

MANADA CONSERVANCY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants

MANADA CONSERVANCY
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For the Years Ended December 31, 2023 and 2022

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Manada Conservancy
Hummelstown, Pennsylvania

We have reviewed the accompanying financial statements of Manada Conservancy (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of support, revenue, and expenses – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. The procedures we performed were based on professional judgement and consisted primarily of analytical procedures and inquiries. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Manada Conservancy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Members of the American and Pennsylvania Institutes of CPAs

Emphasis of a Matter*Prior Period Restatement*

As described in Note 11, Manada Conservancy determined that the net asset balance was incorrectly recorded as of December 31, 2022, resulting in a net understatement of net assets without donor restrictions of \$36,000 and an overstatement of net assets with donor restrictions of \$36,000. Accordingly, the prior period restatement is reflected in the Statement of Support, Revenue, and Expenses for the year ended December 31, 2022. Our conclusion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

August 28, 2024

Mechanicsburg, Pennsylvania



Certified Public Accountants

MANADA CONSERVANCY
Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and Cash Equivalents	\$ 388,886	\$ 565,889
Investments (Note 3)	380,229	159,995
Investments – Restricted Endowment (Note 4)	461,905	372,619
Beneficial Interest in The Foundation for Enhancing Communities (Note 4)	<u>18,067</u>	<u>15,995</u>
Total Assets	<u>\$ 1,249,087</u>	<u>\$ 1,114,498</u>
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 371,147	\$ 418,492
Board Designated (Note 5)	183,724	108,000
With Donor Restrictions (Note 4)	<u>694,216</u>	<u>588,006</u>
Total Net Assets	<u>\$ 1,249,087</u>	<u>\$ 1,114,498</u>

See Accompanying Notes and Independent Accountant’s Review Report

MANADA CONSERVANCY
Statement of Support, Revenue, and Expenses – Modified Cash Basis
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 208,418	\$ 40,627	\$ 249,045
Grants	45,008	20,000	65,008
Native Plant Sales	28,314	-	28,314
Investment Income (Note 3)	46,379	78,714	125,093
Other Revenue	31,170	-	31,170
Net Assets Released from Restrictions	<u>33,131</u>	<u>(33,131)</u>	<u>-</u>
Total Support and Revenue	<u>392,420</u>	<u>106,210</u>	<u>498,630</u>
Expenses			
Program Services	319,754	-	319,754
Supporting Services			
General and Administrative	22,415	-	22,415
Fundraising	<u>21,872</u>	<u>-</u>	<u>21,872</u>
Total Expenses	<u>364,041</u>	<u>-</u>	<u>364,041</u>
Change in Net Assets	28,379	106,210	134,589
Net Assets, Beginning of Year	<u>526,492</u>	<u>588,006</u>	<u>1,114,498</u>
Net Assets, End of Year	<u>\$ 554,871</u>	<u>\$ 694,216</u>	<u>\$ 1,249,087</u>

See Accompanying Notes and Independent Accountant's Review Report

MANADA CONSERVANCY
Statement of Support, Revenue, and Expenses – Modified Cash Basis
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 377,975	\$ 41,715	\$ 419,690
Grants	1,840	4,660	6,500
Native Plant Sales	33,911	-	33,911
Investment Loss (Note 3)	(7,307)	(106,489)	(113,796)
Other Revenue	613	-	613
Net Assets Released from Restrictions	<u>21,072</u>	<u>(21,072)</u>	<u>-</u>
Total Support and Revenue	<u>428,104</u>	<u>(81,186)</u>	<u>346,918</u>
Expenses			
Program Services	202,545	-	202,545
Supporting Services			
General and Administrative	20,722	-	20,722
Fundraising	<u>20,909</u>	<u>-</u>	<u>20,909</u>
Total Expenses	<u>244,176</u>	<u>-</u>	<u>244,176</u>
Change in Net Assets	183,928	(81,186)	102,742
Net Assets, Beginning of Year	<u>342,564</u>	<u>669,192</u>	<u>1,011,756</u>
Net Assets, End of Year	<u>\$ 526,492</u>	<u>\$ 588,006</u>	<u>\$ 1,114,498</u>

See Accompanying Notes and Independent Accountant's Review Report

MANADA CONSERVANCY
Statement of Functional Expenses -- Modified Cash Basis
For the Year Ended December 31, 2023

	Program Services				Supporting Services			Total
	Outreach	Education	Preservation	Total Program	General and Administrative	Fundraising		
Advertising	\$ -	\$ -	\$ 100	\$ 100	\$ -	\$ 125	\$ 225	
Conferences and Meetings	1,827	479	2,933	5,239	295	1,047	6,581	
Employee Benefits	690	244	2,272	3,206	691	203	4,100	
Information Technology	1,676	253	3,155	5,084	716	210	6,010	
Insurance	608	215	4,695	5,518	608	179	6,305	
Memberships and Dues	835	219	2,007	3,061	621	183	3,865	
Miscellaneous Expenses	8,132	878	4,738	13,748	1,354	398	15,500	
Native Plant Sales Expenses	3,034	3,034	3,035	9,103	-	6,069	15,172	
Occupancy	979	345	3,167	4,491	979	288	5,758	
Office Expense	1,347	329	3,018	4,694	933	1,129	6,756	
Payroll Taxes	2,753	972	10,711	14,436	2,753	810	17,999	
Printing and Postage	6,778	125	1,720	8,623	328	766	9,717	
Professional Fees	1,244	939	49,604	51,787	1,244	366	53,397	
Program Supplies	1,295	320	2,257	3,872	-	-	3,872	
Salaries	35,813	8,137	140,337	184,287	11,677	10,036	206,000	
Travel	231	76	2,198	2,505	216	63	2,784	
Total Expenses	\$ 67,242	\$ 16,565	\$ 235,947	\$ 319,754	\$ 22,415	\$ 21,872	\$ 364,041	

See Accompanying Notes and Independent Accountant's Review Report

MANADA CONSERVANCY
Statement of Functional Expenses – Modified Cash Basis
For the Year Ended December 31, 2022

	Program Services				Supporting Services			Total
	Outreach	Education	Preservation	Total Program	General and Administrative	Fundraising		
Advertising	\$ 513	\$ 5	\$ 44	\$ 562	\$ 14	\$ 14	\$ 590	
Conferences and Meetings	164	9	311	484	26	8	518	
Easement/Land Purchase	-	-	2,265	2,265	-	-	2,265	
Employee Benefits	662	234	2,143	3,039	663	195	3,897	
Information Technology	1,782	387	4,598	6,767	1,095	322	8,184	
Insurance	616	218	4,413	5,247	617	181	6,045	
Memberships and Dues	377	32	2,394	2,803	191	27	3,021	
Miscellaneous Expenses	111	239	1,771	2,121	111	33	2,265	
Native Plant Sales Expenses	2,995	2,995	2,996	8,986	-	5,990	14,976	
Occupancy	920	325	2,976	4,221	920	270	5,411	
Office Expense	788	1,117	2,298	4,203	789	1,451	6,443	
Payroll Taxes	1,706	602	5,260	7,568	1,706	502	9,776	
Printing and Postage	6,882	130	1,574	8,586	369	969	9,924	
Professional Fees	2,940	1,456	16,191	20,587	2,940	3,865	27,392	
Program Supplies	831	-	3,244	4,075	-	-	4,075	
Salaries	28,211	5,695	86,733	120,639	11,198	7,058	138,895	
Travel	97	29	266	392	83	24	499	
Total Expenses	\$ 49,595	\$ 13,473	\$ 139,477	\$ 202,545	\$ 20,722	\$ 20,909	\$ 244,176	

See Accompanying Notes and Independent Accountant's Review Report

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Manada Conservancy (the Conservancy) is a land trust dedicated to the preservation of the natural, historic, agricultural, and scenic resources of Dauphin County and to the promotion of environmental education. Support for the Conservancy's activities is primarily from contributions, grants and annual native plant sales.

Basis of Accounting:

The financial statements of the Conservancy have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain support and revenue are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The Conservancy has also elected to record investments and beneficial interest in The Foundation for Enhancing Communities.

Basis of Presentation:

Financial statement presentation follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the Conservancy to report information regarding its assets, liabilities, net assets, support, revenue, and expenses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions:

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a 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 Statements of Support, Revenue, and Expenses – Modified Cash Basis as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

Cash and Cash Equivalents:

The Conservancy considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents with the exception of money market funds held in the Endowment fund which are included with Endowment fund investments.

Fair Value Measurements:

Financial instruments are valued at fair value on a recurring basis in the Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Fair Value Reporting requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued):

For financial instruments that have quoted market prices in active markets, the Conservancy uses the quoted market prices as fair values and includes those financial instruments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of financial instruments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Conservancy's own determinations of the assumptions that a market participant would use in pricing the asset.

Financial instruments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain financial instruments and the level of uncertainty related to changes in the value of financial instruments, it is at least reasonably possible changes in risks in the near term would materially affect financial instrument assets reported in the Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Taxation:

The Conservancy is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax is incurred unless the Conservancy earns income considered to be unrelated business income. The Conservancy conducted no activities that were subject to income tax.

Management evaluated the tax positions taken and concluded that the Conservancy had taken no uncertain tax positions that require recognition or disclosure in the financial statements. No provision or benefit for income taxes has been included in these financial statements. With few exceptions, the Conservancy is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2020.

Use of Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses:

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Support, Revenue, and Expenses – Modified Cash Basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 2 AVAILABILITY AND LIQUIDITY

The following represents the Conservancy's financial assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 388,886	\$ 565,889
Investments	380,229	159,995
Investments – Restricted Endowment	461,905	372,619
Beneficial Interest in The Foundation for Enhancing Communities	<u>18,067</u>	<u>15,995</u>
Total Financial Assets	<u>1,249,087</u>	<u>1,114,498</u>
Less Amounts Not Available to Be Used Within One Year:		
Board Designated Net Assets	183,724	108,000
Net Assets with Donor Restrictions	<u>694,216</u>	<u>588,006</u>
Total Amounts Not Available to Be Used Within One Year	<u>877,940</u>	<u>696,006</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 371,147</u>	<u>\$ 418,492</u>

The Conservancy's plan is generally to maintain financial assets to meet 90 days of operating expenses. As described in Note 5, the Conservancy has an Operating Reserve Fund that they can transfer funds from in the event of an unanticipated liquidity need.

NOTE 3 INVESTMENTS

Investments are summarized as follows at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Exchange Traded Funds	\$ -	\$ 305,482
Money Market Funds	56,098	23,194
Mutual Funds	<u>786,036</u>	<u>203,938</u>
Total	<u>\$ 842,134</u>	<u>\$ 532,614</u>

Investment income (loss) is summarized as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and Dividends	\$ 13,561	\$ 9,804
Realized and Unrealized Gain (Loss)	<u>111,532</u>	<u>(123,600)</u>
Total	<u>\$ 125,093</u>	<u>\$ (113,796)</u>

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Endowment Fund:

Interpretation of Relevant Law:

The Conservancy has interpreted the law of the Commonwealth of Pennsylvania that underlies the net asset classification of donor-restricted endowment funds 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 instructions. As a result of this interpretation, the Conservancy classifies as perpetually restricted net assets (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument. Absent explicit instructions from the donor, investment income from perpetually restricted funds is classified as funds with donor restrictions.

Pennsylvania law permits the Board of Directors to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of assets related to donor-restricted endowment funds averaged over a period of three preceding years, provided the Board of Directors has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

Return Objectives and Risk Parameters:

The Conservancy has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to maintain expenditures supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Conservancy must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested based on the standards of the "Prudent Investor Rule", that is, intent to produce results that exceed the standard indices for each investment classification on an annual basis.

Strategies Employed for Achieving Objectives:

To satisfy its long-term rate of return objectives, the Conservancy 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 Conservancy's investment fund asset mix is invested among equities, fixed income, and cash equivalents. The Board of Directors has determined an asset mix strategy to improve the probability of achieving enhanced real (inflation protected) rates of return.

Spending Policy:

The spending policy of the Conservancy establishes the standards and guidelines governing the allocation of income derived from the endowment fund. The intent of the Conservancy is to hold the adjusted contribution amount in perpetuity and to minimize the likelihood that the endowment fund fair market value falls below 90% of the adjusted contribution amount. Distributions from the endowment are not permitted until the fair market value of the endowment fund exceeds \$250,000. During the year ending December 31, 2021, the fair market value of the endowment fund exceeded this threshold and the Board approved an annual distribution of 2% of the fair market value of the endowment fund to commence during the year ending December 31, 2022. During the year ending December 31, 2022, the fair market value was below 90% of the adjusted contribution amount, therefore, no distribution was approved during the year ending December 31, 2023.

Handling of Income from Endowment Fund Investments:

All income earned, whether interest income, dividend income, or gains realized and unrealized will be classified as net assets with donor restrictions.

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Endowment Fund:

	<u>2023</u>	<u>2022</u>
Endowment Net Assets, Beginning of Year	\$ 372,619	\$ 392,787
Contributions	27,677	54,740
Distributions	-	(6,636)
Interest and Dividends, Net of Fees	12,712	8,525
Net Realized/Unrealized Appreciation (Depreciation)	<u>48,897</u>	<u>(76,797)</u>
Endowment Net Assets, End of Year	<u>\$ 461,905</u>	<u>\$ 372,619</u>

Beneficial Interest in The Foundation for Enhancing Communities (TFEC):

The Conservancy is the beneficiary of an Agency fund held by TFEC. TFEC retains legal title to all assets held in this fund, and the net earnings of the fund, after deducting the expenses of investing and administering, are available to be distributed annually to the Conservancy. The distribution committee of TFEC has the power to modify any restriction on these funds; however, it is TFEC's intention to distribute any earnings to the Conservancy for as long as the Conservancy continues to exist.

In accordance with ASC 958, *Transfers of Assets to a Nonprofit Corporation or Charitable Trust that Raises or Holds Contributions for Others*, the Agency fund is reflected in the Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis as beneficial interest in TFEC. The following is a summary of the activity for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Beginning Balance	\$ 15,995	\$ 20,756
Interest and Dividends	370	319
Investment Gain (Loss)	2,621	(4,054)
Distribution	(610)	(701)
Fees	<u>(309)</u>	<u>(325)</u>
Ending Balance	<u>\$ 18,067</u>	<u>\$ 15,995</u>

Summary of Net Assets with Donor Restrictions at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purpose Restricted:		
Land Preservation	\$ 20,314	\$ 18,621
Legal Easement Defense	172,520	154,140
Conservation Easements	3,519	4,889
Land Partnership – Kittatinny Ridge	14,850	20,000
PPL Cladel Invasives	2,500	-
Property Maintenance	541	1,037
Audubon Green Ribbon	<u>-</u>	<u>705</u>
Total Purpose Restricted	<u>214,244</u>	<u>199,392</u>

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Perpetually Restricted:		
Endowment	461,905	372,619
Beneficial Interest in TFEC	<u>18,067</u>	<u>15,995</u>
Total Perpetually Restricted	<u>479,972</u>	<u>388,614</u>
Total Net Assets with Donor Restrictions	<u>\$ 694,216</u>	<u>\$ 588,006</u>

NOTE 5 BOARD DESIGNATED NET ASSETS

Board designated net assets consist of the Conservancy's operating reserve fund. These funds are set aside by action of the Board of Directors. The reserve is to be used for financial shortfalls caused by cash flow, unexpected expenses and one-time, nonrecurring expenses that will build long-term capacity, such as staff development. The amount designated for the operating reserve fund for the years ending December 31, 2023 and 2022 was \$108,000. The Board also designated \$75,724 and \$0 for legal easement defense at December 31, 2023 and 2022, respectively.

NOTE 6 FAIR VALUE MEASUREMENTS

Fair values of investments are summarized at December 31, 2023 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ -	\$ 56,098	\$ -	\$ 56,098
Mutual Funds	<u>786,036</u>	<u>-</u>	<u>-</u>	<u>786,036</u>
Total Investments	<u>\$ 786,036</u>	<u>\$ 56,098</u>	<u>\$ -</u>	<u>\$ 842,134</u>
Beneficial Interest in TFEC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,067</u>	<u>\$ 18,067</u>

Fair values of investments are summarized at December 31, 2022 as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 305,482	\$ -	\$ -	\$ 305,482
Money Market Funds	-	23,194	-	23,194
Mutual Funds	<u>203,938</u>	<u>-</u>	<u>-</u>	<u>203,938</u>
Total Investments	<u>\$ 509,420</u>	<u>\$ 23,194</u>	<u>\$ -</u>	<u>\$ 532,614</u>
Beneficial Interest in TFEC	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,995</u>	<u>\$ 15,995</u>

Level 2 Investments:

Money Market Funds

The Conservancy's investment in Money Market funds consists of cash and cash equivalents held in the Endowment fund investment accounts. These investments are valued using pricing models maximizing the use of observable inputs for similar securities.

MANADA CONSERVANCY
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

NOTE 6 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Investments:

Beneficial Interest in TFEC

The fair value of the Conservancy's Beneficial Interest in net assets held by TFEC is determined based on management's assumptions, which market participants would use in pricing the assets. The assumptions are developed based on the best information available which is reported by TFEC.

NOTE 7 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Conservancy to concentrations of credit risk consist principally of cash and cash equivalents held with financial institutions. Accounts at financial institutions are insured by the National Credit Union Administration (NCUA) and the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Amounts may have exceeded the limit at times throughout the year. There were no amounts in excess of the NCUA or FDIC limits at December 31, 2023 and 2022.

The Conservancy maintains a portion of its cash equivalents in money market fund accounts which are not insured by the FDIC or NCUA. The uninsured amounts were \$141,139 and \$200,759 at December 31, 2023 and 2022, respectively.

NOTE 8 ADVERTISING

Advertising costs are expensed as paid. Total advertising costs were \$225 and \$590 for the years ending December 31, 2023 and 2022, respectively.

NOTE 9 RETIREMENT PLAN

The Conservancy has established a SIMPLE IRA retirement plan which allows for eligible employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Service. The Conservancy will contribute 3% of participating employee wages. The Conservancy's contribution to the plan was \$4,100 and \$3,619 during the years ending December 31, 2023 and 2022, respectively.

NOTE 10 JOINT COSTS

The Conservancy annually holds a Native Plant Sale. This event incurs joint costs which are allocable to fundraising and program activities. The Conservancy has determined that the costs related to this event should be allocated as follows: 40% to fundraising costs and 20% to each of the programs – Outreach, Education and Preservation. During the years ending December 31, 2023 and 2022, the Conservancy allocated \$15,172 and \$14,976, respectively, in costs incurred for Native Plant Sales.

NOTE 11 PRIOR PERIOD RESTATEMENT

During 2023, the Conservancy made changes to the CELDF (Conservation Easement Legal Defense Fund) policy to better align the policy with the accreditation standards. Therefore, the Conservancy determined that net assets were incorrectly recorded as of December 31, 2022, resulting in a net understatement of net assets without donor restrictions of \$36,000 and an overstatement of net assets with donor restrictions of \$36,000. Accordingly, the prior period restatement is reflected in the Statement of Support, Revenue, and Expense - Modified Cash Basis for the year ended December 31, 2022.

MANADA CONSERVANCY
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NOTE 12 SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 28, 2024, which is the date the financial statements were available to be issued.