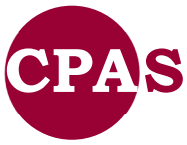


THE WILDERNESS LAND TRUST
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

THE WILDERNESS LAND TRUST
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
The Wilderness Land Trust
Helena, Montana

Opinion

We have audited the accompanying financial statements of The Wilderness Land Trust (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, 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 The Wilderness Land Trust as of June 30, 2022, and the changes in its net assets and its cash flows for the year then 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. 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 The Wilderness Land Trust 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 The Wilderness Land Trust'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 The Wilderness Land Trust'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 The Wilderness Land Trust'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.

Report on Summarized Comparative Information

We have previously audited The Wilderness Land Trust's financial statements for the year ended June 30, 2021, and we expressed an unmodified audit opinion on those financial statements in our report dated December 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Newland and Company

NEWLAND AND COMPANY
A Professional Corporation

Butte, Montana
January 5, 2023

THE WILDERNESS LAND TRUST
STATEMENT OF FINANCIAL POSITION
June 30, 2022
(With Comparative Totals as of June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash and Cash Equivalents	\$ 326,719	\$ -	\$ 326,719	\$ 573,321
Accounts Receivable	20,500	-	20,500	12,461
Prepaid Expenses	9,511	-	9,511	7,947
Earnest Money Deposits	-	-	-	1,000
Wilderness Opportunity Fund:				
Investments (Notes 5, 6)	671,566	1,036,354	1,707,920	2,315,547
Land Available for Sale or Donation (Notes 6, 7)	-	7,075,430	7,075,430	4,544,548
Property and Equipment, net (Note 8)	-	-	-	1,513
TOTAL ASSETS	\$ 1,028,295	\$ 8,111,784	\$ 9,140,079	\$ 7,456,337
LIABILITIES				
Accounts Payable	\$ 20,527	\$ -	\$ 20,527	\$ 7,493
Accrued Interest Expense	7,013	-	7,013	4,096
Payroll Liabilities	4,374	-	4,374	1,237
Wilderness Opportunity Fund:				
Investments Held for Others (Note 6)	-	554,403	554,403	452,640
Land Held for Others (Note 6)	-	2,998,286	2,998,286	2,327,049
Notes Payable (Note 6, 9)	-	1,860,000	1,860,000	1,069,610
TOTAL LIABILITIES	31,914	5,412,689	5,444,603	3,862,125
NET ASSETS				
Without donor restrictions				
Undesignated	933,381	-	933,381	1,104,420
Net Investment in Property and Equipment	-	-	-	1,513
Board Designated (Note 10)	63,000	-	63,000	63,000
Total without donor restrictions	996,381	-	996,381	1,168,933
With donor restrictions (Note 11)	-	2,699,095	2,699,095	2,425,279
TOTAL NET ASSETS	996,381	2,699,095	3,695,476	3,594,212
TOTAL LIABILITIES AND NET ASSETS	\$ 1,028,295	\$ 8,111,784	\$ 9,140,079	\$ 7,456,337

The Notes to the Financial Statements are an integral part of this statement

THE WILDERNESS LAND TRUST
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, GAINS AND OTHER SUPPORT				
Gains/(Losses) on Property Transfers	\$ 204	\$ 2,763	\$ 2,967	\$ 412,518
Contributions	311,790	260,529	572,319	678,305
Grant Revenues	75,000	230,000	305,000	175,000
Expense Reimbursements	27,250	-	27,250	24,786
Investment Income	645	-	645	321
Land Donation	-	-	-	50,000
Other Revenue	103,584	-	103,584	101,055
In-Kind Contributions	1,192	-	1,192	230
	<u>519,665</u>	<u>493,292</u>	<u>1,012,957</u>	<u>1,442,215</u>
Net Assets Released from Restrictions (Note 12)	219,476	(219,476)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>739,141</u>	<u>273,816</u>	<u>1,012,957</u>	<u>1,442,215</u>
EXPENSES				
Land Program Services	664,450	-	664,450	624,326
Support Services:				
Management and General	99,667	-	99,667	91,786
Fundraising and Development	147,577	-	147,577	122,857
TOTAL EXPENSES	<u>911,694</u>	<u>-</u>	<u>911,694</u>	<u>838,969</u>
CHANGE IN NET ASSETS	(172,552)	273,816	101,263	603,246
NET ASSETS, BEGINNING OF YEAR	1,168,933	2,425,279	3,594,212	2,990,966
NET ASSETS, END OF YEAR	<u>\$ 996,381</u>	<u>\$ 2,699,095</u>	<u>\$ 3,695,476</u>	<u>\$ 3,594,212</u>

The Notes to the Financial Statements are an integral part of this statement

THE WILDERNESS LAND TRUST
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022			2021	
	Land Program Services	Supporting Services		Total	Total
		Management and General	Fundraising and Development		
Salaries	\$ 275,723	\$ 26,082	\$ 70,794	\$ 372,599	\$ 383,386
Payroll Taxes	22,061	2,087	5,664	29,812	30,201
Employee Benefits	22,406	2,119	5,753	30,278	22,039
Retirement Plan	32,816	3,104	8,426	44,346	52,366
Accounting	-	42,712	-	42,712	42,714
Professional Fees	64,845	9,120	-	73,965	67,620
Bank Charges	-	295	2,656	2,951	2,963
Communication	2,583	244	663	3,490	4,111
Information Technology	466	44	120	630	308
Dues and Subscriptions	6,878	651	1,767	9,296	9,131
Insurance	5,257	497	1,350	7,104	7,259
Travel - Board	10,771	1,019	2,766	14,556	-
Travel	34,414	3,255	8,836	46,505	8,937
Office Supplies	1,793	170	460	2,423	1,870
Postage	1,496	142	384	2,022	1,815
Property Taxes and Fees	7,831	-	-	7,831	4,017
Training and Conferences	31,581	2,987	8,109	42,677	12,728
Office Rent	7,692	728	1,975	10,395	10,870
Other Transaction Support	30,748	-	-	30,748	63,782
Appraisals & Surveys	91,825	-	-	91,825	45,649
Closing Fees	1,837	-	-	1,837	3,448
Donor Database	-	-	10,347	10,347	6,443
Marketing	-	4,305	17,220	21,525	12,386
Interest	9,763	-	-	9,763	33,566
Depreciation	1,120	106	287	1,513	1,507
Other	545	-	-	545	9,853
	<u>\$ 664,450</u>	<u>\$ 99,667</u>	<u>\$ 147,577</u>	<u>\$ 911,694</u>	<u>\$ 838,969</u>

The Notes to the Financial Statements are an integral part of this statement

THE WILDERNESS LAND TRUST
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 101,263	\$ 603,246
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,513	1,507
Gain on Property Transfers	(2,967)	(412,518)
PPP Loan Forgiveness	(84,610)	(82,957)
Non-Cash Grant Revenue	(24,500)	-
Donated Land	-	(50,000)
Decrease/(Increase) in Accounts Receivable	(8,039)	(7,761)
Decrease/(Increase) in Prepaid Expenses	(1,564)	32,683
Decrease/(Increase) Earnest Money Deposits	1,000	2,000
Proceeds From Land Available for Sale or Donation	149,594	2,689,962
Purchase of Land Available for Sale or Donation	(1,879,363)	(1,288,616)
Increase/(Decrease) in Accounts Payable	13,035	5,350
Increase/(Decrease) in Interest Payable	2,917	(19,746)
Increase/(Decrease) in Payroll Liabilities	3,136	170
Increase/(Decrease) in Investments Held for Others	-	(233,107)
Non-Cash Investment Income	(645)	(321)
Net Cash Provided/(Used) by Operating Activities	<u>(1,729,230)</u>	<u>1,239,892</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from Sale of Investments	817,552	581,558
Purchase of Investments	<u>(209,924)</u>	<u>(232,958)</u>
Net Cash Provided/(Used) by Investing Activities	<u>607,628</u>	<u>348,600</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowings on Notes Payable	885,000	974,610
Repayments of Notes Payable	<u>(10,000)</u>	<u>(2,056,500)</u>
Net Cash Provided/(Used) by Financing Activities	<u>875,000</u>	<u>(1,081,890)</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	(246,602)	506,601
Cash and Cash Equivalents, Beginning of Year	<u>573,321</u>	<u>66,720</u>
Cash and Cash Equivalents, End of Year	<u>\$ 326,719</u>	<u>\$ 573,321</u>
 <u>SUPPLEMENTAL DISCLOSURE:</u>		
Cash Paid During the Year for Interest	<u>\$ 5,725</u>	<u>\$ 53,312</u>
 <u>NON-CASH ACTIVITY</u>		
Donations of Land and Securities	<u>\$ -</u>	<u>\$ 50,000</u>
Grant Revenue	<u>\$ 24,500</u>	<u>\$ -</u>
Increase in Land Held for Others Liability	<u>\$ 797,500</u>	<u>\$ 499,000</u>
Reduction in Land Held for Others Liability	<u>\$ (126,263)</u>	<u>\$ (360,281)</u>
In-Kind Contributions	<u>\$ 1,192</u>	<u>\$ 230</u>

The Notes to the Financial Statements are an integral part of this statement

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. DESCRIPTION OF THE ORGANIZATION

The Wilderness Land Trust (the Trust), a Colorado nonprofit corporation, was incorporated in 1992 for the purpose of acquiring private lands in current and potential wilderness areas from willing sellers and transferring those lands to public ownership so that all generations of Americans will enjoy an enduring source of wilderness. The Trust is supported primarily through contributions and foundation grants. The Trust arranges advance funding from grants, contributions, and loans for the majority of its acquisitions of land inholdings. Notes payable are repaid with the proceeds from sales of land inholdings to the federal government.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to nonprofit organizations.

Basis of Presentation

The financial statements of the Trust have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. As such, the Trust reports information according to the following net asset classifications:

Net assets with donor restrictions: Resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Net assets without donor restrictions: Resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are broad limits resulting from the nature of the Trust, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors or others that are entered into in the course of its operations. Net assets without donor restrictions include resources which have been designated by the governing board or other designated funds, and the Trust's investment in property and equipment pursuant to approved governing board policy.

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue and support are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment income and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

When a donor's restriction is satisfied, either by using the resources in a manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contract Revenue Recognition

Contract revenue is recognized when performance obligations are satisfied in an amount equal to the amount of transaction price allocated to that performance obligation.

Contribution Revenue

Contributions are recognized when cash, or other assets, and unconditional promise to give, or notification of beneficial interest is received. Contributions with donor-imposed stipulations are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Beneficiary designation in a donor's will is considered an intention to give and is not recognized until after the death of the donor and the probate court has declared the will valid and fair value of the estate has been determined.

Grant Revenue

The Trust's current grants are non-exchange transactions. Certain grant revenue may be classified as with donor restrictions and subsequently released from restrictions upon attaining certain performance requirements and/or the incurrence of allowable qualifying expenditures.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments held for operational purposes with an initial maturity of three months or less.

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

Accounts receivable result from normal organizational operations. The Trust has an unconditional right to receive accounts receivable and they are stated at the amount the Trust expects to collect from outstanding balances. Conditional contributions receivable are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

The Trust uses the allowance method to determine uncollectible contributions receivable. Management has determined that no allowance is necessary as of June 30, 2022.

Contributions of Land, Property, and Equipment

Contributed land, property, and equipment are recorded at fair value at the date of donation.

Capital Assets

The Trust follows the practice of capitalizing all expenditures for land, property, and equipment of \$1,000 or more. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives range from 3 to 7 years.

Land Inholdings

Parcels of privately owned lands contained within federally-designated wildernesses are termed land inholdings. The Trust receives grants and contributions from private organizations to be used for the purchase of land inholdings and general operating expenses.

Land Acquisition Costs and Reimbursements

Costs related to land acquisitions are incurred routinely for land that may or not be acquired by the Trust. Due to the uncertainty related to these expenditures, the Trust capitalizes all land acquisition related expenses if the land purchase is completed during the same fiscal year or within 30 days of the fiscal year-end. All other costs are expensed as incurred. In addition, some acquisition expenses may be reimbursed to the Trust as a part of the purchase agreement. Reimbursements are recorded in the fiscal year in which payment is received.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Management believes that the

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

estimates and assumptions are reasonable in the circumstances; however, due to their prospective nature, actual results could differ from those estimates.

Fair Value Measurements

The Trust follows the provisions of Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (level 1 measurements) and the lowest priority to unobservable inputs for the assets and liabilities (level 3 measurements).

Level 2 investments include quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

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.

Money market funds are valued at the closing price on the last trading day of the fiscal year reported in the active market in which the funds are traded. There have been no changes in the methodologies used at June 30, 2022.

Income Taxes

The Trust is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the financial statements.

Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to program services or supporting activities. Expenses related to more than one function are allocated among the programs and supporting activities benefited. The allocation of salaries and other payroll-related costs are based on time studies which established percentages of time for staff for each functional area. Other shared expenses, such as occupancy costs, office expenses, telecommunications, information technology, and dues and subscriptions, are based on management's analysis of the use and

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

benefits derived for each functional area. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Trust.

Description of Program and Supporting Services

The program service of the Trust is acquiring private lands in current and potential wilderness areas from willing sellers and transferring those lands to public ownership so that all generations of Americans will enjoy an enduring source of wilderness. Supporting activities include management and general, fundraising and development, and membership development activities. The Trust has no membership development activities.

Agency Transactions

In certain instances, the Trust accepts land or assets from a contributing organization, and the Trust agrees to use those assets on behalf of or transfer those assets to a specific beneficiary specified by the contributing organization. In these instances, the Trust recognizes the asset from the contributing organization and a liability related to the specified beneficiary.

Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

NOTE 3. REVENUE RECOGNITION FROM CONTRACTS WITH CUSTOMERS

General Contract Accounting

The Trust earns exchange contract revenue from gains on property transfers, which is part of the Trust's normal business operations, and other exchange transactions. The Trust accounts for this revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers. Topic 606 provides for a five-step model for recognizing revenue from contracts with customers as follows: 1) Identify the contract with a customer, 2) Identify performance obligations, 3) Determine the transaction price, 4) Allocate the transaction price to the performance obligations in the contract, and 5) Recognize revenue as the entity satisfies a performance obligation.

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3. REVENUE RECOGNITION FROM CONTRACTS WITH CUSTOMERS - CONTINUED

Revenues are measured based on the amount of consideration specified in a contract with a customer. Revenues are recognized when and as performance obligations are satisfied. A performance obligation, as defined in ASC Topic 606, is a promise in a contract to transfer a distinct good or service to a customer.

Performance obligations associated with gains on property transfers and other exchange transactions are typically accounted for as a fixed amount and as a single performance obligation satisfied at a point in time, as the goods or services are performed at a point in time. Payment is due when the performance obligation is satisfied.

ASC Topic 606 requires entities to consider significant financing components of contracts with customers. No significant financing components existed in the Trust's contracts during the year ended June 30, 2022. Warranty costs have been insignificant in recent years and the Trust believes no accrual of warranty costs is necessary.

For the year ended June 30, 2022, the Trust recognized contract revenue of \$30,217, at the time the performance obligations were satisfied.

Contract Receivables

Contract receivables as of June 30, 2022 totaled \$17,500. All receivables are collected to be collected within one year. Contract receivables as of June 30, 2021 totaled \$12,461.

NOTE 4. AVAILABILITY AND LIQUIDITY

The following represents the Trust's financial assets at June 30, 2022, reduced by amounts not available for general use within one year due to contractual, donor-imposed restrictions, or governing board designations:

THE WILDERNESS LAND TRUST
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4. AVAILABILITY AND LIQUIDITY - CONTINUED

Financial assets at year end:	
Cash and cash equivalents	\$ 326,719
Accounts receivable	20,500
Investments	1,707,920
Total financial assets	2,055,139
Less: amounts not available to be used within one year:	
Investments included in the Wilderness Opportunity Fund	1,036,354
Board designated net assets	63,000
Amounts not available to be used within one year	1,099,354
Financial assets available to meet general expenditures over the next twelve months	\$ 955,785

Management's goal is generally to maintain financial assets to meet approximately 6 months of operating expenses, estimated at \$460,000, in the event of unexpected circumstances. As part of the Trust's liquidity management, cash in excess of daily requirements is invested in short-term investments, typically money market and savings accounts. In addition to the above amounts, the Trust has a \$400,000 revolving line of credit on an investment account. The Trust arranges advance funding from grants, contributions, and loans for the majority of its acquisitions of land inholdings. Notes payable are repaid with the proceeds from sales of land inholdings to the federal government.

NOTE 5. INVESTMENTS

Investments consisted of cash and money market accounts held for specified purposes of the Wilderness Opportunity Fund discussed in Note 6. The value of the investments approximates cost. Investments are valued at fair market value as discussed in Note 2. Fair market value at June 30, 2022 was \$1,707,920. Money market accounts are a level 2 investment.

NOTE 6. THE WILDERNESS OPPORTUNITY FUND

The Trust acquires land from willing landowners and then conveys the land to public agencies for protection, usually within one to five years. When land is sold to public agencies, the funds used to acquire land are re-deposited and used for future land purchases. The land purchases are financed by what the Trust refers to as the "The Wilderness Opportunity Fund" (the

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6. THE WILDERNESS OPPORTUNITY FUND - CONTINUED

Fund). The Fund is a revolving loan fund that includes all of the Trust's assets and liabilities restricted for land acquisition. The funding received by the Fund came from a variety of sources, including grants, contributions, and loans from private foundations and individuals. Gains on land sales, if any, are recorded as revenue without donor restrictions of the Trust unless the agreement with the financing source stipulates otherwise.

As of June 30, 2022, three of the funding sources included in the Fund stipulate that the Trust has a legal obligation to transfer land purchased with these sources to agencies of the federal government. Therefore, the Trust considers assets held on account of these funding source to be assets held for third parties, and the Trust records offsetting liabilities for these amounts. As of June 30, 2022, assets held for third parties in the Fund included \$1,055,189 from the Wyss Foundation, \$1,247,500 from Resource Legacy Foundation, and \$1,250,000 from the California Wildlife Conservation Board. In general, the Trust does not have an obligation to restore losses on land sales financed with these funds. However, the agreement with the Wyss Foundation stipulates that gains on sales of property financed by assets provided by the Wyss Foundation are without donor restriction, but only if cumulative losses on land financed by the Wyss Foundation have been restored to the Fund. As of June 30, 2022, the Trust has incurred a total of \$180,346 in losses on land financed by the Wyss Foundation. This amount will be restored to the Fund if future land sales financed with this source result in gains.

THE WILDERNESS LAND TRUST
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6. THE WILDERNESS OPPORTUNITY FUND - CONTINUED

As of June 30, 2022, the detail of the assets and liabilities of the Fund consisted of:

Assets

Investments (by source)	
Wyss Foundation	\$ 554,403
Resources Legacy Foundation	80,612
Grants	213,731
Donors	<u>187,608</u>
Investments, subtotal	<u>1,036,354</u>
Land and easement deposits	<u>7,075,430</u>
Total assets	<u><u>\$ 8,111,784</u></u>

Liabilities and Net Assets

Investments held for others	\$ 554,403
Land held for others	2,998,286
Notes payable	<u>1,860,000</u>
Total liabilities	<u>5,412,689</u>
Total net assets	<u>2,699,095</u>
Total liabilities and net assets	<u><u>\$ 8,111,784</u></u>

NOTE 7. LAND AVAILABLE FOR SALE OR DONATION

As part of its normal operations, the Trust was involved in various stages of negotiation for the purchase of real property at June 30, 2022. Purchase and sale agreements were executed with various contingencies for inspection period, seller requirements, etc. Some of these negotiations will result in completed acquisitions in the following fiscal year. All land inholdings held by the Trust are classified as net assets with donor restrictions because of the inherent restrictions on the land, related funding sources, and the specific beneficiary being the U.S. government.

THE WILDERNESS LAND TRUST
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of:

<u>Description</u>	<u>Amount</u>
Office equipment	\$ 6,692
Office furniture	4,298
Total	10,990
Less: Accumulated depreciation	(10,990)
Net property and equipment	\$ -

Depreciation expense for the year was \$1,513.

NOTE 9. NOTES PAYABLE

Notes payable consisted of the following as of June 30, 2022:

David and Lucille Packard Foundation

VetLaw purchase funds dated June 24, 2020, matures July 6, 2026 or upon sale of property; stated interest rate of 0.50%; interest paid annually; secured by first deed of trust	\$ 200,000
Achenbach purchase funds dated March 30, 2021, matures March 30, 2026 or upon sale of property; stated interest rate of 0.50%; interest paid annually; secured by first deed of trust	690,000
Trout Creek IV purchase funds dated June 22, 2021, matures July 1, 2025 or upon sale of property; stated interest rate of 0.50%; interest paid annually; secured by first deed of trust	280,000
Hat Creek purchase funds dated December 17, 2021, matures December 17, 2025 or upon sale of property; stated interest rate of 0.50%; interest paid annually; secured by first deed of trust	350,000

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9. NOTES PAYABLE – CONTINUED

Chuck River Bend purchase funds dated April 14, 2022, matures April 14, 2025 or upon sale of property; stated interest rate of 0.50%; interest paid annually; secured by first deed of trust	<u>230,000</u>
Subtotal, David and Lucille Packard Foundation	<u>1,750,000</u>

Southeast Alaska Land Trust

Wheeler Creek V purchase funds dated April 11, 2022 matures October 1, 2023 or upon sale of property; stated interest rate of 1.50%; interest paid annually; secured by first deed of trust	<u>25,000</u>
Subtotal, Southeast Alaska Trust	<u>25,000</u>

Individuals

Hiatt: Dated September 15, 2015; originally scheduled to mature November 1, 2017; subsequently modified to mature December 31, 2022; stated interest rate of 2.00%; secured by deed of trust on McCullough Springs	75,000
Fisher: Dated January 1, 2019; scheduled to mature December 31, 2022; stated interest rate of 1.00%; unsecured	<u>10,000</u>
Subtotal, Individuals	<u>85,000</u>
Total	<u>\$ 1,860,000</u>

Interest expense related to notes payable for the year ended June 30, 2022 was \$ 9,763. Interest has been imputed for below-market rate loans.

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9. NOTES PAYABLE – CONTINUED

The future scheduled maturities for the fiscal years ending June 30 are:

<u>Year</u>	
2023	\$ 975,000
2024	25,000
2025	510,000
2026	350,000
2027	-
Thereafter	-
Total	<u>\$ 1,860,000</u>

NOTE 10. BOARD DESIGNATED NET ASSETS

At year end, board-designated net assets included the following:

	<u>Amount</u>
Land stewardship reserve	\$ 10,000
Legal defense fund	<u>53,000</u>
	<u>\$ 63,000</u>

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

At year end, net assets with donor restrictions included the following:

	<u>Cash, receivables, investments</u>	<u>Land, net of liabilities</u>	<u>Total</u>
Wilderness Opportunity Fund			
Wilderness Acquisition Funds	\$ 400,359	\$ 1,653,898	\$ 2,054,257
Catto Foundation Fund	981	49,753	50,734
RLFF Wilderness Acquisition Fund	79,236	-	79,236
Additional capitalized land acquisitions	-	514,868	514,868
Total	<u>\$ 480,576</u>	<u>\$ 2,218,519</u>	<u>\$ 2,699,095</u>

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Some acquisition costs of land held by the Wilderness Opportunity Fund were paid for with Trust net assets with donor restrictions. As of June 30, 2022, a total of \$514,868 of Trust net assets were used and capitalized as donor restricted land. All land inholdings held by the Trust are classified as net assets with donor restrictions because of the inherent restrictions on the land, related funding sources, and the specific beneficiary being the U.S. government.

NOTE 12. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year ended June 30, 2022, net assets were released from restrictions as follows:

Wilderness Opportunity Fund	\$ 171,477
Resource Legacy Foundation Operating Grants	<u>47,999</u>
	<u>\$ 219,476</u>

NOTE 13. COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

Operating Lease

The Trust has an operating lease for office space which expires in August 2023. The lease contains an annual renewal option. Rent expense for the lease was \$10,395 for the year ended June 30, 2022.

Wilderness Rehabilitation

The Trust may be potentially responsible for the restoration of properties prior to their conveyance to the federal government. The purpose of the restoration efforts is to remove structures or modify other features of the land to make the properties more consistent with a state of wilderness. The Trust considers these efforts a cost of sales, and management cannot estimate at this time the costs that may be incurred for all properties held as of June 30, 2022, because this will be negotiated in the future with purchasers.

Conveyance of Properties to the U S. Government

The Trust purchases inholdings based on a prioritization methodology that considers conservation issues as well as federal land management agencies' readiness to add the inholding to the National Wilderness Preservation System. As a result, the Trust's purchases and rehabilitation efforts are done in coordination and negotiation with federal land management agencies. However, the Trust bears the risks and responsibilities related to ownership of the inholding before it is conveyed

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13. COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS -
CONTINUED

to an agency of the U.S. Government. In addition, the Trust bears the risk that the U.S. Government does not fulfill obligations negotiated related to a land acquisition.

Concentration of Credit Risk

The Trust maintains cash and cash equivalents in a bank and an investment brokerage institution. The Trust's cash and cash equivalents are insured, up to \$250,000, at each institution by the Federal Deposit Insurance Corporation (FDIC). At certain times throughout the year, the Trust's balance of cash and cash equivalents held at these institutions exceeded \$250,000. The Trust has not experienced, nor does it anticipate any losses with respect to such accounts.

NOTE 14. RETIREMENT PLAN

The Trust sponsors a Simplified Employee Pension (SEP) plan. The Trust contributes up to 12 percent of eligible employees' annual compensation. During the year ended June 30, 2022, the Trust contributed \$44,346 to the plan.

NOTE 15. LINE OF CREDIT

The Trust has a revolving line of credit with a maximum limit of \$400,000. The credit agreement is with the Trust's investment brokerage, and the investments are pledged as collateral. The Trust did not draw on the line of credit during the current year, and there is no balance due as of June 30, 2022.

NOTE 16. NORTHWEST CITIZENS FOR WILDERNESS MINING

During the year ended June 30, 2017, the Trust completed the acquisition of the Northwest Citizens for Wilderness Mining Company (the Corporation), a C corporation registered in the state of Montana. The Corporation's only assets are 42 unpatented mining claims located across approximately 400 acres in the proposed Scotchman Peaks Wilderness area in northwest Montana.

The Corporation exists to hold the mining claims; the Corporation does not have any current operational activities. The Corporation does not have any other assets other than the mining claims, nor does it have any liabilities. Once a year, the Corporation pays approximately \$10,000 for annual maintenance fees on the mining claims to the Bureau of Land Management. The acquisition of the Corporation by the Trust occurred through the purchase of all 500 of its outstanding shares for a nominal price of \$50.

THE WILDERNESS LAND TRUST
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 16. NORTHWEST CITIZENS FOR WILDERNESS MINING - CONTINUED

The Trust intends to continue to hold the mining claims within the Corporation and to develop the mining claims within the guidelines established by The Wilderness Act. If the federal government designates the Scotchman Peaks Wilderness as a designated protected wilderness area, the Trust will consider abandoning the mining claims.

These financial statements have not been modified to include the effects of this investment because it is considered immaterial to the financial statements.

NOTE 17. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.