

# COLUMBIA LAND TRUST

Audited Financial Statements

For the Year Ended December 31, 2021



McDONALD JACOBS

## **FROM THE EXECUTIVE DIRECTOR**

In January 2022, scientists released reports confirming that the loss of more than three billion birds in the last 50 years is having a ripple impact on the survival of plants. Birds (and other animals) are critical distributors of seeds from plants, and as their populations decline, plants become less resilient, and less able to spread to new areas to adapt to climate change. While this report is undoubtedly bad news, it also emphasizes the importance of the work of Columbia Land Trust and our sister land trusts across the nation. In the region we serve, more than 9,000 households have signed up to create and improve habitat through our Backyard Habitat Certification Program (a partnership with Portland Audubon), and we've planted hundreds of thousands of trees and conserved more than 55,000 acres. Our work makes a difference.

This annual financial audit demonstrates the great resilience of Columbia Land Trust. Thanks to the generosity of our funders, we have built a stewardship reserve appropriate to the size of our land holdings. We have annual income that meets our annual expense. And we continue to raise significant funds to acquire critical lands to support our shared vision of ecological resilience.

Strong financial performance like this, and sustained clean audits, are the result of diligence and care. We sing the praises of our Chief of Staff, Amy Costello, our General Counsel Steve Cook, and our Program Directors Dan Roix, Cherie Kearney, Ian Sinks and Jennifer Wilkerson. Each day their teams perform the work that, over time, adds up to ecological integrity restored and additional land conserved, as we work toward the goals outlined in our 25-year Conservation Agenda adopted by our board of directors.

Strong financial performance like this also comes from people knowing, loving and caring for nature. We are so fortunate to be growing this groundswell of support to conserve the Nature of the Northwest. Thank you for making this work possible.

**Glenn Lamb | Executive Director**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Columbia Land Trust

### *Opinion*

We have audited the accompanying financial statements of Columbia Land Trust (the Trust) a nonprofit organization, which comprise the statement of financial position as of December 31, 2021, 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 present fairly, in all material respects, the financial position of Columbia Land Trust as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Columbia 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 opinions.

### *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 Columbia 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Columbia 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 Columbia 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 Columbia Land Trust 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021 on our consideration of Columbia Land Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Columbia Land Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia Land Trust's internal control over financial reporting and compliance.

*McDonald Jacobson, P.C.*

Portland, Oregon  
May 19, 2022

COLUMBIA LAND TRUST  
STATEMENT OF FINANCIAL POSITION  
December 31, 2021  
(With comparative totals for 2020)

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,582,291	\$ 2,058,514
Contracts receivable	1,070,253	642,248
Grants and contributions receivable	1,241,069	952,485
Prepaid expenses	33,879	45,809
Investments	24,659,421	21,314,582
Land held for sale	312,800	312,800
Property and equipment, net	189,422	130,839
Conservation property	98,394,910	81,590,620
 TOTAL ASSETS	 \$ 128,484,045	 \$ 107,047,897
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 804,119	\$ 581,448
Deferred revenue	88,460	127,066
Notes payable	-	1,410,000
Conservation property held on behalf of local governments	4,278,854	4,278,854
Total liabilities	5,171,433	6,397,368
Net assets:		
Without donor restrictions:		
Undesignated	1,505,050	386,452
Board designated	5,194,295	4,384,297
Net investment in conservation property and other capital assets	94,305,478	76,786,074
Total without donor restrictions	101,004,823	81,556,823
With expiring donor restrictions	17,106,352	13,940,140
With perpetual donor restrictions	5,201,437	5,153,566
Total net assets	123,312,612	100,650,529
 TOTAL LIABILITIES AND NET ASSETS	 \$ 128,484,045	 \$ 107,047,897

See notes to financial statements.

COLUMBIA LAND TRUST  
STATEMENT OF ACTIVITIES  
For the year ended December 31, 2021  
(With comparative totals for 2020)

	2021			Total	2020 Total
	Without Donor Restrictions	With Expiring Donor Restrictions	With Perpetual Donor Restrictions		
<b>Support and revenue:</b>					
Contributions	\$ 1,381,178	\$ 1,261,335	\$ 40,575	\$ 2,683,088	\$ 4,504,809
Private and government grants	3,136,715	2,971,175	-	6,107,890	3,197,916
Donated materials and services	854	-	-	854	9,075
Special events, net of direct expenses of \$7,086 in 2021 and \$41,406 in 2020	52,729	-	-	52,729	194,956
Gain on sale of conservation property	-	-	-	-	28,630
Investment income, net of fees	484,847	3,363,812	-	3,848,659	2,765,040
Other income, net of harvest expense of \$377,183 in 2021 and \$38,625 in 2020	224,138	73,231	-	297,369	270,245
Net assets released from restrictions:					
Satisfaction of purpose and time restrictions	4,503,341	(4,503,341)	-	-	-
Total support and revenue	<u>9,783,802</u>	<u>3,166,212</u>	<u>40,575</u>	<u>12,990,589</u>	<u>10,970,671</u>
<b>Expenses:</b>					
Program services:					
Land conservation	750,133	-	-	750,133	1,869,785
Public outreach	744,762	-	-	744,762	798,723
Land stewardship	3,185,633	-	-	3,185,633	2,369,438
Total program services	4,680,528	-	-	4,680,528	5,037,946
Management and general	721,872	-	-	721,872	745,902
Fundraising	646,293	-	-	646,293	693,238
Total expenses	<u>6,048,693</u>	<u>-</u>	<u>-</u>	<u>6,048,693</u>	<u>6,477,086</u>
Change in net assets before non-operating activities	3,735,109	3,166,212	40,575	6,941,896	4,493,585
<b>Non-operating activities:</b>					
Grants received for acquisition of conservation property	-	3,562,697	-	3,562,697	9,041,631
Donated land	-	12,150,194	-	12,150,194	817,515
Change in value of beneficial interest in perpetual trust	-	-	7,296	7,296	27,730
Net assets released from restrictions upon the acquisition of conservation property	15,712,891	(15,712,891)	-	-	-
Change in net assets	19,448,000	3,166,212	47,871	22,662,083	14,380,461
<b>Net assets:</b>					
Beginning of year	<u>81,556,823</u>	<u>13,940,140</u>	<u>5,153,566</u>	<u>100,650,529</u>	<u>86,270,068</u>
End of year	<u>\$ 101,004,823</u>	<u>\$ 17,106,352</u>	<u>\$ 5,201,437</u>	<u>\$ 123,312,612</u>	<u>\$100,650,529</u>

See notes to financial statements.

COLUMBIA LAND TRUST  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2021  
(With comparative totals for 2020)

	Program Services				Supporting Services				2021 Total	2020 Total
	Land Conservation	Public Outreach	Land Stewardship	Total Programs	Management and General	Indirect Costs	Fund- raising	Total Supporting		
Salaries and related costs	\$ 523,688	\$ 190,532	\$ 996,870	\$ 1,711,090	\$ 479,409	\$ -	\$ 413,331	\$ 892,740	\$ 2,603,830	\$ 2,765,702
Professional services	460,110	440,603	275,697	1,176,410	116,408	96,896	98,075	311,379	1,487,789	1,944,992
Property services - acquisition	227	-	1,116,388	1,116,615	-	-	-	-	1,116,615	811,305
Property services - maintenance	33,060	-	-	33,060	-	-	-	-	33,060	9,666
Occupancy	-	-	32,392	32,392	(664)	172,425	-	171,761	204,153	209,187
Printing, postage and shipping	118	39,799	1,789	41,706	(765)	24,366	24,132	47,733	89,439	100,698
License and fees	1,332	5,891	124,995	132,218	17,407	43,047	1,050	61,504	193,722	167,473
Supplies	472	28,249	403,710	432,431	478	7,973	267	8,718	441,149	258,536
Equipment and repair	384	6,734	26,347	33,465	4,731	18,300	42,771	65,802	99,267	144,228
Meetings, training and travel	5,946	643	33,229	39,818	2,966	834	2,044	5,844	45,662	35,108
Insurance	-	-	2,869	2,869	-	64,772	-	64,772	67,641	63,045
Interest expense	13,417	-	-	13,417	-	6,782	-	6,782	20,199	14,776
Office and other costs	2,811	745	7,297	10,853	8,951	10,232	400	19,583	30,436	32,401
Total expenses before allocation of indirect costs and expenses included with revenue	1,041,565	713,196	3,021,583	4,776,344	628,921	445,627	582,070	1,656,618	6,432,962	6,557,117
Allocation of indirect costs	85,751	31,566	164,050	281,367	92,951	(445,627)	71,309	(281,367)	-	-
Less direct costs of timber harvest netted with revenue	(377,183)	-	-	(377,183)	-	-	-	-	(377,183)	(38,625)
Less direct benefit costs of event netted with revenue	-	-	-	-	-	-	(7,086)	(7,086)	(7,086)	(41,406)
Total expenses	<u>\$ 750,133</u>	<u>\$ 744,762</u>	<u>\$ 3,185,633</u>	<u>\$ 4,680,528</u>	<u>\$ 721,872</u>	<u>\$ -</u>	<u>\$ 646,293</u>	<u>\$ 1,368,165</u>	<u>\$ 6,048,693</u>	<u>\$ 6,477,086</u>

See notes to financial statements.



COLUMBIA LAND TRUST  
STATEMENT OF CASH FLOWS  
For the year ended December 31, 2021  
(With comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 22,662,083	\$ 14,380,461
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	19,655	41,817
Realized and unrealized gains on investments	(3,288,616)	(2,081,456)
Note payable converted to donation	(10,000)	(37,500)
Donations of conservation properties	(12,150,194)	(817,515)
Proceeds restricted to the acquisition of conservation property	(3,562,697)	(9,041,631)
Proceeds from contributions restricted to endowment	(40,575)	(235,663)
Change in value of beneficial interest in perpetual trust	(7,296)	(27,730)
Gain from sale of property	-	(28,630)
(Increase) decrease in:		
Contracts, grants and contributions receivable	(716,589)	1,068,604
Other current assets	11,930	15,775
Increase (decrease) in:		
Accounts payable, accrued expenses and other	<u>184,065</u>	<u>(71,660)</u>
Net cash flows from operating activities	<u>3,101,766</u>	<u>3,164,872</u>
<b>Cash flows from investing activities:</b>		
Purchase of conservation land	(4,654,096)	(12,182,372)
Proceeds from the sale of property	-	30,000
Purchase of property and equipment	(78,238)	-
Proceeds from sale of investments	4,420,636	7,286,043
Purchase of investments	<u>(4,469,563)</u>	<u>(9,989,611)</u>
Net cash flows from investing activities	<u>(4,781,261)</u>	<u>(14,855,940)</u>
<b>Cash flows from financing activities:</b>		
Proceeds restricted to the acquisition of conservation property	3,562,697	9,041,631
Proceeds from contributions restricted to endowment	40,575	235,663
Payments on notes payable	(1,400,000)	(175,000)
Proceeds from notes payable	<u>-</u>	<u>1,400,000</u>
Net cash flows from financing activities	<u>2,203,272</u>	<u>10,502,294</u>
Net change in cash and cash equivalents	523,777	(1,188,774)
Cash and cash equivalents - beginning of year	<u>2,058,514</u>	<u>3,247,288</u>
Cash and cash equivalents - end of year	<u>\$ 2,582,291</u>	<u>\$ 2,058,514</u>

See notes to financial statements.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

I. THE ORGANIZATION

Description of Organization

Columbia Land Trust (the Trust) is a nonprofit organization founded in 1990 with the mission to conserve and care for vital lands, waters, and wildlife of the Columbia River region. Based in Vancouver, Washington, with offices in Astoria, Hood River and Portland, Oregon, the Trust provides opportunities for community members to conserve their land through conservation easements and donation of fee simple ownership. The Trust also raises money for stewardship and to purchase priority lands for conservation. Since its formation, the Trust has conserved more than 55,402 acres at 236 different sites throughout the Columbia River Region. The Trust's support is derived primarily from private and government grants and contributions.

The Trust's programs include:

**Land Conservation**

The Trust conserves the most important and threatened land using all the tools of private, voluntary land conservation. The Trust works exclusively with willing landowners to find ways to conserve, forever, the scenic and natural values of the land and water. Landowners donate or sell a conservation interest in their land, such as development rights or full ownership, to the Trust. The Trust manages the land under a stewardship plan and, if necessary, legally defends its conservation values. The Trust also identifies priority conservation lands to purchase. Further, the Trust conserves working forest and agricultural land for the purpose of keeping the land in resource production.

**Public Outreach**

The Trust increases awareness about the benefits of private land conservation and the mission of the Trust. Methods include focusing education and outreach to support conservation in priority areas, targeting technical advisors to landowners, showcasing successful projects to promote conservation and stewardship, and introducing the general public to land conservation through tours and publications.

**Land Stewardship**

Protecting and enhancing the conservation values of lands acquired by the Trust is some of the most important work in which the Trust is involved. It is the responsibility of the Stewardship Program to protect conservation values and to be a good neighbor and community member for all Trust properties through science-based management. The Trust evaluates every property for its conservation value, the threats to these values, and for opportunities to enhance conservation values through responsible management. A stewardship plan is developed and implemented based on this analysis to include annual monitoring as part of an adaptive management framework. A number of Trust conservation properties currently include significant restoration work to replace lost functions and increase the conservation value of the property.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

1. THE ORGANIZATION, Continued

**Land Stewardship, Continued**

Volunteers are a growing resource for the Stewardship Program with volunteers of all ages participating in planning and implementation. Individuals and groups are providing hundreds of hours of service stewarding conserved lands. A stewardship funding strategy, including gift donations during the acquisition process, is an integral part of every new conservation project. Stewardship funds are used to provide for future expenses of restoration, monitoring, enforcing compliance with easement restrictions, and underwriting legal defense of the conservation protections for all Trust properties. The Trust has also established a stewardship endowment to provide perpetual support for program activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets with Donor Restrictions* - Net assets subject to donor- (or certain grantor) 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, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid investments available for current use, with maturities of three months or less at the time of purchase, to be cash equivalents.

Contracts Receivable

Contracts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Grants and Contributions Receivable

Grants and contributions receivable are reported at the amount management expects to collect on balances outstanding at year-end. Grants and contributions receivable expected to be collected in future years, if material to the financial statements, are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management considers history with donors, and current economic and industry trends when determining the collectability of specific accounts. As a result, management determined that an allowance for doubtful accounts is not necessary.

Investments

Investments consist of marketable securities and are carried at current market value. Investments in limited partnerships are reported at fair value as determined by the general partners. Investments in land available for sale are reported at cost when purchased and at fair market value on the date received when acquired by gift. Net appreciation (depreciation) in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments, is shown in the statement of activities. Interest income is accrued as earned and reported net of investment advisory fees. Security transactions are recorded on a trade-date basis. Donor-restricted investment income earned on net assets with perpetual donor restrictions is reported as an increase in net assets with donor restrictions and classified according to the nature of the restriction until appropriated for expenditure.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 5 years.

Conservation Property

Conservation property is reported at cost when purchased and at fair market value on the date received when acquired by gift. Conservation property value is held at a constant value and is not adjusted for depreciation or re-assessment. Also see Note 9 regarding conservation easements.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status

Columbia Land Trust is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Trust has no activities subject to unrelated business income tax. The Trust is not a private foundation.

The Trust follows the provisions of FASB ASC *Topic 740 Accounting for Uncertainty in Income Taxes*. Management has evaluated the Trust's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Revenue Recognition

Revenues from various sources are recognized as follows:

**Contributions and Private Grants:** Contributions and private grants, which include unconditional promises to give (pledges), are recognized as revenues in the period the Trust is notified of the commitment. Bequests are recorded as revenue at the time the Trust has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions restricted for long-term stewardship of conservation properties are generally not property-specific. Donor restricted gifts are recognized at the time of the gift. Donor restricted funds are released as support without donor restrictions at the time stewardship expenses are incurred.

**Special Events:** The Trust records special events revenue at the time the event takes place. Revenue may include the fair value of direct benefits received by donors, and contribution income.

**Government Grants:** A portion of the Trust's revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Trust has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are recorded as refundable advances and included as deferred revenue in the statement of financial position. The Trust has been awarded cost-reimbursable grants of approximately \$13.3 million for the period through April 2027 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred. The Trust has recorded liabilities for advances on these grants totaling approximately \$88,500 and \$127,000 as of December 31, 2021 and 2020.

COLUMBIA LAND TRUST  
 NOTES TO FINANCIAL STATEMENTS, Continued  
 December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition

**Services Revenue:** Service revenues, included in other income, are recognized at the time services are provided. Funds received in advance of providing services are recorded as deferred revenue until the services are provided. Membership payments received from the Trust's members are considered equivalent to contributions without donor restrictions and are recognized as revenue when received.

Donated Materials and Services (In-kind Contributions)

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an integral part of the Trust's activities. When conservation property is purchased at a bargain sale, that is, when the purchase price is below the appraised value, an in-kind contribution is recorded for the difference between the purchase price and the appraised value.

The Trust reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated.

The Trust regularly receives contributed services from a variety of volunteers who assist the Trust in its programs and events; the value of such services has not been recognized in the accompanying financial statements as the criteria for recording these contributed services have not been met.

During 2021 and 2020, the Trust received the following in-kind contributions:

	<u>2021</u>	<u>2020</u>
Program services:		
Legal and consulting services	\$ -	\$ 1,048
Supporting services:		
Special event goods and services	-	329
Other	854	7,698
Total donated materials and services	<u>854</u>	<u>9,075</u>
Bargain sale on land and donated property	<u>12,150,194</u>	<u>817,515</u>
Total in-kind contributions	<u>\$ 12,151,048</u>	<u>\$ 826,590</u>

Donated property has been capitalized and other materials and services have been charged to the program or event to which they apply.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Contributions of Long-Lived Assets

Contributions of equipment and other long-lived assets without donor-imposed stipulations concerning the use of such assets are reported as revenue without donor restrictions. Contributions of cash or other assets to be used to acquire equipment or other long-lived assets with such donor stipulations are reported as revenue with donor restrictions. The restrictions are considered to be released from restriction at the time of acquisition of such long-lived assets (conservation property) or placed in service (property and equipment).

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as salaries and related costs; professional services; printing, postage and shipping; license and fees; supplies; equipment and repair; meeting, training and travel; and office and other costs, which are allocated on the basis of estimates of time and effort.

Future Accounting Standard Change

Effective for financial statements for the year ending December 31, 2022, the Trust expects to adopt a new accounting standard issued by the Financial Accounting Standards Board (FASB) that will require significant changes in accounting for operating leases under which the Trust is lessee. Upon adoption, among other effects, the Trust will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes may require certain retrospective adjustments. The qualitative effects on the Trust's future financial statements of these changes and related retrospective adjustments have not yet been determined.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Financial Information for 2020

The financial information as of December 31, 2020 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events

The Trust has evaluated all subsequent events through May 19, 2022, the date the financial statements were available to be issued.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

3. AVAILABLE RESOURCES AND LIQUIDITY

The Trust regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Trust considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Trust available for general expenditure consist of the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 2,582,291	\$ 2,058,514
Contracts receivables	1,070,253	642,248
Contributions receivable	1,241,069	952,485
Investments	24,659,421	21,314,582
Total financial assets	29,553,034	24,967,829
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	(22,307,789)	(19,093,706)
Board designations	(5,194,295)	(4,384,297)
Add approved distribution from endowment	555,179	633,536
Financial assets available for general expenditure	\$ 2,606,129	\$ 2,123,362

The Trust's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. While the corpus of the donor-restricted endowments is not available for general use, the income from donor-restricted endowments is restricted until appropriated by the Board for general expenditure and subject to the annual spending rate of 5%. The Board-designated endowment of \$4.46 million is also subject to the annual spending rate of 5% as described in Note 22. The Trust does not intend to use funds from the board-designated endowment (other than amounts appropriated for general expenditure as a part of the annual budget approval and appropriation by the Trust's Board); however, these amounts could be made available, if necessary, with a vote of the Board (See Note 15).

The Trust also has a line of credit available as a source of liquidity (See Note 10). As a part of the Trust's liquidity management plan, it may invest cash in excess of its operating reserve requirements in short-term investments or investment accounts to maximize earnings.



COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

4. CONTRACTS RECEIVABLE

Contracts receivable are unsecured and are summarized as follows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Bonneville Power Administration	\$ 720,045	\$ 171,649
State of Washington Wildlife Recreation program	76,553	50,285
Natural Resources Conservation Services	63,736	13,698
Others	<u>209,919</u>	<u>406,616</u>
Total contracts receivable	<u>\$ 1,070,253</u>	<u>\$ 642,248</u>

5. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Expected to be collected in:		
Within one year	\$ 337,867	\$ 923,235
Two to five years	<u>903,202</u>	<u>29,250</u>
Total grants and contributions receivable	<u>\$ 1,241,069</u>	<u>\$ 952,485</u>

Management estimates that any uncollectible accounts will be insignificant.

Approximately 73% of grants and contributions receivable at December 31, 2021 are due from one donor (79% due from two donors in 2020). Additionally, substantially all of the balances are receivable from individuals or entities located within Oregon and Washington.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

6. INVESTMENTS

Investments at December 31, 2021 and 2020 are carried at fair value and consist of the following:

	2021	2020
Cash equivalents	\$ 316,411	\$ 484,912
Mutual funds:		
Fixed income	1,836,794	1,773,226
Equity securities	22,003,565	18,671,582
Investment in limited partnership	327,009	216,516
Beneficial interest in perpetual trust	175,642	168,346
Total investments	\$ 24,659,421	\$ 21,314,582
Endowment (Note 22)	\$ 23,643,780	\$ 20,298,243
Other purposes	1,015,640	1,033,390
Total investments	\$ 24,659,421	\$ 21,314,582

Investments totaling \$415,411 at December 31, 2020 are held as collateral on a loan. See Note 11.

Beneficial Interest in Perpetual Trust

The Trust has a beneficial interest in assets held by a perpetual trust. The Trust reports an asset equal to its percentage interest in the perpetual trust. The asset recorded is determined by multiplying the total fair value of the perpetual trust's assets by its percentage share. Any change to the value is recorded and reflected as a revaluation gain or loss in the statement of activities. The beneficial interest in the perpetual trust is classified as a net asset with perpetual donor restrictions.

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021 and 2020:

	2021	2020
Leasehold improvements	\$ 132,268	\$ 132,268
Computer hardware and software	68,236	68,236
Office equipment and furniture	11,150	11,150
Stewardship equipment	286,047	240,875
Total property and equipment	497,701	452,529
Less accumulated depreciation	308,279	321,690
Net property and equipment	\$ 189,422	\$ 130,839

Depreciation expense totaled \$19,655 and \$41,817 for the years ended December 31, 2021 and 2020, respectively.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

8. CONSERVATION PROPERTY

Conservation property consists of the following at December 31, 2021 and 2020:

	2021	2020
Fee simple land and property	\$ 94,073,383	77,293,466
Land held on behalf of local governments	4,278,854	4,278,854
Access easements	18,300	18,300
Fee simple land in progress	24,373	-
Total conservation property	\$ 98,394,910	\$ 81,590,620

*Fee Simple Land and Property* includes conservation land and property held and maintained by the Trust. These lands are held for conservation purposes consistent with the Trust's mission and/or donor restrictions and are reported at cost and/or fair value as of the date received.

*Land Held on Behalf of Local Governments* includes land for which the Trust holds title and has committed to convey the property to local governmental agencies upon request or at the expiration of a specified period. In each of these transactions, a Memorandum of Understanding (MOU) has been executed between the Trust and the local governmental agency, dictating the terms of the future transfer. Accordingly, a corresponding liability is reported in the accompanying statement of financial position.

*Access Easements* include easements purchased or donated for the purpose of accessing certain properties owned by another person or entity to reach Trust land and property.

*Fee Simple Land in Progress* includes the initial costs of preparing to purchase conservation property.

9. CONSERVATION EASEMENTS

The Trust has acquired and holds a number of conservation easements, each representing a legal interest in land owned by another person or entity. The easements grant the Trust the right to use, control, and/or protect the land for conservation purposes. Because of the unique nature of these assets, the impracticality of obtaining consistent and reliable estimates of the values ascribed to these interests, and consistent with the practices followed by many environmental land trusts, the accompanying financial statements do not include any amounts for these property interests. At December 31, 2021 the Trust held 53 conservation easements on 7,740 acres of land (52 conservation easements on 5,191 acres of land at December 31, 2020).

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

10. LINE OF CREDIT

The Trust has a \$500,000 unsecured revolving line of credit with Columbia State Bank, expiring October 2023. Advances on the credit line are payable on demand and carry an interest rate of 4.75% at December 31, 2021 (prime plus 1.25% with a minimum rate of 3.5%). There were no advances on the line of credit at December 31, 2021 and 2020.

11. NOTES PAYABLE

Notes payable consist of the following at December 31, 2021 and 2020:

	2021	2020
Unsecured note payable to an individual, with no interest and principal due at maturity in December 2021. The note was forgiven in 2021.	\$ -	\$ 10,000
Note payable to Craft3, with interest due quarterly at 2% and principal due at maturity in July 2023. The note is secured by real property and an investment account and was paid in full as of December 31, 2021.	-	400,000
Note payable to Packard Foundation, with interest due annually at 1.5% and principal due at maturity, March 2023. The note is secured, in part, by real property, and was paid in full as of December 31, 2021.	-	1,000,000
Total notes payable	\$ -	\$ 1,410,000

12. CONTINGENCIES

Amounts received or receivable from various contracting 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 significant amounts will be required to be returned in the future.

13. LEASE COMMITMENTS

The Trust's main office in Vancouver is leased under an operating lease expiring January 2023. Monthly rent is currently \$11,582 subject to annual increases. The Trust also leases an office in Portland under an operating lease through September 2022, with current monthly rent of \$1,625. Both of these leases are expensed over the life of the lease on a straight-line basis with deferred rent totaling approximately \$10,900 at December 31, 2021, recorded as a accrued expense (\$18,200 at December 31, 2020).

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

13. LEASE COMMITMENTS, Continued

Warehouse, equipment and other offices and storage are leased under operating leases with total monthly rent of approximately \$2,600 expiring at various dates through November 2022.

Rent expense for the above leases totaled approximately \$204,100 and \$201,500 during 2021 and 2020, respectively. Future minimum lease commitments under operating leases are as follows:

For the years ending December 31, 2022	\$	176,000
2023		<u>11,800</u>
	\$	<u>187,800</u>

During the year ended December 31, 2004, the Trust entered into a 50-year land lease agreement to protect three Columbia River islands and adjacent floodplains that are important habitats for various species of salmon, migratory birds, and other wildlife. Under the terms of the lease, the Trust will pay \$1 annually for all rights to conserve and restore the island over the next 50 years (through December 31, 2055). However, the Trust has no affirmative obligation to use or maintain the land. As of December 31, 2021, the Trust has paid \$50 in advance under this arrangement. No in-kind contribution has been recorded in the accompanying financial statements to reflect the below-market lease rate as the value of the contribution is not readily determinable.

14. STEWARDSHIP COMMITMENT

Protecting and enhancing the conservation values of the lands acquired by the Trust, and doing so in perpetuity, is an important aspect of the Trust's work. The Trust evaluates each property it holds for its conservation value, as well as the threats to these values, and develops and implements a stewardship plan based on this analysis. The plan includes detailed monitoring on an annual basis. Current costs associated with the Trust's stewardship efforts are expensed as incurred. The costs of future obligations represent a commitment of the Trust and will be recorded as these are incurred.

15. BOARD DESIGNATED NET ASSETS

Board designated net assets are reserved as follows at December 31, 2021 and 2020:

	2021	2020
Stewardship endowment (Note 22)	\$ 4,818,700	\$ 4,425,112
Operating reserve	84,300	374,596
Other	291,295	-
Investments held as collateral on loan	-	<u>(415,411)</u>
Total board designated net assets	<u>\$ 5,194,295</u>	<u>\$ 4,384,297</u>

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with expiring donor restrictions consist of the following at December 31, 2021 and 2020:

	2021	2020
Land acquisition and related costs	\$ 1,302,312	\$ 1,805,561
Stewardship funds	2,099,562	1,305,024
Earnings on endowment (Note 22)	13,623,643	10,719,565
Other restrictions	66,434	61,839
Future periods	14,401	48,151
Total net assets with expiring donor restrictions	\$ 17,106,352	\$ 13,940,140

Net assets with perpetual donor restrictions consist of the following at December 31, 2021 and 2020:

	2021	2020
Endowment (Note 22)	\$ 5,025,795	\$ 4,985,220
Beneficial interest in perpetual trust (Note 22)	175,642	168,346
Total net assets with perpetual donor restrictions	\$ 5,201,437	\$ 5,153,566

The principal portion of the endowment is restricted in perpetuity and income on the principal is restricted to the Trust's stewardship (see Note 22, Endowment).

17. RETIREMENT PLAN

The Trust has a 401(k) plan available to all employees after completing three consecutive months of service. Employees may contribute up to the statutory limit of their pre-tax earnings each period and the Trust provides contributions to the 401(k) plan up to 5% of the annual compensation of each participating employee. Contributions to the 401(k) plan for 2021 totaled approximately \$104,100 (\$107,500 in 2020).

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

**18. RELATED PARTY TRANSACTIONS**

Related parties include management and other parties that have the ability to significantly influence the management or operating policies of the Trust.

At times, the Trust receives in-kind professional services from companies where board members are employees (See Note 2).

In 2020, the Trust paid approximately \$43,200 for services from two companies where a board member was employed.

During 2020, the Trust acted as the fiscal agent for Oregon Agricultural Trust until it received its determination as a separate charitable organization in October 2020.

**19. CONCENTRATIONS OF CREDIT RISK**

The Trust maintains its cash balances in several financial institutions and has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. Uninsured balances approximated \$462,000 and \$1,682,000 at December 31, 2021 and 2020, respectively.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

The Trust's revenues are concentrated with 42% of total revenues coming from one in-kind donation of land (see Note 2) during 2021 (40% from one foundation in 2020).

**20. PAYCHECK PROTECTION PROGRAM**

The Paycheck Protection Program (PPP) loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue. The Trust received PPP loans during 2021 and 2020 satisfied the conditions and the loans were forgiven during the same year the funds were received. The Trust recognized \$479,110 and \$479,109 as government grant revenue during 2021 and 2020, respectively.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

21. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy: Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Net Asset Value: Net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used as a practical expedient to estimate the fair values of a limited partnership, which does not have readily determinable fair value. The investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

Fair values of assets measured on recurring basis at December 31, 2021 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
<u>December 31, 2021</u>			
Money market and money funds			
included with cash	\$ 191,008	\$ 191,008	\$ -
Investments:			
Money market and money funds	107,054	107,054	-
Mutual funds:			
Fixed income - domestic	1,465,089	1,465,089	-
Fixed income - global	371,705	371,705	-
Equity - domestic	16,963,973	16,963,973	-
Equity - international/global	5,039,592	5,039,592	-
Beneficial interest in perpetual trust	175,642	-	175,642
Total	24,123,055	\$ 24,138,421	\$ 175,642
Investment measured at NAV	327,009		
Cash equivalents	209,357		
Total investments	\$ 24,659,421		



COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

21. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on recurring basis at December 31, 2020 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
<u>December 31, 2020</u>			
Money market and money funds			
included with cash	\$ 630,408	\$ 630,408	\$ -
Investments:			
Money market and money funds	275,893	275,893	-
Mutual funds:			
Fixed income - domestic	1,256,920	1,256,920	-
Fixed income - global	516,306	516,306	-
Equity - domestic	14,410,143	14,410,143	-
Equity - international/global	4,261,439	4,261,439	-
Beneficial interest in perpetual trust	168,346	-	168,346
Total	20,889,047	<u>\$ 21,351,109</u>	<u>\$ 168,346</u>
Investment measured at NAV	216,516		
Cash equivalents	209,019		
Total investments	<u>\$ 21,314,582</u>		

Fair values for money market and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the beneficial interest in a perpetual trust is determined by multiplying the total fair value of the trust's assets by Columbia Land Trust's percentage share as stated in the trust document.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows for the years ended December 31, 2021 and 2020:

Beneficial interest in perpetual trust:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 168,346	\$ 140,616
Change in value	7,296	27,730
Balance at end of year	<u>\$ 175,642</u>	<u>\$ 168,346</u>

Changes in value are reported as net assets with perpetual donor restrictions in the statements of activities.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
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21. FAIR VALUE MEASUREMENTS, Continued

Investments Measured at Net Asset Value (NAV)

Quoted market prices are not available for the limited partnership interest (alternative investment). This investment is recorded based on the net asset value of the Trust's ownership interests in the partners' capital which includes assumptions and methods that were prepared by the General Partners and managers of the entity and were reviewed by Trust's management. The reported net asset value may differ from the value that would be used had the quoted market price existed. The Trust believes that the reported amount for the investment is a reasonable estimate of fair value at December 31, 2021.

The investment focuses on growth in equity, buyout opportunities, or distressed debt. The investment is not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund.

22. ENDOWMENT

The Trust's endowment consists of funds established various purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments a portion of which is included the beneficial interest in perpetual trust. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Trust have interpreted Washington's enacted Uniform Prudent Management of Institutional Funds Act (the Act or UPMIFA) 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 donor stipulations to the contrary.

As a result of this interpretation, the Trust classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with expiring donor restrictions until those amounts are appropriated for expenditure by the Trust in a manner consistent with the standard of prudence prescribed by the Act.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

22. ENDOWMENT, Continued

Interpretation of Relevant Law, Continued

In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund,
- (2) The purposes of the Trust and the donor-restricted endowment fund,
- (3) General economic conditions,
- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the Trust, and
- (7) The investment policies of the Trust.

Return Objectives and Risk Parameters

The Trust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs 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 Trust must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year will vary from the benchmark.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Trust 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 Trust targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Distributions are made at such time that the board approves distributions of earnings on the donor restricted and board-designated endowment funds. Distributions of available earnings may be no greater than five percent of the average annual net fair market value of the endowment assets averaged over the three preceding years. In establishing this policy, the Trust considered the long-term expected return on its endowment that is consistent with the Trust's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

COLUMBIA LAND TRUST  
NOTES TO FINANCIAL STATEMENTS, Continued  
December 31, 2021

22. ENDOWMENT, Continued

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	Without donor restrictions	With expiring donor restrictions	With perpetual donor restrictions	Total
<u>December 31, 2021</u>				
Donor-restricted	\$ -	\$ 13,623,643	\$ 5,025,795	\$ 18,649,438
Board-designated	4,818,700	-	-	4,818,700
Included in investments	4,818,700	13,623,643	5,025,795	23,468,138
Beneficial interest in perpetual trust	-	-	175,642	175,642
Total endowments	<u>\$ 4,818,700</u>	<u>\$ 13,623,643</u>	<u>\$ 5,201,437</u>	<u>\$ 23,643,780</u>
<u>December 31, 2020</u>				
Donor-restricted	\$ -	\$ 10,719,565	\$ 4,985,220	\$ 15,704,785
Board-designated	4,425,112	-	-	4,425,112
Included in investments	4,425,112	10,719,565	4,985,220	20,129,897
Beneficial interest in perpetual trust	-	-	168,346	168,346
Total endowments	<u>\$ 4,425,112</u>	<u>\$ 10,719,565</u>	<u>\$ 5,153,566</u>	<u>\$ 20,298,243</u>

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	Without donor restrictions	With expiring donor restrictions	With perpetual donor restrictions	Total
Endowment net assets -				
December 31, 2019	\$ 3,988,505	\$ 7,700,543	\$ 4,890,173	\$ 16,579,221
Contributions and bequests	-	1,355,177	235,663	1,590,840
Investment return, net	533,354	2,230,633	-	2,763,987
Appropriation of endowment assets for expenditure	(96,747)	(566,788)	-	(663,535)
Change in value of perpetual trust	-	-	27,730	27,730
Endowment net assets -				
December 31, 2020	4,425,112	10,719,565	5,153,566	20,298,243
Contributions and bequests	2,964	156,273	40,575	199,812
Investment return, net	524,994	3,323,239	-	3,848,233
Appropriation of endowment assets for expenditure	(134,370)	(575,434)	-	(709,804)
Change in value of perpetual trust	-	-	7,296	7,296
Endowment net assets -				
December 31, 2021	<u>\$ 4,818,700</u>	<u>\$ 13,623,643</u>	<u>\$ 5,201,437</u>	<u>\$ 23,643,780</u>