

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

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Greene, Finney & Horton, LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
East Cooper Land Trust
Mount Pleasant, South Carolina

We have reviewed the accompanying financial statements of East Cooper Land Trust (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
March 13, 2017

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**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED JUNE 30, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
ASSETS			
Cash and cash equivalents	\$ 115,974	124,348	\$ 240,322
Land	773,000	-	773,000
TOTAL ASSETS	888,974	124,348	1,013,322
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accrued liabilities	3,000	-	3,000
TOTAL LIABILITIES	3,000	-	3,000
NET ASSETS			
Unrestricted	885,974	-	885,974
Temporarily restricted	-	124,348	124,348
TOTAL NET ASSETS	885,974	124,348	1,010,322
TOTAL LIABILITIES AND NET ASSETS	\$ 888,974	124,348	\$ 1,013,322

The notes to the financial statements are an integral part of this statement.
See accompanying independent accountant's review report.

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES AND OTHER SUPPORT			
Public support			
Grants	\$ 113,367	-	\$ 113,367
Membership	58,279	-	58,279
Stewardship donations	3,000	7,000	10,000
Land donations	270,000	-	270,000
Miscellaneous	881	155	1,036
TOTAL PUBLIC SUPPORT	445,527	7,155	452,682
Revenue			
Special events	45,989	-	45,989
Investment income	155	-	155
TOTAL REVENUE	46,144	-	46,144
TOTAL REVENUES AND OTHER SUPPORT	491,671	7,155	498,826
EXPENSES			
Program			
Land and resource conservation	115,675	-	115,675
Grants and related projects	28,990	-	28,990
Management	47,373	-	47,373
Fund raising	51,535	-	51,535
TOTAL EXPENSES	243,573	-	243,573
CHANGE IN NET ASSETS	248,098	7,155	255,253
NET ASSETS, BEGINNING OF YEAR	637,876	117,193	755,069
NET ASSETS, END OF YEAR	\$ 885,974	124,348	\$ 1,010,322

The notes to the financial statements are an integral part of this statement.
See accompanying independent accountant's review report.

EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016

EXPENSES	PROGRAM				TOTAL
	LAND AND RESOURCE CONSERVATION	GRANTS AND RELATED PROJECTS	MANAGEMENT	FUND RAISING	
Accreditation	\$ -	-	9,250	-	\$ 9,250
Administrative	35	10	14	10	69
Conservation Easement Expenses	1,863	-	-	-	1,863
Dues and Subscriptions	937	281	375	281	1,874
Grant Expenses	-	1,600	-	-	1,600
Insurance	1,611	-	1,611	-	3,222
Office Lease	4,663	1,399	1,864	1,399	9,325
Marketing	265	80	105	80	530
Membership Expenses	1,123	337	448	337	2,245
Merchant Charges	642	193	256	193	1,284
Office Expenses	866	260	346	260	1,732
Salaries and Related Taxes	53,831	16,149	21,532	16,149	107,661
Postage and Mailing	444	133	177	133	887
Special Events	-	-	-	24,145	24,145
Stormwater Utilities	104	32	42	32	210
Stewardship	20,902	-	-	-	20,902
Supplies	24,080	7,224	9,631	7,224	48,159
Technology Hardware and Software	7	2	3	2	14
Telephone and Internet	1,645	493	658	493	3,289
Training	803	241	320	241	1,605
Travel, Meals, and Entertainment	1,854	556	741	556	3,707
	<u>\$ 115,675</u>	<u>28,990</u>	<u>47,373</u>	<u>51,535</u>	<u>\$ 243,573</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent accountant's review report.

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Change in Net Assets	\$ 255,253
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Increase (Decrease) in accounts payable	(6,750)
Donated Land	(270,000)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(21,497)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,497)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>261,819</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 240,322</u></u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent accountant's review report.

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operation

East Cooper Land Trust (the “Organization”) is a nonprofit organization founded to promote the sensible growth and protection of special places in Charleston County, South Carolina. The Organization receives third-party donations, grants from foundations and private industry, and investment income.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may be or will be met either by actions of the Organization or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization’s net assets are temporarily restricted primarily for stewardship and enforcement of easements.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are permanent in nature and are not subject to expiration by actions of the Organization or the passage of time. There were no permanently restricted net assets as of June 30, 2016.

Cash and Cash Equivalents

For the statement of cash flows, the Organization considers all instruments with a maturity of three months or less at date of purchase to be cash equivalents.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Property and Equipment

Property and equipment (except land) with an estimated useful life of at least 2 years and with a cost or value equal to or greater than \$5,000 are recorded at cost if purchased and recorded at fair market value if donated. Land is capitalized at cost if purchased and recorded at fair market value if donated. Depreciation of assets, other than land, is provided over the estimated remaining useful lives of the respective assets using the straight line method.

Conservation Easements

A conservation easement is an agreement between a landowner and the Organization in which the landowner relinquishes some or all of the rights to develop the property. The easement is publicly recorded and is binding on all future owners of the property. The Organization’s principal responsibility is to ensure compliance with the terms of the easement. It meets this responsibility by periodically inspecting the property and, if necessary, taking appropriate action to enforce the easement.

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conservation Easements (Continued)

Each conservation easement received by the Organization provides that it cannot be transferred or assigned to any person or entity except to an organization that is qualified under the Internal Revenue Code to receive easements and that has the commitment, ability, and resources to meet its responsibilities and obligations under the easement and to take the necessary steps to protect the conservation values of the property. Accordingly, there is no market for any of the conservation easements received by the Organization.

Conservation easements donated to the organization are recorded at a zero value in the Statement of Financial Position, the Statement of Activities and the Statement of Functional Expenses. Conservation easements that are purchased are recorded at a zero value in the Statement of Financial Position and are shown as an expense in the Statement of Activities and Statement of Functional Expenses. The funding source that enables the purchase of these easements is shown as a revenue in the Statement of Activities, resulting in a net zero effect on net assets.

The Organization believes that tracking the value of conservation easements under management is useful to gauge the significance of the ongoing responsibility to monitor these easements. Accordingly, for purposes of footnote disclosure only, conservation easements received by the Organization are disclosed at the value paid to acquire the conservation easement or the estimated value of the development rights relinquished under the easement, that is, the amount of the reduction in fair market value (as defined in IRS regulations) resulting from the easement at the date it is recorded. This value is generally established through qualified appraisals that are performed at or near the recording date. Where such an appraisal is not available, management makes its best estimate of the value based on relevant facts and circumstances. Values are not updated as they represent the historical cost at the date the easements were granted.

Grants

The Organization receives grants from various governmental agencies, as well as from private organizations, to be used for specific programs or for the purchase of conservation easements. For government grants, the excess of reimbursable expenditures over cash receipts is included in accounts receivable, if applicable.

Accounting Estimates

The preparation of financial statements in accordance with GAAP requires the Organization's management to make estimates and assumptions. These estimates and assumptions 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 – TEMPORARILY RESTRICTED CASH AND CASH EQUIVALENTS

Temporarily restricted cash and cash equivalents consist of accounts that are restricted to be used for stewardship and enforcement/defense of conservation easements and endowments.

**EAST COOPER LAND TRUST
MOUNT PLEASANT, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 – CONCENTRATION OF CREDIT RISK

The Organization currently maintains checking and money market accounts at South State Bank. Accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 as of June 30, 2016. As of June 30, 2016 the Organization’s holdings did not exceed the insured limits. The Organization does not have a policy for requiring collateral for bank deposits in excess of federally insured limits.

NOTE 5 – CONTINGENCIES

The Organization is dependent upon grants and contributions. The Organization must apply for renewals of grants. Funding is subject to increases or decreases at the discretion of the grantors or donors.

NOTE 6 – CONSERVATION EASEMENTS

At June 30, 2016, the Organization had conservation easements on 11 sites throughout Charleston County, South Carolina. These easements are listed below:

Property	Location	Easement Acreage	Value Paid/ Estimated Value of Development Rights Relinquished Under Easements
Oakland Plantation	Porcher’s Bluff Rd.	132.6	\$ 14,505
Marsh View Trail	1619 Rifle Range Rd.	57.0	36,022
Rivertowne Island	Rivertowne subdivision	2.0	432
Sullivan’s Island STA 9	Sullivan’s Island STA 9	0.5	96
Sullivan’s Island STA 19	Sullivan’s Island STA 19	3.1	96
Thornhill Farms	McClellanville	94.0	720,000
Shemwood II	Shemwood II subdivision	3.4	2,400
Magnolia Park and Community Garden	Magnolia Road, West Ashley	3.7	204,000
CAGE Organization	Between 6 and 7 Mile Community	6.0	163,200
Phillips Community	Phillips Community	3.8	88,800
Steiger Sanctuary	Pawleys Island	14.0	56,736
Total Conservation Easements		320.1	\$ 1,286,287

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 13, 2017, the date which the financial statements were available to be issued.

During November 2016, the Organization received a Conservation Easement on 0.23 acres of residential property (the “Marshall Property”). The estimated value of the easement is \$592,000.

In February 2017, the Organization was awarded a grant from the Felburn Foundation in the amount of \$25,000 to be used for salary expense.