.

Note 3 – Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$218,035	\$231,675
Contributions receivable	82	82
Investments at market value	<u>212,119</u>	<u>181,450</u>
<u>Total Financial Assets</u>	<u>430,236</u>	<u>413,207</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions (net of land)	<u>187,676</u>	<u>165,345</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$242,560</u>	<u>\$247,862</u>

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in short-term investments such as CDs and money market funds. While management's intent is not to liquidate the Organization's CDs or money market funds, it may be necessary to do so to meet cash flow needs.

Note 4 – Investments

Investment income totaled \$5,647 and \$4,311 which included earnings from interest and dividends on investments as well as realized long-term capital loss from the sale of securities for the year ended December 31, 2023 and December 31, 2022, respectfully.

The estimated fair values of the Organization's financial instruments are Level 1. The Organization does not have any Level 2 or 3 inputs as of December 31, 2023 and December 31, 2022:

Wareham Land Trust, Inc.
Notes to Financial Statements
December 31, 2023 and 2022 (Continued)

Note 4 – Investments (Continued)

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	Carrying <u>Amount</u>	Fair Value <u>(Level 1)</u>	Carrying <u>Amount</u>	Fair Value <u>(Level 1)</u>
Cash	<u>\$203,131</u>	<u>\$203,131</u>	<u>\$198,986</u>	<u>\$198,986</u>
Investments:				
Cash reserve funds	\$ 14,904	\$ 14,904	\$ 32,689	\$ 32,689
Equity funds	<u>201,974</u>	<u>212,119</u>	<u>184,433</u>	<u>181,450</u>
	<u>\$216,878</u>	<u>\$227,023</u>	<u>\$217,122</u>	<u>\$214,139</u>

The carrying amount is the fair value for cash and cash equivalents. For securities, fair values are estimates based on quoted market prices.

Note 5 – Property and Equipment

Equipment is recorded at cost and depreciated over 5-7 years using the straight-line method. Depreciation expenses for 2023 and 2022 were \$507 and \$254, respectively.

Land acquisitions are valued at cost if acquired by purchase and donated land at fair market value as of the date of gift. The following is a list of land the Organization currently holds:

<u>Property Name</u>	<u>Acreage</u>	<u>Year Acquired</u>
North Water Street Beach	1.20	2003
Great Neck Road Parcels	0.20	2004
Choate Indian Neck	3.40	2004
Hammond Baypoint	3.11	2004
Whitlock's Landing	0.49	2005
Tweedy & Barnes	24.75	2005
Eldridge Brown Parcel	5.75	2005
Agawam River Pine Barrens	68.46	2007
Mark's Cove	8.14	2008
Agawam River Corridor Trail I	3.98	2009
Agawam River Corridor Trail II	4.49	2009
Columbia Ave - Mark's Cove	2.50	2009
Off Fearing Hill Road	4.86	2010
Gregory, Eldridge and Brown Parcels	5.04	2011
Tweedy & Barnes extension	7.69	2015
Stoney Run Scout	13.33	2017
Stoney Run 600 Main Street	6.63	2018
Sawyer Preserve	10.17	2023
Marks Cove Vista	<u>2.90</u>	2023
	<u>177.09</u>	

Wareham Land Trust, Inc.
Notes to Financial Statements
December 31, 2023 and 2022 (Continued)

Note 6 – Conservation Restrictions

Conservation restrictions are permanent restrictions on the use of land without the transfer of ownership of the physical property. As of December 31, 2023 and 2022, the Organization held conservation restrictions on 518 acres of land. The conservation restrictions with appraised values are reflected as assets on the statement of financial position. The following is a list of the conservation restrictions the Organization currently holds:

<u>Property Name</u>	<u>Acreage</u>	<u>Year Acquired</u>
Fearing Hill Road	66.29	2007
Baldwin Bourne Cove	4.27	2002
Murphy Freedom Cranberry	9.65	2004
Bryant Farm	101.30	2004
Woods at Great Neck	18.00	2007
Gleason Preserve	4.36	2007
Barker Conservation Area	19.55	2008
Charles Cheever	1.89	2009
Phinney	5.20	2009
Zine	3.77	2009
Cheever/Stasiowski	8.80	2010
Heron Kiernan Point	90.87	2010
Lyman	16.00	2012
Holly Cheever	6.58	2013
Westgate	48.54	2013
Cromesett Neck	13.15	2015
Onset Water District	53.94	2017
Broad Marsh	<u>45.26</u>	2018
	<u>517.42</u>	

Note 7 – Net Assets

Net assets with donor restrictions are separated into the following categories as listed on the statement of financial position:

Land acquisition - these are funds that can be used to pay for expenses related to the acquisition and protection of new properties.

Legal defense - these funds ensure adequate resources to enforce and defend any violation of the Organization's conservation restrictions.

Stewardship - these funds are restricted for use in fulfilling current and long-term stewardship responsibilities.

Land acquired – during 2023 the board determined that even though land acquired could be sold under certain circumstances it should be classified as net assets with donor restrictions.

Wareham Land Trust, Inc.
Notes to Financial Statements
December 31, 2023 and 2022 (Concluded)

Note 8 – Commitment for Facilities

The Organization had a written lease agreement with Decas Real Estate Trust to rent a “Conference Room” located at 219 Main Street, Wareham, Massachusetts 02571 through December 31, 2022.

The office building was sold and in 2022 the new landlord, 213-219 Main Street, LLC honored the previous landlord’s lease agreement through December 31, 2022. The Organization continues as a tenant at will. The rent expense for 2023 and 2022 was \$4,524.

Note 9 – Executive Director

The Organization has engaged the services of an Executive Director as of November 1, 2021. The compensation for the Executive Director is paid through the payroll service of the Compact of Cape Cod Conservation Trusts, Inc., of which Wareham Land Trust, Inc. is a member. The compensation costs are then reimbursed by the Wareham Land Trust, Inc. through semi-annual billings from the Compact of Cape Cod Conservation Trusts, Inc. The compensation paid for the year ended December 31, 2022 was \$78,883, which included base salary plus applicable payroll taxes and health insurance. The Organization continued this arrangement through June of 2023. Starting in June of 2023 the Organization paid the Executive Director directly using a payroll service the amount paid was \$28,660.

Note 10 – Accreditation Seal

In December 2013, Wareham Land Trust, Inc. received their accreditation from the Land Trust Accreditation Commission. The accreditation was renewed on August 1, 2019 and runs through July 31, 2024.

Note 11 – Reclassification of Amounts

During 2023, the Board has reviewed and changed its policy with respect to the land acquired and determined it should be reclassified to donor restricted net assets.

Note 12 – Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through July 9, 2024, the date on which the financial statements were available to be issued.