Financial Statements

June 30, 2024

Georgia Conservancy, Inc.

Prepared by
Solovas, PC
CPAs and Advisors

Solovas
CPAS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Georgia Conservancy, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Georgia Conservancy, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities 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 Georgia Conservancy, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Solovas, PC

Atlanta, GA
September 19, 2025

Georgia Conservancy, Inc

Statement of Financial Position

June 30, 2024

	2024
Assets	
Cash and cash equivalents	$ 740,738
Investments	817,789
Pledges and trade receivable	70,000
Prepaids and other assets	5,509
Other assets	10,496
Right of use asset - operating lease,	
net of accumulated amortization, $161,101	42,364
Property and equipment at cost, less	
accumulated depreciation	8,678
Total Assets	$ 1,695,574
Liabilities and Net Assets	
Accounts payable	$ 9,215
Accrued employee benefits	35,836
Lease liability	43,198
Total Liabilities	88,249
Net Assets	
Without donor restrictions	
Unrestricted net assets	1,309,322
Board designated endowment	129,187
Prior period adjustments	(13,726)
Total without donor restrictions	1,424,783
With donor restrictions	182,542
Total Net assets	1,607,325
Total Liabilities and Net assets	$ 1,695,574

The accompanying notes are an integral part of these financial statements

Georgia Conservancy, Inc

Statement of Activities

Year Ended June 30, 2024

	2024		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions	$ 655,830	$ 352,071	$ 1,007,901
Program revenue	125,024	-	125,024
Special event revenue, net	73,398	-	73,398
Investment income	49,219	-	49,219
Net unrealized gain on investments	15,360	-	15,360
Net assets released from restrictions	738,646	(738,646)	-
Total revenue, support, and gains	1,657,477	(386,575)	1,270,902
Expenses and losses			
Program expenses	1,083,653	-	1,083,653
Supporting Services			
Management and general	242,476	-	242,476
Fundraising	213,796	-	213,796
Total Supporting Services	456,272	-	456,272
Total expenses and losses	1,539,925	-	1,539,925
Change in net assets before depreciation	117,552	(386,575)	(269,023)
Depreciation	11,776	-	11,776
Change in Net Assets	105,776	(386,575)	(280,799)
Net Assets, Beginning of Year	1,332,533	569,317	1,901,850
Prior Period Adjustments	(13,726)	-	(13,726)
Net Assets, End of Year	$ 1,424,583	$ 182,742	$ 1,607,325

Georgia Conservancy, Inc

Statement of Cash Flows

Year Ended June 30, 2024

	2024
Cash Flows from Operating Activities	
Change in net assets	$ (280,799)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	11,776
Prior period adjustment	(13,726)
Net unrealized gain on investments	(15,034)
Change in operating assets and liabilities	
(Increase) Decrease in:	
Pledges and trade receivable	(40,000)
Investments	(482,123)
Increase (Decrease) in:	
Accounts payable	(10,150)
Accrued employee benefits	(5,816)
Lease liability	21,759
Net Cash Provided (Used) By Operating Activities	(814,113)
Net Change in Cash and Cash Equivalents	(814,113)
Cash and Cash Equivalents, at Beginning of Year	1,554,851
Cash and Cash Equivalents, at End of Year	$ 740,738

The accompanying notes are an integral part of these financial statements

	2024			
	Program Services	Management and General	Fundraising	Total
EXPENSES:				
Salaries and wages	$ 480,970	$ 132,030	$ 64,129	$ 677,129
Program expenses	138,019	19,584	5,604	163,207
Occupancy	49,371	16,188	-	65,559
Service contracts	271,828	-	112,185	384,013
Employee health insurane	40,305	8,061	5,375	53,741
Payroll taxes	40,191	8,038	5,359	53,588
Other	-	100	-	100
Office expenses	8,894	23,617	9,791	42,302
Information technology	20,368	23,479	10,783	54,630
Depreciation	-	11,776	-	11,776
Insurance	7,563	5,645	530	13,738
Travel	18,564	36	40	18,640
Conferences and meetings	673	5,698	-	6,371
Professional fees	6,907	-	-	6,907
Total expenses	1,083,653	254,252	213,796	1,551,701
Less depreciation (presented separately from other expenses)	-	(11,776)	-	(11,776)
Total expenses included in the expense section on the statement of activities	$ 1,083,653	$ 242,476	$ 213,796	$ 1,539,925

1. Organization and Nature of Activities

Georgia Concervancy, Inc. (the Conservancy) was incorporated in 1967 as a Georgia not-for-profit corporation. The Conservancy is a statewide, member-supported environmental organization. Its mission is to protect Georgia's natural resources for present and future generations by advocating sound environmental policies, advancing sustainable growth practices, and facilitating common-ground solutions to environmental challenges. The Conservancy has a rich history of working with private citizens, businesses, government, and academia to preserve and protect the state's natural resources. It recognizes the connection between the environment, the economy, and our quality of life. The Conservancy collaborates, advocates, and educates to protect Georgia's natural environment by focusing on environmental advocacy, land conservation, coastal protection, outdoor recreation and stewardship, growth management, and water quality and supply.

The Conservancy is primarily supported through donor contributions, grants and fundraising activities, and program revenues.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

General

The Conservancy is recognized as a publicly supported organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as an educational organization. Only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code, is subject to income taxes. At June 30, 2024, the Conservancy has not recorded any income tax liability.

Use of Estimates

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Conservancy considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Pledge and Trade Receivables

Pledges receivables are expected to be collected within one year and are recorded at net realizable value. Trade receivable mainly consists of payments due for services to be rendered to clients per contract terms. At June 30, 2024, pledges of $70,000 was outstanding. The Conservancy determines an allowance for doubtful accounts by evaluating each balance based on specific factors such as the age of the balance, the client or donor’s financial condition and current economic conditions. At June 30, 2024, management determined that all pledges and trade receivables were fully collectible.

2. Summary of Significant Accounting Policies (cont.)

Investments

Investments, which consist of equities, bond mutual funds, equity mutual funds and other mutual funds, are stated at fair value. Investment income and realized and unrealized gains and losses are recorded as changes in net assets without donor restrictions or net assets with donor restrictions depending on any donor stipulations on the use of the income.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value at the time of contribution. The Conservancy's policy is to capitalize assets with a useful life greater than one year and a cost exceeding $2,500. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which range from four to ten years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Net Asset Presentation

The financial statements of the Conservancy have been prepared on the accrual basis of accounting with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, dated August 18, 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the Guide). ASC 958-205 was effective January 1, 2018.
Under the provisions of the Guide, net assets and revenues, and gains and losses are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Conservancy. The Conservancy’s Board may designate assets without restrictions for specific operations purposes from time to time. Certain of these resources have been designated by the Board of Directors for specific purposes and are included in the accompanying statements of financial position in net assets without donor restrictions. The Board of Directors can release these designations at its discretion. Additionally, donor-restricted resources, whose restrictions are met in the same reporting period that they are received, are also included in net asset without donor restriction.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Conservancy or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported as an increase in net assets without donor restrictions.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves guidance for

2. Summary of Significant Accounting Policies (cont.)

contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new standard, as amended, supersedes existing revenue recognition guidance and applies to all entities that enter into contracts to provide goods or services to customers, requiring them to account for revenue from contracts with customers under a single five-step model. The new standard became effective for the Conservancy on July 1, 2019, and was applied to open contracts as of that date using the modified retrospective approach. There was no material impact to the financial statements as a result of the new standard.

The majority of the Conservancy's revenues are grants, investment income, donations, and contributions, which are not included in the scope of ASC 606. Contributions and sponsorships are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue from programs is recognized in the year that the program is held or when the service is provided to the client. The Conservancy provides services such as land study, environmental impact, and green infrastructure alternatives studies. Amounts received prior to the program event or services provided are recorded as deferred revenue in the Statement of Financial Position. There was no deferred revenue as of June 30, 2024.

Special event revenue is recognized in the year of the event and is shown net of direct costs in the amount of $73,398 for the year ended June 30, 2024. The primary special events for the Conservancy are the ecoBenefête and the annual Oyster Roast.

Contributed Goods and Services

Contributed services are reported as contributions, at their fair value, if such services create or enhance non-financial assets, require specialized skills, and are provided by individuals possessing such specialized skills or the services would have been purchased if not donated. Volunteers perform a variety of tasks that assist the Conservancy in educational services, committee assignments, and fundraising. The value of this contributed time is not reflected in the accompanying Statement of Activities because the criterion for recognition has not been satisfied.

Functional Expenses

The costs of providing program and supporting services have been allocated on a functional basis in the accompanying Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting activities benefited. The supporting services are indispensable to the conduct of the program activities and to the Conservancy's existence. Expenses that are allocated include general office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

3. Promises to Give

The Conservancy's pledge receivable consists of unconditional promises to give as follows:

June 30,	**2024**
Receivable in less than one year	**$70,000**
Receivable in one to four years	**-**
Total promises to give	**$70,000**

Promises to give that are expected to be collected in future years have not been discounted to their present value due to the immaterial effect of discounting on the financial statements.

4. Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of June 30, 2024:

	2024
Cash and cash equivalents	**$1,139,741**
Accounts receivable	**-**
Promises to give	**70,000**
Investments	**227,584**
Total	**$1,437,325**

The Conservancy has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Conservancy has an endowment totaling $199,551 comprised of $8,350 of cash and $191,201 of investments. As of June 30, 2024, $129,187 of the endowment is board designated which is subject to an annual spending policy. Although the Conservancy does not intend to spend from this board designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

5. Investments

Investments are stated at fair value and consist of the following:

			2024
	Cost	**Market Value**	**Unrealized (Loss) Gain**
Equity securities	**$ 36,528**	**$ 47,507**	**$ 10,979**
Bonds	**345,809**	**308,207**	**(37,602)**
Exchange traded funds	**37,560**	**63,071**	**25,511**
	$419,897	**$418,785**	**($1,112)**

Investment income is comprised of interest and dividends of $49,219, and is shown net of external and direct internal investment expenses in the amount of $1,807, for the year ended June 30, 2024. Refer to Note 7 for investment fair value hierarchy.

6. Property and Equipment

Property and equipment consisted of the following:

June 30,	**2024**
Furniture and equipment	**$ 125,494**
Vehicles	**37,506**
	163,000
Accumulated depreciation	**(154,322)**
	$ 8,678

Depreciation expense amounted to $11,776 in 2024.

7. Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

7. Fair Value Measurements (cont.)

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As required by accounting principles generally accepted in the United States of America, assets and liabilities are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement. Equities, bond mutual funds, equity mutual funds and other mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

The following table presents the Conservancy's investments, which are all Level 1, at fair value:

June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity securities	**$ 47,506**	**$ -**	**$ -**	**$ 47,506**
Bonds	**308,207**			**308,207**
Exchange traded funds	**63,071**	**-**	**-**	**63,071**
Total investments at fair value	**$418,784**	**$ -**	**$ -**	**$418,784**

Investment earnings are comprised of the following as of June 30:

Description	**2024**
Interest and dividend income	**$ 51,026**
Unrealized gain	**15,360**
Investment fees	**(1,807)**
Total investment earnings	**$ 64,579**

8. Net Assets With Donor Restrictions

Net assets with restrictions consist of contributions received with stipulations imposed by donors and grantors as well as contributions for which payment has not yet been received. Net assets with restrictions also include contributions to the Conservancy's endowment fund, which are invested in perpetuity, the income of which is unrestricted and to be used for the Conservancy's educational programs or land conservation. During the year ended June 30, 2014, $100,000 was contributed to the Conservancy to provide an ongoing earnings stream for either land conservation or general operations. The endowment is restricted for perpetuity for a minimum of five years. If the Conservancy does not raise sufficient additional funds within the five years after the gift receipt, the Board of Trustees can release the fund to be used in the best interest of the Conservancy. At June 30, 2018, the net assets restricted for perpetuity was $150,000.

8. Net Assets With Donor Restriction (cont.)

During the year ended June 30, 2019, the Board of Trustees reclassified, in accordance with the gift instrument, $100,000 of net assets restricted for perpetuity and transferred it to an unrestricted board designated endowment fund.

Changes to net assets with donor restrictions are as follow:

	June 30, 2023	Additions	Released From Restrictions	June 30, 2024
Subject to expenditure for specified purpose				
Sustainable growth	$366,317	$218,325	($504,500)	$80,142
Land conservation	4,800	28,500	(26,400)	6,900
Coastal programs	96,633	52,746	(147,379)	2,000
Member trips	21,567	27,500	(35,367)	13,700
Advocacy	-	25,000	(25,000)	-
	489,317	352,071	(738,646)	102,742
Subject to the passage of time				
Promises to give without donor restriction but payment has not been collected	30,000	-	-	30,000
Subject to conservancy's endowment spending policy and appropriation				
Endowment	50,000	-	-	50,000
	$567,317	$298,744	($650,477)	$182,742

9. Simple IRA

The Conservancy established a Simple IRA plan with Charles Schwab that covers substantially all employees. The Conservancy agreed to match contributions up to a limit of 3% of employees' compensation. Matching contributions to this plan were $17,386 for the year ended June 30, 2024, and were included in salaries and benefits in the Statement of Functional Expenses.

10. Leases

The Company has entered into the following lease agreements:

I. Lease Right-of-Use

On April 5, 2021, the Conservancy entered into an amended operating lease which relocated the Conservancy's office to a smaller space in the same building beginning May 1, 2021, and extended the lease until April 30, 2025. The lease is accounted for under the Right-of-Use (ROU) model as required by ASC 842. The lease has a term of 4 years, with monthly payments varying by year as follows:

- **Year 1**: $4,500 per month
- **Year 2**: $4,635 per month
- **Year 3**: $4,774 per month
- **Year 4**: $4,917 per month

The lease has no purchase options, renewal options, or contingent rent. The Company used a discount rate of 5% to calculate the present value of the lease payments at the commencement of the lease. The present value of these lease payments at the commencement date was calculated to be $203,465, which is recognized as both the Right-of-Use Asset and Lease Liability.

As of June 30, 2024, the balances of the Right-of-Use Asset and Lease Liability are as follows:

- **Right-of-Use Asset**: $ 42,364
- **Lease Liability**: $ 43,198

The **Right-of-Use Asset** is amortized on a straight-line basis over the lease term, and the Lease Liability is reduced by the monthly lease payments made.

The future minimum lease payments under this agreement are as follows:

Year	Total Lease Payment
2025	$ 49,170

For the reporting period ended June 30, 2024, the total lease expense recognized was $57,575, consisting of amortization of the Right-of-Use Asset and interest on the Lease Liability.

II. Month-to-Month Lease - (Non-Financing Lease)

The Conservancy also leases office space in Savannah on a month-to-month basis. This lease is not classified as a financing lease and does not meet the criteria for capitalization under ASC 842 because it is a short-term lease. The lease is expensed on a monthly basis as incurred.

The total lease expense for the month-to-month lease for the reporting period was $5,232.

11. Endowment

At June 30, 2018, the Conservancy's endowment assets consisted of two donor-restricted funds that the Conservancy must hold in perpetuity. The endowment funds were established to support the educational programs of the Conservancy and to support either land conservation and/or general operations at the Board of Trustees' discretion. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

During the year ended June 30, 2019, and in accordance with the terms of the $100,000 endowment received in the year ended June 30, 2014, the Board of Trustees released this amount from net assets with restrictions to net assets without restrictions. The Board of Trustees then designated this $100,000 as a board designated endowment fund as of June 30, 2019.

The Board of Trustees of the Conservancy has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 (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 Conservancy classifies as net assets with restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as restricted until those amounts are appropriated for expenditure by the Conservancy in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Trustees appropriates funds from the endowment fund based on specific needs and budgeting requirements from year to year. In accordance with UPMIFA, the Conservancy 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 Conservancy 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 Conservancy; and,
7. The investment policies of the Conservancy.

The composition of endowment funds and their change in net assets for the year ended June 30, 2024 are as follows:

	Board Designated	**Perpetual in Nature**	**Total**
Balance at June 30, 2023	**$ 117,591**	**$50,000**	**$ 167,591**
Investment gain	**32,376**	**-**	**32,376**
Fees	**(416)**	**-**	**(416)**
Balance at June 30, 2024	**$ 149,551**	**$50,000**	**$ 199,551**

10. Endowment (cont.)

The Conservancy has adopted investment and spending policies that attempt to preserve endowment assets by using funding only when the Conservancy determines it is prudent, such as when operating cash is insufficient. The current spending policy is to distribute an amount of earnings from investments not to exceed 4.0% of the three-year rolling average market value of the endowment's corpus annually. Accordingly, over the long term, the Conservancy expects the current spending policy to allow the endowment assets to grow and improve the Conservancy's overall financial strength. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Conservancy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conservancy 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.

12. Related Party Transactions

The Conservancy received contributions of approximately $58,935 from the Board of Trustees members for the year ended June 30, 2024.

13. Concentrations of Credit Risk

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The Conservancy deposits its cash with high quality financial institutions, and management believes that the Conservancy is not exposed to significant credit risk on those amounts. The amounts that exceeded FDIC insured limits as of June 30, 2024, were approximately $490,738.

14. Concentrations of Credit Risk (cont.)

The majority of the Conservancy’s contributions and grants are received from foundations, corporations and individuals located in the state of Georgia. As such, the Conservancy’s ability to generate resources via contributions and grants is dependent upon the economic health of that area. An economic downtown could cause a decrease in contributions and grants that coincides with an increase for the Conservancy’s services.

The Conservancy’s investments are subject to various risks, such as interest rate, credit and overall market to volatility risks. Further, because of the significance of the investments to the Conservancy’s financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of those investments could occur in the near term, and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets should mitigate the impact of any such changes.

15. Significant Concentrations

One customer receivable balance represented 100% of total trade receivables as of June 30, 2024. Additionally, as of June 30, 2024, one donor receivable balance represented 100% of total promises to give. For the year ended June 30, 2024, the Conservancy received contributions from twelve donors representing 30% of revenue.

16. Prior Period Adjustments

During the preparation of the financial statements for the year ended June 30, 2024, it was identified that certain accounts were understated in the prior period. As a result, adjustments have been made to correct these errors. The following adjustments have been recognized:

1. Cash was overstated by $13,726.

The total overstatement of net assets as of the prior year-end is $13,726. These adjustments have been reflected in the financial statements for the current period in accordance with generally accepted accounting principles (GAAP).

As a result of these adjustments, the beginning net assets have been decreased by $13,726. The financial statements for the prior period have not been restated, but the impact of the adjustment is disclosed here for transparency.