

**NORTHEAST WISCONSIN  
LAND TRUST, INC.  
APPLETON, WISCONSIN**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NORTHEAST WISCONSIN LAND TRUST, INC.**  
**APPLETON, WISCONSIN**

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**Erickson & Associates, S.C.**  
*Certified Public Accountants*

1000 West College Avenue • Appleton, Wisconsin 54914 • (920) 733-4957 • FAX (920) 733-6221  
255 South Main Street • Fond du Lac, Wisconsin 54935 • (920) 921-4189 • FAX (920) 923-1149  
www.erickson-cpas.com

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Northeast Wisconsin Land Trust, Inc.  
Appleton, Wisconsin

**Opinion**

We have audited the accompanying financial statements of Northeast Wisconsin Land Trust, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northeast Wisconsin Land Trust, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 Northeast Wisconsin Land Trust, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northeast Wisconsin Land 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 Northeast Wisconsin Land 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.

*Ericksen & Associates, S.C.*

ERICKSON & ASSOCIATES, S.C.

Appleton, Wisconsin

January 3, 2024

**NORTHEAST WISCONSIN LAND TRUST, INC.**  
**APPLETON, WISCONSIN**

**STATEMENT OF FINANCIAL POSITION**  
December 31, 2022

**ASSETS**

Cash	\$ 559,353
Contributions receivable	890
Prepaid expenses	3,102
Mutual funds	117,545
Beneficial interest in assets held by community foundations	189,286
Office equipment, net of accumulated depreciation	2,304
Boardwalk and parking lot, net of accumulated depreciation	65,020
Land held for conservation purposes	2,674,926
Right of use asset	<u>24,491</u>
Total assets	<u>\$ 3,636,917</u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable	\$ 1,587
Accrued wages and payroll taxes	14,014
Accrued vacation and sick pay	1,354
Operating lease obligation	<u>24,810</u>
Total liabilities	<u>\$ 41,765</u>
Net assets:	
Without donor restrictions	3,285,366
With donor restrictions	<u>309,786</u>
Total net assets	<u>3,595,152</u>
Total liabilities and net assets	<u>\$ 3,636,917</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**NORTHEAST WISCONSIN LAND TRUST, INC.**  
**APPLETON, WISCONSIN**

**STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS**  
For the Year Ended December 31, 2022

	<u>Without Donor Restriction</u>	<u>With Donor Restricted</u>	<u>Totals</u>
Operating revenues:			
Contributions and grants	\$ 410,113	\$ 62,020	\$ 472,133
In-kind donations	--	--	--
Miscellaneous income	2,080	--	2,080
Interest income	258	--	258
Net assets released from restrictions	43,888	( 43,888)	--
Total operating revenues	<u>456,339</u>	<u>18,132</u>	<u>474,471</u>
Operating expenses:			
Program services	293,248	--	293,248
General and administrative	45,216	--	45,216
Fundraising	50,576	--	50,576
Total operating expenses	<u>389,040</u>	<u>--</u>	<u>389,040</u>
Operating revenue in excess of operating expenses	<u>67,299</u>	<u>18,132</u>	<u>85,431</u>
Non-operating changes:			
Contributions for endowment	--	75,115	75,115
Investment income	( 15,732)	( 32,656)	( 48,388)
Total non-operating changes	<u>( 15,732)</u>	<u>42,459</u>	<u>26,727</u>
Change in net assets	51,567	60,591	112,158
Net assets, beginning of year	<u>3,233,799</u>	<u>249,195</u>	<u>3,482,994</u>
Net assets, end of year	<u>\$ 3,285,366</u>	<u>\$ 309,786</u>	<u>\$ 3,595,152</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2022

	Supporting Activities				Totals
	Program Services	Management and General	Fundraising	Supporting Totals	
Salaries and wages	\$ 137,156	\$ 25,447	\$ 42,152	\$ 67,599	\$ 204,755
Payroll taxes	10,909	2,033	3,347	5,380	16,289
HSA plan	9,405	1,176	1,176	2,352	11,757
Simple IRA	4,364	682	1,306	1,988	6,352
Intern/Contracted employees	--	2,162	--	--	2,162
	<u>161,834</u>	<u>31,500</u>	<u>47,981</u>	<u>77,319</u>	<u>241,315</u>
Bank charges	--	1,496	--	1,496	1,496
Dues and subscriptions	5,300	10	--	10	5,310
Rent	12,582	1,573	1,573	3,146	15,728
Office equipment	21,619	--	--	--	21,619
Insurance, except defense	504	4,563	155	4,718	5,222
Accounting fees	--	5,200	--	5,200	5,200
Web, data, phone	4,902	365	365	730	5,632
Office supplies	2,322	290	290	580	2,902
Printing and publications	4,718	--	--	--	4,718
Postage	1,700	212	212	424	2,124
Event cost	6,166	--	--	--	6,166
Meetings & Meeting Meals	54	--	--	--	54
Volunteer/member recognition	278	--	--	--	278
Merchandise Cost	361	--	--	--	361
Land acquisition, property tax	6,657	--	--	--	6,657
Land stewardship	1,069	--	--	--	1,069
Conservation defense insurance	2,635	--	--	--	2,635
Travel	2,174	7	--	7	2,181
Training & consultants	375	--	--	--	375
Accreditation	7,930	--	--	--	7,930
Contribution to Land Pro Fund	44,040	--	--	--	44,040
Depreciation	6,028	--	--	--	6,028
<b>Total expenses</b>	<u><u>\$ 293,248</u></u>	<u><u>\$ 45,216</u></u>	<u><u>\$ 50,576</u></u>	<u><u>\$ 93,630</u></u>	<u><u>\$ 389,040</u></u>

**NORTHEAST WISCONSIN LAND TRUST, INC.**  
**APPLETON, WISCONSIN**

**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2022

Cash flows from operating activities:	
Contributions and grants received	\$ 471,243
Other income	2,080
Interest income	258
Payments for operating expenses	<u>( 381,928)</u>
Net cash provided by operating activities	<u>91,653</u>
Cash flows from investing activities:	
Contributions received for endowments	75,115
Distributions received from Community Foundations	7,328
Purchases of capital assets	( 3,318)
Contributions sent to Community Foundations	( 31,075)
Investments purchased	<u>( 43,023)</u>
Net cash provided by investing activities	<u>5,027</u>
Net increase in cash	96,680
Cash balance, beginning of year	<u>462,673</u>
Cash balance, end of year	<u><u>\$ 559,353</u></u>
Significant non-cash items:	
Donated securities	\$ 1,776
Investment income/(loss) at community foundations	( 32,656)
Unrealized gain/(loss) on other investments	( 24,002)



**RECONCILIATION OF CHANGE IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

For the Year Ended December 31, 2022

Change in net assets	\$ 112,158
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Contributions for endowment	( 75,115)
Depreciation	6,028
Net investment gain at Community Foundations	--
Net endowment investment gain	48,388
(Increase) decrease in operating assets:	
Contributions receivable	( 890)
Prepaid expenses	( 986)
Right of use asset	( 24,491)
Increase (decrease) in operating liabilities:	
Accounts payable	1,587
Accrued wages and payroll taxes	7,708
Accrued vacation and sick pay	( 7,544)
Operating lease obligation	<u>24,810</u>
Net cash provided by operating activities	<u>\$ 91,653</u>

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies:**

This summary of significant accounting policies of Northeast Wisconsin Land Trust, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of Activities**

Northeast Wisconsin Land Trust, Inc. is a not-for-profit corporation established to protect land and water resources in northeast Wisconsin through partnerships in land conservancy and resource management. The Organization is supported primarily through contributions and grants.

**Basis of Presentation**

The Organization's financial statements are presented in accordance with the requirements of the *Non-Profit Entities Topic of the FASB Accounting Standards Codification*. Under this Topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions:

Net Assets Without Donor Restrictions - include all net assets that are not restricted by donor-imposed stipulations.

Net Assets With Donor Restrictions - include contributed net assets for which donor time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted as well as net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

**Measure of Operations**

The Organization's net operating expenses in excess of operating revenues include all operating revenues and expenses that are an integral part of its programs and supporting activities and net assets released from donor restrictions to support operating expenditures. Other changes in net assets for the Organization for 2022 include contributions for endowments and investment income.

**Contributions**

Contributions are recognized as revenue when they are received or unconditionally promised. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets are released from restrictions.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

Donated 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. There were no qualifying donated services in 2022.

**Cash**

The Organization's cash consists of cash and savings at two financial institutions.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and beneficial interest in the community foundations. At December 31, 2022, cash was maintained in two financial institutions. The Organization generally limits its exposure to credit risk from balances on deposits in financial institutions in excess of the NCUA and/or FDIC federally insured limit. At December 31, 2022, the Organization's book value of cash exceeded NCUA/FDIC coverage by \$6,087.

The beneficial interest in the community foundations is subject to market risk, based on the investment policies of the community foundations.

**Property and Equipment**

Property and equipment are recorded at cost when purchased or at fair value when donated. Depreciation has been computed using the straight-line method based on a useful life of the asset. Office equipment is depreciated using a five-year life. The boardwalk and viewing platform are depreciated using a twenty-year life. The parking lot is being depreciated on a 30-year life. Capitalization policy is to expense capital items under \$1,000.

**Land Held for Conservation Purposes**

Land held for conservation purposes is purchased or donated property. Purchased properties are stated at cost and donated properties are recorded at their appraised value at the date of contribution.

**Conservation Easements**

The Organization receives donated conservation easements, which represent rights to restrict the use of certain properties. These donated conservation easements have not been recorded in the accompanying financial statements since the easements only allow the Organization to restrict the use of the property and to monitor the property.

**Functional Expenses**

The costs of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations of salaries and related expenses for management and supervision of program service functions are made by management on the estimated time spent on various functions. Overhead expenses including occupancy, telephone and insurance are allocated to functional areas based upon space used or actual usage if specifically, identifiable.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 1. Summary of Significant Accounting Policies - Continued:**

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Change in Accounting Principles**

In February 2016, the FASB issued ASU 2016-02 Leases. ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also includes additional disclosures surrounding the amount, timing and uncertainty of cash flows arising from leases. The Organization adopted this guidance with modified retrospective application to January 1, 2023, through a cumulative-effect adjustment. The Organization has elected the package of practical expedients permitted in ASC Topic 842.

As a result of the adoption of the new lease accounting guidance, Northeast Wisconsin Land Trust recognized the following right-of-use (ROU) assets and lease liabilities:

Right of use asset, operating type lease	\$	39,959
Lease obligation, operating type lease		39,959

This standard did not have a material impact on the Organization's net assets or cash flows and had an immaterial impact on its operating results. The most significant impact was the recognition of the ROU assets and lease obligations for operating leases.

**Note 2. Liquidity Management:**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures as of December 31, 2022 are as follows:

Cash	\$	559,353
Beneficial interest in assets held by Community Foundation's - current portion		17,874
Community Foundation of the Fox Valley Region, Inc.'s designated funds - current portion		60,077
Total	\$	637,304

The Organization's liquidity management is designed to have financial assets available for at least three months of general expenditures, liabilities and other obligations that are expected to come due.

**Note 3. Tax Exempt Status:**

The Organization qualifies as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. The Organization is also exempt from Wisconsin income taxes. However, the Organization is subject to income taxes on any unrelated business taxable income. The Organization had no unrelated business taxable income for the year ended December 31, 2022.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 3. Tax Exempt Status - Continued:**

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize an income tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2022, there were no uncertain positions taken that would require recognition of a liability or disclosure in the financial statements. The Organization's federal returns are subject to examination generally for three years after being filed.

**Note 4. Beneficial Interest in Assets Held by the Community Foundations:**

Beneficial interests in assets held by the community foundations represent amounts held at three area community foundations. Each fund was established for support of projects in specific geographical areas. Distributions shall ordinarily be made according to the community foundations' spending policies. The amounts held in the community foundations as of December 31, 2022 are:

Community Foundation of the Fox Valley Region, Inc.	\$ 20,941
Greater Green Bay Community Foundation	121,870
Oshkosh Area Community Foundation	46,475
Totals	\$ 189,286

The Organization follows the spending policies of the community foundations and spends the funds as they are made available. \$14,949 was available on December 31, 2022 with an additional \$6,933 expected to be available on July 1, 2023.

**Note 5. Designated Funds:**

The Organization is the beneficiary of two funds that are administered by Community Foundation of the Fox Valley Region, Inc. (CFFVR). These funds do not meet the requirements to be recorded as a beneficial interest in assets held and accordingly, are not included in these financial statements. The following is a summary of these funds as of December 31, 2022:

Northeast Wisconsin Land Trust Operations Fund - to provide assistance to help cover the costs of general operations	\$ 166,910
Northeast Wisconsin Land Trust Land Protection Fund - to be used for the protection of properties, including administrative and legal expenses	179,287
Total	\$ 346,197

The amount available for distribution from these funds at December 31, 2022 was \$45,128 with another \$14,949 becoming available on July 1, 2023.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 6. Office Equipment and Boardwalk and Viewing Platform:**

The office equipment & boardwalk and viewing platform had the following original cost, accumulated depreciation & net totals at year end. Estimated useful lives are described in Note 1.

Office equipment	\$	8,511
Accumulated depreciation		6,207
Net totals	\$	<u>2,304</u>
Boardwalk and viewing platform	\$	109,115
Accumulated depreciation		44,095
Net totals	\$	<u>65,020</u>

**Note 7. Leasing Activities:**

The Organization leases office space under an operating lease. The Organization assesses whether an arrangement qualifies as a lease (i.e. conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Because this lease does not provide an implicit rate and the Organization does not have an incremental borrowing rate, the lease asset and liability were calculated utilizing the risk-free discount rate (0.87%), according to the Organization's policy. The lease, with the extension period, expires July 31, 2024, a remaining term of 1.58 years.

Leases	Classification	12/31/22
<b>Assets</b>		
Operating	ROU, operating lease asset	\$24,491
<b>Liabilities</b>		
Operating	Operating lease liability	24,810
<b>Lease Cost</b>		
Lease expense	Rent expense	21,619

Maturities of lease liabilities:

Year ending December 31:

2023	\$ 15,717
2024	<u>9,274</u>
Total lease payments	24,991
Less: interest	<u>181</u>
Present value of lease liabilities	\$ 24,810

**Cash flow information**

Cash paid for amounts included in measurement of lease liabilities:

Operating cash flows from operating leases	\$ 15,409
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**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 8. Line of Credit:**

The Organization has a \$50,000 line of credit with a maturity date of February 1, 2024, with Community First Credit Union. When in effect, interest is at a variable rate and is collateralized by real property in Waupaca County. There have been no draws on this line since inception on January 29, 2014.

**Note 9. Net Assets:**

Net assets consisted of the following at December 31, 2022:

Net assets without donor restrictions:

Land held for conservation purposes	\$ 2,674,926
Capital assets, other than land	67,324
Endowment funds	54,545
Undesignated	488,571
Total	<u>\$ 3,285,366</u>

Net assets with donor restrictions:

Endowments	\$ 252,286
Restricted for appraisals	57,500
Total	<u>\$ 309,786</u>

Net assets released from donor restrictions by incurring expenses or capital expenditures satisfying the purpose or time restrictions specified by the donors or funding sources during 2022.

Land protection, stewardship	\$ 19,848
Endowment	24,040
Totals	<u>\$ 43,888</u>

**Note 10. Pension Plan:**

The Organization has a Simple IRA plan. For 2022, the employer match is 3% of wages. Total expense was \$6,352.

**Note 11. Major Support Received:**

During 2022, the Organization received 19% of its support (operating revenue plus other contributions) from one contributor, an estate.

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 12. Endowment Net Assets:**

As required by the *Nonprofit Entities Topic of the FASB Accounting Standards Codification*, 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.

**Interpretation of Relevant Law**

The Board of the Organization has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies permanently restricted net assets as:

- (a) - The original value of gifts donated to the permanent endowment, and
- (b) - The original value of subsequent gifts to the permanent endowment.

The Organization recognizes that the remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization's Board.

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

1. The duration and preservation of the fund
2. The purpose for the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

**Underwater Funds**

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or WUPMIFA requires the Organization to retain as a fund of perpetual duration, which are called underwater funds. The Organization had no underwater funds on December 31, 2022.

**Return Objectives and Risk Parameters and Strategies for Achieving Objectives**

The Organization has investment guidelines that it follows relating to its donor restricted endowment funds. The policy is that funds received that are restricted by the donor to be included with the Organization's endowment funds are to be invested with the three community foundations (unless the donor specifies otherwise) for long term endowment support of the donor's designated purpose. The Organization's objective is to achieve long-term growth with risk comparable to market, the Organization relies on the community foundations to accomplish this because of their experience with fund management. The Organization has adopted the investment and spending policies of the three community foundations (Green Bay, Oshkosh and Fox Valley Region). The Organization has another fund, currently held at Vanguard, that it monitors.



**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 12. Endowment Net Assets – Continued:**

The following table shows the endowment funds net asset by composition by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Totals
Donor restricted endowment funds	\$ - -	\$ 252,286	\$ 252,286
Board designated endowment funds	54,545	- -	54,545
Total Funds	<u>\$ 54,545</u>	<u>\$ 252,286</u>	<u>\$ 306,831</u>

The following table shows the changes in endowment funds net assets for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment funds, beginning of year	\$ 47,254	\$ 241,195	\$ 288,449
Contributions	23,023	51,075	74,098
Investment return:			
Investment return	( 15,732)	(31,010)	( 46,742)
Investment expenses	- -	( 1,646)	( 1,646)
Net investment return	( 15,732)	(32,656)	( 48,388)
Appropriation of endowment assets for expenditure	- -	( 7,328)	( 7,328)
Endowment funds, end of year	<u>\$ 54,545</u>	<u>\$ 252,286</u>	<u>\$ 306,831</u>

**NORTHEAST WISCONSIN LAND TRUST, INC.  
APPLETON, WISCONSIN**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Note 13. Fair Value Measurements:**

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

- Level 1: consists of unadjusted quoted prices in active markets for identical assets,
- Level 2: consists of inputs observable in the marketplace other than quoted prices in active markets for identical assets, and
- Level 3: consists of significant inputs unobservable in the marketplace.

The major categories of investments reported at fair value as of December 31, 2022 are as follows:

	Level 1	Level 2	Level 3	Totals
Mutual Funds	\$ 117,545	\$ --	\$	\$ 117,545
Investments in Community Foundations		--	189,286	189,286
Totals	\$ 117,545	\$ --	\$ 189,286	\$ 306,831

Level 3 Fair Value Measurements

The Organization has invested assets in three area community foundations. The reported value of these investments is a value that approximates fair value as reported by the various foundations. Additional information about these investments is found in Note 4.

Beginning of year	\$ 198,195
Contributions	31,075
Investment return	( 31,010)
Investment expenses	( 1,646)
Grants distributed	( 7,328)
End of year	\$ 189,286

**Note 14. Subsequent Events:**

The Organization has evaluated all subsequent events through January 3, 2024, the date on which these financial statements were available to be issued.