

**PINES AND PRAIRIES LAND TRUST, INC.**

**FINANCIAL STATEMENTS**

**(MODIFIED CASH BASIS)**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2023**

**RB** | RICH &  
BANDER

CERTIFIED PUBLIC ACCOUNTANTS

**PINES AND PRAIRIES LAND TRUST, INC.**  
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**DECEMBER 31, 2023**

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**RICH AND BANDER, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

The Board of Directors  
Pines and Prairies Land Trust, Inc.  
Bastrop, TX

Management is responsible for the accompanying financial statements of Pines and Prairies Land Trust, Inc. (a Texas Non-Profit Organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2023, and the related statements of revenues, expenses and changes in net assets – modified cash basis, functional expenses – modified cash basis, for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information on Schedule on Reconciliation of the Modified Cash Basis of Accounting with Form 990 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Rich and Bander, LLP*

New York, NY  
February 5, 2025

**PINES AND PRAIRIES LAND TRUST, INC.**  
**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS**  
**AS OF DECEMBER 31, 2023**

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**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 31,183
Investments	349,610
<b>Total current assets</b>	<b><u>380,793</u></b>

**Noncurrent assets**

Land	3,232,906
Property and equipment, net	1,430
<b>Total other assets</b>	<b><u>3,234,336</u></b>

**TOTAL ASSETS**

**\$ 3,615,129**

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 8,399
Loan payable	2,376
<b>Total current liabilities</b>	<b><u>10,775</u></b>

**Noncurrent liabilities**

Loan payable	90,556
<b>Total noncurrent liabilities</b>	<b><u>90,556</u></b>

**TOTAL LIABILITIES**

**101,331**

**NET ASSETS**

Without donor restrictions	
Undesignated	494,302
Board-designated reserve fund	349,610
Total without donor restrictions	<u>843,912</u>
With donor restrictions	2,669,886
<b>TOTAL NET ASSETS</b>	<b><u>3,513,798</u></b>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 3,615,129**

See independent accountant's compilation report  
and accompanying notes to financial statements.

**PINES AND PRAIRIES LAND TRUST, INC.**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and support</b>			
<b>Grants and contributions</b>			
Non-government	\$ 16,220	\$ 10,780	\$ 27,000
Individuals	11,259	-	11,259
Corporate	561	-	561
Contributions of nonfinancial assets	262	-	262
<b>Total grants and contributions</b>	<b>28,302</b>	<b>10,780</b>	<b>39,082</b>
<b>Other income</b>			
Net investment return	50,893	-	50,893
Rental income	10,958	-	10,958
Miscellaneous income	5,428	-	5,428
<b>Total other income</b>	<b>67,279</b>	<b>-</b>	<b>67,279</b>
<b>Total revenue and support</b>	<b>95,581</b>	<b>10,780</b>	<b>106,361</b>
<b>Expenses</b>			
<b>Program services</b>	106,411	-	106,411
<b>Supporting services</b>			
Management and general	88,612	-	88,612
Fundraising	31,117	-	31,117
<b>Total expenses</b>	<b>226,140</b>	<b>-</b>	<b>226,140</b>
<b>Change in net assets</b>	(130,559)	10,780	(119,779)
<b>Net assets - beginning of year, as originally reported</b>	400,671	-	400,671
<b>Prior period adjustment</b>	573,800	2,659,106	3,232,906
<b>Net assets - beginning of year, as restated</b>	974,471	2,659,106	3,633,577
<b>Net assets - end of year</b>	<b>\$ 843,912</b>	<b>\$ 2,669,886</b>	<b>\$ 3,513,798</b>

See independent accountant's compilation report  
and accompanying notes to financial statements.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total</b>
		<b>Management and general</b>	<b>Fundraising</b>	
<b>Salaries and wages</b>	\$ 21,659	\$ 48,517	\$ 16,461	\$ 86,637
<b>Professional services</b>	47,985	17,725	12,459	78,169
<b>Refuge expenses</b>	29,251	-	-	29,251
<b>Insurance</b>	550	8,994	-	9,544
<b>Office expenses</b>	2,507	2,520	874	5,901
<b>Payroll taxes</b>	1,457	3,265	1,108	5,830
<b>Travel and meetings</b>	2,045	557	24	2,626
<b>Interest expenses</b>	-	2,591	-	2,591
<b>Membership dues</b>	675	1,890	-	2,565
<b>Occupancy</b>	-	1,771	-	1,771
<b>Bank charges and processing fees</b>	225	720	170	1,115
<b>Depreciation</b>	27	62	21	110
<b>Other expenses</b>	30	-	-	30
	<b>\$ 106,411</b>	<b>\$ 88,612</b>	<b>\$ 31,117</b>	<b>\$ 226,140</b>

See independent accountant's compilation report  
and accompanying notes to financial statements.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**1) NATURE OF THE ORGANIZATION**

*Nature of the Organization*

Pines and Prairies Land Trust, Inc. (the “Organization”) was incorporated in February 2001 as a 501(c)(3) not-for-profit corporation under the laws of the State of Texas. The Organization is dedicated to conserving and safeguarding vital natural areas. Its mission is to protect open space through land conservation, stewardship and community engagement. The Organization, aside from direct land conservation, also hosts nature lessons and workshops, participates in conferences and local environmental events, and provides speakers for civic and business groups.

The Organization is primarily supported by grants and contributions from non-government entities, corporations, and individuals, and as well as program service revenues and individuals.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting*

The Organization prepares its financial statements under the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. In addition, contributed nonfinancial assets and unrealized gains and losses included in the net investment returns are recorded in the accompanying statement of revenues, expenses and changes in net assets – modified cash basis.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents*

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

*Investments*

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Investments are reported at their fair value in the statement of assets, liabilities and net assets – modified cash basis. Net investment return/(loss) is reported in the statement of revenue, expenses and changes in net assets - modified cash basis and consist of interest, dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Revenue and Revenue Recognition*

*Grants and Contributions* – Grants (from government and foundations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions and cash, securities or other assets and on which they depend have been substantially met.

*Contributed Nonfinancial Assets* – The value of services, facilities, and non-capitalized equipment donated is recorded as contributions with or without donor restrictions and expensed in the year donated. These contributions are valued at the estimated fair value of similar services and materials. Donated assets are capitalized at fair value at the date of donation and recorded as contributions with or without donor restrictions, depending on the wishes of the donor. A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

*Rental Income* – property rent income is recognized when the period of rental agreement ends at which time the performance obligation is completed. Rental income is scoped out of Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers* (Topic 606).

*Property and Equipment*

Septic tank facility is recorded at cost or, if donated, at the fair value at date of receipt. It is the Organization’s policy to capitalize expenditures for these items in excess of \$1,000. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful life of 20 years.

*Land*

Both acquisitions and conveyances of land are recorded 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. It is the policy of the Organization to either hold donated land as an asset on its statement of assets, liabilities and net assets if it intends to hold the land as preserve or as an asset for sale if the Organization determines the best use of the property would be to generate working capital.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Easements

Conservation easements are voluntary legal agreements by which landowners can elect to ensure permanent protection of the conservation values of their property. Easement donors continue to own the property in fee, with the right to live on, rent, mortgage, or convey their land subject to use restrictions and sometimes, site planning constraints set out in the easement. The Organization does not attribute value to the easements held. Easements are not marketable interests in real estate and have no segregable economic value to the Organization. The easements impose on the Organization a perpetual obligation to monitor and steward the properties, costs of which are an on-going expense in the Organization's annual budget.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to perform services to a customer for which the Organization has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations. The Organization does not have any opening balances for contract assets nor liabilities or such balances at December 31, 2023.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated from net assets without donor restrictions, net assets for a board-designated reserve fund.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenue, expenses and changes in net assets as net assets released from restrictions.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll tax expenses and depreciation, which are allocated on the basis of estimates of time and effort.

*Advertising Costs*

The Organization's policy is to expense advertising costs as they are paid. There was no advertising expense for the year ended December 31, 2023.

*Recent Accounting Pronouncements*

On December 14, 2023, the FASB issued Accounting Standard Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. There are also disclosure requirements that are to be eliminated upon adoption of the amendments. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

On December 13, 2023, the FASB issued ASU 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

The Organization is currently evaluating the effect that these updates will have on its financial statements.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*Employee Retention Credits*

The Organization recognizes Employee Retention Credit (“ERC”) when the conditions for the credit are substantially met. The Organization elected to consider approval of the ERC by the IRS a barrier; accordingly, government grant income is recognized on the statement of revenue, expenses and changes in net assets – modified cash basis when the approval of the ERC and the receipt of the federal credit (via cash or as a credit to future payroll expenses) are completed.

*Income Tax Status*

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization’s Form 990-EZ, *Short Form Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2022 and 2020, and Form 990, *Return of Organizations Exempt from Income Tax*, for the year ended December 31, 2021, and are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2023, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

**3) FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in mutual funds that are classified as available-for-sale on a recurring basis. The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. The disclosures required under this Topic have been included in this note.

*Determination of Fair Value*

Under the Fair Value Measurements Topic of the FASB ASC, the Organization bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Organization’s policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**3) FAIR VALUE MEASUREMENTS (CONT'D)**

*Fair Value Hierarchy*

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

*Cash and Cash Equivalents and Accounts Payable*

The carrying amounts approximate fair value because of the short maturity of these instruments.

*Investments in Equity Securities and*

Investments in mutual funds that are classified as available-for-sale are recorded at fair value on a recurring basis using quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities. If quoted market prices are not available for comparable securities, fair value is based on quoted bids for the security or comparable securities.

*Assets Measured and Recognized at Fair Value on a Recurring Basis*

The table below presents the amounts of assets measured at fair value on a recurring basis, except those measured using NAV per share as a practical expedient as identified in the following, as of December 31, 2023:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$ 349,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,610</u>

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**4) LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the statement of assets, liabilities and net assets date, comprise the following:

<u>Financial assets at year-end</u>	<u>Gross amount</u>	<u>Less: Amounts not available to be used within one year</u>	<u>Financial assets available to meet general expenditures within one year</u>
Cash and cash equivalents	\$ 31,183	\$ 10,780	\$ 20,403
Investments	349,610	-	349,610
Total	<u>\$ 380,793</u>	<u>\$ 10,780</u>	<u>\$ 370,013</u>

The Organization is supported in part by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization's Board of Directors (the "Board") established a board-designated reserve fund (see Note 11). These reserve funds could be made available at any time to meet cash requirements for general expenditures at the discretion of the board.

**5) INVESTMENTS**

As of December 31, 2023, the Organization held \$349,610 in mutual funds that are reported at their fair market values on the statement of assets, liabilities and net assets. Investments are summarized as follows, at December 31, 2023:

	<u>Cost basis</u>	<u>Fair value</u>
Mutual funds	<u>\$ 368,597</u>	<u>\$ 349,610</u>

Net investment returns for the year ended December 31, 2023 is summarized as follows:

Net unrealized gain	\$ 38,422
Dividends and interests	11,409
Net realized gain	<u>1,062</u>
Total	<u>\$ 50,893</u>

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**6) PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment less accumulated depreciation as of December 31, 2023. Depreciation expense for the year then ended was \$110.

Septic Tank Facility	\$ 2,200
Less: accumulated depreciation	<u>770</u>
	<u>\$ 1,430</u>

**7) LAND**

Land consists of the following as of December 31, 2023:

Land held in fee – Restricted in perpetuity	\$ 2,659,106
Land held in fee – Without donor restrictions	<u>573,800</u>
	<u>\$ 3,232,906</u>

Land held in fee – Restricted in perpetuity – the Organization owns one conservation area without public access (Billig Ranch; 677 acres) and one conservation area with public access (Colorado River Refuge; 65 acres). These properties are recorded at fair value at date of donation on the determination that the properties will be operated as nonpublic and public conservation areas in perpetuity, respectively.

Land held in fee – Without donor restrictions – the Organization owns one conservation area without public access (Yegua Knobbs Preserve; 302 acres). This preserve was acquired by the Organization in 2004.

**8) COMMITMENTS**

Easements and Conservation Areas

Acceptance of easements and donor restricted public conservation areas impose on the Organization a perpetual obligation to monitor and steward the properties.

As of December 31, 2023, the Organization holds a total of seven (7) easements on 1,216 acres of Bastrop County, Fayette County, Caldwell County, Lee County and Travis County. During the year ended December 31, 2023, the Organization's expense for monitoring and stewarding easements and conservation areas was \$2,765.

**9) CONTRIBUTED OF NONFINANCIAL ASSETS**

The Organization received in-kind professional services and in-kind goods with a fair value of \$200 and \$62, respectively. These donated goods and services are recognized at fair market value and recorded as contributed nonfinancial contributions in the accompanying financial statements.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**10) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

Perpetually restricted net assets:	
Land held in fee – Billig Ranch	\$ 2,214,852
Land held in fee – Colorado River Refuge	<u>444,254</u>
	2,659,106
Subject to expenditure for specified purpose:	
Restoring damaged trails at Yegua Knobbs Preserve	7,500
Phase two: Habitat restoration efforts for critically endangered Houston Toad	<u>3,280</u>
	10,780
Total net assets with donor restrictions	<u>\$ 2,669,886</u>

**11) BOARD DESIGNATED RESERVE FUND**

In 2013, the Organization designated three (3) reserve funds for use in operations, support for programs and initiatives on conservation easement and land stewardship, and conservation easement and legal defense. The reserve funds are all established from the investment accounts of the Organization. Currently, the reserve funds consist of the following as of December 31, 2023:

Operating reserve	\$ 231,310
Conservation easement and land stewardship	75,000
Conservation easement and legal defense	<u>43,300</u>
	<u>\$ 349,610</u>

**12) EMPLOYEE RETENTION CREDITS**

The Consolidated Appropriations Act 2021 was signed into law on December 27, 2020. One of the provisions was an extension and expansion of the ERC first created under the CARES Act. Eligible employers had the opportunity to claim the ERC against federal payroll taxes, including federal withholding taxes and the employer's and employee's share of social security and Medicare taxes.

In 2021, the Organization applied for ERCs totaling \$32,691 for qualified wages for the periods November 1, 2020 to December 31, 2020, January 1, 2021 to March 31, 2021, and July 1, 2021 to September 30, 2021. Businesses that were either fully or partially suspended by a COVID-19 lockdown order or had gross receipts less than 50% of gross receipts for the same quarter in 2019 attained ERC eligibility for this wage period and continued to qualify in the next quarter after becoming eligible as long as gross receipts were not more than 80% of the same quarter in 2019.

The Organization believes that it is eligible to receive the cash or credits from the remaining unpaid applied employee credits totaling \$13,506.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**13) LOAN PAYABLE – ECONOMIC INJURY DISASTER LOAN**

In June 2020, the Organization received loan proceeds in the amount of \$96,300 pursuant to the Economic Injury Disaster Loan (“EIDL”), established as part of the Coronavirus Aid, Relief, and Economic Security Act, and administered by the Small Business Administration (“SBA”). The loan is to be used for working capital and normal operating expenses of the Organization. The loan matures 30 years from the date of the promissory note and bears interest at a rate of 2.75% per annum, with monthly amortized principal and interest payment of \$412. The monthly payments will begin 12 months from the date of the promissory note. The loan is collateralized by substantially all the properties of the Organization. In 2021, the SBA has approved an additional 12 months deferral of principal and interest payments. As at December 31, 2023, the outstanding EIDL loan totaled to \$92,932.

For the year ended June 30, 2023, interest expense related to the loan was \$1,500.

Future minimum principal payments for the next five years are as follows:

June 30,		
2024	\$	2,376
2025		2,450
2026		2,520
2027		2,591
2028		2,657
Thereafter		<u>80,338</u>
Total	\$	<u>92,932</u>

**14) CONCENTRATION OF CREDIT RISK**

The Organization’s cash balances are held at one major financial institution located in Bastrop, TX. The balance, at times, may exceed federally insured limits. At December 31, 2023, there were no uninsured balances. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

The Organization maintains investment brokerage accounts with mostly mutual fund type of investments at a major financial institution. The investment balances are insured by the Securities Investor Protection Corporation (“SIPC”) up to \$500,000 for securities and cash (including a limit of \$250,000 for cash only) per customer. SIPC does not protect investors from market risk. As of June 30, 2023, there are no uninsured balances.

During the year ended December 31, 2023, the Organization received approximately 51% of its total grants and contributions from three non-government donors. The concentration from the contributor does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributors and other revenue.

**PINES AND PRAIRIES LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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**15) PRIOR PERIOD ADJUSTMENT**

The Organization restated the results of its previously issued financial statements for 2022 in order to recognize \$3,232,906 in unrecorded donated land held in fees received from various donors. The cumulative effect of the prior period adjustment increases the beginning land by \$3,232,906, increases beginning net assets without donor restrictions \$573,800 and increases beginning net assets with donor restrictions by \$2,659,106.

**16) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 5, 2025, which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events.

## **SUPPLEMENTARY INFORMATION**

**PINES AND PRAIRIES LAND TRUST, INC.**  
**SCHEDULE ON RECONCILIATION OF**  
**MODIFIED CASH BASIS OF ACCOUNTING WITH FORM 990-EZ**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**REVENUE AND SUPPORT - FORM 990**

Grants and contributions - modified cash basis	\$ 39,082
Contributions of nonfinancial assets (intangible)	(200)
Net assets released from restrictions	
Grants and contributions - Form 990	<u>38,882</u>
Other income - modified cash basis	67,279
Net investment returns (unrealized gains)	(38,422)
Other income - Form 990	<u>28,857</u>
<b>TOTAL REVENUE AND SUPPORT - FORM 990</b>	<u><b>67,739</b></u>

**EXPENSES - FORM 990**

Professional services - modified cash basis	78,169
Donated professional services (intangible)	(200)
Professional services - Form 990	<u>77,969</u>
All other expenses	<u>147,971</u>
<b>TOTAL EXPENSES - FORM 990</b>	<u><b>225,940</b></u>
<b>NET INCOME - FORM 990</b>	<u><b>(158,201)</b></u>