

WILDLANDS TRUST, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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**WILDLANDS TRUST, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Wildlands Trust, Inc.
Plymouth, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Wildlands Trust, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, 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 referred to above present fairly, in all material respects, the financial position of Wildlands Trust, Inc. as of June 30, 2024 and 2023, 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 (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Wildlands Trust, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Quincy, Massachusetts
March 5, 2025

WILDLANDS TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 2,033,483	\$ 3,031,362
Prepaid Expenses and Other Current Assets	21,941	9,436
Contributions and Grants Receivable, Net	67,178	38,461
Investments - Endowment	8,508,804	7,492,744
Other Investments - Certificates of Deposit	8,365	8,072
Property and Equipment, Net	2,152,355	2,091,068
Total Assets	\$ 12,792,126	\$ 12,671,143
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 93,698	\$ 99,075
Notes Payable	164,416	167,987
Dam Safety Compliance Liability	200,000	200,000
Total Liabilities	458,114	467,062
NET ASSETS		
Without Donor Restrictions	5,031,767	4,344,307
With Donor Restrictions	7,302,245	7,859,774
Total Net Assets	12,334,012	12,204,081
Total Liabilities and Net Assets	\$ 12,792,126	\$ 12,671,143

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Operating Revenue:			
Contributions/Grants	\$ 672,970	\$ 724,011	\$ 1,396,981
Membership	49,310	-	49,310
In-Kind Contributions	2,690	-	2,690
Other Income	82,954	-	82,954
Interest on Cash and Cash Equivalents, and Certificates of Deposit	86,006	-	86,006
Endowment Income Used for Operations	520,260	-	520,260
Net Assets Released from Restrictions	1,715,189	(1,715,189)	-
Total Operating Revenue	3,129,379	(991,178)	2,138,201
Operating Expenditures:			
Program	1,179,301	-	1,179,301
General and Administrative	302,953	-	302,953
Fundraising	204,447	-	204,447
Total Operating Expenditures	1,686,701	-	1,686,701
Changes in Net Assets Before Changes Related to Conservation			
Property Not Capitalized and Nonoperating Activities	1,442,678	(991,178)	451,500
Changes in Net Assets from Conservation Property			
Not Capitalized:			
Costs Associated With the Acquisition of Conservation Property	(1,002,500)	-	(1,002,500)
Total Changes in Net Assets from Conservation Property	(1,002,500)	-	(1,002,500)
Not Capitalized	(1,002,500)	-	(1,002,500)
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITIES	440,178	(991,178)	(551,000)
NONOPERATING ACTIVITIES			
Contributions Restricted for Endowment	-	114,795	114,795
Interest and Dividend Income on Investments, Net	61,396	49,826	111,222
Net Realized and Unrealized Gains on Investments	538,303	436,871	975,174
Endowment Income Used for Operations	(352,417)	(167,843)	(520,260)
Total Changes in Net Assets from Nonoperating Activities	247,282	433,649	680,931
CHANGE IN NET ASSETS	687,460	(557,529)	129,931
Net Assets - Beginning of Year	4,344,307	7,859,774	12,204,081
NET ASSETS - END OF YEAR	\$ 5,031,767	\$ 7,302,245	\$ 12,334,012

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Operating Revenue:			
Contributions/Grants	\$ 453,417	\$ 2,640,098	\$ 3,093,515
Membership	56,193	-	56,193
In-Kind Contributions	17,378	-	17,378
Other Income	12,186	-	12,186
Interest on Cash and Cash Equivalents, and Certificates of Deposit	25,743	-	25,743
Endowment Income Used for Operations	386,417	-	386,417
Net Assets Released from Restrictions	1,698,818	(1,698,818)	-
Total Operating Revenue	2,650,152	941,280	3,591,432
Operating Expenditures:			
Program	933,387	-	933,387
General and Administrative	319,005	-	319,005
Fundraising	151,190	-	151,190
Total Operating Expenditures	1,403,582	-	1,403,582
Changes in Net Assets Before Changes Related to Conservation Property Not Capitalized and Nonoperating Activities	1,246,570	941,280	2,187,850
Changes in Net Assets from Conservation Property Not Capitalized:			
Costs Associated With the Acquisition of Conservation Property	(1,521,678)	-	(1,521,678)
Total Changes in Net Assets from Conservation Property Not Capitalized	(1,521,678)	-	(1,521,678)
CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITIES	(275,108)	941,280	666,172
NONOPERATING ACTIVITIES			
Contributions Restricted for Endowment	-	36,337	36,337
Interest and Dividend Income on Investments, Net	51,211	46,603	97,814
Net Realized and Unrealized Gains on Investments	299,288	272,074	571,362
Endowment Income Used for Operations	(224,421)	(161,996)	(386,417)
Endowment Funds Returned to Donor	-	(76,000)	(76,000)
Total Changes in Net Assets from Nonoperating Activities	126,078	117,018	243,096
CHANGE IN NET ASSETS	(149,030)	1,058,298	909,268
Net Assets - Beginning of Year	4,493,337	6,801,476	11,294,813
NET ASSETS - END OF YEAR	\$ 4,344,307	\$ 7,859,774	\$ 12,204,081

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Program	General and Administrative	Fundraising	2024 Total	2023 Total
OPERATING EXPENSES					
Personnel Costs:					
Salaries and Wages	\$ 650,866	\$ 44,704	\$ 69,749	\$ 765,319	\$ 658,730
Payroll Taxes	53,736	3,691	5,758	63,185	54,743
Benefits	89,873	2,965	14,172	107,010	93,152
Total Personnel Costs	<u>794,475</u>	<u>51,360</u>	<u>89,679</u>	<u>935,514</u>	<u>806,625</u>
Professional Fees (Other than Legal)	168,695	18,460	49,615	236,770	148,754
Depreciation	53,038	49,224	-	102,262	76,304
Repairs and Maintenance	74,313	19,896	162	94,371	94,282
Accounting, Auditing, and Bookkeeping Fees	-	56,409	-	56,409	51,860
Office Expenses	32,139	4,126	3,817	40,082	48,822
Insurance	-	36,596	-	36,596	27,243
Travel	8,166	5,837	21,118	35,121	13,538
Utilities	20,632	14,052	-	34,684	45,134
Printing and Publications	2,961	110	24,732	27,803	18,887
Dues, Subscriptions, and Miscellaneous Fees	5,293	15,921	5,824	27,038	3,357
Acquisition Expense	15,599	-	-	15,599	7,794
Supplies	3,011	10,327	434	13,772	13,481
Telephone	-	10,919	-	10,919	7,083
Postage and Shipping	632	3,629	4,848	9,109	5,723
Membership Development and Education	347	-	4,218	4,565	17,538
Interest Expense	-	3,897	-	3,897	3,897
Legal Fees	-	2,190	-	2,190	13,260
Total Operating Expenses	<u>1,179,301</u>	<u>302,953</u>	<u>204,447</u>	<u>1,686,701</u>	<u>1,403,582</u>
Costs Associated With The Acquisition of Conservation Property	<u>1,002,500</u>	<u>-</u>	<u>-</u>	<u>1,002,500</u>	<u>1,521,678</u>
Total Expenses	<u>\$ 2,181,801</u>	<u>\$ 302,953</u>	<u>\$ 204,447</u>	<u>\$ 2,689,201</u>	<u>\$ 2,925,260</u>

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
OPERATING EXPENSES				
Personnel Costs:				
Salaries and Wages	\$ 527,006	\$ 63,642	\$ 68,082	\$ 658,730
Benefits	75,039	4,432	13,681	93,152
Payroll Taxes	44,092	5,146	5,505	54,743
Total Personnel Costs	<u>646,137</u>	<u>73,220</u>	<u>87,268</u>	<u>806,625</u>
Professional Fees (Other Than Legal)	104,314	5,053	39,387	148,754
Repairs and Maintenance	64,045	30,237	-	94,282
Depreciation	31,684	44,620	-	76,304
Accounting, Auditing, and Bookkeeping Fees	-	51,860	-	51,860
Office Expenses	35,312	13,510	-	48,822
Utilities	19,499	25,635	-	45,134
Insurance	-	27,243	-	27,243
Printing and Publications	3,379	1,672	13,836	18,887
Membership Development and Education	4,161	8,172	5,205	17,538
Travel	8,109	4,118	1,311	13,538
Supplies	1,483	11,393	605	13,481
Legal Fees	-	13,260	-	13,260
Acquisition Expense	7,794	-	-	7,794
Telephone	-	7,083	-	7,083
Postage and Shipping	216	1,929	3,578	5,723
Dues, Subscriptions, and Miscellaneous Fees	3,357	-	-	3,357
Interest Expense	3,897	-	-	3,897
Total Operating Expenses	<u>933,387</u>	<u>319,005</u>	<u>151,190</u>	<u>1,403,582</u>
Costs Associated With The Acquisition of Conservation Property	<u>1,521,678</u>	<u>-</u>	<u>-</u>	<u>1,521,678</u>
Total Expenses	<u><u>\$ 2,455,065</u></u>	<u><u>\$ 319,005</u></u>	<u><u>\$ 151,190</u></u>	<u><u>\$ 2,925,260</u></u>

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 129,931	\$ 909,268
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gains) Losses on Investments	(975,174)	(571,362)
Depreciation	102,262	76,304
Contributions Restricted for Endowment	(114,795)	(36,337)
Costs Associated With The Acquisition of Conservation Property	1,002,500	1,521,678
(Increase) Decrease in Operating Assets:		
Prepaid Expenses and Other Current Assets	(12,505)	15,806
Contributions and Grant Receivables	(28,717)	(21,864)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	(5,377)	(3,195)
Net Cash Provided by Operating Activities	98,125	1,890,298
CASH FLOWS FROM INVESTING ACTIVITIES		
Costs Associated With The Acquisition of Conservation Property	(1,002,500)	(1,521,678)
Purchases of Property and Equipment	(163,549)	(251,561)
Purchases of Investments	(143,452)	(117,872)
Proceeds from Sale of Investments	102,273	-
Net Cash Used by Investing Activities	(1,207,228)	(1,891,111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Notes Payable	(3,571)	(3,572)
Proceeds from Contributions Restricted for Endowment	114,795	36,337
Net Cash Provided by Financing Activities	111,224	32,765
NET CHANGE IN CASH AND CASH EQUIVALENTS	(997,879)	31,952
Cash and Cash Equivalents - Beginning of Year	3,031,362	2,999,410
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,033,483	\$ 3,031,362

See accompanying Notes to Financial Statements.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 GENERAL

Wildlands Trust, Inc. (the Organization) is a nonprofit organization dedicated to conserving land and preserving the natural heritage of southeastern Massachusetts. The Organization works to permanently protect and steward important habitats and landscapes, including woodlands and fields, ponds, coastal areas, agricultural lands, and river systems.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statements

The Organization presents its financial statements on the accrual basis of accounting in accordance with the reporting standards for nonprofit organizations. In accordance with these standards, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and the changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors. Each year, the board of directors designates a portion of net assets without donor restrictions for the purpose of funds functioning as an endowment (see Note 4).

Net Assets With Donor Restrictions – Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or timing of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed 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 stipulations or law. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operations

The statements of activities report the changes in net assets before changes related to conservation property not capitalized and nonoperating activities. Activities before changes related to conservation property not capitalized and nonoperating activities consist of those revenues and expenses related to the Organization's general programs, including contributions and grants to support those programs. These activities also include endowment and other investment income used for operations under the Organization's spending policy. Activities from conservation property not capitalized include the acquisition and sale of conservation land and related structures. Nonoperating activities consist of endowment contributions and related investment results reduced by amounts used in operations as well as items not directly related to the Organization's general programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially expose the Organization to concentration of credit risk consist primarily of cash and cash equivalents and investments.

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

The Organization has a diversified investment portfolio (see Note 3). Investment performance is subject to investment objectives, the mix of the portfolio, and general market conditions. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported on the statements of financial position.

Contributions/Grants

Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions/Grants (Continued)

The Organization reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. 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 reported in the accompanying statements of activities as net assets released from restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statements of financial position.

Contributions are recognized in the financial statements when the donor makes a donation or a promise to give (pledge) in writing to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor 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 released to net assets without donor restrictions. Conditional promises to give are not included in the financial statements until the conditions are substantially met.

Contributions and Grants Receivable

Unconditional pledges are recorded net of an allowance for uncollectible amounts. Changes in the assessment of collectability, subsequent to initial recognition, are recorded as a loss on uncollectible promises to give on the statements of activities. Those pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. At June 30, 2024, all contributions and grants receivable are expected to be paid within one year.

Collections - Conservation Property

Conservation property is not capitalized on the statements of financial position in accordance with accounting standards for nonprofit organizations, since it qualifies as a collection that is held for public exhibition, education, and research in furtherance of public service rather than financial gain. It is also protected, kept unencumbered, cared for, and preserved, and it is subject to an organizational policy that requires the proceeds from sales of conservation property to be used to acquire other such property. However, conservation property is sometimes acquired on the condition that it is to be transferred to town, state, or federal agencies to be held by them for conservation purposes. Purchases and sales of conservation property are recorded as conservation property acquisition expense and proceeds from the sale of conservation property, respectively, on the statements of activities. It is the policy of the Organization that proceeds from the sale of any collection property are to be used to purchase additional properties and for the direct care of other properties. The Organization considers direct care to entail actions that enhance the usefulness, or quality of the properties to ensure they will continue to benefit the public.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services

Donated goods and services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated goods and services are recognized at fair market value. Volunteers also provided services throughout the year that are not recognized as contributions on the financial statements since the recognition criteria were not met. Donated services for the years ended June 30, 2024 and 2023 totaled \$2,690 and \$13,260, respectively. Donated goods for the years ended June 30, 2024 and 2023, totaled \$-0- and \$4,118, respectively.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, money market funds, and amounts on deposit in banks with original maturities of less than 90 days. Cash and cash equivalents do not include cash held by investment managers and designated for investment in endowment funds or certificates of deposit.

Investments

Investments are reported at their fair value. Fair value is 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. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses include the Organization's gains and losses on investments bought and sold as well as held during the year. Realized gains and losses are determined using the average cost basis. Investment income is presented net of investment management and custodial fees.

Investments in certificates of deposit are recorded at original cost plus accrued interest.

Endowment

The net assets associated with endowment funds are classified, in accordance with relevant state law as interpreted by the board of directors, as net assets without donor restrictions or net assets with donor restrictions. Net assets without donor restrictions include board-designated funds and any accumulated income and appreciation thereon. Net assets with donor restrictions include appreciation on restricted contributions designated by donors to be invested in perpetuity to produce income for general or specific purposes.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to enhance or preserve the long-term purchasing power while assuming a moderate level of investment risk. The actual investment targets are set by investment managers in conjunction with the Organization's designated finance committee.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Endowment (Continued)

To satisfy its 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 to achieve its long-term return objectives within prudent risk constraints.

The Organization is subject to the Commonwealth of Massachusetts revised Chapter 180A of the statutes and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA contains guidelines regarding prudent spending, which require the consideration of the duration and preservation of the endowment fund.

On an annual basis, the board of directors establishes a spending policy as deemed prudent based on the operating needs of the Organization, as well as the fair value of the invested assets. In establishing this policy, the board of directors considers the long-term expected return on its endowment.

Property and Equipment, Net

Purchased property and equipment with a useful life greater than one year are recorded at cost. Maintenance, repairs, and minor renewals are expensed as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in changes in net assets.

The Organization provides for depreciation on the straight-line basis at rates designed to amortize the cost of property and equipment over their estimated economic useful lives as follows:

Building and Improvements	20 to 40 Years
Stewardship Improvements	20 Years
Office and Stewardship Equipment	5 Years
Vehicles	5 Years

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Wages	Time and Effort
Payroll Taxes and Benefits	Time and Effort
Depreciation	Estimated Square Footage
Office Expenses	Estimated Usage
Postage and Shipping	Estimated Usage
Printing and Publications	Estimated Usage

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization recognized revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its members using the following five-step process:

1. Identify the contract(s) with members
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to each performance obligation
5. Recognize revenue when (or as) the Organization satisfies a performance obligation

Memberships' income is recognized over the period of the membership agreement.

Other income includes program income and is recognized at a point in time when the performance obligation is complete.

For all contracts, the transaction price is determined upon establishment of the contract that contains the final terms of the agreement, including the description and price of each product purchased, payment terms, and discount, if applicable. Management has determined that the Organization's contracts do not contain a significant financing component.

Income Taxes

The Organization is recognized as an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Organization did not have any unrelated business income during the years ended June 30, 2024 and 2023. The Organization is incorporated under the laws of the Commonwealth of Massachusetts.

Reclassifications

Certain amounts reported in prior periods have been reclassified in order to conform to current year presentation. Such reclassifications had no effect on previously reported changes in net assets.

Subsequent Event

Management has evaluated subsequent events through March 5, 2025, the date which the financial statements were available for issue.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework provides 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 unobservable inputs (Level 3 measurements).

The inputs are summarized in the three broad levels described:

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodologies used for financial instruments measured at fair value:

Mutual and Money Market Funds – Mutual and money market funds are valued at the quoted price of shares reported in the active market in which the funds are traded.

Equities, Commodities, and Exchange Traded Funds – These items are valued at the closing price reported in the active market in which the individual security is traded.

Corporate Bonds – Certain corporate bonds are valued at the closing price reported in the active market in which the individual securities are traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar durations and credit ratings.

There have been no changes in the valuation methodologies used at June 30, 2024 and 2023.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair 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.

The only assets of the Organization to which the fair value hierarchy applies are its investments. The following is a summary of such investments at June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Domestic Equities and Commodities	\$ 4,768,206	\$ -	\$ -	\$ 4,768,206
Foreign Equities and Commodities	82,483	-	-	82,483
Money Market Funds	345,882	-	-	345,882
International and Foreign Mutual and Exchange Traded Funds	142,393	-	-	142,393
Domestic Equities Mutual and Exchange Traded Funds	546,029	-	-	546,029
Domestic Fixed Income Mutual and Exchange Traded Funds	1,509,920	-	-	1,509,920
Corporate Bonds	-	1,113,891	-	1,113,891
Total Investments	<u>\$ 7,394,913</u>	<u>\$ 1,113,891</u>	<u>\$ -</u>	<u>\$ 8,508,804</u>
	2023			
	Level 1	Level 2	Level 3	Total
Domestic Equities and Commodities	\$ 3,896,649	\$ -	\$ -	\$ 3,896,649
Money Market Funds	315,864	-	-	315,864
International and Foreign Mutual and Exchange Traded Funds	1,085,428	-	-	1,085,428
Domestic Equities Mutual and Exchange Traded Funds	464,476	-	-	464,476
Domestic Fixed Income Mutual and Exchange Traded Funds	556,922	-	-	556,922
Corporate Bonds	-	1,173,405	-	1,173,405
Total Investments	<u>\$ 6,319,339</u>	<u>\$ 1,173,405</u>	<u>\$ -</u>	<u>\$ 7,492,744</u>

There were no transfers between levels of investments during the years ended June 30, 2024 and 2023.

NOTE 4 ENDOWMENT

The Organization's endowment comprises both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 ENDOWMENT (CONTINUED)

The Organization classifies, as net assets with donor restrictions, the original value of gifts donated to the endowment and the original value of subsequent gifts. The remaining amounts included within net assets with donor restrictions are appropriated for expenditure by the Organization's spending policy, and in accordance with the original restriction on the gift.

The composition of the Organization's endowment by net asset class at June 30 were as follows:

June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 3,790,764	\$ 3,790,764
Board-Designated Endowment Funds	4,718,040	-	4,718,040
Total	<u>\$ 4,718,040</u>	<u>\$ 3,790,764</u>	<u>\$ 8,508,804</u>
June 30, 2023			
Donor-Restricted Endowment Funds	\$ -	\$ 3,357,115	\$ 3,357,115
Board-Designated Endowment Funds	4,135,629	-	4,135,629
Total	<u>\$ 4,135,629</u>	<u>\$ 3,357,115</u>	<u>\$ 7,492,744</u>

Changes in the endowment net assets for the years ended June 30 were as follows:

June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 4,135,629	\$ 3,357,115	\$ 7,492,744
Contributions and Redesignations, Net	335,129	114,795	449,924
Investment Return:			
Interest and Dividends Net of Fees	61,396	49,826	111,222
Investment Appreciation	538,303	436,871	975,174
Total Investment Return	599,699	486,697	1,086,396
Investment Income Used for Operations	(352,417)	(167,843)	(520,260)
Endowment Net Assets - End of Year	<u>\$ 4,718,040</u>	<u>\$ 3,790,764</u>	<u>\$ 8,508,804</u>
June 30, 2023			
Endowment Net Assets - Beginning of Year	\$ 3,563,437	\$ 3,240,097	\$ 6,803,534
Contributions and Redesignations, Net	446,114	(39,663)	406,451
Investment Return:			
Interest and Dividends Net of Fees	51,211	46,603	97,814
Investment Appreciation	299,288	272,074	571,362
Total Investment Decline	350,499	318,677	669,176
Investment Income Used for Operations	(224,421)	(161,996)	(386,417)
Endowment Net Assets - End of Year	<u>\$ 4,135,629</u>	<u>\$ 3,357,115</u>	<u>\$ 7,492,744</u>

Interest and dividend income for the years ended June 30, 2024 and 2023 is shown net of investment management fees totaling \$46,978 and \$46,069, respectively.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 ENDOWMENT (CONTINUED)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as June 30, 2024 and 2023.

NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures.

	<u>2024</u>	<u>2023</u>
Total Assets - End of Year	\$ 12,792,126	\$ 12,671,143
Less: Nonfinancial Assets:		
Prepaid Expenses and Other Current Assets	(21,941)	(9,436)
Property and Equipment, Net	<u>(2,152,355)</u>	<u>(2,091,068)</u>
Total	10,617,830	10,570,639
Less: Those Unavailable for General Expenditure Within One Year:		
Restricted Endowment	(3,790,764)	(3,357,115)
Other Purpose Restricted Funds	<u>(3,511,481)</u>	<u>(4,502,659)</u>
	<u>(7,302,245)</u>	<u>(7,859,774)</u>
Total Financial Assets Available For Expenditure Within One Year	<u>\$ 3,315,585</u>	<u>\$ 2,710,865</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

Finally, the Organization's governing board has designated a portion of its net assets without donor restrictions to function as endowment. These funds are invested for long-term appreciation and current income but remain available for expenditure, if necessary, at the discretion of the board of directors (see Note 4).

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 PROPERTY AND EQUIPMENT, NET

At June 30, property and equipment consisted of the following:

	2024	2023
Building and Improvements	\$ 2,167,412	\$ 2,167,412
Stewardship Improvements	627,545	494,199
Office and Stewardship Equipment	139,286	109,083
Vehicles	200,783	200,783
Total	<u>3,135,026</u>	<u>2,971,477</u>
Less: Accumulated Depreciation	982,671	880,409
Net Property and Equipment	<u>\$ 2,152,355</u>	<u>\$ 2,091,068</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$102,262 and \$76,304, respectively.

Included in property and equipment is \$128,197 and \$137,897, as of June 30, 2024 and 2023, respectively, which has been restricted by a donor (see Notes 8 and 10).

NOTE 7 NOTES PAYABLE

In May 2020, the Organization entered into a 30-year loan agreement with the Small Business Administration (SBA) as part of the Economic Injury Disaster Loans program (EIDL) in the amount of \$158,900. The balance of the loan matures in April 2050. Monthly payments of principal and fixed interest of 2.75% are required in the amount of \$641 commencing on January 2023. The note is collateralized by substantially all assets of the Organization. During the year ended June 30, 2023, \$9,000 of the loan balance was forgiven. The balance of the note was \$148,345 for the years ended June 30, 2024 and 2023. Accrued interest on the noted payable totaled \$5,084 and \$8,879 for the years ended June 30, 2024 and 2023, respectively.

In December 2021, the Organization entered into a seven-year interest-free loan agreement with the Massachusetts Department of Energy Resources (DOER) as part of the Mass Save HEAT Loan Program in the amount of \$25,000. The balance of the loan matures in December 2028. Monthly payments of principal are required in the amount of \$297 commencing on January 2022. The balance of the note was \$16,071 and \$19,642 as of June 30, 2024 and 2023, respectively.

Total future maturities for the notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 3,572
2026	5,393
2027	7,234
2028	7,326
2029	5,655
Thereafter	135,236
Total	<u>\$ 164,416</u>

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 NET ASSETS

The following is the composition of the Organization's net assets with donor restrictions at June 30:

	2024	2023
Restricted by Purpose and Time:		
Land Protection and Stewardship	\$ 3,383,284	\$ 4,364,762
Life Estate Property (Notes 6 and 10)	128,197	137,897
Cumulative Unspent Earnings on Net Assets		
Restricted in Perpetuity	721,424	402,570
Total Restricted by Purpose and Time	4,232,905	4,905,229
Restricted in Perpetuity:		
Stewardship Endowment	2,431,097	2,316,302
The Hope G. Ingersoll Memorial Endowment		
Preservation Fund	400,000	400,000
The Russell E. and Dorothy F. Staples Memorial		
Preservation Fund	109,468	109,468
The Hope G. Ingersoll Memorial Endowment		
Operating Fund	100,000	100,000
Halfway Pond Stewardship Endowment	23,713	23,713
Conservation Restriction Defense Endowment	5,062	5,062
Total Restricted in Perpetuity	3,069,340	2,954,545
Total	\$ 7,302,245	\$ 7,859,774

Income from each of the net asset funds restricted in perpetuity, with the exception of the Hope G. Ingersoll Memorial Endowment Operating Fund, is restricted for both specific and general stewardship purposes. Income from the Hope G. Ingersoll Memorial Endowment Operating Fund net asset account may be used for the general purposes of the Organization.

NOTE 9 DONOR CONCENTRATIONS

During the year ended June 30, 2024, the Organization received 46% of its contributions and grants revenues from two donors. During the year ended June 30, 2023, the Organization received 76% of its contributions and grants revenues from three donors.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Life Estate

In September 2008, the Organization accepted a bequest of a house and adjoining land subject to a life estate in Marshfield, Massachusetts. As a result of the life estate agreement, the property was recorded as net assets with donor restrictions, which will be released upon the termination of the agreement.

WILDLANDS TRUST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Dam Safety Compliance Liability

On February 2, 2008, the Organization was issued a Certificate of Noncompliance and Dam Safety Order from the Commonwealth of Massachusetts, which stated that the Sylvia Place Pond Dam did not meet accepted dam safety standards. Engineers retained by the Organization have provided an estimate of approximately \$200,000 to \$340,000 to bring the dam into compliance with dam safety regulations or to breach and remove the dam. Accordingly, \$200,000 has been recorded as dam safety compliance liability. While it is at least reasonably possible that the estimate for dam safety compliance costs will change materially in the near term, no other estimate can be made of the range of additional loss that is at least reasonably possible.

During fiscal year 2022, the Organization received a reimbursement grant from the Commonwealth of Massachusetts for the Sylvia Place Pond Dam Removal Project in the amount of \$729,600. The Organization utilized a portion of the funds to fix the dam in fiscal year 2023 and the project is ongoing. The Organization is awaiting notification related to additional grant applications to complete the project.

NOTE 11 RETIREMENT

During the year ended June 30, 2019, the Organization adopted a simple IRA retirement plan covering all qualified employees. The Organization matches 100% on the first 3% of the employee's elective deferral. During the years ended June 30, 2024 and 2023, the Organization recorded \$18,587 and \$16,177 of matching contributions, respectively.



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