North Salem Open Land Foundation, Inc.

Financial Statements
December 31, 2021

North Salem Open Land Foundation, Inc.

Contents

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Report of Independent Accountant

To the Board of Trustees
North Salem Open Land Foundation, Inc.

I have reviewed the accompanying statement of financial position of North Salem Open Land Foundation, Inc. (NSOLF) as of December 31, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of NSOLF's 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, I do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Joseph T. Gallo, CPA

Joseph T. Gallo
October 28, 2022

North Salem Open Land Foundation, Inc.

Statement of Financial Position
December 31, 2021

Assets	
Cash and cash equivalents	$ 152,618
Investments	6,808,648
Prepaid expenses and other	8,151
Property and equipment, net	1,155,955
Land held for conservation	11,383,207
Total assets	19,508,579
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	22,000
Total liabilities	22,000
Net Assets	
Without donor restrictions	
Operating	6,663,517
Board designated	283,900
Investment in property and equipment	1,155,955
Land held for conservation	11,383,207
Total net assets without donor restrictions	19,486,579
Total net assets	19,486,579
Total liabilities and net assets	19,508,579

See accompanying notes to financial statements.

North Salem Open Land Foundation, Inc.

Statement of Activities
Year Ended December 31, 2021

Operating Support and Revenue	
Contributions and grants	$ 301,993
Contributions from special event, net of direct donor benefits of $5,562	19,593
Interest and dividend income	84,160
Realized gain on sale of investments	7,745
Unrealized appreciation of investments	455,165
Total operating support and revenue	868,656
Operating Expenses	
Program Services	258,188
Management and general	83,127
Fundraising	11,092
Total operating expenses	352,407
Change in net assets	516,249
Net Assets, beginning of year	18,970,330
Net Assets, end of year	19,486,579

See accompanying notes to financial statements.

North Salem Open Land Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	$ 104,349	$ 32,505	$ 7,586	$ 144,440
Payroll taxes and fringe benefits	12,273	3,069	-	15,342
Land preservation expenses	43,064	-	-	43,064
Property taxes	7,489	-	-	7,489
Consultants and professional fees	3,500	7,258	1,350	12,108
Printing and communications	2,644	-	2,156	4,800
Occupancy and utilities	8,609	3,690	-	12,299
Insurance	13,817	18,564	-	32,381
Dues and subscriptions	3,800	775	-	4,575
Office expenses	1,288	322	-	1,610
Information technology	3,258	814	-	4,072
Payroll processing	-	1,720	-	1,720
Meetings and travel	1,948	487	-	2,435
Member events	3,394	-	-	3,394
Repairs and maintenance	19,013	4,753	-	23,766
Bank charges and investment fees	-	1,404	-	1,404
Staff education	1,513	-	-	1,513
Depreciation	28,229	7,766	-	35,995
Total expenses	**258,188**	**83,127**	**11,092**	**352,407**

See accompanying notes to financial statements.

North Salem Open Land Foundation, Inc.

Statement of Cash Flows
Year Ended December 31, 2021

Cash Flows From Operations	
Change in net assets	$ 516,249
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	35,995
Unrealized appreciation of investments	(455,165)
Realized gain on investments	(7,744)
Increase in prepaid expenses and other	(393)
Increase in accounts payable and accrued expenses	18,400
Net cash provided by operating activities	107,342
Cash Flows From Investing Activities	
Proceeds from the sale of marketable securities	888,374
Purchases of marketable securities	(898,079)
Purchases of property and equipment	(1,084)
Net cash used in investing activities	(10,789)
Increase in cash	96,553
Cash and cash equivalents, beginning of year	56,065
Cash and cash equivalents, end of year	152,618

See accompanying notes to financial statements.

North Salem Open Land Foundation, Inc.

Notes to Financial Statements
December 31, 2021

1. Organization

North Salem Open Land Foundation, Inc. (NSOLF) was established in 1974 as a nonprofit corporation under the laws of the State of New York. Its primary mission is dedicated to preserving the character and natural beauty of the Town of North Salem, NY and the area around it by establishing land areas free from exploitation, development, and deterioration and by maintaining the environmental and ecological integrity of the area.

2. Summary of Significant Accounting Policies

Use of Estimates -

The financial statements have been prepared in conformity with accounting principles generally accepted in the United State of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Financial Statement Presentation -

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. The net assets of NSOLF and the changes therein are classified and reported as net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions

Operating - net assets represent resources that are not subject to donor-imposed restrictions and amounts can be spent at the discretion of NSOLF for general operations.

Board-Designated - NSOLF's board-designated funds are presented as unrestricted as no donor restrictions on the use of these net assets exists. The same is for investment in property and equipment and land held for conservation.

Net assets with donor restrictions

Purpose/Time Restricted - consists of net assets where the resources are subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") and the use of which has been restricted by donors to specific purposes and/or passage of time. Net assets released from restrictions represent the passage of time, satisfaction of the restricted purposes and/or explicit appropriation action by the members of the board.

Cash and Cash Equivalents -

For financial reporting purposes, NSOLF considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents, except for those cash equivalents held as part of NSOLF's investment portfolio.

2. Summary of Significant Accounting Policies (continued)

Contributions and Pledges Receivable -

Contributions to NSOLF are recorded as revenue upon the receipt of an unconditional pledge or the receipt of cash or other assets. Contributions are considered available for unrestricted use unless the donors restrict the use thereof, either on a temporary or permanent basis.

Investments -

Investments are valued at fair value.

Interest and dividend income, as well as realized gains or losses and unrealized appreciation or depreciation in investment value, are recognized as unrestricted, temporarily restricted and permanently restricted, in accordance with donor intent.

Land Held for Conservation -

NSOLF records land at cost, if purchased, or at fair value at the date of donation if received as a gift. Fair value is usually determined by independent appraisal. Conservation easements are real property rights and are not reflected in the Financial Statements either as assets or liabilities. The acquisition costs and other costs associated with conservation easements are expensed in the period incurred.

Property, Equipment and Depreciation -

Property and equipment are reported at cost at the date of acquisition or at their fair market values, if donated. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.

Volunteer and Other Donated Services and Goods -

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period the services are provided.

NSOLF has many volunteers, including members of the Board of Trustees, who have made significant contributions of time in furtherance of NSOLF's policies and programs. Such contributed services do not meet the criteria for recognition of contributed services contained in U.S. GAAP and, accordingly, are not reflected in the accompanying financial statements.

Income Tax Status -

NSOLF qualifies as a publicly supported tax-exempt organization under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.

NSOLF recognizes the effect of tax positions only when they are more likely than not to be sustained. Management has determined that NSOLF had no uncertain tax positions that would require financial statement recognition or disclosure. NSOLF is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2018.

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses -

NSOLF allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly. Other expenses that are common to several functions are allocated based on estimates made by management.

Subsequent Events -

NSOLF evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure. The accompanying financial statements consider events through October 28, 2022, the date the financial statements were available to be issued.

Concentration of Credit Risk -

Financial instruments that potentially subject NSOLF to concentrations of credit risk consist principally of cash, temporary cash investments in accounts at financial institutions. At times, cash balances held at financial institutions were in excess of federally insured limits. NSOLF places its temporary cash investments with high credit quality financial institutions. Concentration of credit risk with respect to investments is reduced by diversification, professional management, and limited exposure to any single investment.

3. Liquidity and availability of financial assets

NSOLF's working capital and cash flows vary due to timing of payments received under grants and a concentration of contributions received near calendar year-end. As part of NSOLF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects NSOLF's financial assets available for general expenditures that is, without donor restrictions limiting their use, within one year of December 31, 2022:

Cash and cash equivalents	$ 152,618
Investments	6,808,648
Total financial assets	6,961,266
Less: Board designated net assets	283,900
Financial assets available for general expenditures within one year	6,677,366

North Salem Open Land Foundation, Inc.

Notes to Financial Statements (continued)
December 31, 2021

4. Investments and Investment Return

The summary of investments as of December, 31, 2021 are as follows:

	Cost	Fair Value
Mutual Funds and exchange traded funds	$ 2,496,347	$ 3,827,142
Common stock	3,656	11,580
U.S. Treasury Notes	560,161	565,992
Cash and cash equivalents, at cost	2,403,934	2,403,934
Total investments	5,464,098	6,808,648

Investment return for the year ended December 31, 2021:

Interest and dividends	$ 84,160
Realized gain	7,745
Unrealized appreciation	455,165
Net investment return	547,070

5. Property and Equipment

Property and equipment as of December 31, 2021 consists of the following:

Furniture and Equipment	$ 19,532
Buildings	1,276,000
Total property and equipment	1,295,532
Less accumulated depreciation	139,577
Property and equipment, net	1,155,955

6. Land Held for Conservation and Conservation Easements

NSOLF accepts fee title to conservation properties that are held by NSOLF in furtherance of its mission. NSOLF may also purchase real property for the furtherance of its mission. Such acquired property is recorded at cost, if purchased, or at fair market value when donated. Land held for conservation was $ 11,383,207 at December 31, 2021.

Conservation Easements

NSOLF accomplishes its land conservation objectives, in part, by accepting donations of interests in real property primarily in the form of conservation easements. Conservation easements are perpetual agreements between NSOLF and private landowners through whom the landowners agree to abide by certain restrictions designed to preserve the open space or conservation value of their land. These agreements are binding on all landowners. As of December 31, 2021 NSOLF had 14 conservation easements which cover approximately 500 acres of land.

7. Board Designated Net Assets

Board designated net assets consist of the following as of December 31, 2021:

Conservation Easement and Defense Fund	$ 107,500
Fee Land Stewardship Fund	88,200
Fee Land Stewardship Reserve Fund	88,200
	283,900

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