

COLUMBIA LAND TRUST

Audited Financial Statements

For the Year Ended December 31, 2024



McDONALD JACOBS

FROM THE EXECUTIVE DIRECTOR

For the past 34 years, Columbia Land Trust has steadily grown – year by year building the scale of our conservation efforts in the Columbia River region. We've grown the organization to be one of the most impactful organizations in our region and most innovative in the nation. We are pleased to share that in 2024, we raised more in private fundraising than any other year to date, a testament to the continued belief in the positive impact we're making on the lands, waters and wildlife that surround us. One of the year's brightest moments was hosting our Wild Splendor gala for the first time in 5 years. It was an incredible event that brought together staff and supporters, old and new, to celebrate in our shared commitment to the place we call home.

As we look forward, we remain grounded in financial responsibility because we're committed to caring for our lands in perpetuity. Our restoration plans look ahead to the world we envision in the next 50, and even 100 years. While we often adapt how we get there, we remain steadfast in our goal that future generations will inherit a Pacific Northwest with thriving ecosystems, clean water and air, and uninterrupted natural landscapes.

Doing so against a backdrop of accelerating pace of change in both our social and natural systems will require discipline, focus, and clarity of purpose. At Columbia Land Trust, our long-term strategic plan sets us up to be clear on why we are doing this work, how we go about it, and guides our decision making. Columbia Land Trust is working urgently, and with purpose, to make sure that the places we know and love are still there for future generations.

This annual financial audit shows that we are translating trust and investment from our community to good use- into conservation outcomes that last. We continue to balance our long-term stability against the opportunities of today. As we look ahead, we will be tested and we intend to hold the principles of fiscal responsibility close to our goal of conserving the nature you love, forever.

Our leadership team is comprised of experts who specialize in their fields and show up every day to listen, learn, and advance our cause. In 2024 we were led by Chief of Staff Amy Costello, General Counsel Steve Cook, Forest Conservation Director Cherie Kearney, Stewardship Director Ian Sinks, Development Director Keely McIntyre, Communications and Marketing Director David Añorga Cook, and Conservation Director Cathy Kellon. Thank you. With their guidance, our staff, supporters, and partners are all working together toward a future for the Northwest that is thriving, vibrant, and wild.

Meg Rutledge, Executive Director

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Columbia Land Trust

Report on the Audit of the Financial Statements

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, 2024, 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 Columbia Land Trust as of December 31, 2024, and the changes in 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's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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 May 15, 2025 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 Jacobs, P.C.

Portland, Oregon

May 15, 2025

COLUMBIA LAND TRUST
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,324,548	\$ 1,540,994
Short-term investments	2,314,093	1,863,313
Contracts receivable	940,370	539,754
Grants and contributions receivable	774,323	510,109
Prepaid expenses	88,646	59,405
Investments	25,661,505	23,480,276
Operating right-of-use assets	304,110	465,459
Land held for sale	312,800	312,800
Property and equipment, net	307,082	338,075
Conservation property	<u>118,133,029</u>	<u>115,103,227</u>
 TOTAL ASSETS	 <u>\$ 150,160,506</u>	 <u>\$ 144,213,412</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 795,279	\$ 794,149
Deferred revenue	133,208	34,162
Operating lease liabilities	306,175	466,201
Note payable	657,280	657,500
Conservation property held on behalf of local governments	<u>2,922,743</u>	<u>2,922,743</u>
Total liabilities	<u>4,814,685</u>	<u>4,874,755</u>
 Net assets:		
Without donor restrictions:		
Undesignated	1,238,991	1,620,710
Board designated	3,967,819	3,781,579
Net investment in conservation property and other capital assets	<u>115,517,368</u>	<u>112,518,559</u>
Total without donor restrictions	120,724,178	117,920,848
With expiring donor restrictions	21,445,627	18,232,570
With perpetual donor restrictions	3,176,016	3,185,239
Total net assets	<u>145,345,821</u>	<u>139,338,657</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 150,160,506</u>	 <u>\$ 144,213,412</u>

See notes to financial statements.

COLUMBIA LAND TRUST
STATEMENT OF ACTIVITIES
For the year ended December 31, 2024
(With comparative totals for 2023)

	2024				
	Without Donor Restrictions	With Expiring Donor Restrictions	With Perpetual Donor Restrictions	Total	2023 Total
Support and revenue:					
Contributions	\$ 2,015,149	\$ 1,819,692	\$ -	\$ 3,834,841	\$ 2,795,608
Private and government grants	3,674,897	1,018,086	-	4,692,983	4,682,925
Special events, net of direct expenses of \$85,057 in 2024	295,810	-	-	295,810	-
Investment income, net of fees	555,704	2,930,410	-	3,486,114	4,004,969
Other income	535,187	82,208	-	617,395	618,319
Net assets released from restrictions:					
Satisfaction of purpose and time restrictions	<u>2,637,339</u>	<u>(2,637,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>9,714,086</u>	<u>3,213,057</u>	<u>-</u>	<u>12,927,143</u>	<u>12,101,821</u>
Expenses:					
Program services:					
Land conservation	2,594,249	-	-	2,594,249	1,850,059
Public outreach	1,040,924	-	-	1,040,924	777,321
Land stewardship	<u>4,475,573</u>	<u>-</u>	<u>-</u>	<u>4,475,573</u>	<u>3,973,249</u>
Total program services	8,110,746	-	-	8,110,746	6,600,629
Management and general	1,157,400	-	-	1,157,400	1,072,504
Fundraising	<u>704,412</u>	<u>-</u>	<u>-</u>	<u>704,412</u>	<u>878,138</u>
Total expenses	<u>9,972,558</u>	<u>-</u>	<u>-</u>	<u>9,972,558</u>	<u>8,551,271</u>
Change in net assets before non-operating activities	(258,472)	3,213,057	-	2,954,585	3,550,550
Non-operating activities:					
Grants received for acquisition of conservation property	-	1,294,078	-	1,294,078	12,244,546
Donated land	1,767,724	-	-	1,767,724	-
Change in value of beneficial interest in perpetual trust	-	-	(9,223)	(9,223)	11,362
Net assets released from restrictions upon the acquisition of conservation property	<u>1,294,078</u>	<u>(1,294,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>2,803,330</u>	<u>3,213,057</u>	<u>(9,223)</u>	<u>6,007,164</u>	<u>15,806,458</u>
Net assets:					
Beginning of year	117,920,848	18,232,570	3,185,239	139,338,657	123,532,199
End of year	<u>\$ 120,724,178</u>	<u>\$ 21,445,627</u>	<u>\$ 3,176,016</u>	<u>\$ 145,345,821</u>	<u>\$ 139,338,657</u>

See notes to financial statements.

COLUMBIA LAND TRUST
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024
(With comparative totals for 2023)

	Program Services				Supporting Services			2024 Total	2023 Total
	Land Conservation	Public Outreach	Land Stewardship	Total Programs	Management and General	Indirect Costs	Fund-raising		
Salaries and related costs	\$ 811,847	\$ 520,876	\$ 1,657,662	\$ 2,990,385	\$ 780,834	\$ -	\$ 543,962	\$ 4,315,181	\$ 4,111,648
Professional services	155,102	370,136	1,970,858	2,496,096	158,651	133,772	8,533	2,797,052	2,412,777
Property services - acquisition	1,331,461	-	-	1,331,461	-	-	-	1,331,461	720,000
Property services - maintenance	147,811	-	-	147,811	-	-	-	147,811	107,288
Occupancy	-	2,342	27,822	30,164	716	199,101	-	229,981	224,867
Printing, postage and shipping	117	25,810	106	26,033	-	40,970	1,763	68,766	40,485
License and fees	987	1,551	138,439	140,977	38,967	53,033	2,496	235,473	243,059
Supplies	-	20,645	213,402	234,047	1,529	5,021	102,131	342,728	198,404
Equipment and repair	411	10,040	105,055	115,506	34,597	88,974	41,536	280,613	248,074
Meetings, training and travel	8,656	4,815	93,331	106,802	17,704	-	9,139	133,645	105,936
Insurance	-	-	3,520	3,520	-	109,572	-	113,092	88,381
Interest expense	-	-	-	-	-	29,743	-	29,743	4,895
Office and other costs	847	4,793	15,301	20,941	5,207	5,752	169	32,069	45,457
Total expenses before allocation of indirect costs and expenses included with revenue	2,457,239	961,008	4,225,496	7,643,743	1,038,205	665,938	709,729	10,057,615	8,551,271
Allocation of indirect costs	137,010	79,916	250,077	467,003	119,195	(665,938)	79,740	-	-
Less direct benefit costs of event netted with revenue	-	-	-	-	-	-	(85,057)	(85,057)	-
Total expenses	<u>\$ 2,594,249</u>	<u>\$ 1,040,924</u>	<u>\$ 4,475,573</u>	<u>\$ 8,110,746</u>	<u>\$ 1,157,400</u>	<u>\$ -</u>	<u>\$ 704,412</u>	<u>\$ 9,972,558</u>	<u>\$ 8,551,271</u>

See notes to financial statements.

COLUMBIA LAND TRUST
STATEMENT OF CASH FLOWS
For the year ended December 31, 2024
(With comparative totals for 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 6,007,164	\$ 15,806,458
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	67,617	52,996
Amortization of right-of-use assets	137,963	193,180
Realized and unrealized (gains) losses on investments	(2,922,265)	(3,507,526)
Donation of conservation properties	(1,767,724)	-
Proceeds restricted to the acquisition of conservation property	(1,294,078)	(12,244,546)
Change in value of beneficial interest in perpetual trust	9,223	(11,362)
Loss from disposal of property	48,000	619,500
(Increase) decrease in:		
Contracts, grants and contributions receivable	(664,830)	24,173
Other current assets	(29,241)	(9,114)
Increase (decrease) in:		
Accounts payable, accrued expenses and other	100,176	(164,234)
Operating lease liabilities	(136,640)	(198,099)
Net cash flows from operating activities	<u>(444,635)</u>	<u>561,426</u>
Cash flows from investing activities:		
Purchase of conservation land	(1,310,078)	(14,199,824)
Purchase of property and equipment	(36,624)	(93,076)
Proceeds from sale of investments	15,047,065	10,384,336
Purchase of investments	<u>(14,766,032)</u>	<u>(11,377,145)</u>
Net cash flows from investing activities	<u>(1,065,669)</u>	<u>(15,285,709)</u>
Cash flows from financing activities:		
Proceeds restricted to the acquisition of conservation property	1,294,078	12,244,546
Proceeds from note payable	-	657,500
Payments on notes payable	(220)	-
Net cash flows from financing activities	<u>1,293,858</u>	<u>12,902,046</u>
Net change in cash and cash equivalents	(216,446)	(1,822,237)
Cash and cash equivalents - beginning of year	<u>1,540,994</u>	<u>3,363,231</u>
Cash and cash equivalents - end of year	<u>\$ 1,324,548</u>	<u>\$ 1,540,994</u>

See notes to financial statements.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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, Oregon and White Salmon, Washington, 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 56,000 acres at nearly 250 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, 2024

1. THE ORGANIZATION, Continued

Land Stewardship, Continued

Volunteers are a stable 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 from government cost reimbursement contracts 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, 2024

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.

Leases

The Trust determines if an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Trust's right to use an underlying asset for the lease term, and lease liabilities represent the Trust's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Trust uses the implicit rate when it is readily determinable. Since most of the Trust's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Trust's incremental borrowing rate based on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Trust's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Trust will exercise the option.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Leases, Continued

The Trust does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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 20 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 10 regarding conservation easements.

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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

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 \$23 million for the period through August 2028 that have not been recognized at December 31, 2024 because qualifying expenditures have not yet been incurred. The Trust has recorded liabilities for advances on these grants totaling approximately \$43,200 and \$11,600 as of December 31, 2024 and 2023.

Donated Materials and Services (In-kind Contributions): Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the time of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donation to a specific purpose.

The Trust recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Special Events: The Trust records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The portion of the sponsorship revenue that relates to commensurate value of the sponsor received in return is recognized when the related events are held and performance obligations are met.

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).

Service Revenues: 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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 primarily based on 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.

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 2023

The financial information as of December 31, 2023 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 15, 2025, the date the financial statements were available to be issued.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

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, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 1,324,548	\$ 1,540,994
Short-term investments	2,314,093	1,863,313
Contracts receivable	940,370	539,754
Grants and contributions receivable	774,323	510,109
Investments	<u>25,661,505</u>	<u>23,480,276</u>
Total financial assets	31,014,839	27,934,446
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions	(24,621,643)	(21,417,809)
Board designations	(3,967,819)	(3,781,579)
Investments used as collateral	(650,000)	(650,000)
Add approved distribution from endowment	<u>858,067</u>	<u>934,017</u>
Financial assets available for general expenditure	<u><u>\$ 2,633,444</u></u>	<u><u>\$ 3,019,075</u></u>

The Trust's endowment consists of donor-restricted endowment funds and funds designated by the board as an endowment. While the corpus of the perpetual donor-restricted endowment is not available for general use, the income from those endowed funds is restricted until appropriated by the Board for general expenditure and subject to the annual spending rate of 5%. Other endowed funds included in the with donor restrictions value represents use restricted gifts and can be drawn once restriction is met. The Board designated endowment of \$3.78 million is subject to spending approval given by the Board in conjunction with the annual budget (Note 23). 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 11). 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 other investment accounts to maximize earnings.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

4. CONTRACTS RECEIVABLE

Contracts receivable are unsecured and are summarized as follows at December 31, 2024 and 2023:

	2024	2023
Bonneville Power Administration	\$ 138,353	\$ 62,510
United States Fish and Wildlife Services	195,867	-
Salmon Recovery Funding Board	46,286	78,800
State of Washington Wildlife Recreation program	57,728	46,344
Oregon Watershed Enhancement Board	120,165	89,266
Others	<u>381,971</u>	<u>262,834</u>
Total contracts receivable	<u><u>\$ 940,370</u></u>	<u><u>\$ 539,754</u></u>

5. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following at December 31, 2024 and 2023:

	2024	2023
Grants and contributions:		
Expected to be collected in:		
Within one year	\$ 623,323	\$ 510,109
Two to five years	<u>151,000</u>	-
Total grants and contributions receivable	<u><u>\$ 774,323</u></u>	<u><u>\$ 510,109</u></u>

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

6. INVESTMENTS

Investments at December 31, 2024 and 2023 are carried at fair value and consist of the following:

	<u>2024</u>	<u>2023</u>
Short-term investments:		
U.S. Treasury bills	<u>\$ 2,314,093</u>	<u>\$ 1,863,313</u>
Investments:		
Cash equivalents	325,730	233,024
Certificates of deposit	925,809	-
Mutual funds:		
Fixed income	5,610,195	2,669,657
Equity securities	11,368,723	19,417,105
Corporate stocks	4,364,790	-
U.S. Treasury bonds	1,393,152	444,439
Corporate bonds	1,468,463	499,671
Investment in limited partnership	40,507	43,021
Beneficial interest in perpetual trust	<u>164,136</u>	<u>173,359</u>
	<u>25,661,505</u>	<u>23,480,276</u>
Total investments	<u>\$ 27,975,598</u>	<u>\$ 25,343,589</u>
Endowment (Note 23)	\$ 25,298,377	\$ 22,923,982
Other purposes	<u>2,677,221</u>	<u>2,419,607</u>
Total investments	<u>\$ 27,975,598</u>	<u>\$ 25,343,589</u>

Certificates of deposit at December 31, 2024 earn interest at rates ranging from 3.95% to 4.45% and mature from February 2026 through February 2029

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. OPERATING LEASES

The Trust evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Trust's right to use underlying assets for the lease term, and the lease liabilities represent the Trust's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

7. OPERATING LEASES, Continued

The Trust's operating leases consist of leases for office space and storage with remaining lease terms of 1 to 3 years. One office lease term includes one 1-year extension, available at the Trust's option, which it is reasonably certain to exercise. Therefore, the payments associated with the extension are included in the ROU asset and the lease liability recognized.

One office lease agreement includes escalating rent payments, which increase 3% annually. The Trust also has a short-term leases for office space.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Right-of-use assets	<u>\$ 304,110</u>	<u>\$ 465,459</u>
Operating lease liabilities	<u>\$ 306,175</u>	<u>\$ 466,201</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	1.85 years	2.8 years
Weighted average discount rate	7.87%	7.88%

The maturities of operating leases are as follows:

Year ending December 31, 2025	\$ 187,857
2026	120,700
2027	<u>20,800</u>
	329,357
Less discount/interest	<u>(23,182)</u>
Present value of lease liabilities	<u><u>\$ 306,175</u></u>

The following summarizes the line items in the statement of functional expenses which include the components of lease expense for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating lease expense included in occupancy:		
Operating lease cost	\$ 192,406	\$ 199,042
Short-term lease cost	6,000	-
Total operating lease expense	<u>\$ 198,406</u>	<u>\$ 199,042</u>

See Note 24 for supplemental cash flow information pertaining to operating leases.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

7. OPERATING LEASES, Continued

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, 2024, 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.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024 and 2023:

	2024	2023
Leasehold improvements	\$ 158,667	\$ 158,667
Computer hardware and software	68,236	68,236
Office equipment and furniture	11,150	11,150
Stewardship equipment	522,762	509,039
Total property and equipment	760,815	747,092
Less accumulated depreciation	453,733	409,017
Net property and equipment	\$ 307,082	\$ 338,075

Depreciation expense totaled \$67,617 and \$52,996 for the years ended December 31, 2024 and 2023, respectively.

9. CONSERVATION PROPERTY

Conservation property consists of the following at December 31, 2024 and 2023:

	2024	2023
Fee simple land and property	\$ 115,190,986	\$ 112,129,184
Land held on behalf of local governments	2,922,743	2,922,743
Access easements	18,300	18,300
Fee simple land in progress	1,000	33,000
Total conservation property	\$ 118,133,029	\$ 115,103,227

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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

9. CONSERVATION PROPERTY

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.

10. 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, 2024 the Trust held 60 conservation easements on 8,300 acres of land (56 conservation easements on 8,211 acres of land at December 31, 2023).

11. LINE OF CREDIT

The Trust has a \$825,000 unsecured revolving line of credit with Umpqua Bank, expiring November 2025. Advances on the credit line are payable on demand and carry an variable interest rate of the bank's prime rate plus .25% (7.75% at and 8.75% December 31, 2024 and December 31, 2023, respectively). There are no advances on the line of credit at December 31, 2024 and 2023.

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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

13. NOTE PAYABLE

The note payable consists of a note due to Craft3, secured by an investment account, with interest due quarterly at 4.5% and principal due \$150,000 in 2025 and the balance due at maturity in June 2026.

Future maturities are as follows:

For the years ending December 31, 2025	\$ 150,000
2026	507,280
	<u>\$ 657,280</u>

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, 2024 and 2023:

	2024	2023
Stewardship endowment (Note 23)	\$ 4,297,120	\$ 4,297,504
Operating reserve	84,300	84,300
Powerdale funds	48,604	49,775
Carbon Credit	198,237	-
Other	(10,442)	-
Loan collateral	(650,000)	(650,000)
Total board designated net assets	<u>\$ 3,967,819</u>	<u>\$ 3,781,579</u>

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

16. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with expiring donor restrictions consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land acquisition and related costs	\$ 2,938,163	\$ 2,470,302
Stewardship funds	542,223	286,029
Endowment earnings and stewardship contributions (Note 23)	17,825,241	15,441,239
Other restrictions	140,000	-
Future periods	-	35,000
Total net assets with expiring donor restrictions	\$ 21,445,627	\$ 18,232,570

Net assets with perpetual donor restrictions consist of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Endowment (Note 23)	\$ 3,011,880	\$ 3,011,880
Beneficial interest in perpetual trust (Note 23)	164,136	173,359
Total net assets with perpetual donor restrictions	\$ 3,176,016	\$ 3,185,239

The principal portion of the endowment is restricted in perpetuity and income on the principal is restricted to the Trust's stewardship (see Note 23, Endowment).

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable and unbilled receivables (contract assets) and customer advances and deposits (contract liabilities) on the statement of financial position. Revenue from customers is recognized at the time services are performed.

	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time (included in other revenue):		
Timber and other sales	\$ 80,608	\$ 43,563
Program services	58,018	134,473
Total revenue recognized at a point in time	\$ 138,626	\$ 178,036

There were no contract assets or liabilities associated with revenue from contracts with customers at the beginning or end of the years ended December 31, 2024 and 2023.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

18. CONTRIBUTED NONFINANCIAL ASSETS

The Trust received the following contributions of nonfinancial assets for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Program services:		
Professional fees (included in contributions)	\$ 1,393	\$ 921
Supporting services:		
Special event goods and services (included in contributions)	10,395	-
Bargain sale on land and donated property	1,767,724	-
Total in-kind contributions	<u>\$ 1,779,512</u>	<u>\$ 921</u>

The Trust receives donated property related to its mission of land conservation. When conservation property is purchased at a bargain sale, that is, when the purchase price is below the appraised value, or conservation property is donated outright, an in-kind contribution is recorded for the difference between the purchase price and the appraised value. Donated conservation easements are recorded at the appraised value.

The Trust received contributed professional legal services used to support programs and operations. Contributed professional services are recorded at their estimated fair value using current market rates from similar vendors and comparable professionals.

In addition, 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.

19. 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 2024 totaled approximately \$156,300 (\$147,800 in 2023).

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

20. 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. No material services were received during the years ended December 31, 2024 and 2023.

21. 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 total approximately \$650,000 and \$1,340,000 at December 31, 2024 and 2023, 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 12% of total revenues coming from one government agency during 2024 (45% from two government agencies in 2023).

22. 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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

22. FAIR VALUE MEASUREMENTS, Continued

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, 2024 and 2023 are as follows:

	Fair Value	Level 1	Level 2	Level 3
<u>December 31, 2024</u>				
Investments:				
Money market funds	\$ 281,805	\$ 281,805	\$ -	\$ -
Mutual funds:				
Fixed income - domestic	5,610,195	5,610,195	-	-
Equity - domestic	11,368,723	11,368,723	-	-
Corporate stocks	4,364,790	4,364,790	-	-
U.S. Treasury bonds	3,707,245	3,707,245		
Corporate bonds	1,468,463	-	1,468,463	
Beneficial interest in perpetual trust	164,136	-	-	164,136
Total assets measured at fair value	<u>26,965,357</u>	<u>\$ 25,332,758</u>	<u>\$ 1,468,463</u>	<u>\$ 164,136</u>
Investment measured at NAV	40,507			
Cash equivalents	43,925			
Certificates of deposit	<u>925,809</u>			
Total investments	<u><u>\$ 27,975,598</u></u>			
<u>December 31, 2023</u>				
Money market funds included with cash	<u><u>\$ 17,250</u></u>	<u><u>\$ 17,250</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Investments:				
Money market funds	\$ 217,603	217,603	-	-
Mutual funds:				
Fixed income - domestic	2,669,657	2,669,657	-	-
Equity - domestic	16,784,737	16,784,737	-	-
Equity - international/global	2,632,368	2,632,368	-	-
U.S. Treasury bonds	2,307,752	2,307,752	-	-
Corporate bonds	499,671	-	499,671	
Beneficial interest in perpetual trust	<u>173,359</u>	<u>-</u>	<u>-</u>	<u>173,359</u>
Total assets measured at fair value	<u>25,285,147</u>	<u>\$ 24,629,367</u>	<u>\$ 499,671</u>	<u>\$ 173,359</u>
Investment measured at NAV	43,021			
Cash equivalents	<u>15,421</u>			
Total investments	<u><u>\$ 25,343,589</u></u>			

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

22. FAIR VALUE MEASUREMENTS, Continued

Fair values for money market, mutual funds, U.S. Treasury bonds and corporate stocks are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for investments in corporate bonds are provided by custodians and are based on pricing models that incorporate available trade, bid and other market information. 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, 2024 and 2023:

Beneficial interest in perpetual trust:

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 173,359	\$ 161,997
Change in value	<u>(9,223)</u>	<u>11,362</u>
Balance at end of year	<u>\$ 164,136</u>	<u>\$ 173,359</u>

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

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, 2024.

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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

23. ENDOWMENT

The Trust's endowment consists of funds established for various purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment, a portion of which is included in 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 an endowment, 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 perpetual 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.

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.

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

23. ENDOWMENT, Continued

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 from endowment funds with perpetual donor restrictions may be no greater than five percent of the average annual net fair market value of the endowment with perpetual donor restrictions. Distributions from endowment net assets without donor restrictions are approved annually by the Board of Directors through the annual budget process. 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.

Endowment net asset composition by type of fund as of December 31, 2024 and 2023 is as follows:

	Without donor restrictions	With expiring donor restrictions	With perpetual donor restrictions	Total
<u>December 31, 2024</u>				
Donor-restricted	\$ -	\$ 17,825,241	\$ 3,011,880	\$ 20,837,121
Board-designated	<u>4,297,120</u>	<u>-</u>	<u>-</u>	<u>4,297,120</u>
Included in investments	4,297,120	17,825,241	3,011,880	25,134,241
Beneficial interest in perpetual trust	-	-	164,136	164,136
Total endowment	<u>\$ 4,297,120</u>	<u>\$ 17,825,241</u>	<u>\$ 3,176,016</u>	<u>\$ 25,298,377</u>
<u>December 31, 2023</u>				
Donor-restricted	\$ -	\$ 15,441,239	\$ 3,011,880	\$ 18,453,119
Board-designated	<u>4,297,504</u>	<u>-</u>	<u>-</u>	<u>4,297,504</u>
Included in investments	4,297,504	15,441,239	3,011,880	22,750,623
Beneficial interest in perpetual trust	-	-	173,359	173,359
Total endowment	<u>\$ 4,297,504</u>	<u>\$ 15,441,239</u>	<u>\$ 3,185,239</u>	<u>\$ 22,923,982</u>

COLUMBIA LAND TRUST
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2024

23. ENDOWMENT, Continued

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	Without donor restrictions	With expiring donor restrictions	With perpetual donor restrictions	Total
Endowment net assets -				
December 31, 2022	\$ 3,658,194	\$ 12,326,278	\$ 3,173,877	\$ 19,158,349
Contributions	1,159,782	474,749	-	1,634,531
Investment return, net	695,652	3,243,949	-	3,939,601
Appropriation of endowment assets for expenditure	(1,216,124)	(603,737)	-	(1,819,861)
Change in value of perpetual trust	-	-	11,362	11,362
Endowment net assets -				
December 31, 2023	4,297,504	15,441,239	3,185,239	22,923,982
Contributions	403,758	463,854	-	867,612
Investment return, net	487,356	2,930,410	-	3,417,766
Appropriation of endowment assets for expenditure	(891,498)	(1,010,262)	-	(1,901,760)
Change in value of perpetual trust	-	-	(9,223)	(9,223)
Endowment net assets -				
December 31, 2024	<u>\$ 4,297,120</u>	<u>\$ 17,825,241</u>	<u>\$ 3,176,016</u>	<u>\$ 25,298,377</u>

24. SUPPLEMENTAL CASH FLOW INFORMATION

	2024	2023
Cash paid during the year for:		
Interest	\$ 29,743	\$ 4,895
Operating leases	191,082	199,958
Non-cash investing and financing activities		
Operating right-of-use assets obtained in exchange for lease liabilities	-	414,444