
CAPITOL LAND TRUST
A Washington Not For Profit Organization

Financial Statements

For the Years Ended December 31, 2017 and 2016

Aiken & Sanders, Inc PS

CERTIFIED PUBLIC ACCOUNTANTS
& MANAGEMENT CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capitol Land Trust
Lacey, WA

Report on the Financial Statements

We have audited the accompanying financial statements of Capitol Land Trust (the Trust), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2017 and 2016, 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.

Aiken & Sanders

Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants

Aberdeen, WA

April 9, 2018

Capitol Land Trust
A Washington Not For Profit Organization

Statement of Financial Position

December 31,	2017	2016
Assets		
Current Assets:		
Cash	\$ 285,573	\$ 273,915
Grants Receivable	153,992	285,946
Pledges Receivable	15,267	25,482
Prepaid Expenses	3,125	145
Total Current Assets	457,957	585,488
Property & Equipment:		
Land	14,550,290	14,139,854
Equipment	23,753	23,753
Accumulated Depreciation	(14,380)	(9,096)
Total Property & Equipment	14,559,663	14,154,511
Other Assets:		
Investments	1,064,182	875,820
Maytown Conservation Fund	209,590	214,923
Total Other Assets	1,273,772	1,090,743
Total Assets	\$ 16,291,392	\$ 15,830,742
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 37,090	\$ 61,223
Accrued Vacation	16,329	12,873
Payroll Expenses & Benefits Payable	19,753	21,817
Total Current Liabilities	73,172	95,913
Long Term Liabilities:		
Loan Payable- Conservation Fund	-	146,988
Custodial Funds-Maytown Conservation Fund	209,590	214,923
Total Long Term Liabilities	209,590	361,911
Net Assets:		
Unrestricted	579,785	442,873
Temporarily Restricted	858,464	684,282
Permanently Restricted	14,570,381	14,245,763
Total Net Assets	16,008,630	15,372,918
Total Liabilities and Net Assets	\$ 16,291,392	\$ 15,830,742

The accompanying notes are an integral part of these financial statements

Capitol Land Trust
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets

Year Ended December 31,	2017			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Grants	\$ 753,233	\$ -	\$ 322,391	\$ 1,075,624
Contributions	264,146	283,955	-	548,101
Fundraising	140,325	11,000	-	151,325
Less Costs of Direct Benefits to Donors	(28,551)	-	-	(28,551)
Interest & Dividend Income	6,989	16,172	509	23,670
Inkind Donations	7,449	-	-	7,449
Miscellaneous Income	3,721	-	-	3,721
Released from Restrictions	191,878	(191,878)	-	-
Total Support and Revenue	1,339,190	119,249	322,900	1,781,339
Expenses:				
Program Services	1,043,069	-	-	1,043,069
Management and General	88,703	-	-	88,703
Fundraising	92,399	-	-	92,399
Total Expenses	1,224,171	-	-	1,224,171
Other Revenue & Expenses:				
Investment Income (Loss)	21,893	54,933	1,718	78,544
Total Other Revenue & Expenses	21,893	54,933	1,718	78,544
Increase (Decrease) in Net Assets	136,912	174,182	324,618	635,712
Net Assets, Beginning of Year	442,873	684,282	14,245,763	15,372,918
Net Assets, End of Year	\$ 579,785	\$ 858,464	\$ 14,570,381	\$ 16,008,630

The accompanying notes are an integral part of these financial statements.

Capitol Land Trust
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Statement of Activities and Changes in Net Assets

Year Ended December 31,	2016			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Grants	\$ 764,091	\$ -	\$ 2,478,188	\$ 3,242,279
Contributions	295,428	206,920	-	502,348
Fundraising	138,729	7,000	-	145,729
Less: Costs of Direct Benefits to Donors	(15,380)	-	-	(15,380)
Interest & Dividend Income	485	10,093	413	10,991
Inkind Donations	1,664	-	-	1,664
Miscellaneous Income	3,866	-	-	3,866
Released from Restrictions	90,130	(90,130)	-	-
Total Support and Revenue	<u>1,279,013</u>	<u>133,883</u>	<u>2,478,601</u>	<u>3,891,497</u>
Expenses:				
Program Services	926,130	-	-	926,130
Management and General	70,389	-	-	70,389
Fundraising	88,517	-	-	88,517
Total Expenses	<u>1,085,036</u>	<u>-</u>	<u>-</u>	<u>1,085,036</u>
Other Revenue & Expenses:				
Investment Income (Loss)	1,867	9,735	307	11,909
Total Other Revenue & Expenses	<u>1,867</u>	<u>9,735</u>	<u>307</u>	<u>11,909</u>
Increase (Decrease) in Net Assets	<u>195,844</u>	<u>143,618</u>	<u>2,478,908</u>	<u>2,818,370</u>
Net Assets, Beginning of Year	247,029	540,664	11,766,855	12,554,548
Net Assets, End of Year	<u>\$ 442,873</u>	<u>\$ 684,282</u>	<u>\$ 14,245,763</u>	<u>\$ 15,372,918</u>

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Statement of Cash Flows

Years Ended December 31,	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Donors	\$ 713,362	\$ 626,461
Cash Received From Grantors	1,207,578	3,022,881
Cash Paid For Interest	(362)	(10,988)
Cash Paid to Vendors	(815,761)	(610,878)
Cash Paid To/For Employees	(449,587)	(413,641)
Net Cash Provided (Used) by Operating Activities	<u>655,230</u>	<u>2,613,835</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Paid For Land	(410,436)	(2,479,179)
Cash Received From Investments	98,913	3,614
Cash Paid For Investments	(185,061)	(169,977)
Net Cash Provided (Used) by Investing Activities	<u>(496,584)</u>	<u>(2,645,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash Received From Loans	-	536,000
Cash Paid On Loans	(146,988)	(389,012)
Net Cash Provided (Used) by Financing Activities	<u>(146,988)</u>	<u>146,988</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,658	115,281
BEGINNING CASH AND CASH EQUIVALENTS	<u>273,915</u>	<u>158,634</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 285,573</u>	<u>\$ 273,915</u>

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

Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 635,712	\$ 2,818,370
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) in Operating Activities:		
Depreciation	5,284	5,284
Net Change in Investment Values	(102,214)	(22,900)
(Increase) Decrease in Grants Receivable	131,954	(219,398)
(Increase) Decrease in Pledges Receivable	10,215	(25,482)
(Increase) Decrease in Prepaid Expense	(2,980)	2,769
Increase (Decrease) in Accounts Payable	(24,133)	49,858
Increase (Decrease) in Accrued Vacation	3,456	1,062
Increase (Decrease) in Payroll Expenses & Benefits Payable	(2,064)	4,272
Net Cash Provided (Used) by Operating Activities	<u>\$ 655,230</u>	<u>\$ 2,613,835</u>

The accompanying notes are an integral part of these financial statements.

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Statement of Functional Expenses

Year Ended December 31,	2017			
	Program Services	Management & General	Fundraising	Total
Salaries & Wages	\$ 269,968	\$ 59,324	\$ 45,780	\$ 375,072
Employee Benefits	33,407	6,059	4,855	44,321
Payroll Taxes	22,790	4,947	3,849	31,586
Contracted Labor	7,600	-	-	7,600
Rent Expense	15,665	3,369	3,548	22,582
Telephone	6,094	1,111	953	8,158
Insurance	9,124	774	663	10,561
Supplies	6,056	363	1,472	7,891
Printing & Postage	9,059	2,805	4,954	16,818
Property Taxes	5,886	-	-	5,886
Dues	5,749	167	1,044	6,960
Licenses & Permits	1,218	185	72	1,475
Professional Services	32,827	3,132	3,432	39,391
Acquisition Expense	139,040	-	-	139,040
Land Stewardship & Restoration	419,722	-	-	419,722
Advertising	2,623	-	212	2,835
Travel	15,033	861	1,100	16,994
Depreciation Expense	3,951	1,333	-	5,284
Equipment R&M	11,344	1,250	1,576	14,170
Equipment Rental	911	-	8,420	9,331
Property R&M	23,285	-	-	23,285
Inkind Expense	-	-	7,449	7,449
Bank/Commission Fees	86	2,907	2,834	5,827
Interest Expense	362	-	-	362
Miscellaneous	1,269	116	186	1,571
Total	\$ 1,043,069	\$ 88,703	\$ 92,399	\$ 1,224,171

The accompanying notes are an integral part of these financial statements.

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Statement of Functional Expenses

Year Ended December 31,	2016			
	Program Services	Management & General	Fundraising	Total
Salaries & Wages	\$ 258,468	\$ 47,306	\$ 41,979	\$ 347,753
Employee Benefits	28,895	6,135	6,719	41,749
Payroll Taxes	21,772	4,020	3,681	29,473
Contracted Labor	6,900	-	-	6,900
Rent Expense	11,713	2,255	2,738	16,706
Telephone	1,659	636	386	2,681
Insurance	7,040	825	1,001	8,866
Supplies	1,478	253	1,091	2,822
Printing & Postage	10,285	400	6,946	17,631
Property Taxes	4,303	-	-	4,303
Dues	4,315	331	752	5,398
Licenses & Permits	788	101	75	964
Professional Services	16,408	857	5,629	22,894
Acquisition Expense	113,317	-	-	113,317
Land Stewardship & Restoration	397,006	-	-	397,006
Conferences & Meetings	1,449	-	-	1,449
Travel	6,368	2,742	935	10,045
Advertising	585	142	-	727
Equipment R&M	6,664	530	602	7,796
Equipment Rental	1,339	-	12,268	13,607
Property R&M	9,510	-	-	9,510
Inkind Expense	500	-	1,164	1,664
Bank/Commission Fees	154	2,495	2,531	5,180
Interest Expense	10,988	-	-	10,988
Depreciation	3,951	1,333	-	5,284
Miscellaneous	275	28	20	323
Total	\$ 926,130	\$ 70,389	\$ 88,517	\$ 1,085,036

The accompanying notes are an integral part of these financial statements.

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Notes to Financial Statements

December 31, 2017 and 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization, purpose and principal program--

The mission of Capitol Land Trust (the Trust) is furthering collaborative and strategic conservation of Southwest Washington's essential natural areas and working lands.

The Trust receives a substantial amount of its annual support in the form of government grants. In the event one or more of the government programs from which the grants are received were to end or experience significant budget cuts, the Trust could experience a significant loss of support.

Basis of accounting--

The Trust's policy is to prepare its financial statements on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset

Grant funds are accounted for as unrestricted, temporarily restricted or permanently restricted as provided in the particular terms of the respective grant contracts. When restrictions on grant funds are met in the same year the funds are awarded, it is the Trust's policy to record the grant funds as unrestricted on the statement of activities and changes in net assets.

Land, buildings and equipment--

Land, buildings and equipment are recorded at cost. Property and equipment donated to the Trust are capitalized at their estimated fair market value. It is the Trust's policy to expense the acquisition cost of equipment in the year of purchase for items with a unit cost of less than \$1,000. Depreciation is provided using the straight-line method. A five-year life is used for both purchased and donated equipment. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain or loss is included in income.

Estimates--

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

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Notes to Financial Statements

December 31, 2017 and 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Advertising--

The Trust's policy is to expense advertising costs as they are incurred.

B. RECOGNITION OF CONTRIBUTION REVENUE:

The Trust reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

The Trust reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets having explicit restrictions specifying how the assets are to be used, and gifts of cash or other assets to be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Trust reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If the restrictions on a contribution are met in the same year that the contribution is received, it is the Trust's policy to record the contribution as unrestricted on the statement of activities and changes in net assets.

C. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets include land that was purchased with grant contracts and donor contributions that permanently restrict the land use and donor endowed funds where earnings are used to support operations. As of December 31, 2017 and 2016, the permanently restricted net assets balance was \$14,570,381 and \$14,245,763, respectively.

D. ECONOMIC DEPENDENCY:

For 2017 and 2016, the funding used to acquire land was primarily provided by the State of Washington Recreation and Conservation Office and the Thurston County Resource Stewardship office.

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Notes to Financial Statements

December 31, 2017 and 2016

E. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets balance as of December 31, 2017 and 2016 were \$858,464 and \$684,282, respectively, and are comprised of the unspent balance of donor contributions that are restricted for use in stewardship or have specific time or purpose restrictions.

F. LEASES:

The Trust conducts its operations from leased facilities. The Trust entered into a one year agreement on May 1, 2015 for space which was occupied until March of 2017. The office lease expense for the years ended December 31, 2017 and 2016 under this lease was \$3,585 and \$17,535, respectively.

The Trust signed a five year lease for a new office space in Lacey, Washington, in February of 2017 which commenced in March of 2017. Office lease expense under this arrangement was \$14,750 for the year ended December 31, 2017.

Future rental payments under this arrangement are as follows:

Year Ending December 31:		
	2018	\$ 26,500
	2019	27,160
	2020	27,843
	2021	28,542
	2022	6,624
Total		\$ <u>116,669</u>

G. INVESTMENTS & FAIR VALUE MEASUREMENTS:

The investments in mutual funds and money market funds are accounted for at fair value. As of December 31, 2017, the investments had a cost basis of \$935,358 and a fair value of \$1,064,182. As of December 31, 2016, the investments had a cost basis of \$849,210 and a fair value of \$875,820. Investment income on the statement of activities and changes in net assets is the following:

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Notes to Financial Statements

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G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):

	<u>2017</u>		<u>2016</u>
Unrealized Gain (Losses)	\$ 83,475	\$	17,638
Realized Gain (Losses)	(722)		2,074
Management Fees	<u>(4,209)</u>		<u>(7,803)</u>
Total	\$ <u>78,544</u>	\$	<u>11,909</u>

The Trust adopted Accounting Standards Codification 958 as of January 1, 2009. ASC 958, Fair Value Measurements, 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 three levels of the fair value hierarchy under ASC 958 are described as follows:

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

Level 2: Inputs to 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 principally from or corroborated by observable market data by correlation or other means.

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Trust at year end.

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Notes to Financial Statements

December 31, 2017 and 2016

G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):

Certificates of Deposit: Valued at original investment plus received and accrued interest.

Money Market Funds: The investments are reported at face value plus accrued interest.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Trust 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 following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31, 2017:

Assets at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 787,363	\$ -	\$ 787,363
Certificate of Deposit	-	93,918	-	93,918
Money Market Funds	-	182,901	-	182,901
Total Assets at Fair Value:	\$ -	\$ 1,064,182	\$ -	\$ 1,064,182

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of December 31, 2016:

Assets at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 658,942	\$ -	\$ 658,942
Certificates of Deposit	-	146,637	-	146,637
Money Market Funds	-	70,241	-	70,241
Total Assets at Fair Value:	\$ -	\$ 875,820	\$ -	\$ 875,820

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December 31, 2017 and 2016

H. GRANTS RECEIVABLE:

Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

Historically, bad debts have been immaterial. The Trust uses the direct write-off method, which is not in accordance with generally accepted accounting principles. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During 2017 and 2016, there were bad debts of \$0. As of December 31, 2017 and 2016, management estimated that all accounts receivable were collectible. The Trust considers all receivables over 90 days as past due. No interest is charged on past due receivables. As of December 31, 2017, no receivable amounts were past due.

I. CONTINGENCIES:

Amounts received or receivable from federal and state government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Trust if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

The Trust, during 2017, was named as a beneficiary of an estate. The Trust is entitled to a contribution of house and land once the estate is settled. The Trust, because of the nature of the gift, has not formally accepted. This transaction has not been recorded as a contribution for 2017 because, as of April 9, 2018, the Trust was still conducting a review of the gift to determine that it is appropriate to accept and to ensure that no significant liabilities accompany the gift. The Trust anticipates making a final decision on acceptance in 2018 and, if accepted, will record the contribution at that time.

J. INKIND REVENUE:

The Trust received inkind donations of professional services, supplies, and miscellaneous items during 2017 and 2016 valued at \$7,449 and \$1,664, respectively. The donations are recorded as inkind revenue and expense in the financial statements.

K. INCOME TAX & UNCERTAIN TAX POSITIONS:

The Trust is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The Trust files income tax returns in the U.S. federal jurisdiction. The Trust is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2014.

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K. INCOME TAX & UNCERTAIN TAX POSITIONS (CONTINUED):

Currently, there are no examinations or pending examinations with the Internal Revenue Service (IRS).

The Trust adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. As of December 31, 2017, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

L. LONG TERM DEBT:

The Trust, to facilitate a property acquisition, signed a promissory note on April 22, 2016 for \$536,000 with the Conservation Fund. The note accrued interest at a rate of 3.0% per year and required payment of the entire principal and accrued interest balance on April 22, 2019. The Trust paid all accrued interest and \$389,012 of principal during 2016. The note was paid in full during February of 2017.

M. PLEDGES RECEIVABLE:

The Trust received, in 2017 and 2016, several unconditional promises to give. The promises have been recorded as pledge receivable and contribution revenue for 2017 and 2016. The pledge balance at December 31, 2017 and 2016 totaled \$15,267 and \$25,482, respectively. All outstanding pledges are expected to be collected during the 2018 year.

N. SUBSEQUENT EVENTS:

No events have occurred through April 9, 2018, which is the date the financial statements were available to be issued based on client facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2017.

O. MAYTOWN CONSERVATION FUND:

The Trust, during 2011, entered into an agreement with the Black Hills Audubon Society (BHAS) to act as fund administrator for a mitigation fund called the Maytown Conservation Fund (Fund). The Fund was created as a result of a settlement agreement with a private company.

The Trust agreed to act as custodian of the Fund and to process invoices submitted by BHAS as qualifying expenditures are made. The Trust, per the agreement, has sole discretion to determine that expenditures submitted for payment are for activities that are consistent with the settlement agreement and an annual work plan submitted by BHAS.

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O. MAYTOWN CONSERVATION FUND (CONTINUED):

The Fund is presented as an other asset and liability in the statement of financial position.