
ASPETUCK LAND TRUST, INC.

Annual Financial Statements

For the Year Ended December 31, 2021

ASPETUCK LAND TRUST, INC.
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December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Aspetuck Land Trust, Inc.

Opinion

We have audited the accompanying financial statements of Aspetuck Land Trust, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year 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 Aspetuck Land Trust, Inc.'s as of December 31, 2021, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Aspetuck 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aspetuck 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 and *Government 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.

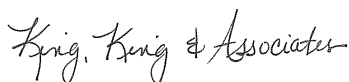
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Aspetuck 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 Aspetuck 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of the Aspetuck Land Trust, Inc.'s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Aspetuck Land Trust, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Aspetuck Land Trust, Inc.'s internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, Connecticut
October 21, 2022

ASPETUCK LAND TRUST, INC.

Statement of Financial Position

December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 935,532	\$ 142,686	\$ 1,078,218
Investments	2,343,837	1,846,047	4,189,884
Receivables	9,755	-	9,755
Grant Receivables	88,524	847,000	935,524
Current Pledges Receivable	-	-	-
Total Current Assets	<u>3,377,648</u>	<u>2,835,733</u>	<u>6,213,381</u>
Property and Equipment			
Land	49,918,386	-	49,918,386
Buildings	2,213,831	-	2,213,831
Machinery and Equipment	2,000	-	2,000
Accumulated Depreciation	(256,906)	-	(256,906)
Net Property and Equipment	<u>51,877,311</u>	<u>-</u>	<u>51,877,311</u>
Other Assets			
Pledges Receivable	880,222	425,917	1,306,139
Prepaid Expenses	4,955	-	4,955
Total Other Assets	<u>885,177</u>	<u>425,917</u>	<u>1,311,094</u>
TOTAL ASSETS	<u>\$ 56,140,136</u>	<u>\$ 3,261,650</u>	<u>\$ 59,401,786</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 57,522	\$ -	\$ 57,522
Deferred Revenue	-	378,000	378,000
Accrued Expenses	55,789	-	55,789
Current Portion of Long-term Liabilities	138,154	-	138,154
Total Current Liabilities	<u>251,465</u>	<u>378,000</u>	<u>629,465</u>
Long-term Liabilities			
Security Deposits	15,150	-	15,150
Notes Payable	469,110	-	469,110
Total Long-term Liabilities	<u>484,260</u>	<u>-</u>	<u>484,260</u>
Total Liabilities	<u>735,725</u>	<u>378,000</u>	<u>1,113,725</u>
Net Assets			
Without Donor Restrictions:			
Undesignated	53,045,826	-	53,045,826
Designated Endowment	2,358,585	-	2,358,585
With Donor Restrictions	-	2,883,650	2,883,650
Total Net Assets	<u>55,404,411</u>	<u>2,883,650</u>	<u>58,288,061</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 56,140,136</u>	<u>\$ 3,261,650</u>	<u>\$ 59,401,786</u>

See accompanying notes to the financial statements

ASPETUCK LAND TRUST, INC.
Statement of Activities
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 521,438	\$ 3,115,963	\$ 3,637,401
Grants	84,240	-	84,240
Interest	406	-	406
Investment Income	265,837	296,448	562,285
Rental Income	190,043	51,082	241,125
Native Plant Sales	81,739	-	81,739
Other income	<u>-</u>	<u>-</u>	<u>-</u>
	1,143,703	3,463,493	4,607,196
Net Assets Released from Restrictions	<u>2,218,378</u>	<u>(2,218,378)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>3,362,081</u>	<u>1,245,115</u>	<u>4,607,196</u>
EXPENSES			
Program Service	\$ 820,177	-	820,177
Management & General	149,527	-	149,527
Fundraising	81,947	-	81,947
Total Expenses	<u>1,051,652</u>	<u>-</u>	<u>1,051,652</u>
CHANGE IN NET ASSETS	<u>2,310,429</u>	<u>1,245,115</u>	<u>3,555,544</u>
OTHER CHANGE IN NET ASSETS	333,900	-	333,900
NET ASSETS - BEGINNING OF YEAR	<u>52,760,082</u>	<u>1,638,535</u>	<u>54,398,617</u>
NET ASSETS - END OF YEAR	<u>\$ 55,404,411</u>	<u>\$ 2,883,650</u>	<u>\$ 58,288,061</u>

See accompanying notes to the financial statements

ASPETUCK LAND TRUST, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES:				
Salaries	\$ 181,234	\$ 80,548	\$ 25,891	\$ 287,673
Taxes & Benefits	<u>25,226</u>	<u>11,211</u>	<u>3,604</u>	<u>40,041</u>
TOTAL SALARIES & RELATED EXPENSES	<u>206,460</u>	<u>91,760</u>	<u>29,494</u>	<u>327,714</u>
Depreciation	63,329	-	-	63,329
Property Maintenance	271,284	-	-	271,284
Dues, Fees & Subscriptions	14,062	6,026	-	20,088
Interest	8,753	-	-	8,753
In-kind	-	300	-	300
Programs & Promotion	66,824	-	-	66,824
Professional Services	89,136	38,201	-	127,337
Fundraising Supplies and Expenses	-	-	52,453	52,453
Rental Property Expenses	17,050	-	-	17,050
Rental Property Taxes	72,380	-	-	72,380
Unrelated Business Income Tax	-	13,240	-	13,240
Website Expenses	<u>10,900</u>	<u>-</u>	<u>-</u>	<u>10,900</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 820,177</u>	<u>\$ 149,527</u>	<u>\$ 81,947</u>	<u>\$ 1,051,652</u>

See Auditor's Report

ASPETUCK LAND TRUST, INC.
 Statements of Cash Flow
 For the Years Ended December 31, 2021

CASH FLOW FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 3,555,544
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:	
Depreciation	63,329
Investment Income	(576,681)
(Increase)/Decrease in:	
Accounts Receivable	(9,755)
Grants Receivable	(228,983)
Pledges Receivable	(430,039)
Increase/(Decrease) in:	
Accounts Payable	47,786
Accrued Expenses	13,912
Security Deposits	-
Deferred Revenue	<u>(803,000)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>(1,410,079)</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Marketable Securities	(360,659)
Proceeds from Sale of Marketable Securities	909,586
Purchase of Fixed Assets	<u>(1,771,523)</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>(1,222,596)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Financing	-
Repayment on Financing	<u>(152,010)</u>
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	<u>(152,010)</u>

Net Increase/(Decrease) in Cash 257,507

Cash at the Beginning of Year 820,711

Cash at the End of Year **\$ 1,078,218**

Supplemental Information

Income Taxes Paid	\$ 5,045
Interest Paid	\$ 8,753

See accompanying notes to the financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Aspetuck Land Trust, Inc. (the Trust) is a nonprofit organization exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization is not a private foundation and donations received from individual donors qualify for the charitable contribution deduction. Founded in 1966, Aspetuck Land Trust is a non-profit membership organization whose mission is the preservation and conservation of open space, including farm and forest land, and the natural resources located thereon, primarily in the towns of Easton, Weston, Fairfield, and Westport, for the benefit and education of the public.

The Board of Directors and Officers of the Trust acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they have been contributed, or have been accumulated to allow management to conduct the operations of the organization as effectively as possible.

Basis of Accounting

In 2020, Aspetuck Land Trust, Inc., adopted the accrual basis of accounting, and accordingly reflect all significant receivables, contributed properties, payables, and other liabilities on its financial statements. Revenue is recognized when earned and expenditures when incurred. Previously, financial statements were reported on the cash basis.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Trust and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations other than broad restrictions relating to the nature or purposes of the entity and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of management and the Board of Directors.

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

Public Support and Revenue

The Trust recognizes contributions and bequests when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, and grants, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions are recognized as with or without donor restrictions. Donor restrictions, depending on the existence or nature of any donor stipulations when a promise is made, may be subject to time/purpose restrictions or not subject to appropriation or expenditure. Donor-restricted contributions are reported as increases in with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported

in the statement of activities as net assets released from restrictions. Restricted contributions are reported as increases to net assets without donor restrictions when restrictions expire in the same reporting period that the contributions are reported as revenues.

Donated Property

The Trust reports gifts of land, property, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Donations of land, property, and equipment are recorded at fair value when received, provided that the Organization has a measurable and objective basis for determining value. Real estate appraisals and town assessor's reports are examples of supporting documentation that has been used in the past to determine fair market value.

Donated Services

The Trust recognizes support from services contributed by volunteers only when such activities meet the criteria for recognition, e.g., equipment repair, legal services, other skilled services. The value of such services is reported in the Statement of Activities as donations.

Rental Income

Rental income is recognized as revenue in the month to which it relates. Rental income paid in advance are recorded as deferred revenue. Any unpaid rental income from the previous month is included in accounts receivable at December 31, 2021.

Income Tax Status

Aspetuck is organized as a Connecticut non-stock corporation and is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Trust's tax-exempt purpose may be subject to taxation as unrelated business income. In 2020, the Trust began rental of debt financed property which is subject to taxation as unrelated business income.

Cash and Cash Equivalents

Aspetuck considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents, for purposes of the statements of cash flow, exclude cash equivalents held in long-term investment accounts.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. No allowance for uncollectible promises to give has been recorded. The discounted amounts are considered immaterial and the amounts are reported at face-value in the financial statements.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value. Short-term investments intended to be held for long-term purposes are reported as investments. Investment income that may be donor-restricted is reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the revenue is recognized.

Fair Value of Financial Instruments

In accordance with ASC 820-10, the Trust is required to measure the fair value of its assets and liabilities under a three-level hierarchy as follows:

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 – significant unobservable inputs (including a fund’s own assumptions in determining the fair value of investments).

The inputs or methodology used in valuing securities are not necessarily an indication of the risk associated with investing in those securities. Investments in Bonds are reported as valued under Level 2 inputs, as they do not have regular market pricing available.

Endowments

The Financial Accounting Standards Board (FASB) issued staff position No. FAS 117-1: Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to a classification of donor-restricted endowment funds for a not-for-profit organization that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). FAS 117-1 also provides for other disclosures concerning an organization’s endowment funds and whether or not the organization is subject to UPMIFA. The State of Connecticut adopted its version of UPMIFA, which became effective October 1, 2007 (CTPMIFA). Prior to the issuance of FAS 117-1, accumulated gains and income on donor restricted endowment assets were classified as unrestricted net assets. Under FAS 117-1, accumulated gains and income on donor-restricted endowment assets of perpetual duration are classified as net assets with donor restrictions until appropriated for expenditure.

Property and Equipment

Property and Equipment are stated at cost less accumulated depreciation. Depreciation is provided for using the straight-line method over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is expensed as incurred. Significant renewals and betterments are capitalized. Estimated useful lives for depreciable assets are as follows:

Buildings	50 years
Building Improvements	7 to 40 years
Furniture & Fixtures	5 to 20 years
Machinery & Equipment	7 to 15 years

Depreciation expense for the year ended December 31, 2021 was \$63,329.

Expense Allocation

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to program service expenses while others have been allocated to supporting services using knowledge of the Organization’s mission in order to make the appropriate allocation.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenue and expenses during the reported period. Actual results could differ from those estimates.

Conservation Easements

The Trust is a land protection organization which may accept conservation easements which are an encumbrance on a property that creates a legally enforceable land preservation agreement for the purposes of conservation. The Trust does not recognize these easements as assets on the statement of financial position.

Review for Subsequent Events

In connection with the preparation of the financial statements of the Aspetuck Land Trust, Inc. as of and for the year ended December 31, 2021, events and transactions subsequent to December 31, 2021 through October 15, 2022, the date the financial statements were available to be issued, have been evaluated by Aspetuck management for possible adjustment and/or disclosure.

NOTE 2 – AVAILABILITY AND LIQUIDITY INFORMATION

The following reflects the Trust's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include:

	<u>December 31, 2021</u>
Financial assets at year-end	\$ 7,524,475
Less those unavailable for general expenditures within one year, due to:	
Non current assets	1,306,139
Restricted assets	<u>3,261,650</u>
Financial assets available to meet cash needs	
For general expenditure within one year	<u>\$ 2,956,686</u>

NOTE 3 – DETAIL NOTES ON ASSETS, LIABILITIES, AND NET ASSETS

Cash

At December 31, 2021, the carrying amount of the Aspetuck Land Trust, Inc.'s deposits was \$1,078,218, and the bank balance was \$986,257, of which \$250,000 was covered by FDIC insurance. The remaining balance of \$736,257 was uninsured. The Trust has not experienced any losses in its cash balance accounts, and believes it is not exposed to any significant credit risk with respect to such balances.

Deferred Revenue

Consists of money pledged and received subject to donor conditions with an associated right of return. The conditions were not met as of December 31, 2021.

ASPETUCK LAND TRUST, INC.
Notes to the Financial Statements

Pledges Receivable

Pledges receivable consist of the following at December 31, 2021:

Amounts Due In:

Less Than One Year	\$	-
One to Five Years		1,306,139
	\$	<u>1,306,139</u>

Promissory Note

On April 23, 2020, the Trust acquired a promissory note of \$800,000 on its purchase of the Gilberties property. The note has a 0.99% interest rate. The note is non-traditional in nature as it does not have a fixed repayment structure. Payments shall consist of principal and interest commencing on July 1, 2020, and occur thereafter on the first day of each calendar quarter until fully paid or until the maturity date of the loan on April 23, 2026. Interest shall be calculated on the unpaid balance of the note. The principal portion of the payment is to be calculated as 65% of Net Property Revenues (NPR), whereas NPR is gross property revenues less real estate taxes. The final installment of principal and interest, if not sooner paid, shall become due and payable on the maturity date.

The Trust chose to start making consistent quarterly payments of \$36,000 as of April 1, 2021, which currently exceeds the minimum payment required per the terms of the promissory note. The following future principal payment schedule is based on this expected payment structure:

December 31, 2022	\$	138,154
December 31, 2023		139,528
December 31, 2024		140,916
December 31, 2025		142,317
December 31, 2026		80,768

Net Assets with Donor Restrictions

Net Assets with donor restrictions are available for the following purposes at December 31, 2021:

Subject to Purpose Restrictions:

The Green Corridor	\$	1,050,917
Bruce LePage Conservation Fund		11,137
Haskins Preserve		1,690,047
Randall's Farm		18,252
Building Bridges		96,000
Invasive Species - Kreitler		6,000
Southpark - Easton		97
Southport - Wildflower		<u>11,200</u>
Total Donor Restricted Net Assets	\$	<u>2,883,650</u>

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes during the year ended December 31, 2021.

ASPETUCK LAND TRUST, INC.
Notes to the Financial Statements

Released from Restrictions:

Green Corridor	\$ 1,940,590
Randall's Farm	95,337
Bruce LePage Conservation Fund	8,928
Haskins Preserve	144,752
Peter & Carmar Buck Foundation	25,000
Time Restricted	<u>3,771</u>
Total Released from Restrictions	<u>\$ 2,218,378</u>

NOTE 4 – FAIR VALUE INFORMATION

The following is a summary of assets measured at fair value on a recurring basis.

<u>Description</u>	<u>December 31,</u> <u>2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Short-Term Investments	\$ 257,770	\$ 257,770	\$ -	\$ -
Bonds	118,951	-	118,951	-
Mutual Funds	<u>3,813,163</u>	<u>3,813,163</u>	-	-
Total	<u>\$ 4,189,884</u>	<u>\$ 4,070,933</u>	<u>\$ 118,951</u>	<u>\$ -</u>

These amounts are reported as Investments in the financial statements.

NOTE 5 – ENDOWMENT FUNDS

Aspetuck Land Trust, Inc.'s endowment consists of four brokerage accounts, and each account may require different investment objectives and direction in regard to liquidity, income generation, safety of principal, and asset allocation. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. The Board shall approve the policies or guidelines governing the use and periodic disbursement from these funds.

Spending Policy

Aspetuck Land Trust, Inc. has a policy that requires a proposed budget be submitted annually for approval by the Board. Once approved by the Board restricted funds may be spent in accordance with such budget.

Endowment net asset composition as of December 31, 2021 is as follows:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,831,299	\$ 1,831,299
Board-designated endowment funds	<u>2,358,585</u>	<u>-</u>	<u>2,358,585</u>
	<u>\$ 2,358,585</u>	<u>\$ 1,831,299</u>	<u>\$ 4,189,884</u>

ASPETUCK LAND TRUST, INC.
Notes to the Financial Statements

Changes in endowment net assets as of December 31, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,071,216	\$ 1,534,914	\$ 3,606,130
Contributions	360,659	-	360,659
Investment Return	280,296	296,385	576,681
Amounts appropriated for expenditure	<u>(353,586)</u>	<u>-</u>	<u>(353,586)</u>
Endowment net assets, end of year	<u>\$ 2,358,585</u>	<u>\$ 1,831,299</u>	<u>\$ 4,189,884</u>

NOTE 6 – OPERATING LEASES

Aspetuck Land Trust holds various lease agreements. The original terms on the operating leases ranged from one to ten years with options to renew. No lease agreements entered into in or prior to 2021 have term end dates extending beyond 2023. Depreciable leased property under these leases was comprised of the following at December 31, 2021:

Buildings	\$ 2,213,831
Accumulated Depreciation	<u>(254,906)</u>
	<u>\$ 1,958,925</u>

The following is a schedule of future minimum rents under the various lease agreements:

December 31, 2022	\$ 226,813
December 31, 2023	\$ 59,660

NOTE 6 – CONTINGENCIES, RISKS, AND UNCERTAINTIES

Aspetuck Land Trust assumed several existing leases upon the purchase of the Gilberties properties. The Trust has had difficulty in collecting rents per one of the assumed lease agreements. The Trust will engage the services of a third party to negotiate with the lessee on the terms of the lease.

NOTE 7 – OTHER CHANGE IN NET ASSETS

The Trust merged with the Monroe Land Trust and Tree Conservancy effective as of July 1, 2021. The addition of Monroe adds an additional 20 acres of conserved land to Aspetuck Land Trust's protected land. The total value of the land was \$333,900.