



Board of Directors Meeting
August 27, 2024
4 to 6 pm
Universalist Unitarian Church
107 W. Barcelona St.
Santa Fe, NM 87501

AGENDA

1. Call to Order—Quinn Simons (5 mins)
2. Approval of the Consent Agenda—Quinn Simons (5 mins)
3. Finance Committee Report—Marianne Dwight (15 mins)
 - a. Financial Status as of July 31, 2024
 - b. Investments have been reallocated
 - c. **ACTION ITEM:** *Approval of the Cash Disbursements Procedures, raising the amount from \$5,000 to \$10,000 and above for checks that require two signatures.*
4. Other Business:
 - a. Stand Up For Nature update—Joanne Smogor (10 mins)
 - b. Review of the Strategic Plan Outcomes and next steps—Sarah Noss (20 mins)
5. SFCT's Value Statement: Next Steps Are Integrating It Into Our Work--Kristin Rothballer & Randle Charles (60 mins)
 - a. Introductions
 - b. Thanksgiving
 - c. Land Acknowledgement and Values Statement
 - d. Context for today and overview of where we are at the moment
 - e. How the renaming process will work
 - f. What does it mean to name a place?
 - g. Closing thoughts
6. Adjourn—upcoming Board Meetings will be on October 22 and December 3



Consent Agenda for the August 27, 2024 Board Meeting

For more information, see the committee reports and documentation in your board packet.

1. Minutes from the previous Board Meeting

ACTION ITEM: *Approval of the Minutes from the April 23, 2024 Board Meeting*

2. From the Land Review Committee:

ACTION ITEM: *Resolution to authorize the ED to submit grant applications and enter into grant contracts and other contracts as necessary to further the organization's mission.*

ACTION ITEM: *Resolution to authorize the ED to execute documents necessary too accept a conservation easement over the Pond Tract, as well as an access easement over adjacent property owned by Henry Carey.*

ACTION ITEM: *Resolution stating that the SFCT Board of Directors adopts and implements LTA's Standards and Practices as guidelines for the organization's operations.*

3. From the Governance and Nominating Committee

ACTION ITEM: *Approval of changes to the Land Review Committee Charter*

ACTION ITEM: *Approval of changes to the Archaeological Procedures Policy*

4. From the Finance Committee

ACTION ITEM: *Approval of the Cash Disbursements Procedures, raising the amount from \$5,000 to \$10,000 and above for checks that require two signatures.*

5. For Accreditation Renewal

ACTION ITEM: *Approval of the Renewal Resolution required by LTA*

Santa Fe Conservation Trust
April 23, 2024 Board Meeting
MINUTES

Location: United Universalist Church aka the “UU” in Santa Fe, NM.

Attending: Carmichael Dominguez, Peter Martin, Carla Mattix, Al Reed, Marianne Dwight, Quinn Simons, Dennis Romero, Luke Pierpont, Carmela Nino, Mark Fisher, and Julie Martinez.

Absent: Ginny Olcott, Michael Avery, and Brant Goodman.

Staff Present: Sarah Noss (Executive Director), McAllister Yeomans, Ariel Patashnik, Melissa Houser, Tim Rogers, Joanne Smogor, Melanie Solis Alvarez, Antoinette Armijo Rougemont, and Brian Jensen.

Call to Order: 4:09 P.M.

Approval of the Minutes from February 24, 2024 meeting/retreat:

Al Reed moved to approve the minutes from the February 2024 Board meeting as presented, Peter Martin seconded the motion, and the minutes were unanimously approved.

New Employee Introductions

Sarah introduced SFCT’s newest employee, Antoinette Armijo Rougemont. Antoinette shared a few words of thanks and gratitude with the group and McAllister also shared some background on Antoinette. As a group, introductions went around in a circle.

Finance Report (Marianne Dwight): Financials through 3/31/2024:

Statement of Financial Position: For the period ending March 31, 2024 SFCT financial position was described as “positive.”

Statement of Activities: For the period ending March 31, 2024, the gross revenue was \$134,779. Regarding grants revenue, there is a timing issue compared to the budget divided by 12. Grants are expected to hit their target with several that are pending or will be written in the next quarter.

Regarding the recent Banff Mt. Film Festival, it was expressed that despite what the revenue and expense table shows for the film festival, it did well and met and exceeded its goals by a few thousand dollars. Revenues will come in throughout the year, depending on the schedule discussed with each sponsor. It works better for some to give at different times of the year. On the expense side, those are being invoiced and paid and will continue to be updated to show the cost of the event. Joanne interrupted and shared that along those lines, an invoice came today and will be paid accordingly and will be reflected in next month’s financials.

There was a question on the revenue of point of entry events and it was clarified that Banff is not considered a point of entry event. An example given was the star party happening in October as a point of entry event.

Net Operating Income is currently at a negative, but still “on par” with the timing of when grant revenue will come in.

There was a question on line 8320 – why the expense was so much over the budgeted amount. Again, timing. The Donor Volunteer Party, held in January, reflects why the expenses are so much higher than the budgeted amount for this time of year. It will even out over the months. Currently, the working budget amount reflected the full divided by 12 months equally rather than look at each months anticipated spending.

There has been an uptick in investment income, however the market continues to be volatile. It was commented that Ulrich, the investment management firm who manages SFCT's investments is doing a good job and not placing the Trust's endowed funds with too much risk.

The approval of the resolution for the Santa Fe Community Foundation was discussed. A revision was suggested placing Sarah Noss as the primary contact with Mac and Quinn as secondary, read-only, contacts with SFCT. Sarah read the resolution aloud to the group. It was suggested to strike the word "employee" and the phrase, "as well as." A motion was made by Quinn and seconded by Luke. The motion passed unanimously.

Executive Director's Report (Sarah Noss):

Sarah referred to her full report in the board packet and touched on a number of topics. She started with the process to rename the Galisteo property and the DEI work happening. She expressed new energy to bring to life the work around diversity, equity, and inclusion, including, a statement that will be discussed and potentially voted on later in the meeting. Other ways it is coming to life is through a potential 'total transaction' easement project with Nambe family farm, Rancho Los Lagunas. This first project and future ones will help to drive SFCT to embody what it means to work towards the values of DEI in land conservation. She shared that SFCT has hired two consultants, Kristin Rothballer and Randle Charles, both of whom bring many years of experience in working on DEI, to help SFCT develop a process to rename the property as well as to help make introductions to area native leaders. Randle is also a Native man, originally from Canada, who has worked with indigenous groups and youth for many years in the Santa Fe area. Speaking to why SFCT is doing this work, Sarah expressed that nobody is immune to history and that we all carry it in our own way. For SFCT, the history of land dispossession lives with us.

Looking ahead, Sarah shared that she and some board members have met with realtors, including Brant and Carmela, to explore the possibility of purchasing new office space. The staff is growing beyond the capacity of the current space at 400 Kiva Ct. It is not big enough anymore and the lease is coming to an end next summer. As this progresses, more will be shared and discussed at future board meetings.

The Riverhaven property and the question of what to do with us was a lively conversation. Sarah conveyed some context about the property – acquired in 2016 as a gift from motivated donor who wanted public access along the river to provide easier access to the Dorothy Stewart trail connection on Upper Canyon Rd. Currently, there is consideration to place a new easement on the property (to ensure public access and take all development rights off the land) and donate the easement to the Taos Land Trust. In that way, SFCT as landowner, can apply for the tax credit to use as a down payment on a new office space. After that, we could hold on to it or try to sell it. Additionally, the current and original easement goes beyond current property boundaries and includes Upaya Zen Center. A new easement would also make managing the property easier by having a sperate easement than Upaya's. The property was last valued at \$1.2M in 2016.

The accessible trail project at the Galisteo property was raised to the group. A major new development was the state's ORD division communicated recently to SFCT that we would now qualify for Tier 2 funding, which is up to \$500,000. Previously, nonprofits were only eligible for Tier 1 funding, which topped out at \$99,000. For the first and current phase

of the project, this was our funding tier and level. With this news, Sarah is confident that the new trail will be paid for, lessening the need to do additional fundraising. That funding's application deadline is the end of June/beginning of July. More to come at the August meeting, but if the funding is received it will place the construction of the trail to start around October or November of this year. Other aspects of the project to share include that the engineering on the road widening and crossing (at Arroyo de Los Angeles) has been completed; a search is on for a welder to produce the metal shade structures and a mason to help with the installation of flagstone at trail intersections to help those visually impaired to navigate the trail. This project is aligned with the property renaming efforts because of the need to order new signage that includes the new name.

Sarah also spoke to the status of community conservation programs. She started with Vámonos, Santa Fe Walks. With about 500 participants last year in total (includes repeat walkers) staff is looking to double that number this year thanks to a ORD grant that provided SFCT with a Vámonos marketing budget this year. Efforts to get the word out have expanded. As part of the preparation for the season, SFCT staff recently participated in a CPR/First Aid training. There were a few scares last year on the trails and we want to be as prepared as we can for something to happen. Board member Julie Martinez spoke up to suggest that the Trust purchase an AED device.

The solar well project at the Galisteo property is completed! Thanks for a very generous gift in late 2023 this project will now make available water for current and future projects such as the accessible trail project and the rangeland restoration project, where goats will need water to graze.

There has been a lot of grants activity in the first quarter of the year. Current pending grants include one with Cornell University Lab of Ornithology for \$25K, NM Healthy Soils grant for 22K, and the Lineberry Foundation for general operations at \$25K. Another possibility is with the group 100 Woman Who Care, where we have an ally in the group who is helping to allow us to present to the group for funding sometime in 2024. We were recently awarded a grant from the Wallace Genetic Foundation to continue the project to explore in-flow water rights.

Other things happening include the audit, which is underway as of this past week, the annual report and newsletter is in process for a release sometime in June or early July, and the landowner lunch is coming up on June 13 at Museum Hill Café to build relationships with that very important group of people.

Committee Reports:

Land Review Committee –

Board member Peter Martin is transitioning out of the Chair role with board member Carla Mattix stepping up as the new Chair! Thanks, and welcome, Carla. Since the last board meeting the following is what the committee has been up to:

- Working on acquiring the 4-acre Pond Tract from the Forest Trust, which is adjacent to the Winsor Trail Trailhead in Tesuque.
- Recently completed an amendment on an easement in the Galisteo Basin in March.
- There is a pending amendment on the Heart and Sole easement. It is to combine two easements.
- Annual monitoring letters have been sent out to landowners. The monitoring season starts in May 2 and all ground visits have been scheduled.
 - o There was a question around safety protocols and whether they exist and are being followed. The committee and staff are interested in writing safety protocols, however, nothing has been written yet and nothing has been found at LTA or with another land trust to get it started. Staff has expressed concern that 2 people (currently, woman) are going out to large tracts of land where something can

happen. Currently, SFCT has emergency communication devices called Garmin InReach, which is able to connect with authorities anywhere and have pre-set messages in the case of an emergency.

- As mentioned previously, there is a Landowner Lunch upcoming to steward that important group of people.
- Also mentioned previously, we are working with a group of folks, including Mathew McQueen, on the viability of “using” water rights by letting them stay instream for the benefit of the river itself. The land team is looking for candidates, including the Aeby family who closed on an easement this year along the Rio Grande.
- A contract has been set up with an expert forester to help produce a management plan for the Apache Canyon property. Also, on this property an agreement is in place to burn up to 30 slash piles in the future.
- The Land Review Committee will next meet May 2 at Riverhaven. Everyone will meet at Patrick Smith Park and walk up to the property together along the SF River. Everyone is invited to join.
- The LTA re-accreditation ad hoc committee will start meeting in June, through to 2025.
- Ariel talked to the board about the Land Committee newest potential project with Rancho Las Lagunas. This project is also a candidate for SFCT’s first “total transaction” project, meaning SFCT will expense the transaction costs through endowment earnings with no repayment by the landowner. Ariel described the property—family farm in Nambe, was a dairy operation from the 1940-1990s, and currently grows alfalfa and raises cattle. The land itself is 185 acres, adjacent to Pueblo lands on two sides (Nambe), hold water rights. A new generation has taken on the management of the property and are looking for more sustainable management, which includes exploring the use of a conservation easement with SFCT. They are interested in protecting the land, but do not have the cash to do it.
 - o The “total transaction” will be up to \$75K in expenses related to the conservation easement process
 - o SFCT is also applying with a NHCA program to provide further funding for the project. This will happen in partnership with the Santa Fe/Pojoaque Soil + Water Conservation District.
 - o The amount of land being analyzed to place under easement is in the range of 65-130 acres.
 - o The conservation values include more than farming as it will connect with larger pueblo tracts that will expand wildlife habitat in the area.
- A board member questioned the Land staff on whether this family should qualify for the program because it was felt that they have the assets and resources to do this themselves. Another asked about the decision-making process to determine their eligibility for the program. It was conveyed that a process was created a few years ago when the fund was created and the Land Review Committee can review those guidelines now there is a potential project in place.
- **There was a motion made to send an engagement letter to the family and offer up to \$75K to pay for transaction costs by Quinn and seconded by Carmichael. The motion passed.**

DEI Committee -

Committee chair Julie Martinez shared with the group that while the ad hoc committee had drafted a DEI statement that was on the verge of being adopted and was their original charge, the group will continue to meet to find ways to further integrate SFCT’s work with DEI values.

She recalled the varying opinions shared at the retreat and how the committee took that input to create the statement that will be voted on. She referred everyone to the statement in their packets and read the statement aloud. Additional comments were made about the draft statement:

- Only a few sentences were refined after the retreat so the statement should look familiar to everyone.
- “northern” New Mexico was used consistently throughout the statement.
- The word “ongoing” was inserted to the sentence that includes, “...successive and ongoing waves of displacement...”
- Board Chair Quinn Simons offered his recommendation to approve the statement.

- Committee Chair Martinez expressed her desire that staff support it; other agreed with this sentiment.
- Board member Al Reed asked for comments and feedback from the discussion at the retreat with facilitator Toby Hertzlich. Sarah responded that the impression was it was a community building session and their needs to be a safe space for everyone to feel welcomed at this organization, and to trust the process. Another board member commended the staff for taking on such important, but emotional and controversial work.
- **A motion was made to approve by Sarah and seconded by Quinn to pass the DEI statement, as amended from February 2024. The motion passed unanimously.**

Executive Committee

During the interim time between board meetings, the Executive Committee gathered and passed the following resolutions:

- Passed an amendment for the Conservation Ranch #2 (Watson) easement.
- Increased the staff HSA contribution from \$750 annual to \$1,500. It will be revisited later this year in the budgeting process.
- Environmental writer Bill McKibben has been retained to speak at the SUN event on September 7.
 - o There was some reaction and questions to this news. It was asked whether SFCT will have any input on what he speaks about. Yes, SFCT will have input. It was asked if he is a dynamic speaker. The response was that he has been writing and speaking to audiences on climate change around the world for over 30 years and is one of the most highly sought-after speakers on this topic area.
- Office space was discussed by the Executive Committee, but no actions have been taken.

Donor Engagement Committee

The Donor Engagement Committee is working on planned giving and building relationships with estate planning attorneys. A list of local area attorneys and others in the space was passed out. Everyone was asked if they knew any of these people and, if so, to let the Committee know. Staff is working on new planned giving information.

A reminder to write the donor thank you letters and get them back to Brian by April 20 to be mailed to donors. Thanks for were given to those who have already got their letters.

Other Business and Updates:

Trails Program

Tim shared what has been going with trails:

- Maintenance on the city trails started a bit late this year because of the cooler winter weather, but has now started for the season.
- A new GUSTO connection is about to be made. At Maes Rd, Homewise is putting a trail through a property they acquired that connects to City Park. This will help to expand the Acequia Trail! It opens May 7th!
- Another connection also with NMLC's land at Pechesky Ranch. A new trail that will connect from Dinosaur to the BTI building on the other side of NMLC's property.
- Looking to do a trail work day with Santa Fe Prep for their service requirements. Looking to work on Atalaya Trail.
- There will be a Vámonos "Find A New Path" walk in September on the Chili Line by La Tierra Trails. This land is owned by Modern Elder Academy and we are working with them to make this accessible.
- SF Fat Tire Society has money to spend and are looking at new bike trail routes at La Tierra, but Tim has conveyed to them there could be better projects out there including a potential new south side trail by SWAN park.

- Spring Runoff is a musical event at Santa Fe Brewing Company this weekend that will help to support ORD and the outdoor economy in New Mexico.
- Recently hit Passport to Trails 4,000th kid to go hiking!
- Safe Routes to School has a new coordinator, Ryan Harris, working directly for the school district.
- Reminder about the upcoming May 11th community cruise of Santa Fe's newest murals.
- Work coordinating with the City includes recent trail issues in the Canada Rincon neighborhood and a bike path project on Bishops Lodge Rd. Tim expressed his disagreement with the City's design to build with over 40 driveways in the path (no bike right of way).

Events

Joanne shared with the board that there have been three events so far this year. The Donor/Volunteer party was a smashing success with over 175 people attending! There was positive feedback on the venue from both donors/volunteers and the board. Banff sold out in 2 weeks, which was much quicker than previous years. It was our biggest revenue year to date, while expenses went a bit over budget. We received 123 responses to the survey, which was more than expected. The first SUN committee meetings will be starting soon for the September 7 event.

Dark Skies

Brian shared that a newly formed ad hoc committee on Dark Skies will have its first meeting in April.

With no further business, the meeting of the Board of Directors was adjourned at 6:30 PM.

The next board meeting for 2024 is scheduled for August 27, 2024 at 4 PM. The location has not been determined.

Brant Goodman, Secretary

Date

RESOLUTION
BY
THE BOARD OF DIRECTORS SANTA FE CONSERVATION TRUST

Authority of Executive Director to Submit Applications and Sign Contracts

NOW THEREFORE, BE IT RESOLVED, that the Santa Fe Conservation Trust authorizes the Executive Director to submit grant applications and enter into grant contracts and other contracts as necessary to further the organization's mission.

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the Board of Directors of the Santa Fe Conservation Trust, at a meeting held in Santa Fe, New Mexico, on the 27th day of August, 2024, at which a quorum was present, by a vote of _____ in favor, _____ opposed, and _____ abstaining.

Brant Goodman, Secretary

Date

RESOLUTION
BY
THE BOARD OF DIRECTORS SANTA FE CONSERVATION TRUST

4.09-Acre Pond Tract Conservation Easement

NOW THEREFORE, BE IT RESOLVED, that the Santa Fe Conservation Trust authorizes the Executive Director, Sarah Noss, to execute documents necessary to accept a Conservation Easement over the Pond Tract, 4.09 acres of land held by Pond Tract LLC, as well as an access easement over adjacent property owned by Henry Carey. Initiating any SFCT conservation easement requires approval from at least a two-thirds majority vote of the Board of Directors.

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the Board of Directors of the Santa Fe Conservation Trust, at a meeting held in Santa Fe, New Mexico, on the 27th day of August, 2024, at which a quorum was present, by a vote of _____ in favor, _____ opposed, and _____ abstaining.

Brant Goodman, Secretary

Date

Pond Tract Conservation Easement
Memo to SFCT Board of Directors
August 27, 2024

The Pond Tract Conservation Easement will protect a 4-acre property adjacent to the Santa Fe National Forest in Tesuque. This easement will be donated to SFCT by the owner of the property, Pond Tract LLC, which is a single-member LLC of The Forest Trust. The SFCT Board initially approved acceptance of this conservation easement in 2019, but since minor details of the project have been updated since that time, and since so many years have passed, we are seeking fresh board approval in 2024.

This conservation easement will provide recreation and natural habitat benefits. It will formalize the public's right of access to the approximately quarter-mile stretch of the Winsor Trail that passes through the Pond Tract property. Santa Fe National Forest is directly adjacent to the east. Tesuque Creek runs just south of the property line, so the property includes riparian forest that serves as excellent wildlife habitat. The easement will prohibit residential and other development on the property while allowing for trail infrastructure like a kiosk, picnic table, etc. A pond on the property stores water for the use of downstream water right holders and will be allowed to be fenced and maintained.

As part of the transaction, Henry Carey (ED of The Forest Trust) will grant SFCT a parking and pedestrian easement across his adjacent residential property on Bauer Road. SFCT can use this access route for easement monitoring purposes if access to the property along the Winsor Trail is not possible due to trail closure.

See photos and map on following pages.





RESOLUTION
BY
THE BOARD OF DIRECTORS
SANTA FE CONSERVATION TRUST

WHEREAS, the Santa Fe Conservation Trust has reviewed *Land Trust Standards and Practices* (“the Standards”), first published by the Land Trust Alliance in 1989, and with the most recent revision effective February 3, 2017; and,

WHEREAS, the Santa Fe Conservation Trust agrees that the Standards are the ethical and technical guidelines for the responsible operation of a land trust;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Santa Fe Conservation Trust hereby adopts and commits to implementing the Standards as guidelines for the organization’s operations.

CERTIFICATION

I hereby certify that the foregoing resolution was adopted by the Board of Directors of the Santa Fe Conservation Trust, at a meeting held in Santa Fe, New Mexico, on the 27th day of August, 2024, at which a quorum was present, by a vote of _____ in favor, _____ opposed, and _____ abstaining.

Brant Goodman, Secretary

LAND TRUST

Standards and Practices

Ethical and Technical Guidelines for the
Responsible Operation of a Land Trust

Introduction

Land Trust Standards and Practices are the ethical and technical guidelines for the responsible operation of a land trust. The Land Trust Alliance drafted the first Standards in 1989 at the urging of land trusts and to affirm certain best practices as the surest way to secure lasting conservation. To maintain the land trust community's strength, credibility and effectiveness, the Standards were updated in 1993, 2001 and 2004. In preparing this 2017 update, an advisory team, comprised of land trust professionals from across the country, reviewed and discussed more than 1,600 comments from conservationists throughout the United States. These many voices were an invaluable asset throughout the revision process.

While this document is a publication of the Land Trust Alliance, the Standards are a collective product of the land trust community. The advisory team was as diverse in perspective as the comments the team reviewed. Unanimity was not necessarily achieved on each standard or practice, but this document reflects the expressed values and recommendations of the overall land trust community.

The nation's more than 1,300 nonprofit land trusts have conserved 56 million acres of wildlife habitat, farms, ranches, forests, watersheds, recreation areas and other open spaces as of 2015. The continued success of land trusts depends on public confidence in—and support of—our community as we build conservation programs that stand the test of time. It is, therefore, every land trust's responsibility to uphold this public confidence and ensure the permanence of its conservation efforts. Implementing the Standards positions a land trust to achieve these goals and, if it so wishes, to seek insurance through Terrafirma and pursue accreditation through the Land Trust Accreditation Commission. (Accreditation indicator elements are marked with ●; Terrafirma enrollment prerequisites are denoted with ■; Elements for both are represented with ▲.)

Each member of the Land Trust Alliance must adopt the Standards as guiding principles for its operations, pledging a commitment to uphold the public confidence and the credibility of the land trust community as a whole. (See the board adoption resolution on page 2.) It is important to note that while the Standards are thorough, they are not exhaustive. There will be times when the Standards do not make clear a land trust's best path forward. In these moments, the land trust's board should exercise its best judgment as informed by the spirit of these Standards.

Land trusts are a respected and integral part of our nation's land conservation work. Together, we must support our peers and hold ourselves to the highest standards as we continue to conserve the places we need and love.

Board Adoption Resolution

The Land Trust Alliance requires that all land trust members adopt *Land Trust Standards and Practices* as their guiding principles. Some public or private funders also ask for such a statement. Here is the board resolution.

WHEREAS, the [land trust] has reviewed *Land Trust Standards and Practices* (“the Standards”), first published by the Land Trust Alliance in 1989, and with the most recent revision effective February 3, 2017; and,

WHEREAS, the [land trust] agrees that the Standards are the ethical and technical guidelines for the responsible operation of a land trust;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors of the [land trust] hereby adopts and commits to implementing the Standards as guidelines for the organization’s operations.

_____ board meeting date when approved

STANDARD 1

Ethics, Mission and Community Engagement

Land trusts maintain high ethical standards and have a mission committed to conservation, community service and public benefit.

PRACTICES

A. Ethics

1. Adopt a written code of ethics and/or values statement and adhere to it in implementing the land trust's mission, in its governance and in its operations
2. Adopt a written whistleblower policy that protects individuals who come forward with information on illegal practices or unethical behavior
- 3. Do not knowingly participate in transactions that are potentially fraudulent or abusive

B. Mission, Planning and Evaluation

1. Adopt a mission that advances conservation and serves the public interest
- 2. Establish strategic goals for implementing the mission, and then review and update them, as needed, at least once every five years
 - a. Revisit the mission during the strategic review to confirm it is relevant
3. Review programs and activities at least annually to ensure they are advancing the strategic goals and make adjustments, as appropriate

C. Community Engagement

1. Develop an inclusive, welcoming organizational culture that respects diversity
2. Seek to engage people who are broadly representative of the community in which the land trust works and foster opportunities to connect them with the land
3. Develop an understanding of the land trust's community, and communicate the land trust's work, services and impact in a manner that resonates with and engages that community
4. Build relationships with community leaders and other stakeholders in the land trust's community

STANDARD 2

Compliance with Laws

Land trusts fulfill their legal requirements as nonprofit tax-exempt organizations and comply with all laws.

PRACTICES

A. Compliance with Laws

- 1. Do not knowingly conduct operations in violation of law

B. Nonprofit Incorporation and Bylaws

- ▲ 1. Incorporate or organize according to the requirements of state law and maintain legal status
- ▲ 2. Operate in accordance with established bylaws
- 3. Review the bylaws at least once every five years to ensure consistency with current operations, the articles of incorporation and state law

C. Federal Tax Exemption

- 1. Maintain status as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC)
 - ▲ a. File a complete and accurate annual information return (Form 990 or equivalent) with the Internal Revenue Service (IRS)
 - ▲ b. Do not knowingly engage in prohibited activities, such as private inurement or impermissible private benefit
 - c. Comply with federal lobbying limitations and reporting requirements
 - d. Do not engage in political campaigns on behalf of or in opposition to any candidate for public office

STANDARD 3

Board Accountability

Land trust boards act ethically in conducting the affairs of the organization and carry out their legal and financial responsibilities as required by law.

PRACTICES

A. Board Responsibility

1. Individual board members are informed of and understand their role and their responsibilities as nonprofit board members, including their legal and fiduciary duties
- 2. The board provides oversight of the land trust's finances and operations by:
 - a. Reviewing and approving an annual budget
 - ▲ b. Working to ensure that sufficient financial resources are available
 - c. Receiving and reviewing financial reports and statements in a form and with a frequency appropriate for the scale of the land trust's financial activity
 - d. Reviewing the externally prepared financial audit, review or compilation
 - e. Adopting written policies or procedures for the responsible and prudent investment, management and use of financial assets
- 3. The board hires, oversees and evaluates, at least annually, the performance of any executive director (or chief staff person)
4. The board may delegate decision-making and management functions to committees, provided that committees have clearly defined roles and report to the board or staff

B. Board Composition and Structure

- 1. Have a board of sufficient size, skills, backgrounds and experiences to conduct its work effectively
2. Have a board substantially composed of independent members to reduce risk arising from conflicts of interest
- 3. Have a board development process that includes procedures for recruiting and training board members
4. Ensure the board's presiding officer and treasurer are not the same individual
5. If a staff member serves on the board, clearly define the staff role and limit the board member role accordingly to ensure separation of duties and avoid undue influence
 - a. No staff member serves as the board's presiding officer or treasurer

C. Board Governance

1. Provide board members with written expectations for their service on the board
- 2. The board meets a minimum of three times per year and maintains adopted minutes of each meeting
- 3. Provide board members with sufficient and timely informational materials prior to each meeting to make informed decisions
4. Board members evaluate their performance annually as a group and as individuals at least once every three years
5. Adopt procedures for removing board members who are not fulfilling their responsibilities
6. Have governing documents that contain policies and procedures (such as provisions for a quorum and adequate meeting notices) to encourage broad participation and to prevent a minority of board members from acting for the land trust without proper delegation of authority

D. Board Approval of Transactions

- 1. The board reviews and approves every land and conservation easement transaction
 - a. However, the board may delegate decision-making authority on transactions if:
 - i. It establishes written policies or has bylaws provisions that define the limits to the authority given to the delegated entity
 - ii. The delegated entity provides timely notification in writing to the full board of any completed transactions

STANDARD 4

Conflicts of Interest

Land trusts have policies and procedures to avoid or manage real or perceived conflicts of interest.

PRACTICES

A. Dealing with Conflicts of Interest

- 1. Adopt a written conflict of interest policy that addresses, for all insiders, how conflicts are identified and avoided or managed
- 2. Document the disclosure and management of actual and potential conflicts
- 3. When engaging in any transaction with an insider,
 - a. Follow the conflict of interest policy
 - b. Contemporaneously document that there is no private inurement

B. Payments to Board Members

- 1. Do not financially compensate board members for board service, except for reimbursement of expenses
- 2. If, in limited circumstances, the land trust compensates a board member for professional services that would otherwise be contracted out,
 - a. Document the circumstances surrounding the decision to do so
 - b. Document how the land trust uses appropriate comparability data to determine the amount to be paid and to confirm that there is no private inurement
 - c. Do not compensate the board's presiding officer or treasurer for professional services
- 3. Do not provide loans to directors, officers or trustees

C. Land and Conservation Easement Transactions with Insiders

- 1. When engaging in land and conservation easement transactions with insiders,
 - a. Follow all transaction policies and procedures
 - b. For purchases from and sales of property to insiders, obtain an independent appraisal by a qualified appraiser to justify the purchase or sales price

STANDARD 5

Fundraising

Land trusts conduct fundraising activities in a lawful, ethical and responsible manner.

PRACTICES

A. Legal and Ethical Practices

1. Conduct an analysis of state charitable solicitation laws and register where the land trust determines it is appropriate
2. Do not compensate internal or external fundraisers based on a commission or a percentage of the amount raised

B. Accountability to Donors

1. Provide accurate solicitation materials and other communications to donors and the public
- 2. Provide timely written acknowledgment of all gifts, including land and conservation easements, in keeping with IRS charitable contribution substantiation requirements
- 3. Maintain financial and other systems to document and comply with any donor restrictions on gifts
4. Have a written policy or procedure to ensure donor privacy concerns are honored

C. Fundraising Plan

1. Develop and implement a fundraising plan or program appropriate to the land trust's size and scope to secure adequate support for its activities

D. Non-conservation Real Property for Resale

1. When acquiring non-conservation real property with the intent of selling it to advance the land trust's mission,
 - a. Obtain a written acknowledgement from any donor of the land trust's intent to sell before accepting the property
 - b. Follow applicable transaction policies and procedures
 - c. Maintain the property while in the land trust's ownership in a manner that retains the land trust's public credibility, manages community expectations and minimizes risk

STANDARD 6

Financial Oversight

Land trusts are responsible and accountable for how they manage their finances and assets.

PRACTICES

A. Fiscal Health

1. Develop an annual budget that reflects the land trust's annual programs and activities
- 2. Develop and implement a strategy to address any deficit-spending trends
- 3. Assess the nature and variability of revenue and seek to diversify funding sources
- 4. Build and maintain sufficient operating reserves to sustain operations
- ▲ 5. Build and maintain dedicated or restricted funds sufficient to cover the long-term costs of stewarding and defending the land trust's land and conservation easements
 - ▲ a. If funds are insufficient, adopt a plan to secure these funds and a policy committing the funds to this purpose

B. Financial Records

1. Keep financial records in accordance with Generally Accepted Accounting Principles (GAAP) or Other Comprehensive Basis of Accounting (OCBOA)

C. External Financial Evaluation

- 1. Obtain an annual financial audit, review or compilation by an independent certified public accountant or a qualified accounting professional, in a manner appropriate for the scale of the land trust

D. Written Internal Controls

- 1. Establish written internal controls and accounting procedures, including segregation of duties, in a form appropriate for the scale of the land trust, to prevent the misuse or loss of funds

E. Risk Management and Insurance

1. Routinely assess and manage risks so that they do not jeopardize the land trust's financial health and its ability to carry out its mission and legal responsibilities
- 2. Carry general liability (■), directors and officers liability, property and other insurance, all as appropriate to the land trust's risk exposure or as required by law

STANDARD 7

Human Resources

Land trusts have sufficient skilled personnel to carry out their programs, whether volunteers, staff and/or consultants/contractors.

PRACTICES

A. Capacity

1. Periodically evaluate whether the land trust has sufficient volunteers, staff and/or consultants/contractors to achieve its strategic goals and carry out its programs, and then add capacity as needed

B. Volunteers

1. Provide volunteers with training, supervision and recognition

C. Consultants or Contractors

1. Clearly define relationships with consultants or contractors, ensure they are consistent with federal and state law and document them in a written contract, as appropriate

D. Transition Planning

1. Develop a written process or plan to provide for continuity in the leadership and management of the land trust's functions

E. Staff

1. Have a written job description for each staff member and conduct periodic performance reviews
2. Document the lines of authority, communication and responsibility between board and staff
3. Ensure staff have appropriate training and experience for their responsibilities and/or opportunities to gain the necessary knowledge and skills
4. Adopt written personnel policies that conform to federal and state law
5. Provide fair and equitable compensation and benefits

STANDARD 8

Evaluating and Selecting Conservation Projects

Land trusts carefully evaluate and select their conservation projects.

PRACTICES

A. Strategic Conservation Planning

1. Identify specific conservation priorities consistent with the land trust's mission and goals

B. Project Selection Criteria and Public Benefit

1. Develop and implement a written process to select land and conservation easement projects
- 2. Develop and apply written project-selection criteria that are consistent with the land trust's conservation priorities
3. Document the public benefit of every land and conservation easement project

C. Project Evaluation

- 1. Visually inspect properties before buying or accepting donations of conservation land or conservation easements to determine and document whether:
 - a. There are important conservation values on the property
 - b. The project meets the land trust's project-selection criteria
2. Evaluate potential threats to the conservation values on the property and structure the project to best protect those conservation values
3. Evaluate any current or potential risks associated with the project, including to the land trust's reputation or to the land trust community, and modify or decline the project if the risks outweigh the benefits

D. Project Planning

1. Individually plan all land and conservation easement projects so that:
 - a. The land trust identifies the best available conservation strategy for the property
 - b. The property's important conservation values are protected
 - c. The project furthers the land trust's mission and goals
2. Assess the stewardship implications of each project and the land trust's capacity to meet those obligations

E. Partnership Documentation

1. When engaging in a partnership on a joint acquisition or long-term stewardship project or when co-holding conservation easements, create written agreements to clarify:
 - a. The goals of the project
 - b. The roles and responsibilities of each party
 - c. Legal and financial arrangements
 - d. Communications to the public and between parties

STANDARD 9

Ensuring Sound Transactions

Land trusts work diligently to see that every land and conservation easement transaction is legally, ethically and technically sound.

PRACTICES

A. Legal Review and Technical Expertise

1. Obtain a legal review of every land and conservation easement transaction, appropriate to its complexity, by an attorney experienced in real estate law
2. As dictated by the project, secure appropriate technical expertise, such as in financial, real estate, tax, scientific and land and water management matters

B. Legal and Financial Advice

1. Do not give individualized legal, financial or tax advice when providing transaction-related information
2. Recommend in writing that each party to a land or conservation easement transaction obtain independent legal, financial and tax advice

C. Environmental Due Diligence

1. For every land and conservation easement transaction, conduct or obtain a preliminary environmental investigation, transaction screen or Phase I assessment to identify whether there are any conditions that pose environmental risks, and take steps to address any significant concerns

D. Determining Property Boundaries

1. Determine both the legal description and physical boundaries of each property or conservation easement
- 2. If a conservation easement contains restrictions or permitted rights that are specific to certain zones or areas within the property, include the locations of these areas in the easement document so that they can be identified in the field

E. Conservation Easement Drafting

- 1. For every conservation easement,
 - a. Individually tailor it to the specific property
 - b. Identify the conservation values being protected
 - c. Allow only uses and permitted rights that are not inconsistent with the conservation purposes and that will not significantly impair the protected conservation values
 - d. Avoid restrictions and permitted rights that the land trust cannot monitor and enforce
 - e. Include all necessary and appropriate provisions to ensure it is legally enforceable
- 2. Review, on the land trust's own behalf, each potentially tax-deductible conservation easement for consistency with the Treasury Department regulations (U.S.C. §1.170A-14), especially the conservation purposes test of IRC §170(h)

F. Title Investigation and Recording

- 1. Prior to closing and preferably early in the process, have a title company or attorney investigate title for each property or conservation easement the land trust intends to acquire
 - a. Update the title at or just prior to closing
- 2. Evaluate the title exceptions and document how the land trust addressed mortgages, liens, severed mineral rights and other encumbrances prior to closing so that they will not result in extinguishment of the conservation easement or significantly undermine the property's important conservation values
- 3. Promptly record land and conservation easement transaction documents at the appropriate records office

G. Recordkeeping

- ▲ 1. Adopt a written records policy that governs how and when organization and transaction records are created, collected, retained, stored and destroyed
- 2. Keep originals of all documents essential to the defense of each real property transaction in a secure manner and protected from damage or loss
- 3. Create and keep copies of these documents in a manner such that both originals and copies are not destroyed in a single calamity

H. Purchasing Land or Conservation Easements

- 1. When buying land, conservation easements or other real property interests, obtain an independent appraisal by a qualified appraiser in advance of closing to support the purchase price
 - a. However, a letter of opinion from a qualified real estate professional may be obtained in the limited circumstances when:
 - i. A property has a very low economic value
 - ii. A full appraisal is not feasible before a public auction
 - iii. Or the amount paid is significantly below market value
- 2. In limited circumstances where acquiring land, conservation easements or other real property interests above the appraised value is warranted, contemporaneously document:
 - a. The justification for the purchase price
 - b. That there is no private inurement or impermissible private benefit

I. Selling or Transferring Land or Conservation Easements

- 1. When selling land, conservation easements or other real property interests,
 - a. Establish protections as appropriate to the property
 - b. If the sale is to a party other than another tax-exempt organization or public agency, obtain an independent appraisal by a qualified appraiser or a letter of opinion from a qualified real estate professional to determine the value of the asset and to support the selling price
 - c. Select buyers in a manner that avoids any appearance of impropriety
- 2. When selling or transferring conservation land or conservation easements to another tax-exempt organization or public agency, consider whether the new holder can fulfill the long-term stewardship and enforcement responsibilities

STANDARD 10

Tax Benefits and Appraisals

Land trusts work diligently to see that every charitable gift of land or conservation easement meets federal and state tax law requirements, to avoid fraudulent or abusive transactions and to uphold public confidence in land conservation.

PRACTICES

A. Landowner Notification

- 1. Inform potential land or conservation easement donors who may claim a federal or state income tax deduction (or state tax credit), in writing and early in project discussions, that:
 - a. The project must meet the requirements of IRC §170 and the accompanying Treasury Department regulations and any other federal or state requirements
 - b. The donor is responsible for any determination of the value of the donation
 - c. The Treasury Department regulations require the donor to obtain a qualified appraisal prepared by a qualified appraiser for gifts of property valued at more than \$5,000
 - d. Prior to making the decision to sign IRS Form 8283, the land trust will request a copy of the completed appraisal
 - e. The land trust is not providing individualized legal or tax advice
- 2. Do not make assurances as to:
 - a. Whether a particular land or conservation easement donation will be deductible
 - b. What monetary value of the gift the IRS and/or state will accept
 - c. What the resulting tax benefits of the deduction or credit will be, if any

B. Legal Requirements: Land Trust Responsibilities

- 1. If the land trust holds federally tax-deductible conservation easements, it meets the requirements for a qualified organization under IRC §170(h)
- 2. Sign the Form 8283 only if the information in Section B, Part I, "Information on Donated Property," is complete and is an accurate representation of the gift
 - a. Refuse to sign the Form 8283 if the land trust believes no gift has been made or the property has not been accurately described
- 3. File IRS Form 8282 when conveying a donated real property interest within three years of the date the land trust received the property

C. Avoiding Fraudulent or Abusive Transactions

1. Review, on the land trust's own behalf, each transaction for consistency with federal and state income tax deduction or credit requirements
- 2. Evaluate the Form 8283 and any appraisal to determine whether the land trust has substantial concerns about the appraised value or the appraisal
- 3. Discuss substantial concerns about the appraisal, the appraised value or other terms of the transaction with legal counsel and take appropriate action, such as:
 - a. Documenting that the land trust has shared those concerns with the donor
 - b. Seeking additional substantiation of value
 - c. Withdrawing from the transaction prior to closing
 - d. Or refusing to sign the Form 8283
- 4. When engaging in transactions with pass-through entities of unrelated parties, particularly those offered or assembled by a third party or described as a syndication by the IRS,
 - a. Require a copy of the appraisal prior to closing
 - b. Decline to participate in the transaction if the appraisal indicates an increase in value of more than 2.5 times the basis in the property within 36 months of the pass-through entity's acquisition of the property, the value of the donation is \$1 million or greater and the terms of the transaction do not satisfy the Land Trust Alliance Tax Shelter Advisory

STANDARD 11

Conservation Easement Stewardship

Land trusts have a program of responsible stewardship for their conservation easements.

PRACTICES

A. Funding Conservation Easement Stewardship

1. Estimate the long-term stewardship and enforcement expenses of each conservation easement transaction
2. Track stewardship and enforcement costs

B. Baseline Documentation Report

- 1. For each conservation easement, have a baseline documentation report (■), with written descriptions, maps and photographs, that documents:
 - a. The conservation values protected by the easement
 - b. The relevant conditions of the property as necessary to monitor and enforce the easement
- 2. Prepare the report prior to closing and have it signed by the landowner and land trust at or prior to closing
 - a. In the event that seasonal conditions prevent the completion of a full baseline documentation report by closing, the landowner and land trust sign a schedule for finalizing the full report and an acknowledgement of interim data [that for donations and bargain sales meets Treasury Regulation §1.170A-14(g)(5)(i)] at closing
- 3. When there are significant changes to the land or the conservation easement (such as a result of an amendment or the exercise of a permitted right), document those changes in an appropriate manner, such as through monitoring reports, a baseline supplement or current conditions report

C. Conservation Easement Monitoring

1. Adopt a written policy and/or procedure for monitoring conservation easements that establishes consistent monitoring protocols and recordkeeping procedures
- ▲ 2. Monitor each conservation easement property at least once per calendar year
 - ▲ a. If the land trust uses aerial monitoring, conduct on-the-ground monitoring at least once every five years
 - ▲ b. Promptly document the annual monitoring activities for each conservation easement

D. Landowner Relationships

1. Maintain regular contact with owners of conservation easement properties to maintain relationships and avoid potential easement conflicts
2. Establish systems to track changes in land ownership
3. When the property changes hands, attempt to meet with the new owner or property manager and provide information in writing about the conservation easement and the land trust's stewardship policies and procedures

E. Conservation Easement Enforcement

- 1. Adopt a written policy and develop written procedures for documenting and responding to potential conservation easement violations
- 2. Investigate potential violations in a timely manner and promptly document all actions taken
3. Involve legal counsel as appropriate to the severity of the violation and the nature of the proposed resolution

F. Approvals and Permitted Rights

1. Respond to landowner required notices or requests for interpretation or approvals in a timely and consistent manner, as specified in the conservation easement deed or in a written procedure
2. Establish written procedures to guide the land trust's decision-making if using discretionary approvals or if conservation easement deeds contain such clauses
- 3. Maintain a permanent record of all notices, approvals, denials, interpretations and the exercise of any significant permitted rights

G. Contingency Strategy

1. Take reasonable steps to provide for the disposition of conservation easements in the event the land trust ceases to exist or can no longer steward and administer them

H. Amendments

- 1. Adopt and follow a written policy or procedure addressing conservation easement amendments that is consistent with the Land Trust Alliance Amendment Principles
- 2. Evaluate all conservation easement amendment proposals with due diligence sufficient to satisfy the Amendment Principles
- 3. If an amendment is used to adjust conservation easement boundaries (such as to remedy disputes or encroachment) and results in a *de minimis* extinguishment, document how the land trust's actions address the terms of J.1. below

I. Condemnation

1. If a conservation easement is threatened with condemnation,
 - a. Take steps to avoid or mitigate harm to conservation values and document the actions taken
 - b. Have or obtain appropriate documentation of the percentage of the full value of the property represented by the conservation easement
 - c. Document the land trust's attempts to receive its proportional share of the proceeds and use any proceeds in a manner consistent with the conservation easement deed

J. Partial or Full Extinguishment

- 1. In the rare case that it is necessary to extinguish a conservation easement, in whole or in part,
 - a. Follow the terms of the conservation easement with respect to taking appropriate action, and obtain judicial or regulatory review when required by law or specified in the easement deed
 - b. Ensure there is no private inurement or impermissible private benefit
 - c. Take steps to avoid or mitigate harm to conservation values and/or use any proceeds in a manner consistent with the conservation easement deed
 - d. Consider the land trust's actions in the context of its reputation and the impact on the land conservation community at large

STANDARD 12

Fee Land Stewardship

Land trusts have a program of responsible stewardship for the land held in fee for conservation purposes.

PRACTICES

A. Funding Land Stewardship

1. Determine the immediate financial and management implications of each conservation property acquisition and estimate the long-term implications
2. Anticipate and track costs associated with long-term land management, stewardship and enforcement of conservation properties

B. Land Management and Stewardship

- 1. Develop a written land management plan for each conservation property (■) within 12 months after acquiring the land to:
 - a. Identify the property's conservation values, including any significant cultural and natural features or those that have significant community value
 - b. Identify the overall management goals for the property
 - c. Identify activities to achieve the goals and to reduce any risks or threats to the conservation values
 - d. Specify the uses that are appropriate for the property, in keeping with the property's conservation values, any restrictions and donor or funder requirements
 - i. Provide public access opportunities as appropriate to the property and the land trust's mission
- 2. Manage each conservation property in accordance with its management plan, and review and update the plan as necessary
- 3. Perform administrative duties (such as paying insurance, filing required forms, keeping records) in a timely and responsible manner
- 4. Maintain the property in a manner that retains the land trust's public credibility, manages community expectations and minimizes risk

C. Inspecting Land Trust Properties

1. Determine the boundaries of land trust properties and physically mark them to the extent possible or necessary
- 2. Inspect properties at least once per calendar year for potential management problems and promptly document the inspection
- 3. Address management problems, including encroachments, trespass and other ownership challenges, in an appropriate and timely manner and document the actions taken

D. Contingency Strategy

1. Take reasonable steps to provide for the continuing protection of conservation properties in the event the land trust ceases to exist or can no longer own or manage them

E. Condemnation

1. If a conservation property is threatened with condemnation, take steps to avoid or mitigate harm to conservation values and document the actions taken

DEFINITIONS OF KEY TERMS

Amendment Principles: An amendment should meet all of the following: (1) clearly serve the public interest and be consistent with the land trust's mission; (2) comply with all applicable federal, state and local laws; (3) not jeopardize the land trust's tax-exempt status or status as a charitable organization under federal law; (4) not result in private inurement or confer impermissible private benefit; (5) be consistent with the conservation purpose(s) and intent of the easement; (6) be consistent with the documented intent of the donor, grantor and any funding source; and (7) have a net beneficial or neutral effect on the relevant conservation values protected by the easement.

Capacity: The ability to perform all the actions required to acquire and manage conservation land and manage other programs by having adequate human and financial resources and organizational systems in place.

Conflict of interest: A conflict of interest arises when a person in a position of authority in an organization, such as a director, officer, manager or other "insider," is in a position, or perceived to be in a position, to be able to benefit personally (or to create a benefit to a family member or other organization with which he or she is associated) from a decision he or she could make.

Conservation values: The key values on a site that are the focus of protection efforts. Important conservation values are determined during property evaluation and project planning.

Form 990: Most tax-exempt organizations are required to file an annual return with the IRS. Which form of the Form 990 (Form 990-N, Form 990-EZ or full Form 990) a land trust must file depends on its financial activities.

GAAP: The Federal Accounting Standards Board (FASB) issues Generally Accepted Accounting Principles (GAAP). FASB's guidance for nonprofit organizations can be found in ASU 2016-14, Not-for-Profit Entities (Topic 958): "Presentation of Financial Statements of Not-for-Profit Entities."

Impermissible private benefit: Occurs when a tax-exempt organization provides more than an "incidental" benefit to a non-insider.

Independent appraisal: An independent appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice by a state-licensed or state-certified appraiser who has verifiable conservation easement or conservation real estate experience.

Independent board member: Per the Independent Sector, independent members should not: (1) be compensated by the organization as employees or independent contractors; (2) have their compensation determined by individuals who are compensated by the organization; (3) receive, directly or indirectly, material financial benefits from the organization except as a member of the charitable class served by the organization; or (4) be related to anyone described above (as a spouse, sibling, parent or child) or reside with any person so described.

Insiders: Board and staff members, substantial contributors, parties related to the above, those who have an ability to influence decisions of the organization and those with access to information not available to the general public. The IRS generally considers “insiders” or disqualified persons under IRC Section 4958 to be persons who, at any time during the five-year period ending on the date of the transaction in question, were in a position to exercise substantial influence over the affairs of the organization. “Insiders” generally include: board members, key staff, substantial contributors [see IRC Section 507(d)(2)], parties related to the above and 35-percent controlled entities. While these are strict definitions within the tax code, land trusts are advised to take an even more proactive approach to the potential damage that conflicts of interest may cause an organization and also include in the definition of “insiders” all staff members and those with access to information not available to the general public (such as certain volunteers). Related parties is defined by the IRS to include spouse, brothers and sisters, spouses of brothers and sisters, ancestors, children, grandchildren, great-grandchildren and spouses of children, grandchildren and great-grandchildren.

IRC: Internal Revenue Code.

Land trust: A nonprofit organization that, as all or part of its mission, actively works to conserve land by acquiring land or conservation easements (or assisting with their acquisition) and/or stewarding/managing land or conservation easements.

Letter of opinion: A written estimation of a property’s value, most often prepared by a qualified real estate professional. A letter of opinion may be used instead of an independent appraisal prepared by a qualified appraiser when the economic value of the property is so low as to negate concerns about private inurement or private benefit, when a full appraisal is not feasible before a public auction or when the amount paid is significantly below the market value of the property. (A letter of opinion is not sufficient in the case of transactions with insiders.) An appraiser may call this document a Restricted Use Appraisal Report.

OCBOA: Other Comprehensive Basis of Accounting is the term used for a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

Pass-through entity: Pass-through entities include sole proprietorships, partnerships, LLCs and S corporations. Unlike traditional C corporations, pass-through entities do not pay income tax. Instead, income, losses and deductions pass through to the shareholders in proportion to their ownership interest. For purposes of the Standards, sole proprietorships consisting by definition of only one person are not included in this definition.

Phase I assessment: A formal investigation conducted by a qualified environmental consultant or engineer into the presence or absence of hazardous materials on or near a property that satisfies the “all appropriate inquiries” rule of the Environmental Protection Agency.

Policy: A written, board-adopted document specifying a course of action to guide and determine present and future decisions.

Private inurement: When the net earnings of a tax-exempt organization come to the benefit of any private shareholder or individual. Federal tax-exempt law requires that “no part of . . . [a tax-exempt organization’s] net earnings [may] inure to the benefit of any private shareholder or individual.” An action in which a person who is an “insider” to the tax-exempt organization, such as a director or an officer, derives a benefit from the organization without giving something of at least equal value in return. The IRS prohibition on inurement is absolute. The IRS also imposes penalties on directors, officers, key employees and other insiders who engage in transactions that confer an excess benefit on the individual (“excess benefit transactions”).

Tax Shelter Advisory: Refers to the advisory first issued by the Land Trust Alliance in 2015 on tax shelters using conservation for potentially abusive federal income tax deductions. The Advisory includes recommendations to maintain public confidence and cautionary measures land trusts should take to avoid tax shelter transactions. www.lta.org/tax-shelter-advisory

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The Land Trust Alliance's mission is to save the places people love by strengthening land conservation across America.

Founded in 1982, the Land Trust Alliance is a national land conservation organization that works to save the places people love and need by strengthening land conservation across America. The Alliance represents more than 1,000 member land trusts supported by more than 100,000 volunteers and 5 million members nationwide. The Alliance is based in Washington, D.C. and operates several regional offices. More information about the Alliance is available at www.landtrustalliance.org.

The Land Trust Alliance provides resources to assist land trusts in implementing *Land Trust Standards and Practices*. General information on the Standards and on Alliance publications and training programs related to their implementation can be found at www.landtrustalliance.org. Alliance member land trusts and partners can find additional technical information and sample documents on The Learning Center at <http://tlc.lta.org>.



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LAND REVIEW COMMITTEE CHARTER

This Land Review Committee Charter was approved by the Governance & Nominating and the Executive Committee and adopted by the Land Review Committee of the Board of Directors (the “Board”) of The Santa Fe Conservation Trust (“SFCT”) on ~~4/27/2021~~Updated date.

Section I—PURPOSE:

The Land Review Committee (the “LRC”) shall assist the Board in five primary areas with respect to SFCT’s conservation projects and activities:

- 1. Ensure that SFCT Achieves its Key Conservation and Stewardship Priorities:**
Enable the Board to provide effective oversight of SFCT conservation projects, stewardship and activities to achieve key conservation priorities as defined by SFCT’s the Trust’s mission, long-range goals, and best conservation practices;
- 2. Ensure that SFCT has established appropriate and effective Systems, Policies and Procedures and Standards to govern its Conservation and Stewardship Activities:**
Monitor and ensure that organizational systems are in place and are being implemented to ensure that SFCT’s conservation projects, stewardship and activities are achieving the organization’s conservation objectives, conform to the highest standards of integrity, meet the letter and spirit of the law, and, in coordination with the Board’s Finance & Audit Committee, ensure that they are financially sound;
- 3. Provide Oversight and Risk Assessment of Transactions and Activities:** Oversee conservation projects, stewardship and activities being undertaken by SFCT to ensure that results are being achieved that advance the organization’s conservation and stewardship priorities while ensuring that legal and financial risks are well managed; and work with the Governance and Nominating and Finance & Audit Committees to ensure that SFCT policies are appropriately monitored to assure the highest standards of conservation services and to protect the reputation of the organization.
- 4. Evaluate Conservation Projects, Stewardship and Activities:** Ensure effective review of conservation projects, stewardship and activities requiring full Board approval.
- 5. Ensure SFCT activities are informed by the Land Trust Alliance Standards and Practices and meets accreditation requirements.**

Section II—COMPOSITION:

The Board Chair will appoint the Land Review Committee Chair. The Committee shall be comprised of at least three members appointed from the Board of Directors by the Chair of the Board, in collaboration with the Committee Chair and Executive Director. The Committee Chair has the discretion to appoint non-director Committee members. Board Members shall comprise a

~~majority of the committee's membership.~~ The Board Chair and the Executive Director are an *ex-officio* voting members.

~~The members of the Committee may be removed, with or without cause, by the Board Chair in consultation with the Executive Committee.~~

~~The Committee Chair will chair all regular sessions of the Committee and will set the agenda for the Committee meetings.~~

~~The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.~~

~~Term Limits: LRC members are appointed for up to three 3-year terms.~~

~~The committee shall be composed of members appointed from the Board of Directors membership by the Chair of the Board, with the discretion to appoint members who are not current directors. The Board Chair is an ex-officio non-voting member. The members of the LRC may be removed, with or without cause, by a majority vote of the Board.~~

~~A chairperson is selected by the Chair of the Board. The Chairperson will chair all regular sessions of the LRC and will work with the Land staff to set the agenda for the LRC meetings. The LRC may form and delegate authority to subcommittees consisting of one or more members when appropriate.~~

Section III—MEETINGS:

The LRC shall meet as frequently as circumstances dictate. Meetings of the LRC may be held at any time in person or by such electronic means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A quorum is required to vote to approve agenda items. A quorum constitutes a majority of the total LRC membership.

The LRC shall meet as needed with the Executive Director and such other executive officers and others within SFCT as it determines appropriate to fulfilling its responsibilities hereunder.

Section IV—RESPONSIBILITIES AND DUTIES:

The LRC shall, as appropriate, perform the following:

1. Evaluate conservation activities, strategies, and projects to ~~insure~~ensure that there is a potential for high conservation return on the investment of staff and volunteer time and financial resources;
 - a. Ensure that there is a strong basis for conservation projects, activities and strategies when initiated, and that, in the spirit of adaptive management, scientific assumptions are regularly reviewed and representative projects evaluated following the Project Selection Criteria Policy.

- b. Monitor and evaluate organization-based processes for conservation project and activity review to ensure that conservation projects and activities effectively achieve key conservation priorities as defined by the SFCT's mission, long range goals, and best conservation practices.
 2. Provide oversight of conservation transactions and activities for:
 - a. Conservation significance:
 - i. Contribution to the organization's regional conservation goals
 - ii. Contribution to goals by ~~ecoregion and habitat type~~focal area and conservation values
 - b. Conservation results/impact:
 - i. At least annually, review a summary of conservation activity by:
 1. Focal Areas
 2. Project management: Conservation Easements and Fee title
 3. Dollars expended; stewardship endowments, external funding being sought
 4. Conservation Values protected
 5. Update of total acreage protected
 - c. Conservation and Stewardship capacity:
 Review Strategic Conservation Plan, Strategic Objectives, and Implementation Progress
 - d. Conservation innovation:
 Review innovative conservation transactions to ensure that appropriate oversight is achieved and that the lessons learned are being institutionalized throughout the organization.
 - e. Effective management of risks:
 LRC will review and provide oversight for stewardship and management-run processes to mitigate legal, financial, and reputational risk.
 3. Evaluate and provide preliminary review for projects and conservation activities requiring full Board approval:
 - a. LRC will provide preliminary review of projects in excess of any relevant threshold amount for Board review prior to recommending them for approval by the Finance & Audit Committee and the full Board.
 - b. LRC will review projects or activities that require Board approval because the project/activity presents a case of "first impression" or because of the potential for organizational or reputational risk.
 4. The LRC Chair or designee will rReport regularly to the Board (i) following meetings of the LRC; (ii) with respect to such other matters as are relevant to the LRC's discharge of its responsibilities; and (iii) with respect to such recommendations as the LRC may deem appropriate.
 5. Maintain minutes or other records of meetings and activities of the LRC.

Updated [04/09/2022](#)

Santa Fe Conservation Trust
ARCHAEOLOGICAL PROCEDURES POLICY

Adopted on: 10-25-2016

Updated on: _____

As a part of the Santa Fe Conservation Trust's (SFCT) responsibility to all conservation values present within a conservation easement, cultural resources ~~shall~~will be considered. The Santa Fe Conservation Trust ~~and will work with~~ the landowner ~~will work~~ to ensure that any construction taking place on the conservation easement ~~shall~~will, to the greatest practical extent, avoid or minimize adverse impact on any known significant cultural resources that are present on the property. This shared effort will include an archaeological evaluation of the conservation easement to 1) determine the potential existence of cultural values and 2) to establish a plan to protect those values if they do exist.

As a best practice, before an easement is finalized and prior to the conservation easement language being drafted, SFCT will conduct a preliminary archaeological assessment in conjunction with the routine site visit conducted by SFCT. This assessment will be performed for all conservation easements, whether or not cultural resources are part of the conservation values we're specifically protecting.

SFCT's preliminary archaeological review of each conservation easement may involve:

- 1) A desktop assessment compiling archaeological survey and site information for the conservation easement and surrounding areas that will use information from the New Mexico Cultural Resources Inventory System files maintained by the New Mexico Historic Preservation Division.
- 2) An informal field reconnaissance of proposed construction areas, building envelopes or other surface disturbance conducted by a professional archaeologist retained by SFCT to help evaluate the potential for archaeological resources.

The initial ~~survey~~assessment and documentation is information the landowner ~~and SFCT~~ can use to make a decision ~~as to~~about where to place the building envelope(s) or make adjustments regarding the placement of the building envelope(s). The intention of the ~~survey~~assessment is to prevent future potential problems for the landowner (and future landowners) with regard to location of building envelopes. It will also help avoid having

to amend the conservation easement at a future date should a building envelope need to be relocated.

While not mandatory, it is strongly suggested that any archaeological survey ~~should~~(see below) be done before a building envelope is designated so that in the event archaeological resources are found, a new site for the building envelope can be established.

The following language is to be included in SFCT's Template Deed of Conservation Easement and, to the extent possible in negotiation with landowners, in all future Deeds of Conservation Easements~~Easement~~:

Archeological Survey. Prior to any construction in the Building Envelope, the Landowner shall contract with a state permitted archeologist to conduct an archeological resource inventory of the Building Envelope that conforms with the standards and requirements of 4.10.15 NMAC Cultural Properties and Historic Preservation Standards for Survey and Inventory. Conformance with the state standards requires: a pre-inventory site files check, archaeological inventory field methods, site and isolated occurrence documentation including Laboratory of Anthropology forms, significance recommendations for any cultural resources found on the property, requisite report content and quality, and inventory registration, including registering the archeological survey in the New Mexico Cultural Resources Information System files and with the New Mexico Historic Preservation Division, Archaeological Records Management Section in Santa Fe. The Landowner shall submit the completed archeological survey to the Land Trust for review prior to construction. It is the intent of the parties that any construction shall, to the greatest practical extent, avoid or minimize any adverse impact on any cultural property identified by the archeological survey. For purposes of this Easement, and as stated in NMSA Sec. 47-12A-2(A), " 'cultural property' means a structure, place, site or object having historical, archaeological, scientific, architectural or other cultural significance deemed potentially eligible for inclusion in the national register of historic places."

~~3) A draft copy of the report will be submitted to the Santa Fe Conservation Trust for review and acceptance. Any comments, additions, or corrections will be addressed by the state-permitted archaeological consultant and a final copy of the report will be provided to the Santa Fe Conservation Trust and filed with the New Mexico Historic Preservation Division.~~

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4) ~~If the cultural resource is significant, the site will be set aside and provisions will be made for an archaeological preservation restriction that prohibits all ground disturbing activities without contacting the Santa Fe Conservation Trust. Santa Fe Conservation Trust may require an additional study guided by an archaeological treatment plan submitted by a state-permitted archaeologist that conforms to NMAC 4.10.16 Cultural Properties and Historic Preservation Standards for Excavation and Test Excavation. Following approval of the data recovery effort specified in the treatment plan by the Santa Fe Conservation Trust, the archeological work must be completed by a state-permitted archaeologist. Once the archeological work is completed, a preliminary report on the findings must be approved by the Santa Fe Conservation Trust. Once the preliminary report is approved, construction within the building envelope may proceed. A final report on the data recovery efforts must be submitted to the Santa Fe Conservation Trust within one year of the preliminary report approval date.~~

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SFCT follows New Mexico statute regarding confidentiality of all information regarding the nature, disposition, and location of cultural resources that are located within a conservation easement. Any information about cultural resources present within a conservation easement used within a Baseline Documentation Report or other legal documents relating to the conservation easement ~~shall~~will not be made available to the public and will be treated with the strictest confidentiality by SFCT.

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Brant Goodman, Secretary

Date

Santa Fe Conservation Trust Cash Disbursements Procedures

Adopted on: 7/11/2012

Updated on:

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The purpose of establishing these procedures is to create internal controls over the disbursement of cash. Due to the small size of the organization, it is recognized that optimal segregation of duties is not practicable; therefore, care is needed to assure transparency of all transactions. The objective is to balance the internal accounting control in such a way as to ensure public confidence and maintain the integrity of the financial systems and assets without unduly inhibiting the efficient operations of the organization.

1. All disbursements should be made either by pre-numbered check or by properly authorized electronic disbursement. No disbursements shall be made in cash, except for minor petty cash items (under \$100).
2. No checks should be made payable to cash, except to create or replenish petty cash, which can have a balance not to exceed \$200. All other checks should always be made payable to a specific person or organization.
3. Processing of vendor invoices and preparation of checks will be performed by the designated Bookkeeper, currently a role fulfilled by the Operations Manager. Check stock will be retained in the possession of the Bookkeeper in a lock box.
4. Prior to preparation of checks, or payment online, a vendor's invoice must be approved by either the Executive Director or a member of the Board of Directors. All invoices in excess of ~~\$5,000~~\$10,000 must be authorized by at least two such individuals.
5. The Bookkeeper may make vendor payments online if that method is more expedient. In such instances, vendors to be paid online must be approved by a written statement signed by the Executive Director and the Treasurer. These written authorizations shall be retained in the respective vendors' paid bill files.
6. After preparation of the check, or after payment online, each invoice should be marked "paid", to preclude duplicate payment. Additionally, the invoice should indicate the check number, the date of payment, and the account distribution to be charged. Payments made online should be identified as such on the paid invoice, or include a receipt of payment from the vendor.
7. There are four individuals authorized to sign checks. They are the Executive Director, the Chair of the Board, the Secretary and the Treasurer.

8. Checks in the amount of ~~\$5,000~~\$10,000 or more require two signatures. Checks under the amount of ~~\$5,000~~\$10,000 should not be signed solely by the Treasurer, as he or she shall review reconciliation of bank statements. (See item #12 below)
9. In no instance should blank checks be pre-signed for expediency, as this defeats the purpose of internal control procedures.
10. Checks should be mailed promptly once signed, and not retained in desk drawers or other office locations.
11. Voided checks should be retained and filed. Voided checks may be destroyed after seven years.
12. Bank statements and cancelled check documentation should go to the designated Financial Overseer, for reconciliation and the Treasurer should review reconciliation.
13. All employees should submit timely expense reports for expenditures incurred on behalf of the organization. If the employee has possession of a SFCT corporate credit card, this card should be used for all SFCT business expenditures and only for the purchase of items for the business. An employee with a SFCT corporate credit card should not use personal credit cards for SFCT business purposes. In this manner, commingling of personal and business charges on the same statement is eliminated, and checks are written solely to pay month-end statements, not individual expense chits.

Addendum: Credit Card Policy for the Santa Fe Conservation Trust

1. Cardholder must have prior written approval from the Executive Director, or other account signatory if expense is over \$500.
2. Credit card receipts must be placed in the "Receipts" file on the Bookkeeper's Desk with employee's name, purpose of the expense and any other details that would help identify the purchase.
3. No personal use permitted.
4. On the reconciliation, identify if expense is coming out of general operating or some other restricted fund.
5. Credit card balances will be paid in full each month.

~~Revised February 26, 2020 and effective immediately~~

Brant Goodman, Secretary

Date

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Renewal Board Resolution

The following resolution must be adopted by the board of directors of the applicant organization and submitted as part of the final application. The blank spaces should be filled in with the applicant organization's name. See the Applicant Handbook for complete application instructions.

Board Resolution

Whereas the board of directors of _____ supports this renewal application for accreditation by the Land Trust Accreditation Commission; and,

Whereas _____ understands that by applying for accreditation renewal it continues its commitment to be joined with land conservation organizations around the country that are united by strong ethical practices and a commitment to sound transactions and the stewardship of land and conservation easements; and,

Whereas _____ understands that as a member of the accredited land trust community it is responsible for helping to maintain the credibility of the accreditation program;

Now, therefore be it resolved by the board of directors of _____:

THAT, we agree to uphold high standards of ethics in implementing our mission and in our governance and operations.

THAT, we agree our organization will continue to implement Land Trust Standards and Practices as long as it is accredited.

THAT, we agree our organization will abide by the Renewal Accreditation Agreement it signed and will comply with published accreditation program requirements.

THAT, we agree as an accredited organization we will do our best to ensure that the actions of our organization help to maintain the credibility of the accreditation program.

_____ date adopted

_____ signature and title of Secretary or Clerk

_____ printed name of signatory

SFCT Accreditation Renewal Dates

- **Registration opens** July 29, 2024 **closes** September 26, 2024
- **Pre-application** due October 30, 2024
- **Main Application** due February 5, 2025

SFCT Re-Accreditation Ad-Hoc Committee

Starting June 2024, then monthly through mid-2025 from 3-4 pm on the following Mondays:

June 24; July 22; August 26; Sept. 23; Oct. 28; Nov. 18; and Dec. 16.

Al Reed

Quinn Simons

Sarah Noss

Melissa Houser

Dennis Romero

Santa Fe Conservation Trust
Statement of Financial Position
As of July 31, 2024

	<u>Jul 31, 24</u>	<u>Jul 31, 23</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
1020 · Century Checking 0255	187,011	167,371	19,640
1040 · Schwab Investment Acct -0185			
1041 · Operating Reserve	464,379	470,966	-6,587
1042 · Special Initiatives Fund	185,006	162,350	22,656
1043 · Stewardship & Defense	1,030,456	828,159	202,297
1044 · Conservation Homestead S&D	262,944	236,685	26,260
Total 1040 · Schwab Investment Acct -0185	<u>1,942,786</u>	<u>1,698,161</u>	<u>244,626</u>
1050 · Schwab Money Mkt -6333			
1051 · OpRes Money Mkt	401,958	510,275	-108,317
1052 · Spec Init Money Mkt	88,789	180,482	-91,693
1053 · CH Tax Credit	181,970	0	181,970
Total 1050 · Schwab Money Mkt -6333	<u>672,717</u>	<u>690,757</u>	<u>-18,040</u>
1060 · Schwab Endmt Account -5995	1,184,961	1,067,370	117,591
1090 · Petty Cash	200	200	0
Total Checking/Savings	<u>3,987,676</u>	<u>3,623,859</u>	<u>363,817</u>
Accounts Receivable			
1200 · Accounts Receivable	52,903	73,500	-20,597
Total Accounts Receivable	<u>52,903</u>	<u>73,500</u>	<u>-20,597</u>
Other Current Assets			
1250 · Prepaid Expenses	17,171	7,667	9,504
1499 · Undeposited Funds	2,374	3,118	-744
Total Other Current Assets	<u>19,545</u>	<u>10,785</u>	<u>8,760</u>
Total Current Assets	<u>4,060,124</u>	<u>3,708,144</u>	<u>351,980</u>
Fixed Assets			
1610 · Fee Land	3,634,166	3,633,836	330
1615 · Planning Fees	22,130	22,130	0
1640 · Furniture, Fixtures & Equip.	4,493	4,493	0
1650 · Vehicle	17,000	17,000	0
1690 · Accumulated Depreciation	-21,493	-21,493	0
1695 · Accum. Amortization	-4,303	-2,827	-1,475
Total Fixed Assets	<u>3,651,994</u>	<u>3,653,138</u>	<u>-1,145</u>
Other Assets			
1700 · Security Deposits	2,500	2,500	0
1900 · SFCF Endowments			
1910 · SFCF Stewardship Fund			
1912 · Principal Fund Balance	117,031	113,737	3,294
Total 1910 · SFCF Stewardship Fund	<u>117,031</u>	<u>113,737</u>	<u>3,294</u>
1920 · SFCF Easement Fund			
1922 · Principal Fund Balance	40,026	38,897	1,128
Total 1920 · SFCF Easement Fund	<u>40,026</u>	<u>38,897</u>	<u>1,128</u>
Total 1900 · SFCF Endowments	<u>157,057</u>	<u>152,634</u>	<u>4,423</u>
Total Other Assets	<u>159,557</u>	<u>155,134</u>	<u>4,423</u>
TOTAL ASSETS	<u><u>7,871,674</u></u>	<u><u>7,516,416</u></u>	<u><u>355,258</u></u>

Santa Fe Conservation Trust
Statement of Financial Position
As of July 31, 2024

	<u>Jul 31, 24</u>	<u>Jul 31, 23</u>	<u>\$ Change</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	21,955	44,351	-22,396
Total Accounts Payable	<u>21,955</u>	<u>44,351</u>	<u>-22,396</u>
Credit Cards			
2001 · Century MC -5276	5,371	7,379	-2,009
Total Credit Cards	<u>5,371</u>	<u>7,379</u>	<u>-2,009</u>
Other Current Liabilities			
2010 · Payroll Liabilities			
2020 · Accrued Liabilities	10,960	8,424	2,536
2030 · Accrued Compensated Absences	10,504	6,418	4,086
2070 · SUTA Payable	341	32	308
2100 · Retirement Payable	329	253	76
Total 2010 · Payroll Liabilities	<u>22,134</u>	<u>15,127</u>	<u>7,007</u>
2200 · Pass Through Payables			
2212 · Trails Alliance of Santa Fe	699	2,415	-1,716
2220 · Core Crew	2,538	2,538	0
2230 · UWARM	959	959	0
Total 2200 · Pass Through Payables	<u>4,196</u>	<u>5,912</u>	<u>-1,716</u>
Total Other Current Liabilities	<u>26,330</u>	<u>21,039</u>	<u>5,290</u>
Total Current Liabilities	<u>53,655</u>	<u>72,769</u>	<u>-19,114</u>
Total Liabilities	<u>53,655</u>	<u>72,769</u>	<u>-19,114</u>
Net Assets			
3010 · Without Donor Restrictions	4,831,574	4,523,100	308,474
3100 · Board Designated Net Assets	273,795	342,832	-69,037
3200 · With Donor Restrictions			
3210 · Temp Restricted Net Assets	204,903	164,614	40,289
3230 · Stewardship & Defense	1,030,456	828,159	202,297
3240 · Conservation Homestead S&D	262,944	236,685	26,260
3250 · Thaw Endowment	1,184,961	1,067,370	117,591
3260 · SFCF Endowments	159,089	152,634	6,455
Total 3200 · With Donor Restrictions	<u>2,842,353</u>	<u>2,449,462</u>	<u>392,892</u>
Net Income	<u>-129,704</u>	<u>128,253</u>	<u>-257,956</u>
Total Net Assets	<u>7,818,019</u>	<u>7,443,647</u>	<u>374,372</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>7,871,674</u></u>	<u><u>7,516,416</u></u>	<u><u>355,258</u></u>

Santa Fe Conservation Trust
Statement of Activities Budget vs. Actual
January through July 2024

	Jan - Jul 24	Budget	\$ Over Budget
Operating Income/Expense			
Income			
4000 · Contributions & Gifts			
4010 · General Gifts	150,104	122,500	27,604
4020 · Restricted Gifts	3,500	29,167	-25,667
4060 · Mid-Year Appeal	175	10,000	-9,825
Total 4000 · Contributions & Gifts	153,779	161,667	-7,887
4100 · Grants			
4110 · Unrestricted Grants	50,000	86,188	-36,188
4120 · Restricted Grants	71,608	84,788	-13,180
4130 · Government Grants	37,627	146,708	-109,081
Total 4100 · Grants	159,235	317,683	-158,449
4900 · In-Kind Contributions	700	700	0
5000 · Program Service Revenue			
5010 · Project Fees	135	4,667	-4,532
5020 · Easement Fees	0	26,658	-26,658
5080 · Point of Entry Events	19,085	14,583	4,501
Total 5000 · Program Service Revenue	19,220	45,908	-26,689
5500 · Fundraising Events			
5530 · Banff Film Festival			
5531 · Banff Gift Revenue	36,485	45,000	-8,515
5532 · Banff Non-Gift Revenue	13,077	16,000	-2,923
5533 · Banff Expenses	-13,687	-16,000	2,313
Total 5530 · Banff Film Festival	35,876	45,000	-9,124
5560 · Fundraiser Event			
5561 · Fundraiser Gift Revenue	36,453	25,000	11,453
5562 · Fundraiser Non-Gift Revenue	0	4,000	-4,000
5563 · Fundraiser Expenses	-46,767	-40,000	-6,767
Total 5560 · Fundraiser Event	-10,315	-11,000	685
Total 5500 · Fundraising Events	25,561	34,000	-8,439
Total Income	358,494	559,958	-201,464
Gross Revenue	358,494	559,958	-201,464
Expense			
7000 · Personnel			
7010 · Officer & Director Salaries	73,373	73,373	0
7020 · Other Employee Salaries	305,035	305,035	0
7030 · Retirement Contributions	10,488	10,488	-0
7040 · Employee Healthcare	50,764	50,631	133
7050 · Payroll Taxes	42,699	42,693	5
Total 7000 · Personnel	482,358	482,220	138
7100 · Contract Services			
7120 · Legal Fees	0	525	-525
7130 · Accounting Services	11,455	8,910	2,544
7160 · Professional Services	12,444	9,917	2,528
Total 7100 · Contract Services	23,899	19,352	4,547
7200 · Gifts	141	758	-618
8000 · Occupancy			
8010 · Rent	22,050	19,250	2,800
8020 · Utilities	1,002	1,196	-193
8030 · Telephone & Internet	2,665	2,917	-252
Total 8000 · Occupancy	25,717	23,363	2,355

Santa Fe Conservation Trust
Statement of Activities Budget vs. Actual
January through July 2024

	Jan - Jul 24	Budget	\$ Over Budget
8100 · Office Expenses			
8110 · Supplies	1,446	1,458	-12
8120 · Postage	759	2,188	-1,428
8130 · Printing & Production	8,833	9,042	-209
8140 · Equip. Lease & Maint.	1,648	1,983	-335
Total 8100 · Office Expenses	12,687	14,671	-1,984
8200 · Business Expenses			
8210 · Advertising	3,574	4,667	-1,092
8220 · Information Technology	1,144	2,917	-1,773
8260 · Insurance	7,267	6,417	850
8270 · Licenses & Fees	2,393	6,708	-4,315
Total 8200 · Business Expenses	14,378	20,708	-6,330
8300 · Travel & Meetings			
8310 · Vehicle & Travel	1,070	1,750	-680
8320 · Events & Meetings	18,337	9,625	8,712
Total 8300 · Travel & Meetings	19,407	11,375	8,032
9000 · Mission Program Expenses			
9100 · Land Program			
9110 · CE Expenses	16,960	73,792	-56,831
9120 · CE Stewardship Expenses	13,806	12,093	1,714
9130 · Land Trust Alliance	7,532	14,000	-6,468
9140 · CE Insurance	3,318	3,208	110
9150 · Fee Land Expenses	55,589	108,092	-52,502
9160 · Land Legal Fees	5,098	12,833	-7,735
Total 9100 · Land Program	102,304	224,018	-121,714
9500 · Trails Program			
9510 · Maintenance & Construction	858	4,667	-3,809
Total 9500 · Trails Program	858	4,667	-3,809
9700 · Community Conservation			
9705 · Dark Skies Expenses	78	2,917	-2,839
9710 · Passport to Trails	2,176	3,500	-1,325
9720 · Vamonos	22,553	5,833	16,719
9730 · Point of Entry Events	5,417	6,125	-708
9740 · Safe Routes to School			
9742 · SRTS Misc	178	178	0
Total 9740 · Safe Routes to School	178	178	0
9750 · Education & Training	274	700	-426
Total 9700 · Community Conservation	30,675	19,253	11,422
9900 · In-Kind Facilities	700	700	0
Total 9000 · Mission Program Expenses	134,537	248,637	-114,100
Total Expense	713,123	821,084	-107,961
Net Operating Income	-354,629	-261,126	-93,503
Non-Operating Income/Expense			
Other Income			
10000 · Investment Income & Expense			
10010 · Investment Change in Value	160,843	0	160,843
10030 · Interest & Dividends	66,410	0	66,410
10040 · Investment Management Fees	-2,328	0	-2,328
Total 10000 · Investment Income & Expense	224,925	0	224,925
Total Other Income	224,925	0	224,925
Net Non-Operating Income	224,925	0	224,925
Net Income	-129,704	-261,126	131,422

Santa Fe Conservation Trust
Statement of Cash Flows
January through July 2024

	<u>Jan - Jul 24</u>
OPERATING ACTIVITIES	
Net Income	-129,704
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 - Accounts Receivable	143,662
1250 - Prepaid Expenses	-4,258
2000 - Accounts Payable	1,746
2001 - Century MC -5276	1,357
2010 - Payroll Liabilities:2070 - SUTA Payable	325
2200 - Pass Through Payables:2212 - Trails Alliance of Santa Fe	-1,071
Net cash provided by Operating Activities	<u>12,056</u>
INVESTING ACTIVITIES	
1610 - Fee Land	-330
Net cash provided by Investing Activities	<u>-330</u>
FINANCING ACTIVITIES	
3010 - Without Donor Restrictions	-148,759
3100 - Board Designated Net Assets	-54,365
3200 - With Donor Restrictions:3230 - Stewardship & Defense	107,761
3200 - With Donor Restrictions:3240 - Conservation Homestead S&D	17,788
3200 - With Donor Restrictions:3250 - Thaw Endowment	77,575
Net cash provided by Financing Activities	<u>0</u>
Net cash increase for period	<u>11,726</u>
Cash at beginning of period	<u>3,978,324</u>
Cash at end of period	<u><u>3,990,049</u></u>

SANTA FE CONSERVATION TRUST

A Non Profit Corporation

Financial Statements

For the Years Ended December 31, 2023 and 2022

With Independent Auditor's Report Thereon

SANTA FE CONSERVATION TRUST

Financial Statements
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Santa Fe Conservation Trust

Opinion

We have audited the accompanying financial statements of Santa Fe Conservation Trust (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Santa Fe Conservation Trust as of December 31, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Santa Fe Conservation Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other-Matter – Supplementary Information

We also draw attention to the Schedule of Conservation Easements Received (Unaudited) which is presented for purposes of additional analysis and is not a required part of the basic financial statements. We accordingly do not express an opinion on the supplementary information referred to above.

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 Santa Fe Conservation 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 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, 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 Santa Fe Conservation 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 Santa Fe Conservation 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.

Santa Fe, New Mexico
July 31, 2024

SANTA FE CONSERVATION TRUST
Statements of Financial Position
For the Years Ended December 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets, note 2		
Cash and cash equivalents, note 3	\$ 335,034	\$ 459,872
Restricted cash for stewardship, notes 10 and 18	35,266	34,289
Contracts, grants, and contributions receivable, note 9	196,565	216,605
Prepaid expenses	12,913	3,029
Total current assets	<u>579,778</u>	<u>713,795</u>
Non-current assets		
Land, planning, and fixed assets, net, note 12	3,651,663	3,653,139
Deposits and advances	2,500	2,500
Cash held for fiscal agency funds, note 5	5,267	6,815
Right-of-use operating lease asset, note 15	220,395	249,196
Operating investments, note 3	1,137,168	729,628
Restricted for stewardship, easements, and in perpetuity, notes 10, 13 and 17:		-
Beneficial interest in trust held by a community foundation	157,057	145,138
Investments for stewardship	887,429	604,810
SFCT endowment funds perpetual in nature	1,250,000	1,229,739
Board designated for stewardship and special initiatives, note 17	328,160	296,867
Total non-current assets	<u>7,639,639</u>	<u>6,917,832</u>
Total assets	<u>\$ 8,219,417</u>	<u>\$ 7,631,627</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	\$ 46,033	\$ 60,221
Cash held for fiscal agency funds, note 5	5,267	6,815
Total current liabilities	<u>51,300</u>	<u>67,036</u>
Non-current liabilities		
Right-of-use operating lease liability, note 15	220,395	249,196
Total non-current liabilities	<u>220,395</u>	<u>249,196</u>
Total liabilities	<u>271,695</u>	<u>316,232</u>
Net assets, note 2		
Without donor restrictions		
Undesignated	1,433,245	1,186,799
Invested in land, planning, and fixed assets	3,651,663	3,653,139
Board designated for stewardship and special initiatives, note 17	328,160	296,867
Total net assets without restrictions	<u>5,413,068</u>	<u>5,136,805</u>
With donor restrictions, notes 10, 13, and 17:		
Grants and contributions	204,902	164,614
Restricted cash for stewardship	35,266	34,289
Beneficial interest in trust held by a community foundation	157,057	145,138
Investments for stewardship	887,429	604,810
SFCT endowment funds perpetual in nature	1,250,000	1,250,000
Underwater endowment fund	-	(20,261)
Total restricted net assets	<u>2,534,654</u>	<u>2,178,590</u>
Total net assets	<u>7,947,722</u>	<u>7,315,395</u>
Total liabilities and net assets	<u>\$ 8,219,417</u>	<u>\$ 7,631,627</u>

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, <i>note 2</i>			
Contributions and grants	\$ 587,084	\$ 107,145	\$ 694,229
Government grants and contracts	91,294	132,723	224,017
Project fees	257,276	-	257,276
Special events, net, <i>note 18</i>	145,725	-	145,725
Total operating revenues	1,081,379	239,868	1,321,247
Net assets released from restrictions	199,579	(199,579)	-
Total operating revenues after release from restrictions	1,280,958	40,289	1,321,247
Operating expenses			
<i>Programmatic services:</i>			
Mission	867,587	-	867,587
Development	92,439	-	92,439
<i>Supporting services:</i>			
Management and general	92,439	-	92,439
Total operating expenses	1,052,465	-	1,052,465
Change in net assets from operating activities	228,493	40,289	268,782
Non-operating support			
Interest and dividends	99,610	-	99,610
Net realized and unrealized income on investments, net of fees	(53,040)	315,775	262,735
In-kind contributions, <i>note 16</i>	1,200	-	1,200
Total non-operating support	47,770	315,775	363,545
Total change in net assets	276,263	356,064	632,327
Net assets, beginning of year	5,136,805	2,178,590	7,315,395
Net assets, end of year	\$ 5,413,068	\$ 2,534,654	\$ 7,947,722

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST
Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, <i>note 2</i>			
Contributions and grants	\$ 696,000	\$ 124,200	\$ 820,200
Government grants and contracts	205,782	-	205,782
Project fees	46,885	-	46,885
Special events, net, <i>note 18</i>	116,733	-	116,733
Total operating revenues	1,065,400	124,200	1,189,600
Net assets released from restrictions	140,820	(140,820)	-
Total operating revenues after release from restrictions	1,206,220	(16,620)	1,189,600
Operating expenses			
<i>Programmatic services:</i>			
Mission	699,271	-	699,271
Development	73,176	-	73,176
<i>Supporting services:</i>			
Management and general	73,176	-	73,176
Total operating expenses	845,622	-	845,623
Change in net assets from operating activities	360,598	(16,620)	343,977
Non-operating support			
Interest and dividends	68,068	-	68,068
Net realized and unrealized income on investments, net of fees	(166,462)	(160,309)	(326,771)
In-kind contributions, <i>note 16</i>	1,408	-	1,408
Total non-operating support	(96,986)	(160,309)	(257,295)
Total change in net assets	263,612	(176,929)	86,683
Net assets, beginning of year	4,873,193	2,355,519	7,228,712
Net assets, end of year	<u>\$ 5,136,805</u>	<u>\$ 2,178,590</u>	<u>\$ 7,315,395</u>

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST

Statements of Functional Expenses
For the Year Ended December 31, 2023

	<u>Programmatic Services</u>		<u>Management and General</u>	<u>Total</u>
	<u>Mission</u>	<u>Development</u>		
Salary and related expenses				
Salaries	\$ 446,049	\$ 62,903	\$ 62,903	\$ 571,855
Payroll taxes	33,486	4,722	4,722	42,930
Employee benefits	53,321	7,520	7,520	68,361
Total personnel expenses	<u>532,856</u>	<u>75,145</u>	<u>75,145</u>	<u>683,146</u>
Other expenses				
Advertising	4,202	593	593	5,388
Equipment lease and maintenance	3,225	455	455	4,135
Events, meetings, and conferences	10,743	1,515	1,515	13,773
Gifts	782	110	110	1,002
Information technology	5,875	829	829	7,533
Insurance	7,527	1,062	1,062	9,651
Investment fees	2,587	647	647	3,881
Licenses and fees	8,855	1,249	1,249	11,353
Occupancy	26,892	3,791	3,791	34,474
Postage	3,037	428	428	3,893
Printing and production	12,815	1,807	1,807	16,429
Professional services	25,129	3,544	3,544	32,217
Supplies	2,494	352	352	3,198
Trails, easements, and outreach	210,633	-	-	210,633
Telephone & internet	3,779	533	533	4,845
Travel	6,322	892	892	8,106
Total other expenses	<u>334,897</u>	<u>17,807</u>	<u>17,807</u>	<u>370,511</u>
Total salary and other expenses before non-cash expenses	<u>867,753</u>	<u>92,952</u>	<u>92,952</u>	<u>1,053,657</u>
Non-cash expenses				
Bad debt expense	10	2	2	14
In-kind expenses	936	132	132	1,200
Depreciation and amortization	1,475	-	-	1,475
Total non-cash expenses	<u>2,421</u>	<u>134</u>	<u>134</u>	<u>2,689</u>
Total functional expenses	<u>870,174</u>	<u>93,086</u>	<u>93,086</u>	<u>1,056,346</u>
Less expenses included on statement of activities				
Investment fees	(2,587)	(647)	(647)	(3,881)
Total expenses shown on statement of activities	<u>\$ 867,587</u>	<u>\$ 92,439</u>	<u>\$ 92,439</u>	<u>\$ 1,052,465</u>

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST

Statements of Functional Expenses
For the Year Ended December 31, 2022

	Programmatic Services		Management and General	Total
	Mission	Development		
Salary and related expenses				
Salaries	\$ 287,576	\$ 50,520	\$ 50,520	\$ 388,616
Payroll taxes	21,962	3,858	3,858	29,678
Employee benefits	32,558	5,720	5,720	43,998
Total personnel expenses	342,096	60,098	60,098	462,292
Other expenses				
Advertising	511	90	90	691
Equipment lease and maintenance	1,708	300	300	2,308
Events, meetings, and conferences	977	171	171	1,319
Gifts	814	143	143	1,100
Information technology	2,304	405	405	3,114
Insurance	7,201	1,265	1,265	9,731
Investment fees	2,510	354	354	3,218
Licenses and fees	4,610	810	810	6,230
Occupancy	27,956	4,911	4,911	37,778
Postage	2,180	383	383	2,946
Printing and production	10,238	1,799	1,799	13,836
Professional services	10,775	1,893	1,893	14,561
Supplies	2,025	355	355	2,735
Trails, easements, and outreach	166,440	-	-	166,440
Travel	1,397	245	245	1,887
Total other expenses	241,646	13,124	13,124	267,894
Total salary and other expenses before non-cash expenses	583,742	73,222	73,222	730,186
Non-cash expenses				
Bad debt expense	6,301	1,107	1,107	8,515
In-kind expenses	2,310	427	427	3,164
Depreciation and amortization	1,037	181	181	1,399
Total non-cash expenses	9,648	1,715	1,715	13,078
Total functional expenses	593,390	74,937	74,937	743,264
Less expenses included on statement of activities				
Investment fees	(2,510)	(354)	(354)	(3,218)
Total expenses shown on statement of activities	\$ 590,880	\$ 74,583	\$ 74,583	\$ 740,046

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 632,327	\$ 86,683
Adjustments to reconcile the change in net assets to net cash flows provided by operating activities:		
Depreciation and amortization	1,475	1,475
Unrealized (gain)/loss on investments	(340,488)	270,602
Changes in assets and liabilities:		
Contracts, grants, and contributions receivable	20,040	(19,580)
Prepaid expenses	(9,884)	3,586
Accounts payable	(14,188)	(1,676)
Net cash flows provided by operating activities	<u>289,282</u>	<u>341,090</u>
Cash flows from investing activities:		
Purchases of investments	(513,877)	(1,640,935)
Proceeds from investments	370,945	803,775
Net cash flows used by investing activities	<u>(142,932)</u>	<u>(837,160)</u>
Net change in cash, cash equivalents, and restricted cash	146,350	(496,070)
Cash, cash equivalents, and restricted cash beginning of year	<u>1,012,086</u>	<u>1,508,156</u>
Cash, cash equivalents, and restricted cash end of year	<u><u>\$ 1,158,436</u></u>	<u><u>\$ 1,012,086</u></u>
Supplemental disclosures:		
Interest paid	-	-
Taxes paid	-	-
Non-cash investing activity:		
Donated stock	15,066	180
	<u><u>\$ 15,066</u></u>	<u><u>\$ 180</u></u>

The Accompanying Notes Are An Integral Part of These Financial Statements

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(1) Organization and Nature of Activities

Santa Fe Conservation Trust (SFCT) is a charitable, not-for-profit organization that partners with its community to keep northern New Mexico's living lands and people flourishing together. SFCT protects culturally and environmentally significant landscapes, ignites people's passion for nature and enables the continual regeneration of northern New Mexico's healthy place.

Programs and services. During the year ended December 31, 2023 and 2022, SFCT incurred program and service expenses in the following major categories:

Land Conservation - SFCT works to identify and protect the most important and threatened lands in Santa Fe, Rio Arriba and San Miguel Counties in northern New Mexico. SFCT uses a variety of land protection methods to achieve its conservation goals, including conservation easements, fee donations and acquisitions, land exchanges and management agreements. SFCT uses evaluation and selection criteria to assess the status of conservation values, the threats to these values and the potential for their successful conservation on each of the properties it works to protect.

Land Stewardship - SFCT provides stewardship for all its land and easement holdings through baseline assessment, management planning, monitoring, and legal defense. Annual monitoring is completed to ensure landowner compliance with the terms of the easements and that the conservation values are being adequately protected. Stewardship gifts are accepted into a donor restricted stewardship fund as lands and easements are conserved. This fund is comingled with the operating reserve and the board-designated special initiatives fund for investment purposes. Separate balances are maintained for balance sheet purposes. The Stewardship and Defense fund is used to provide for future annual monitoring expenses as well as the future potential costs of restoration, and the legal defense of its land and easement holdings.

The Galisteo Property - SFCT is showcasing the power of conservation in the Galisteo Basin at SFCT's Galisteo Property. In March 2020, thanks to the support of the Eugene V. and Clare E. Thaw Charitable Trust, SFCT was able to purchase this 300-acre parcel in the Galisteo Basin that, had it been developed, would have created a housing cluster in an otherwise wide-open landscape. Surrounded by almost 6,000 acres of adjoining SFCT conservation easements, the purchase of the Galisteo Property is a huge leap forward in protecting a wildlife corridor from the Galisteo Property to the headwaters of the watershed in the Sangre de Cristo Mountains. The Thaw Charitable Trust wanted to see the land return to a more natural state, so part of their support helped SFCT address the health of the land by reseeding the homestead area to revive the grasslands to support habitat for wildlife and migratory birds. Workshops and workdays on land restoration techniques teach trail builders and other landowners how to mitigate the effects of climate change on a wider level. Four miles of trails have been constructed and a half-mile accessible loop is being designed to allow for public access. These trails will connect to a nearby 50-mile trail system in the Galisteo Basin Preserve. SFCT finalized the 10-year stewardship plan, and placed a conservation easement on the property in 2021.

Public Outreach - SFCT increases awareness about the benefits of private land conservation and the mission of SFCT. SFCT dedicates time to serving as an information resource, conducting outreach and engaging in relevant policy and legislative initiatives. SFCT's outreach efforts target landowners, their advisors, community groups, conservation organizations and public agencies.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(1) Organization and Nature of Activities (Continued)

Accreditation - In 2014, SFCT became accredited by the Land Trust Alliance, the national organization that works with land trusts nationwide on improving their nonprofit organizations and strengthening their conservation work. It is a rigorous process which looks at every aspect of the nonprofit, from its policies and procedures, to its land transactions and financials. Accredited land trusts must renew their status every five years and show compliance with the Land Trust Alliance's Standards and Practices. Accreditation means there is third party verification that SFCT operates legally, ethically and in the public interest, with a sound program of land transactions and land stewardship to ensure its long-term sustainability. SFCT was awarded accreditation renewal in 2019, continuing its commitment to transparency and accountability.

Trails Program - SFCT has been involved in the creation of over 80 miles of trails, including: the Dale Ball Trails, Atalaya Trail, Santa Fe Rail Trail, The Spur Trail, La Tierra Trails, La Piedra Trail and, along with Commonweal Conservancy, the Galisteo Basin Preserve Trails. SFCT Trails Program works in partnership with the City of Santa Fe and its volunteer group, along with other entities, to coordinate trail development and construction, organize volunteer trail work, identify and prioritize trail linkages, promote the trails, and provide the public with trail information and access through educational programs and events. SFCT is also leading a partnership support for the Grand Unified Santa Fe Trail Organization (GUSTO). SFCT is in charge of convening partners, researching and mapping existing trails, identifying gaps and opportunities for new trails, and prioritizing and implementing the trail connections that are identified in the planning process. The vision of the GUSTO initiative is an interconnected system of natural-surface trails that allows non-motorized users to travel in a loop around the greater Santa Fe area, as well as between the city center and the periphery. The GUSTO Initiative has brought together many community partners who aim to have a unified, sustainable trail system around the entire metropolitan area.

Community Conservation - Because conservation easements are permanent and run with the land, SFCT must monitor and enforce its conservation easements forever. This duty of perpetual care presents unique challenges to land trusts everywhere. SFCT must have broad community support to ensure its longevity and viability. SFCT is working to strengthen the organization through the implementation of "community conservation programs" that help SFCT broaden and diversify its constituency. SFCT programs are designed to give everyone outdoor experiences that will help them become passionate defenders of nature and of conservation. SFCT's legacy of trails work is the natural way to implement community conservation programs. As such, SFCT offers programs to ensure equitable access to nature and Santa Fe's trail resources. Since 2014, SFCT has introduced over 4,600 south side kids and their families to Santa Fe's trail system (Passport to Trails). In 2018, SFCT started an in-town walking program (Vamonos: Santa Fe Walks) for those whose access to nature is more challenging: the elderly, infirm, transportation limited, immigrant community, or to those afraid to walk alone. Through 2023, SFCT had 2,250 people walk on these trails, ranging in age from 98 to 2 years old. By working to ignite a passion for nature in everyone and give them access to the foothill trails and urban trails, SFCT works to improve public health, build community on the trails and create the next generation of conservationists while promoting access to the life-enhancing qualities of the outdoors.

Safe Routes - Santa Fe Conservation Trust completed the "Safe Routes to School" pilot program – the promotion of walking and bicycling to school – through a federally-funded contract with the City

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(1) Organization and Nature of Activities (Continued)

complemented by efforts of staff of the Santa Fe Metropolitan Planning Organization, Santa Fe Public Schools, and other partners. The objective of Santa Fe Safe Routes to School (SRTS) was to establish a city-wide SRTS Action Plan founded on development of pilot activities in the areas of the “Four Es” – Education, Encouragement, Enforcement, and Engineering, along with additional emphasis on Equity and Evaluation. The end result after two years was a funded and sustainable community-wide SRTS program adopted by Santa Fe Public Schools with a full-time investment coordinator implementing it throughout Santa Fe's K-12 public schools. Encouraging Santa Fe's families to walk or ride a bicycle in the community was a natural extension of SFCT's “community conservation” approach. Just like the natural-surface, recreational trails that SFCT has helped develop and maintain in public and private open space in practically every direction from town, the walkways and bikeways where we live, work, and go to school represent opportunities for healthier people, environment, and economy for Santa Fe.

(2) Summary of Significant Accounting Principles

This summary of significant accounting policies of SFCT is presented to assist in the understanding of SFCT's financial statements. The financial statements and notes are the representations of SFCT's management who is responsible for their integrity and objectivity.

Recent Accounting Pronouncements. SFCT adopted the following accounting pronouncements which were effective during the year ending December 31, 2021:

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958). The ASU clarifies the scope and the accounting guidance for contributions received and contributions made. The ASU is designed to help entities evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions, and determining whether a contribution is conditional. The ASU will not have a material impact on SFCT's financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820). The ASU changed the disclosure requirements for assets and liabilities accounted for at fair value. The ASU will not have a material impact on SFCT's financial statements.

In January 2022, SFCT adopted ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. SFCT elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, SFCT recognized right-of-use assets of \$249,196 and lease liabilities totaling \$249,196 in its statement of financial position as of December 31, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2022.

Functional Expense Allocation. The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(2) Summary of Significant Accounting Principles (Continued)

expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated on the basis of time and effort.

Contracts, Grants, and Contributions Receivable (Receivables). Contributions and pledge receivables are recognized on the date a donor makes an unconditional promise to give to SFCT. SFCT records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years 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. SFCT determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. Management feels that all receivables are fully collectible and, accordingly, no allowance for uncollectible accounts is considered necessary.

Land and Fixed Assets. SFCT capitalizes expenditures over \$5,000 with a useful life greater than one year. Property and equipment are recorded at cost if purchased or fair value if donated. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets or lease term, whichever is shorter. The estimated useful life of all fixed assets is five years.

Investments. SFCT records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Beneficial Interest in Assets Held by a Community Foundation. SFCT has established and names itself beneficiary of two endowment funds held and managed by the Santa Fe Community Foundation (Foundation). The endowment funds are held and invested by the Foundation for SFCT's benefit and are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

Endowments. On December 17, 2021, SFCT was granted \$1,000,000 and \$250,000 of corpus endowment funding by the Eugene V. and Clare E. Thaw Charitable Trust to remain permanently restricted in perpetuity (see note 13).

Basis of Presentation. SFCT's financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities, Presenting Financial Statements. Under ASC 958-205, SFCT is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Basis of Accounting. The financial statements of SFCT are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(2) Summary of Significant Accounting Principles (Continued)

Cash Flow Information. SFCT considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Net Assets. Net assets are composed of the following:

Net Assets Without Donor Restrictions. Net assets that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or have been met.

The board has designated, from net assets without donor restrictions, net assets for special initiative outlays that the board considers appropriate.

Net Assets With Donor 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 those resources be maintained in perpetuity. SFCT reports contributions restricted by donors as increases in 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 to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. 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.

Revenue and Revenue Recognition.

Contributions. SFCT's programs are supported primarily by contributions and grants. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to SFCT are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts received with donor stipulations that limit the use of the donated assets are reported as support with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished by SFCT, restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

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 revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire equipment and other long-lived assets with such donor stipulations are recorded as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of the acquisition of such long-lived assets.

Donated Services and In-Kind Contributions. Volunteers contribute significant amounts of time

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(2) Summary of Significant Accounting Principles (Continued)

to SFCT's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. SFCT records donated professional services at the respective fair values of the services received.

Advertising. The cost of advertising is expensed in the year incurred.

Income Taxes. SFCT is organized as a New Mexico nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundation under IRC Sections 509(a)(1) and (3). SFCT is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, SFCT is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. SFCT has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. SFCT's open audit periods are 2018 through 2020.

SFCT evaluates uncertain tax positions in accordance with ASC 740 whereby the effect of the uncertainties in tax positions would be recorded if the outcome was considered probable and reasonably estimable. SFCT believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires SFCT to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk. SFCT manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, SFCT has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection. Investments are made by diversified investment managers whose performance is monitored by SFCT and the Finance Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, SFCT and the Finance Committee believe that the investment policies and guidelines are prudent for the long-term welfare of SFCT.

Risk Management. SFCT is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. SFCT has obtained commercial insurance coverage to protect itself against such losses.

Intangible Assets. SFCT capitalizes certain costs related to long-term planning for land projects. The cost of acquiring and developing intangible assets are amortized straight-line over the respective life of the asset.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(2) Summary of Significant Accounting Principles (Continued)

Subsequent Events. Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. SFCT's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued.

Leases. SFCT determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments of the lease term, and ROU assets also include prepaid or accrued rent. Additionally, any renewal options expressed in the lease are included in the determination of the ROU asset and liability when they are reasonably certain to be exercised. Operating lease expense is recognized on a straight-line basis over the lease term. SFCT has elected the short-term practical expedient and does not report ROU assets and lease 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.

(3) Information Regarding Liquidity and Availability

Principal Operating Account: SFCT strives to maintain operating reserves in a checking account at a level roughly equal to three months of working reserve. If the operating account falls below this threshold, the Finance Committee will consider transferring funds from the Operating Reserve. This account is not comingled for investment purposes.

Unrestricted Operating Reserves: SFCT also maintains an unrestricted operating reserve account. For investment management purposes, this account shall be managed according to the SFCT's primary and secondary objectives of capital preservation and growth which shall be combined with the two board restricted funds. Optimally, the unrestricted operating reserve will contain at least six months of working reserve.

The Unrestricted Operating Reserve Fund is available to make up any shortfalls in the SFCT's annual operating expenses. Disbursements from the Operating Reserve Fund to the Principal Operating Account shall be approved by the Finance Committee.

Based upon the needs of the organization, SFCT will manage the investment assets to ensure that collecting sufficient revenue will cover general expenditures within each fiscal year.

Budgeting: In addition to its financial assets, SFCT operates with a balanced budget, and anticipates collecting sufficient revenue to cover general expenditures within each fiscal year.

Financial assets available for general expenditure, that is, *without donor restrictions*, within one year of the date of the statement of financial position, comprise the following:

	2023	2022
Unrestricted cash and cash equivalents	\$ 335,034	\$ 459,872
Contracts, grants, and contributions receivable	196,565	216,605
Operating investments	1,137,168	729,628
	<u>\$ 1,668,767</u>	<u>\$ 1,406,105</u>

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(4) Employee Benefits

SFCT sponsors a tax-deferred SIMPLE IRA plan (the Plan) qualified under IRC Section 408(a) covering all employees. Employees are immediately eligible upon hire. Employees may defer the lesser of 100% of earned income or the contribution limit determined annually by the IRS. SFCT matches 100% of employee contributions up to 3% of employee's wages. Additional employer contributions are discretionary and are determined and authorized by the Board and Directors each plan year. During the years ended December 31, 2023 and 2022, SFCT matched employee voluntary contributions resulting in contributions to the plan of \$16,538 and \$13,705, respectively.

(5) Cash Held for Fiscal Agency Funds

SFCT acts as the fiscal agent for other organizations by providing sponsorship for smaller agencies with relative activities such as creating trails on easement properties. SFCT pays invoices for such activities and acts as a fiduciary for better tracking and stewardship of these projects.

	2023	2022
Trails Alliance of Santa Fe	\$ 1,770	\$ 3,318
Core Crew	2,538	2,538
Upper Watershed Alternative Recreation Management	959	959
	<u>\$ 5,267</u>	<u>\$ 6,815</u>

(6) Stewardship Commitment

Monitoring and, if necessary, legally defending the conservation lands and easements held by SFCT, and doing so in perpetuity, is an important aspect of SFCT's work. Current costs associated with SFCT's stewardship efforts are expensed as incurred and are composed of monitoring and defending easements, placing easements on properties, and purchasing fees associated with new properties. The costs of future obligations represent a commitment of SFCT and will be recorded as they are incurred.

(7) Conservation Easements

SFCT has acquired and holds a number of conservation easements and fee properties, each representing a legal interest in land owned by another person or entity, and representing SFCT's right to monitor and protect the land for conservation purposes. A property owner may sell or give away a bundle of rights to his or her property, or just a few of these rights. These may include, for example, the right to construct buildings, to subdivide the land, to restrict access, or to harvest timber. In order to give away certain rights while retaining others, a property owner grants an easement to an appropriate third party such as SFCT. SFCT evaluates each easement for its conservation values and then ensures that the terms of the easements will adequately protect and preserve these values.

SFCT has obtained conservation defense insurance that covers the cost of defending, including the cost of legal expenses, for claims or violations made on or against easements held by SFCT.

An easement runs with the property and is recorded at the appropriate records office so that all future owners and lenders will learn about the restrictions when they obtain a title report. The original owner or donor of the easement and all subsequent owners are bound by the restriction of the easement.

SFCT held 113 and 104 conservation easements and fee properties on approximately 46,620 and 45,445 acres of land at December 31, 2023 and 2022, respectively. These easements are held by

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(7) Conservation Easements, (Continued)

SFCT in perpetuity, and SFCT assumes the legal obligation to uphold and defend them. Accordingly, SFCT monitors the conservation easements and fee properties on a regular basis, and maintains records of communication, land use activities, and site inspections. See Note 17 for assets held for the stewardship and legal defense of conservation easements held by SFCT.

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 environmental land trusts, they are not recorded as assets in the financial statements.

(8) Related Party Transactions

SFCT received \$34,076 and \$43,521 in contributions from board members for the years ended December 31, 2023 and 2022, respectively.

(9) Contracts, Grants and Contributions Receivable

Contracts, grants and contributions receivable consisted of the following at December 31:

	2023	2022
Contracts	\$ 67,162	\$ 64,623
Easement agreements	51,903	55,117
Grants and contributions	77,500	96,865
Total contracts, grants, and contributions receivable	<u>\$ 196,565</u>	<u>\$ 216,605</u>

(10) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following a December 31:

	2023	2022
Grants and contributions	\$ 204,902	\$ 164,614
Restricted cash for stewardship	35,266	34,289
Beneficial interest in trust held by a community foundation	157,057	145,138
Investments for stewardship	887,429	604,810
SFCT endowment funds perpetual in nature	1,250,000	1,250,000
Underwater fund	-	(20,261)
Total net assets with donor restrictions	<u>\$ 2,534,654</u>	<u>\$ 2,178,590</u>

The grants and contributions funds have been received by SFCT but had not been spent as of year-end. SFCT closely monitors grant restrictions and has met all such grant requirements.

(11) Fair Value Measurements and Disclosures

SFCT reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market

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Notes to the Financial Statements

December 31, 2023 and 2022

(11) Fair Value Measurements and Disclosures, (Continued)

participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 Unobservable inputs for the asset or liability. In these situations, inputs were developed using the best information available in the circumstances.

A significant portion of SFCT's investment assets are classified within Level 1 because they comprise open-end mutual funds and exchange traded funds with readily determinable fair values based on daily redemption values. The fair value of our beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis at December 31, 2023:

		Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Bond mutual funds	\$ 893,009	\$ 893,009	\$ -	\$ -
Equity mutual funds	1,731,622	1,731,622	-	-
Exchange traded funds	193,057	193,057	-	-
Money market	762,077	762,077	-	-
Beneficial interest in trust held by a community foundation	157,057	-	-	157,057
Total	<u>\$ 3,736,822</u>	<u>\$ 3,579,765</u>	<u>\$ -</u>	<u>\$ 157,057</u>

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Notes to the Financial Statements

December 31, 2023 and 2022

(11) Fair Value Measurements and Disclosures, (Continued)

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis at December 31, 2022:

		Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Debt mutual funds	\$ 1,333,910	\$ 1,333,910	\$ -	\$ -
Equity mutual funds	898,020	898,020	-	-
Exchange traded funds	118,003	118,003	-	-
Money market	545,399	545,399		
Beneficial interest in trust held by a community foundation	145,138	-	-	145,138
Total	<u>\$ 3,040,470</u>	<u>\$ 2,895,332</u>	<u>\$ -</u>	<u>\$ 145,138</u>

(12) Land and Fixed Assets

Land and fixed assets, net, consisted of the following at December 31:

	2023	2022
Land	\$ 3,633,836	\$ 3,633,836
Planning	22,130	22,130
Vehicle	17,000	17,000
Furniture, fixtures, and equipment	4,493	4,493
Total	<u>3,677,459</u>	<u>3,677,459</u>
Less accumulated depreciation	<u>(25,796)</u>	<u>(24,320)</u>
Total land and fixed assets, net	<u>\$ 3,651,663</u>	<u>\$ 3,653,139</u>

Land consists of approximately seven acres of land that was donated in 1995. The fair market value of the land was estimated by management at \$7,947 using the notice of value from the Santa Fe County Assessor and was then adjusted to represent a discount because the land is unbuildable. Approximately 2.24 acres were donated in 2016. The appraised value of the land is \$1,125,000. An easement was placed on the land in 1999.

On June 3, 2020, SFCT received a grant from the Eugene V. and Clare E. Thaw Charitable Trust that included the funds to purchase 300 acres of land located in Lamy, New Mexico. Additional funds of \$195,999 were used for the demolition of preexisting structures and to place a conservation easement on the land. The value of the land was recorded at \$1,250,000, the purchase price on March 23, 2020. Survey and closing costs were \$7,894. Land remediation costs to improve land consist of \$38,931.

On June 16, 2022, SFCT received a fee land contribution that included the funds to purchase 614 acres of land located in the Apache Canyon region of Santa Fe County. Additional funds were awarded to place a conservation easement on the land. The value of the land was recorded at \$1,000,000, the purchase price on June 23, 2020. Lawyer fees were \$8,065.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(12) Land and Fixed Assets, (Continued)

Planning consists of \$22,130 worth of planning fees to provide future value for land owned in the Galisteo Basin which is part of SFCT's Galisteo Property program.

Depreciation and amortization expense was \$1,475 for the years ended December 31, 2023 and 2022.

(13) Endowments

The State of New Mexico enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the provisions of which apply to SFCT's endowments. In addition, the Financial Accounting Standards Board's Staff Position 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Act requires enhanced disclosures for endowment funds.

SFCT has established and named itself beneficiary of two endowment funds held and managed by the Santa Fe Community Foundation (Foundation). The endowments are:

Santa Fe Conservation Trust Easement Fund - to assist private landowners with conservation easements to protect their open, natural lands in perpetuity.

Santa Fe Conservation Trust Stewardship Fund - to preserve the spirit of place among the communities of Northern New Mexico by protecting open spaces and critical wildlife habitat, by creating trails, and by protecting the traditional landscapes of Santa Fe's diverse cultures.

SFCT's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, SFCT retains in perpetuity (a) the original value of the initial and subsequent gift amounts including promises to give net of discount and allowance for doubtful accounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. SFCT considers the following factors in making a determination appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). SFCT has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(13) Endowments, (Continued)

Investment and Spending Policies

The funds are held and invested by the Foundation for SFCT's benefit and are reported at fair value in the statements of financial position, with changes in fair value recognized in the statement of activities. SFCT follows the Foundation's policies for the investment and spending of the endowment funds. The following policy information has been developed from the Foundation's audited financial statements:

The Foundation has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funds for programs supported by its endowments while seeking long term growth of the endowment assets; the Foundation's spending and investment policies work to achieve this objective. The investment policy establishes an achievable return through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making an administration. The Foundation's Board of Directors approves a yearly distribution policy (currently approximately 10% to 11% yearly for SFCT). This is consistent with the Foundation's objective for long term growth of endowment assets as well as to provide additional real growth through new gifts and investment return.

On December 17, 2021, SFCT was granted \$1,000,000 of corpus endowment funding by the Eugene V. and Clare E. Thaw Charitable Trust to remain in perpetuity. Funding distribution terms in the award give SFCT up to 5% of the 3-year rolling average market value annually on September 30th. The first distribution should not be taken prior to 2023. These distributions can be used at the discretion of the board and will not be restricted. As of December 31, 2023, the endowment corpus is invested in bond and equity mutual funds and exchange traded funds.

On December 17, 2021, SFCT was granted \$250,000 of corpus endowment funding by the Eugene V. and Clare E. Thaw Charitable Trust to remain in perpetuity. Funding distribution terms in the award give SFCT up to 5% of the 3-year rolling average market value annually on September 30th. The first distribution should not be taken prior to 2022. These distributions are directed to be used for management and maintenance of the Galisteo Property and are considered purpose restricted. As of December 31, 2023, the endowment corpus is invested in bond and equity mutual funds and exchange traded funds.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor restricted endowment funds are reported as net assets with restrictions. All of SFCT's endowments are donor restricted.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At December 31, 2022, funds with an original gift value of \$1,000,000, fair value of \$979,739, and deficiency of \$20,261 were reported in net assets with donor restrictions. At December 31, 2023, these funds were not underwater.

SANTA FE CONSERVATION TRUST

Notes to the Financial Statements

December 31, 2023 and 2022

(13) Endowments, (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,374,877	\$ 1,374,877
Investment return:			
Interest and dividends	-	59,924	59,924
Net appreciation (realized and unrealized, net of fees)	-	116,879	116,879
Total investment return	-	176,803	176,803
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(37,237)	(37,237)
Endowment net assets, end of year	\$ -	\$ 1,514,443	\$ 1,514,443

Changes in endowment net assets for the year ended December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 1,438,255	\$ 1,438,255
Investment return:			
Interest and dividends	-	18,298	18,298
Net appreciation (realized and unrealized, net of fees)	-	(63,495)	(63,495)
Total investment return	-	(45,197)	(45,197)
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(18,181)	(18,181)
Endowment net assets, end of year	\$ -	\$ 1,374,877	\$ 1,374,877

(14) Concentrations of Credit, Market and Business Risk

Revenue Concentration. SFCT received 70% and 87% of its operating revenue from donations and grants in the years ended December 31, 2023 and 2022, respectively. SFCT might not be able to continue to exist as a viable and sustainable organization if the donations and grants are not continued.

The Internal Revenue Service (IRS) and some state taxing authorities have provided tax benefits in the form of deductions and credits to individuals that donate conservation easements. These benefits represent a major incentive to individuals donating easements to SFCT. SFCT's ability to generate future donations would be impacted if the IRS and the State of New Mexico were to eliminate these tax benefits.

Other financial transactions that potentially subject SFCT to material concentrations of credit and market risk consist of cash and cash equivalents and accounts receivable. SFCT maintains cash balances at financial institutions. Cash balances held at banks during the year exceeded the FDIC insurance limit of \$250,000.

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Notes to the Financial Statements

December 31, 2023 and 2022

(14) Concentrations of Credit, Market and Business Risk, (Continued)

The checking account balance as of December 31, 2023 was \$338,036. SFCT has not experienced any losses on its cash and cash equivalent deposits. SFCT manages market risk related to receivables through the use of a valuation allowance. Historically, there have not been material losses on receivables.

(15) Right-of-Use Operating Lease

SFCT leases office space under a non-cancelable operating lease. The building lease began on August 1, 2018 and ends July 31, 2025. The lease includes renewal options which extend the lease terms through July 31, 2030.

SFCT evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent SFCT's right to use underlying assets for the lease term, and the lease liabilities represent SFCT'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, including renewal options if they are reasonably certain to be exercised. SFCT has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023, was 1.63%.

For the year ended December 31, 2023, total operating lease cost was \$32,650 and total short-term lease cost was approximately \$1,346. As of December 31, 2023, the weighted-average remaining lease term for SFCT's operating lease was approximately 6.58 years.

Future minimum rental payments including renewal options due under the lease are as follows:

Year ending December 31:	2024	\$	33,250
	2025		34,100
	2026		35,050
	2027		35,650
	2028		36,250
	Thereafter		58,550
	Total future lease payments		232,850
	Less present value discount		(12,455)
	Total future lease obligations	\$	220,395

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Notes to the Financial Statements

December 31, 2023 and 2022

(16) In-kind Contributions

Generally accepted accounting principles requires that professional service hours (attorney, accountants, doctors, etc.) be recorded in the financial statements, but not volunteer hours. Volunteers and board members have donated significant amounts of their time in SFCT's program and in its fund-raising campaigns. The value of these hours could not be estimated and is not recorded in the financial statements

In-kind contributions recorded in the statements of activities and changes in net assets consisted of land improvements, closing and survey costs, professional services, facilities, and gifts valued at \$1,200 and \$1,408 for the years ending December 31, 2023 and 2022, respectively.

	2023	2022
Donated services	\$ -	\$ 23
Donated facilities	1,200	1,385
	<u>\$ 1,200</u>	<u>\$ 1,408</u>

(17) Restrictions and Limitations on Net Asset Balances

The Board of Directors has designated funds from operating reserves for special initiative projects to provide resources to assist in the completion of or the acquisition of conservation properties. Investment income is reinvested and is also designated. The Board of Directors requires designated funds to be maintained separately from operating funds. Board designated net assets for special initiative projects were \$328,160 and \$296,866 as of December 31, 2023 and 2022, respectively. SFCT had donor restricted net assets for stewardship of \$35,266 and \$34,289 in cash and cash equivalents, \$1,046,782 and \$823,098 in investments at December 31, 2023 and 2022, respectively.

The Board of Directors created two permanent endowments as a beneficial interest in trust to uphold and defend easements and for all other land stewardship. Revenues for these funds consist of contributions by landowners. Investment income is reinvested and is also restricted for its original purpose. Distributions from the fund are governed by the terms of the endowment contract (see Note 14). SFCT had restricted net assets for stewardship and easements of \$157,057 and \$145,139 in a beneficial interest in trust at December 31, 2023 and 2022, respectively.

On December 17, 2021, SFCT was granted \$1,000,000 of corpus endowment funding by the Eugene V. and Clare E. Thaw Charitable Trust to remain permanently restricted in perpetuity. Distributions from the fund are governed by the terms of the endowment contract (see Note 13). Distributions can be used at the discretion of the board and will not be restricted.

On December 17, 2021, SFCT was granted \$250,000 of corpus endowment funding by the Eugene V. and Clare E. Thaw Charitable Trust to remain permanently restricted in perpetuity. Distributions from the fund are governed by the terms of the endowment contract (see Note 13). Distributions are directed to be used for management and maintenance of the Galisteo Property and are considered purpose restricted.

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Notes to the Financial Statements

December 31, 2023 and 2022

(18) Special Events

Special events consisted of various fundraising events to benefit SFCT. Financial results recognized from the special events for the year ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
Income	\$ 228,461	\$ 196,377
Expenses	(82,736)	(79,644)
	<u>\$ 145,725</u>	<u>\$ 116,733</u>

(19) Subsequent Events

In preparing these financial statements, SFCT has evaluated events and transactions that may be material in nature regarding financial conditions that existed as of the balance sheet date. Management has evaluated all subsequent events through July 31, 2023, the date on which the financial statements were available to be issued.

SANTA FE CONSERVATION TRUST
Schedule of Conservation Easements Received (Unaudited)
December 31, 2023

The following schedule represents conservation easements and fee title properties held by SFCT:

Recorded	Property	Number of Acres	County
1992	Williamson	2.9	Santa Fe
1992	Grenfell	433.1	Santa Fe
1993	Goodwill	102.2	Santa Fe
1993	Rossiter	319.6	Santa Fe
1993	Stanley	162.9	Santa Fe
1993	Parker	50.0	Santa Fe
1993	Lipsett	0.8	Santa Fe
1994	Turner I	10.9	Santa Fe
1994	Koldyke	4,930.0	San Miguel
1995	Wagner	19.5	Santa Fe
1995	Turner II	66.8	Santa Fe
1995	Dant, J & M	24.0	Santa Fe
1995	Meem	13.1	Santa Fe
1995	Charles R Ranch	5,125.0	San Miguel
1995	Hyatt	1.9	Santa Fe
1995	Atalaya Fee (fee)	7.1	Santa Fe
1996	Stadevco	2.4	Santa Fe
1996	Wirth	25.0	Santa Fe
1996	Peterson	59.1	Santa Fe
1996	McDaniel	2,599.8	Rio Arriba
1996	Thompson	1,853.9	Rio Arriba
1996	Morris	655.5	Rio Arriba
1996	Sheesley	501.0	Rio Arriba
1996	Boyle	645.0	Rio Arriba
1997	Pecos River	832.2	San Miguel
1997	Field	0.5	Santa Fe
1998	Betts I	80.4	San Miguel
1998	Kelly	89.0	San Miguel
1998	Cook	2.0	Santa Fe
1998	Thomas	1.8	Santa Fe
1999	Durand	2.9	Santa Fe
1999	Betts II	193.0	San Miguel
1999	Tecolote	9,148.0	San Miguel
1999	The Hill	1.8	Santa Fe
2000	Dapples	14.3	Santa Fe
2000	Dant, D.	9.0	Santa Fe
2000	Crichton	94.1	Santa Fe
2001	Ortiz Mountains Education Preserve	1,350.0	Santa Fe
2001	Hitchcock	12.3	Santa Fe
2003	TPL Wells Thornton	45.7	Santa Fe

SANTA FE CONSERVATION TRUST
Schedule of Conservation Easements Received (Unaudited)
December 31, 2023

The following schedule represents conservation easements and fee title properties held by SFCT:

Recorded	Property	Number of Acres	County
2004	Railyard Park and Plaza	15.7	Santa Fe
2004	Thaw I	4.4	Santa Fe
2004	Thaw III	7.1	Santa Fe
2004	Thaw II	6.1	Santa Fe
2004	Thaw IV	16.0	Santa Fe
2004	Heart & Soul III	20.5	Santa Fe
2004	Heart & Soul II	20.5	Santa Fe
2004	Heart & Soul I	111.0	Santa Fe
2004	Charles R Ranch Lots	4.5	San Miguel
2004	Holian I	160.0	Santa Fe
2004	Cerrito Amarillo	32.0	San Miguel
2004	Los Trigos	603.6	San Miguel
2005	Dant/McQueen	1.6	Santa Fe
2005	Garden of the Gods	126.6	Santa Fe
2005	Swimming Hole	16.8	San Miguel
2005	Ross	41.4	Santa Fe
2006	Holian II	616.7	Santa Fe
2006	Greenfield	17.8	San Miguel
2008	GBP CC #1	320.0	Santa Fe
2008	Rio Hondo Park TLT	22.2	Taos
2008	PROS - Coonly	60.0	San Miguel
2008	Holmes	85.0	Rio Arriba
2008	Cerrillos West	40.4	Santa Fe
2009	Santa Rita	50.0	Rio Arriba
2009	GBP CC #2	330.0	Santa Fe
2009	Chandler Preserve	489.9	Santa Fe
2009	Pecos Canyon Sixteen	16.3	San Miguel
2009	GBP CC #3	600.0	Santa Fe
2010	GBP East Preserve Lot 1	160.0	Santa Fe
2010	Berg	204.5	San Miguel
2010	Sun Mountain TPL	11.1	Santa Fe
2011	GBP CC #4 West Canyon	798.0	Santa Fe
2011	GBP CC #5 Galisteo Springs	280.0	Santa Fe
2011	Allison-Ito	445.9	Santa Fe
2011	Walking Rein Ranch	354.0	Santa Fe
2011	GBP East Preserve Lot 2	160.0	Santa Fe
2011	GBP East Preserve Lot 3	160.0	Santa Fe
2013	GBP CC #6 Diablo Ridge	300.0	Santa Fe
2013	Reed	41.7	Santa Fe

SANTA FE CONSERVATION TRUST
Schedule of Conservation Easements Received (Unaudited)
December 31, 2023

The following schedule represents conservation easements and fee title properties held by SFCT:

Recorded	Property	Number of Acres	County
2013	GBP Conservation Ranch #2	477.0	Santa Fe
2014	GBP CC #7 Nathan's Trace	300.0	Santa Fe
2014	Lipscomb Viscoli Sun Mountain	10.5	Santa Fe
2015	GBP Conservation Ranch #1	318.2	Santa Fe
2015	Moldaw-Sze Jacona	13.4	Santa Fe
2016	Riverhaven (fee)	2.2	Santa Fe
2018	Fullerton I	37.2	Santa Fe
2018	Petchesky Ranch	240.4	Santa Fe
2018	Little Tesuque	51.9	Santa Fe
2018	Fullerton II	5.9	Santa Fe
2018	Lone Mountain	3,029.0	Santa Fe
2018	GBP CC #8 Liam's Lark	315.7	Santa Fe
2019	GBP CC #9 Mark's Reach	530.5	Lamy
2020	Big Fence Road	13.0	Santa Fe
2020	Tesuque View	1.0	Santa Fe
2020	Rio Fernando Park	20.0	Santa Fe
2020	Big Fence	372.0	Santa Fe
2020	Galisteo Property (fee)	300.0	Santa Fe
2021	GBP CC#10 White Rock Grotto	822.6	Santa Fe
2021	Moonfrog	10.5	Santa Fe
2021	Apache Canyon (fee)	614.0	Santa Fe
2022	Dorothy Stewart	9.4	Santa Fe
2022	GBP CC#11 Astral Valley	1,382.5	Lamy
2022	Blum	37.8	Santa Fe
2022	Bill K. Brewster Honorary	290.0	Cerrillos
2023	Aeby Family	57.9	Rio Arriba
2023	New Moon Overlook	28.72	Santa Fe
2023	Bentley	30	Santa Fe
2023	Svatos Tract 8	179.16	Santa Fe
2023	Svatos Tract 7	165.26	Santa Fe
2023	Spur anch	299.05	Santa Fe
2023	Adkins	80	Santa Fe
2023	Milder	125.1	Santa Fe
2023	Svatos Tract 6	209.74	Santa Fe

The total number of properties is 113. The total acres protected are 46,620.

STRATEGIC PLAN – Adopted by the SFCT Board on October 26, 2021
Santa Fe Conservation Trust 2021-2024 (3 Years)

PURPOSE:

For the next three years the Santa Fe Conservation Trust (SFCT) will focus on the five Goals and associated Objectives described below. Our aim is to move SFCT to a higher level of performance and community service, and thus, achieve our Vision and Mission in land conservation and community engagement in Northern New Mexico.

VISION:

We envision a future where everyone in northern New Mexico cherishes nature and works to preserve it for this and future generations.

MISSION:

The Santa Fe Conservation Trust partners with our community to keep northern New Mexico's living lands and people flourishing together. We protect culturally and environmentally significant landscapes, ignite people's passion for nature and enable the continual regeneration of our healthy place.

GOALS (focus areas for the next 3 years):

- 1. Expand Organizational Capacity**—to meet needs and challenges, and embrace opportunities.
- 2. Complete and Implement Strategic Conservation Plan**—to guide and leverage land conservation efforts in order to achieve landscape-scale impacts, serve landowner needs, and serve our whole community.
- 3. Practice Exemplary Stewardship**—to enhance resource values on our fee properties, ensure continued protection of conservation values on our easement properties, and maintain and enhance good landowner relationships.
- 4. Practice Community Conservation**—to support and expand programs to broader audiences and underserved communities, with the aim of increasing our impact in our service area of northern New Mexico, broadening the diversity of our constituents, and making sure our services are being delivered as equitably as possible.
- 5. Enhance Board and Staff Performance, Diversity and Development**—to increase effectiveness, efficiency, and capacity to meet needs, and to be sure we are keeping equity, diversity and inclusion in mind in our hiring and recruiting practices so that the organization will be more representative of the diversity found in the communities we serve. To accomplish this, SFCT board and staff will create opportunities to examine all aspects of our organization from an equity lens as we work toward building a more just and equitable world through our work with the ultimate goal of writing a statement about the organization's commitment to equity, diversity and inclusion in all that we do.

GOALS & OBJECTIVES:

- 1. Expand Organizational Capacity**—to meet needs and challenges, and embrace opportunities:
 - A. Fundraising:
 1. Annual Fundraising Plan (*See Appendix A*)—to increase sustainable funding levels:
 - a) Outline current and proposed funding sources:
 - (1) Specific events—annual dinner, Banff, receptions, mailings, etc.

- (2) Evaluate our existing and any new fundraising events with a clear look at time invested (staff & vol.), short and long term benefits to the org (i.e. increased public understanding/awareness of SFCT) and contract costs so we have a better sense of event value.
 - (3) Planned Giving Program—Continue to develop and expand participation,
 - (4) Contracts—Trails program Contract with City of Santa Fe, others,
 - (5) Investments earnings,
 - (6) Grants, and
 - (7) Create and grow an endowment fund, and identify where earnings will be used.
 - (8) Increase opportunities for trail users to donate to SFCT
 - (9) Develop a monthly giving campaign and market it to SFCT constituents
 - (10) Individual donors
- b) Set timelines and income targets by source,
 - c) Implement and/or continue fundraising activities as planned.
- B. Board Engagement:
 - 1. Board Training (*See Appendix B*):
 - a) Reframe fundraising and identify roles,
 - b) Involve all Board members in at least 2 of 5 steps in fundraising cycle,
 - c) Secure Board pledges to: give, identify potential donors, and participate in cycle.
 - 2. Optimize Database:
 - a) Maintain donor and contact lists; add names from event lists, etc.
 - b) Analyze lists to identify how they might be used to generate increased income,
 - c) Develop fundraising strategies around patterns and ideas gleaned from data analysis and best practices,
 - d) Coordinate Staff and Board efforts to implement strategies.
- C. Strengthen/Build Relationships:
 - 1. Continue to personalize Board and Staff outreach efforts,
 - 2. Continue to personalize event invitations, thank you notes, letters, etc.
 - 3. Develop marketing strategies/formulas that reach all potential audiences according to best practices including a social media marketing strategy.
- D. Organizational Management:
 - 1. Staffing Needs:
 - a) Address employee performance, clarify roles and responsibilities, and revise as needed,
 - b) Evaluate staffing levels to determine best value-added use of any new hire,
 - c) Continue Board support and involvement to determine how best to increase organizational capacity. Set timelines and benchmarks to assess progress,
 - 2. Volunteer Management/Strategic Partners—Review practices to optimize use and enhance relations,
 - 3. Board Members and Committees—Maintain, and improve where necessary, focus on stated goals and priorities to prevent Mission-drift.

2. Complete and Implement Strategic Conservation Plan—to guide and leverage land conservation efforts to achieve landscape-scale impacts, serve landowner needs, and serve our whole community:

- A. Refine and Finalize—update the 2018 plan as needed, identify gaps in the plan, and address as needed.
- B. Update Implementation Plan—with timeline, estimated budget, etc., for priority projects and programs.
- C. Strategic Partnerships—Include potential strategic partners in plan development, review and implementation efforts (e.g., other conservation organizations, county, city, trail groups, etc.).

3. Practice Exemplary Stewardship—to enhance resource values on our fee properties, ensure continued protection of conservation values on our easement properties, and maintain good landowner relationships.

- A. Continue to steward and monitor all conservation easements with appropriate documentation,
- B. Achieve 100% compliance with conservation easement requirements with all landowners,
- C. Finalize and begin implementing Management Plans for all fee properties,
- D. On the Conservation Homestead, our flagship fee property, take the following steps towards our 2030 management goal, which is that “By 2030, SFCT collaboratively enhances and maintains the Conservation Homestead as a special place of multicultural history, spacious quiet beauty, and a place where anyone can come to relax, recreate, and experience nature. SFCT stewards this area with a view toward developing a learning and demonstration area about ecological resilience and climate adaptation, and in such a way that SFCT, through a breadth of partnerships, builds a passionate, curious, and educated conservation community of people of various backgrounds and abilities.”
 - 1. Protect the property with a Conservation Easement.
 - 2. Utilize the management plan to continue to bring the land back to a healthy state, including erosion control, wetland restoration, rangeland enhancement, and wildlife habitat enhancement
 - 3. Prepare the property for public access, for example with roads, parking areas, benches, shade structures, and wayfinding and interpretive signage
 - 4. Design and install a publicly accessible trail, as well as a shorter loop that can be enjoyed by the differently-abled.
 - 5. Utilize the site for SFCT programming, education, workshops, etc.

4. Practice Community Conservation—Expand capacity to expand existing programs to broader audiences and underserved communities with the aim of engaging more people and children to increase our relevance in our Community: The Trails Program is an invaluable asset to the organization for Community Outreach. It offers SFCT the opportunity for more community recognition; reaches new and diverse audiences; brings in new donors to SFCT; provides tangible evidence of quality of life and economic impact of our work; connects SFCT to many community partners; generates stories for fundraising, etc.

- A. Community Engagement—Develop programs and outreach efforts for new audiences and children:
 - 1. Build partnerships with other organizations and community leaders to create mutually beneficial opportunities—e.g. Vámonos, Safe Routes to School, Passport to Trails
 - 2. Improve branding of Vámonos program to link it more to SFCT
 - 3. Participate in local events—to raise the profile of the organization

4. Conduct stakeholder involvement and other focused efforts to stay abreast of constituent interests, needs and opportunities in our Community.
5. Continue to develop point of entry events such as Insider Tours, Bears Ears trip, etc.
6. Improve branding of SFCT's role in trail production and maintenance for the City
- B. Outreach to diverse audiences and children—expand outreach efforts, e.g., Passport to Trails, Safe Routes to School and Vámonos, to create meaningful opportunities for underserved neighborhoods and populations,
- C. Continue to secure appropriate grants and contracts to help fund this effort—e.g., City of Santa Fe Trails Contract, Safe Routes to School, etc.
- D. Work with the City's Economic Development staff to quantify the economic impact of Santa Fe's trail system, which will help SFCT in securing more funding for its work.
- E. Utilize the GUSTO implementation plan to identify the trails it suggests for linkages that can be completed by 2024. Begin the design and implementation of them.
- F. Finish creating the policies and procedures for implementing trail easements.
- G. Hire Community Engagement Specialist to expand community conservation programs and assist with the implementation of the SRTS grant.

5. Enhance Board and Staff Development—to increase effectiveness, efficiency, diversity and capacity to meet Strategic Plan goals:

- A. Reframe fundraising function to increase Board participation,
- B. Develop case statements/story lines/sound bites to focus Board and Staff efforts,
- C. Training—assess needs and take advantage of opportunities. Encourage staff to embrace opportunities and learn new skills.
- D. Board Recruitment—target the talents and diversity needed to achieve these strategic goals. The Governance & Nominating Committee leads this effort with input and help from the full Board, with the aim of having a strong and diverse slate of candidates for the annual Board meeting in December each year.
- E. Pursue opportunities to deepen understanding of inequalities in our region so that the organization can be more effective in addressing them through its conservation work.
- F. Write a statement about the organization's commitment to equity, diversity and inclusion in all that we do.
- G. Study the Land Acknowledgments used by other nonprofits and adopt the practice for the organization.
- H. Broaden board involvement in conservation efforts and our programs.

IMPLEMENTATION:

Each year an annual work plan will be developed to implement elements of the SFCT strategic plan to accomplish goals and objectives in a logical sequence. These annual work plans will be reflected in annual budget development, committee work, employee performance plans, and existing and new projects.

I'd like to start off with a land acknowledgement, remembering that we are gathered tonight on unceded lands that are the traditional territories of Tewa and Tano people who continue to maintain connections to this place.

We acknowledge this not only in thanks to the Indigenous communities who have held relationship with this land for generations but also in recognition of the historical and ongoing legacy of colonialism. While we are not responsible for the past, we are responsible for the future.

Opening the Door of Conservation to Everyone

The Santa Fe Conservation Trust actively fosters an organization and conservation movement that is intentionally diverse, equitable and inclusive. We look to nature as our guide, working to support and connect a human ecosystem that is equally complex, resilient, thriving and full of variety.

We acknowledge that land in northern New Mexico carries with it a complicated history that includes successive and ongoing waves of displacement and dispossession. We also acknowledge that land conservation and the environmental movement have historically underrepresented a diversity of people who cherish the natural world and want to protect it.

Looking forward, we aspire to create a better future by building a representative, engaged and passionate conservation community dedicated to keeping Northern New Mexico's living lands and people flourishing together. To that end, we focus our programs, policies and plans on providing equitable access to nature for everyone in our community and creating opportunities for inclusion. We recruit, hire, retain, and promote a diverse staff. And we recruit board members who represent the lived experiences of the people we serve to ensure the diverse viewpoints of our community inform our decisions and actions.

The Santa Fe Conservation Trust recognizes that this long-term commitment is an ongoing process that requires continuous learning, growth, monitoring and improvement.



Donor Engagement Committee

Report to the Board of Directors

Mark Fisher, Committee Chair

8/27/24

The Donor Engagement Committee met on 8/8/24. We welcomed new committee member Walker Stewart, a realtor at Sotheby's. George Strickland introduced Sarah and Walker. Walker is longtime investment management professional. He worked in marketing for Santa Fe's Thornburg Investment Management for the better part of a decade.

Landowner Lunch Follow Up

Joanne, Sarah, and Brian recapped the event held earlier in June 2024 at the Museum Hill Café. She recounted that this was a first-time event hosting SFCT landowners; Of a list of 150 landowners, just shy of 50 came to the lunch, which was felt as a great turnout; and there were a few goals accomplished with the lunch, including:

- i. Asked landowners if they have more land they would like to conserve
- ii. Asked landowners if they can introduce SFCT to their neighbors who may be interested in land conservation;
- iii. Build a donor relationship with them to bring in future gifts.

The current idea is to hold this event perhaps every few years.

Stand Up for Nature (SUN)

Joanne shared details of this year's event (date, place, time) and attendance goal of 350 people. She said SFCT is "raising the bar" this year with revenue goals - \$95,000 in sponsorships and tickets sales (\$73K raised as of 8.8) and \$100,000 for the paddle raise (\$40K pre-pledged as of 8.8). As of 8.8 only 24 individual tickets had been sold. The committee members were asked if they could help to communicate with their board peers to urge them to buy tickets or a table or to be sponsors. Committee chair Mark Fischer volunteered to send an email to his peers with a status update and an ask for their help.

Planned Giving Update

Sarah shared a recap of the what has been done in the past, including a 2019 mailing to about 500 folks who had given consistently for a long time, as well as the 2023 lunch with 10-15 members of the Atalaya Legacy Society at Harry's. There are plans to hold another luncheon in November 2024.

Current and Future outreach to planned giving prospects was discussed. Mark reminded staff of the goal of attorney outreach to get estate planning attorneys to think of us when clients want to leave money to organizations that benefit Santa Fe. There is a list of estate attorneys, and a mailing will go out to them this Fall. There was discussion of a future mailer, and/or eblast series, and more individualized cultivation. There will be some targeted eblasts about both planned giving and Required Minimum Distributions (RMDs) this Fall.

The RMD letter was brought up. Sarah asked for feedback from the committee and specifically Walker about the language, too much, not enough?

Bi-Annual Board Thank You Note Campaign

The summer fundraising letter went out August 22nd. Staff will gather list of people to receive a thank you letter for donations coming to SFCT between January 1 and September 30th of this year. Packages will be delivered to the Board October 11-14, and we will ask Board Members to write their thank you notes between October 15 and November 1. Prompts for what to say in the letters will be provided, as well as a snappy pen.

Update on Grants and Other Contracts

Sarah provided the committee with a table of secured grants as well as upcoming opportunities. Please see the attached list.

Action Items

- Staff to share with Mark Fisher status update on SUN goals; Mark to send email to his board peers asking them to consider sponsorship, table, tickets, or paddle raise pledge to help meet our goals.
- Draft and send a letter to local estate planning attorneys asking them to consider mentioning and/or recommending Santa Fe Conservation Trust when working clients and their estate plans.
- Build a planned giving mailer criteria. For example, what does a list of \$100 annual donors over 5+ years look like?
- Analyze efficacy of eblast – open rates, other data points to be determined.
- Update letter writing prompts for Sept/Oct board mailing.

EONs Night Sky Monitoring Project Blurb for 8/27/24 board book:

After much anticipation and a few obstacles to navigate, the “Eyes on the Night Sky” or EONs night sky monitoring project has launched! A big shout-out goes out to Al Reed and his wife, Deb, for allowing us to utilize their property near Arroyo Hondo/Seton Hall for this first EONs device. At the end of July, Al helped Brian find the perfect spot atop a small knoll not too far from his home with views of the foothills to the north and east, and most importantly, no ambient light close by.

Working with Chris Luginbuhl and Dark Sky Partners out of Flagstaff, Brian has visited the device weekly since the start of August to perform data downloads. Despite a few minor bugs to start properly capturing data, Brian has developed an efficient process and set a calendar through the end of 2024 to send data at regular intervals. After receiving the data, Chris will analyze and report back on about Santa Fe’s nighttime light pollution over time. What we have already heard back from Chris indicates that we chose a good spot, “very dark,” as he described it. Since we are still early on with the data there is nothing concrete to report yet, but he has described early indications showing that the spectrum of light being captured by the light filters show it is mostly in the blue spectrum (short wavelength and high energy), which translates to visibly brighter light that affects animals more than lower spectrum amber light (longer wavelengths, lower energy). While it is way too soon to offer any conclusions, the City’s ongoing LED streetlight conversion project includes a change in light color from lower spectrum to a higher spectrum light color. Much more to come as time moves on!

Executive Director Report to the Board
August 27, 2024

It's been an extremely busy summer! So much has happened since we last met it kind of makes my head spin.

Bears Ears—the trip went off really well this year with a wonderful group of mostly Santa Feans. As with a previous trip, where we met Carla Mattix, this year we met Sandra Ely who we think would be a great board member. More on her in the Governance and Nominating Committee report.

Vamonos—Since our last board meeting on April 23rd, Vamonos started its six month series of 30 free walks. You can read more about that in the Trails and Community Conservation Committee Report, but some highlights for me are that we are getting bigger groups walking with us that are also more diverse. More money to market the program has been really helpful. We got a \$15,000 grant from the Outdoor Recreation Division for marketing, which is helping us get to 1,000 walkers in one season (some repeats, of course, but lots of new people, too.)

Dark Skies—I wanted to extoll Brian for getting the first night sky monitor up and running. We placed it on Al Reed's land. We also had a Dark Skies Committee meeting, the report for which is in the board packet.

Garden Club talk—SFCT was asked to give a presentation to the Santa Fe Garden Club on June 5. Brian and Antoinette came over with me to do it. There were about 50 people there.

Accessible Trail bidding, permitting—considerable time was spend this quarter on getting the bids pulled together so we could apply for the construction grant from the Outdoor Rec Division. The budget now sits at approximately \$260,000 and we can apply for the entire amount at the State. We are gathering letters of support and plan to submit the grant in mid-September.

Bequest—we learned in late April that Jonna and Dennis Brandon had made SFCT the sole beneficiary of their estate. We wrote a profile of them in the latest newsletter and have been deepening out ties with them.

Rangeland Management Plan Prep—Melissa and Melanie are doing the heavy lifting on this effort, along with Jan-Willem Jansens and Kirk Gadzia to put the management plan together. But to start off the process, SFCT staff and other community partners (Quivira and Saddleback Ranch folk) walked the entire 300 acre property to assess conditions of the grasses prior to the bullseye monitoring that started on June 8.

Camino Pequeno—every spring/summer the issue of people walking or biking up Camino Pequeno comes up. This year, we helped BC Rimbeaux produce some signs that the neighborhood wanted to put up along the road with rules.

Riverhaven—the two neighbors on the east end of the property wanted our help to keep the foot traffic off their properties. We responded by meeting with them on site to figure out a reroute. Melissa and Melanie took down a big Russian Olive to facilitate the reroute (with the help of Brent Bonwell), and Tim is now assessing if we an move the existing bridge down to the reroute or if it needs to be rebuilt. I

appreciate the staff's efforts to work with the neighbors to ease their concerns. We are also planning a clean up at Riverhaven sometime this fall, thanks to Gary Stokeo making a \$3,000 stewardship gift to us restricted to Riverhaven. Gary indicated that this might be an annual gift.

Marc Simmons land—The nieces of Marc Simmons were in touch with us quite a bit over the past few months as the estate was settled and the disposition of Marc's land was figured out. It is being sold, and one of the nieces is wondering if she might help to put more of it in conservation to align more closely to Marc's wishes.

Noel Bennett's land—Noel owns land near the Valles Caldera that is a geologic wonder. I had talked to her about conserving it, but she needs the money and is trying to figure out how best to meet her needs and do right by the property. Through Carla Mattix, I hooked her up with Wendy Dinner, a board member of the National Park Trust, which could potentially buy the land and add it to the Valles Caldera National Preserve. But alas, the land was not contiguous. Discussions continue.

Grant and POs—Tim successfully got Santa Fe County to give us a PO to work on the County section of the Dale Ball Trails and other trail issues that may arise. We also received a grant from the Lineberry Foundation (\$25k general operating). We were chosen to be a part of Target Circle Guest-Directed Giving program. People signed up for it could vote for their favorite cause and Target would give based on the number of votes it received. Guests at Target stores cast **68,449** votes to Santa Fe Conservation Trust, awarding Target funds in the amount of **\$1,889.20. Go figure.** A more complete look at the status of grant funding is in the Donor Engagement Committee report.

Much of the last several weeks has been spent getting the newsletter ready to go. I have received so many nice comments on it. I hope you have had a minute to read it. It really shows the breadth of our work. There were staff contributions to it, and Brian wrote the profile of the couple who donated the solar well, along with programmatic articles. Mac did a great job making it look good. I think everyone should be proud of this publication.

Add to the above doing the preparations for the Stand Up For Nature event. Bill McKibben cost \$30k to bring here, so I spent time soliciting support for his time here. We were successful in getting funding from Lannan Foundation, Mary Laraia, Louisa Sarofim and Nancy Cook to underwrite his visit. Then there was considerable time spent organizing Bill McKibben's visits to the Santa Fe Public Schools. We have gotten great support from the SFPS Sustainability Program Director, Lucy Stanus, and the Executive Director of Curriculum, Peter McWain to get Bill into Santa Fe High and Capital High. Efforts to get into the Indian School are ongoing.

Plus, we've been working hard with our consultants, Randle Charles and Kristin Rothballer not just on the renaming process but also on recruiting Native participation in the process, linking this work, also, to getting Bill McKibben into the SF Indian School, finding potential Native people for the board, etc. These consultants will be presenting to the board at our upcoming meeting, which is why we decided to try out the consent agenda to open up some time at the meeting for some quality interactions and discussions.

Governance and Nominating has decided to attempt to recruit four new board members, so I have been spending lots of time reaching out to those we are interested in talking to. I've met with two out of the four we were recruiting, with more to come.

The summer appeal letter went out on 8/22/24, shortly after the newsletter hit the mailboxes. Our practice has been to let the newsletter/annual report go first, followed by an appeal letter. Our summer appeal income has gone up as a result, so hoping we will see similarly good outcome this year. Hard to know how fundraising will do, given the political season and lots of people giving money to that.

Report from the Governance and Nominating Committee 8/27/24
Committee Chair: Al Reed

The Governance and Nominating Committee met on May 29, 2024.

We reviewed SFCT's Conflict of Interest Policy and the Equal Employment Opportunity Policy. There was one word change in the COI Policy, and no changes recommended for the EEO Policy.

MOTION: Frank Katz moved to continue using both policies (with the word change in the COI Policy), seconded by Carmichael Dominguez. **UNANIMOUSLY APPROVED.**

There are two action items for tonight's board meeting.

ACTION ITEM: Approval of changes to the Land Review Committee Charter

An edited version of the LRC Charter is in the packet. The major change to it is to add term limits (three 3-year terms) to the members of the committee. We currently have members who have been on the committee for more than 10 years. The committee and staff felt that term limits would allow the organization to bring on community members who have the potential to become board members. In its current structure, the committee would become very large.

ACTION ITEM: Approval of changes to the Archaeological Procedures Policy

This policy was originally adopted in 2016. Steve Post, then a member of the LRC, proposed it to guide staff in how to deal with cultural sites. The committee edited it to take out procedural requirements that were complicated and also not enforceable on landowners because the requirements were never put into our conservation easement deeds. The policy is now simpler and our new conservation easement template language contains helpful definitions. (See the paragraph headed "Archaeological Survey." In that paragraph, the definition of "cultural property" comes from language in the National Register of Historic Places. It is the same definition used across other agencies. So, these proposed changes make it easier for the staff to follow and implement.)

Board Terms and New Members

The committee reviewed the terms of SFCT's board members. Michael Avery's and Peter Martin's second board terms ends at the end of 2024. Both have told us they wish to renew for a third term.

With 14 board members currently, the committee decided to seek four new board members this year and is currently in discussions with the following people:

James Rivera, Cornerstone Group, LLC, a Native-owned government and public affairs organization. James is from Pojoaque Pueblo. He serves on the Fiesta Council, is a lobbyist, knows many people and would be a wonderful bridge builder for our outreach to more segments of the community.

Liz Bremner, former ED of the Santa Fe Community Foundation and currently a philanthropy executive. (she has declined due to current engagements, but is interested in future participation.)

Sandra Ely, former Director of the State's Environmental Protection Division. Sandra came on the Bears Ears trip, is a supporter of the work of SFCT. We will be meeting with her later this month.

Aaron Schubach, Headmaster at Santa Fe Prep. Aaron would bring strong organizational and human resources skills to the board and has strong connections to the community.

Land Review Committee Report
August 27, 2024

ITEMS FOR APPROVAL:

- **Charter update:** The committee reviewed and updated its charter. The only significant change was adding term limits for members. The revised version was approved by the Governance and Nominating Committee. Governance and Nominating Committee is presenting it to the full board for approval.
- **Archaeological Procedures Policy:** This policy was revised by the committee to be clearer and more implementable. The revised version was approved by the Governance and Nominating Committee. Governance and Nominating Committee is presenting it to the full board for approval.
- **Pond Tract CE:** This donated easement will protect and ensure public access to a 4-acre parcel in Tesuque that includes a stretch of the Winsor trail. We will close this year. This project was originally approved by the board in 2019, but since so much time has passed and small details of the project have been adjusted, a fresh board resolution is presented now. See project summary and board resolution elsewhere in the packet.
ACTION ITEM: *Resolution authorizing the executive director to execute documents necessary to accept a conservation easement over the Pond Tract, as well as an access easement over adjacent property owned by Henry Carey,*
- **General resolution for ED signing authority:** A Natural Resources Conservation Service (NRCS) grant that we will probably apply to this fall (see below) requires us to have a resolution authorizing the ED to apply for grants and enter into contracts. The resolution does not need to be specific to any one grant or contract. See the resolution in the packet.
ACTION ITEM: *Resolution to authorize the ED to submit grant applications and enter into grant contracts and other contracts as necessary to further the organization's mission.*

NEW PROJECT NEWS:

- **Rancho Las Lagunas CE:** Things are going well with this purchased conservation easement that will protect about 100 acres of irrigated farmland in Nambe. This is our first "Total Transaction" project for which SFCT will cover most transaction costs. The landowners have signed the Engagement Letter. In June we secured a \$595k grant from the state's Natural Heritage Conservation Act (NHCA) program: \$570k will go towards the easement purchase price and \$25k towards transaction cost. The Santa-Fe Pojoaque Soil and Water Conservation District took a huge leap and agreed to partner with us on this project, which was required for the state grant. We will probably apply for NRCS Agricultural Conservation Easement Program (ACEP) funding this fall to supplement the state money. This will be a multi-year project but well worth it to protect this unique piece of farmland owned by a lovely family.

- **Pending projects:** The committee will consider engagement letters for several donated easement projects at our September and October meetings. These include an amendment to add acreage to a PROS easement along the Pecos River, a new easement along the Chama River in Abiquiu, and an easement over ranchland in San Miguel County. Two of these projects are requesting Quickstart funding.

STEWARDSHIP:

- **Heart and Soul II and III Amendments pending:** An amendment to combine these two adjacent easements into one, relocate two building envelopes and include them as part of the easement, and otherwise improve easement terms is being worked on. SFCT is requiring this amendment to resolve a violation (the landowner's trailer and other improvements are located outside of the current building envelope). The landowner has signed the amendment engagement agreement and agreed to pay our fee in installments. However, they haven't paid anything yet.
- **Conservation Easement Monitoring:** Monitoring is going well. About half of our ground monitoring is complete. Other than the Heart and Soul violation mentioned above, the only violation we have discovered is some unauthorized trail-building and tree-cutting on the County's Little Tesuque Creek Open Space property. These activities were undertaken by a neighbor without the knowledge of County staff. County staff discovered the violation and brought it to our attention. The County is trying to get the neighbor to remediate the area and SFCT is helping as appropriate.
- **Landowner Engagement:** SFCT hosted a landowner luncheon on June 13 at Museum Hill Café for about 40 of our landowners. We gave them an update on our work and a good time was had by all. We also sent CE Info Guides to all of our landowners with their monitoring letters this year. We are hoping to encourage people to spread the word to their neighbors and/or amend the CEs on their properties to add acreage.
- **New technology:** Staff did a show-and-tell with the committee on two software programs that SFCT now uses to steward our properties. One is Lens, which we've been using for a few years to conduct remote monitoring. The other is Landscape, a new database software that is helping us streamline our stewardship and recordkeeping.

FEE PROPERTY STEWARDSHIP:

- **Riverhaven:** The committee visited this property in May. Over the course of several months, we discussed priorities and scenarios for further protecting the property while also getting some money out of it. In July the committee recommended approaching another land trust about SFCT donating a new easement over the property that would remove development potential and formalize the public's right of access. SFCT would work with the other land trust (probably Taos Land Trust) to develop the project and seek a state tax credit for the donation. The new easement would be overlaid on the existing Durand easement, which only protects a fraction of the Riverhaven property and also extends onto other private land next-door.

- **Apache Canyon:** We have received grants from both the Land Trust Alliance and State Forestry to produce a forest management plan for this property that explicitly addresses climate adaptation. The grants total \$8,100. We are contracting with forester Rachel Wood to write the plan, which will be completed by next summer. In the meantime, The Forest Stewards Guild (FSG) would like to work with us to conduct a pile burn this coming winter if conditions allow. We would be burning the ~30 small piles that their crew thinned last winter. FSG will write the burn plan, help us get the required permits and conduct the burn, which would only take one day. Volunteers could be involved. SFCT's biggest task would be outreach to the neighbors.
- **Galisteo Property:** We have received the Cornell Lab of Ornithology Land Trust Small Grant Program of \$25,000. This grant will help fund the Rangeland Restoration Implantation Plan with Ecotone Landscaping Planning and Resource Management Services, which includes 2 Bullseye workshops. It would also fund 3 EBird Workshops during as well as planting 30 Winterfat, 15 Three-leaf Sumac with Oya Watering Pots with volunteers in the spring.

OTHER:

- **Accreditation Renewal:** The Accreditation Renewal ad-hoc committee started meeting in June. Land program staff have started writing required statements about amendments and violations. Our accreditation renewal pre-application is due in October and the full application is due in early February 2025. The resolution in the packet about adopting and implementing the LTA's *Standards and Practices* is required for the The Land Trust Alliance for our Accreditation Renewal. **ACTION ITEM:** *Resolution stating that the SFCT Board of Directors adopts and implements the Standards as guidelines for the organization's operations.*

Trails and Community Conservation Program

Update for SFCT Board Meeting, Aug. 27, 2024

Trail Maintenance Update

After recent rains just about all trails need maintenance. We have continued to focus on Dale Ball Trails in part to stay out of the heat in La Tierra Trails, where we have done just one work day this summer. We also did one work day this Summer on the lower part of the Sun Mountain Trail.

Our new purchase orders for **City Trail work** (one for Dale Ball and Connecting Trail, one for La Tierra) in 2024-25 are now in hand.

For the first time in over ten years, we now have a trails maintenance agreement with **Santa Fe County** and that purchase order is also now in place. We will focus on County sections of Dale Ball Trails, which we worked on Aug. 21, but may also work on La Piedra, Little Tesuque, and Arroyo Hondo Open Space Trails as part of this agreement.

In order to supplement the efforts of our Wed. work day crew, we will reach out to schools that we have worked with in the past, particularly Santa Fe Prep for Dale Ball Trails and Journey Montessori for La Tierra Trails.

Trail Development Update

Galisteo Basin Property: Accessible trail grant due 9/30 for construction of the trail, improvement of the arroyo crossing, road widening. Construction to start in late Fall.

Riverhaven: We are re-routing the trail through our property to keep trail users off our neighbors' land upstream. We plan to move the footbridge on their property down to our property, improve / put in about 30 ft of trail, and eventually add signage encouraging trail users to use this route. We have already met with neighbors and removed some trees to make this possible.

Santa Fe County: We are in communication with the County to plan a re-route of the "ditch trail" in **Arroyo Hondo Open Space** where it crosses a wetland meadow. It is a GUSTO priority that the County recognize this "social trail" as a formal resource within the Arroyo Hondo Open Space. We are also encouraging the County to work with a private landowner on the south end, where the trail can be accessed from the neighborhoods along Arroyo Hondo Rd., and with NMDOT on the north end, where we would propose to re-route the meadow trail to up along the ditch to the AHOS trailhead.

GUSTO: The newest GUSTO partner is Oshara Homeowners Association, some of whose board members are very supportive of a **New Mexico Central Rail Trail** from Oshara Rd. (formerly Rabbit Rd.) to Burnt Water Rd. in the College Heights subdivision of Rancho Viejo, a major GUSTO priority. They are going to present the idea to the rest of the HOA in late August and we will pursue next steps which of course include approaching College Heights subdivision.

La Tierra Trails: Santa Fe Fat Tire Society has flagged a re-route of La Tierra Trails between Junctions 1 and 7 and held an "Early Neighborhood Notification" meeting as requested by the City Parks Division evening of Aug 20. Tim participated in the planning and flagging. He had proposed three shorter alternative re-routes focusing on replacing fall-line sections only, but SFFTS would like to do a complete re-route which is not a bad idea in this instance.

SFFTS will conduct this work on weekends, starting Sept. 7, and Tim will encourage them to have their most experienced trail builders on hand to lead crews. Meanwhile SFFTS is also paying Rocket Ramps to do substantial improvements to bike-specific technical trails in La Tierra Trails, including one that has been rebuilt south of the Pipeline Rd. Tim is encouraging SFFTS Board members to consider supporting improvements elsewhere such as South Side / SWAN Park and to consider funding the creation of more accessible trails in La Tierra Trails, particularly to replace some wide “multi-tracks” in meadows on the way up to the Pipeline Road.

Other SFCT Trail Development News:

- In the Winter and Spring Tim helped City Tourism update the **foothills trails map** for the first time in about ten years. Copies of the maps are now available at the SFCT office and at the City Tourism office.
- In May we built a piece of **Acequia Trail** in Hermanos Rodriguez Park through a Purchase Order with City of Santa Fe Parks Division. Tim was a featured speaker at the opening event on May 7 to celebrate Homewise’s work on Maes Rd. to donate an easement to the City that now allows walkers and cyclists to connect the Acequia Trail and Otowi Dr. to Rufina St. This has been a top priority since the first metropolitan bike master plan was passed in 2012, but never could have happened without Homewise’s interest and action.
- We are continuing work with **Homewise** and other partners on community trail planning and advocacy, including a meeting in August with a City representative for Mid-Town Campus.
- In June, Trails and Land program staff met with Ian Aeby a CE landowner in **La Mesilla**, northern Santa Fe County, in order to discuss and scope out possible improvements for a public trail with access to the Rio Grande.
- City **Bicycle Wayfinding** Purchase Order from City Public Works is back on track as of August. They have identified funding and Tim has submitted a revised scope which may allow for fast-tracking signage for new connections using the Acequia Trail (Otowi Dr. to Rufina St.) and Canada Rincon Trail (Calle Mejia to Tano Rd.).
- Participating in **Rio en Medio** community stakeholders meeting (Aug 22)
- Participating in City Technical Advisory Working Group (TAWG) relating to **Development Code update**.
- **La Tierra Chili Line Trail** Interpretation and Steps: All signage and lumber ordered, aim to have all installed for Vamonos “Find a New Path” outing on Thurs., Sept. 19, 5:30 (meet at La Tierra Trails, Buckman Motocross Track parking lot).

Community Conservation Update

Vámonos / Santa Fe Walks

By the time you are reading this report, Vámonos will have completed 20 walks, so we are 2/3 of the way through, with September and October still to come. It has been an amazing season to date! With ORD’s outdoor marketing grant, we have been able to advertise in a way that we have not been able to in the past, with visible results. We increased the Santa Fe New Mexican inserts from one to three, spread across the season rather than at just the beginning of the year; added two inserts into the Santa Fe Reporter, which have proved to be very effective, as well as new advertisements in the Green Fire Times and New Mexico Kids! Family magazine, among other efforts.

With the increased marketing budget, we set ourselves a stretch goal of 1,000 total walkers in 2024 and we are making big strides reaching that number. So far, there have been 450 walkers (not counting the last two walks in August that have not happened as of this writing) and each month has seen more walkers than the last with July having 140 walkers. Our biggest walks to date were Frenchy's Field/SF River Trail, with 40 participants, and exploring the Norski Trails near the ski basin. That hike aligned with the Blue Bus Mountain Route schedule, allowing for free public transportation to/from the trail—advancing equity in our community. Our per walk average is at a manageable 25 people, which is a nice jump from previous years.

The biggest takeaway from this season has been the number of new walkers, helping spread Santa Fe Conservation Trust's message to more people in Santa Fe.

Passport to Trails

With school starting earlier than ever, we are getting the earliest jump ever on scheduling Fall trips. As of Aug 20 we have put in bus reservations for field trips for ten classes of El Camino Real Academy (ECRA) and Atalaya grade schoolers and Nina Otero Middle Schoolers, all scheduled for September. With Tuesdays and Thursdays wide open in October, we will soon reach out to Chaparral E.S., Nina Otero grade schoolers, and possibly E.J. Martinez ES which is housed at Chaparral this year. In recent years we have typically done about 15 trips per semester. This year we might break the record of 17 passport trips in one semester (Fall 2022).

All classes this semester are going to Cerro Gordo Trailhead. Most hikers will go part way up Picacho Peak to earn their Passport sticker for "Dale Ball Trails – South Section." The Nina Otero Middle Schoolers will climb to the top of Picacho Peak. The Atalaya kids will visit Santa Fe Canyon Preserve and earn a sticker for "Dale Ball Trails - Central Section" sticker, because they can hike to the South Section from their school, as the Atalaya 4th Graders did last year.

Safe Routes to School

Tim has taken Ryan Harris, the SRTS Coordinator with SFPS, on several tours of school neighborhoods to look at infrastructure improvements recommended in the SRTS Action Plan. In addition to attending occasional Walk and Roll to School events, Tim will also collaborate with Ryan on "Walks from School" for selected classes, including an ECRA Second Grade class whose teacher had originally expressed interest in a Passport to Trails outing.

Community Cruise Bike Rides

Tim led three bike rides in the Spring. The first was a tour of urban trails and school areas for the national Green Schools Conference in March, which was very well-received. In April, Tim helped SFFTS plan and lead a ride from the Railyard Park to Santa Fe Brewing Co., where the Spring Runoff event took place, focusing on supporting outdoor recreation in New Mexico. For Bike Month in May, Tim led a "Tour de Mural, Outliers Ride" which was well attended, including SFCT Board Member Julie Martinez, and an artist who presented us with her work, "The Day and Night Land Stitchers," on East St. Tim will plan another community cruise for the Fall, likely to focus on rail history and other transportation history (e.g., El Camino Real, Route 66).

Trails and Community Conservation Committee
MEETING MINUTES
Thurs., June 13, 2024

1. Greetings and Introductions

- *The committee meeting began at 4:10pm*
- *In attendance: Michael Avery, Chair; Nigel Otto; Carmichael Dominguez; Luke Pierpont; Tim Rogers (staff lead); Sarah Noss (staff); Brian Jensen (staff).*

2. Review and Approval of TCC Committee Minutes of January 18, 2024 –

- *Comments: The document does record who attended the meeting and who was absent.*
- *Nigel Otto moves to Approve, Carmichael Dominguez seconds, unanimous approval as amended.*

3. TCC Committee Charter – Review and Revise

- *Michael suggested removing the “ / ” symbol in favor of “and” to make it the Trails and Community Conservation Committee. All agreed.*
- *Nigel commented that the document was not too confining and looked alright to him. He asked whether the committee was limited in its membership. Sarah responded that there was not a limit in committee membership. Further language clarification: “Three directors as appointed by the Chair.”*
- *Staff are independent of “directors” (refers to members of the Board of Directors.) It was suggested to change “directors” to “board members.” All agreed to this change.*
- *Carmichael asked if there if a redline version could be produced with changes discussed. One will be sent to members before next meeting.*
- *It was asked whether #4 Trails Alliance still existed. All agreed to remove.*
- *Carmichael moved to approve changes to TCC Committee Charter, as amended, with Nigel Otto seconding the motion. Passed unanimously.*

4. Trail Initiatives including GUSTO – Grand Unified Santa Fe Trails Organization

- i. Arroyo Polay Trail Easement – e-mail from City Land Use indicates that they are having public trail easement for existing trail added to plat.
 - *Was shared/commented on that this new easement will formally connect Upper Canyon Road with Dale Ball Trails and the Dorothy Stewart Trail through two private land tracts.*
- ii. (inserted into agenda) River Trail east of Alameda (Camino Pequeno and Riverhaven)

- *Sarah commented that it was Dale Ball's initial vision to have River Trail go all the way to Audubon. The first section east of Riverhaven toward Cerro Gordo Rd. is under private ownership/no public access. Also noted was the Canyon Neighborhood Association is a powerful voice in city politics and not easily swayed.*
 - *Camino Pequeño is becoming a pressure point according to Tim and the residents of this private lane are looking for ways to control and/or limit the traffic in the area. Tim is working with B.C. Rimbeaux, a resident landowner and public access supporter on possible solutions. To note, the road is private but the land around the Santa Fe River up to B.C.'s land belongs to the City.*
 - *Trail concludes at end of SFCT's Riverhaven property with a directional sign to Upper Canyon Road via an easement with other property owners. Discussions are ongoing with these property owners to find solution to traffic not following this sign and trail alignment. A lot of foot traffic is currently entering our neighbors' private property.*
 - *Luke asked the group whether Camino Pequeno is SFCT's to solve?*
- iii. "Secret Agent Trail" - Access between La Barbarria Tr. (road) and Santa Fe National Forest. Jay Shelton visit-hasn't happened yet. Sarah and Deborah to pursue.
- *Debra Von Barga spoke with Jay Shelton's wife. It was relayed that he is not interested in talking. It was suggested that a different approach be taken – more informal, reach out to listen to what he has to say? Inquire as to what he is unhappy about – increased traffic?*
 - *The volume has increased over 15 years with the advance of trail route technology like Strava that doesn't make it a word of mouth trail anymore, anyone with the apps can see where people are riding.*
 - *An "old" route (not using Jay Shelton's driveway) is mostly on private land owned by Mary Laraia and Andy Mooney – SFCT supporters.*
 - *A committee member asked whether Santa Fe County could become involved and take over the maintenance of the road?*
 - *There was concern expressed that if not handled the whole trail could be cut off which would be a major blow to the mountain biking community.*
 - *Nigel offered to take these concerns and possible solutions to the Fat Tire Society.*
- iv. NM Central Railroad – Oshara to College Heights/SFCC. In discussion with County on process.

- *Tim reported that he is still in initial conversations about Oshara to SFCC connection.*
- v. NMLC / Petcheskey Ranch. Revisiting with NMLC including reflag and walk.
 - *Tim reported that this trail extension has been walked and flagged but questions remain about property owner to the north which may derail project.*
- 5. Trail Maintenance
 - i. Status of City Trail Maintenance –
 - *currently no Purchase Order (PO) yet from City for fiscal year starting on July 1. PO will most likely happen, but continue to work on producing a long-term contract.*
 - i. SFFTS Proposal for La Tierra Trail –
 - *Meeting scheduled for June 14 with Fat Tire and City's Melissa McDonald for La Tierra re-route. City is not requiring an archeology review.*
 - ii. SFCT Proposal for SWAN Park Area
 - *Tim encouraged Santa Fe Fat Tire Society Board members to consider helping build new trails in the area around the SWAN Park and Tierra Contenta phase 3.*
 - iii. TNC/Sant Fe Canyon Preserve – *New agreement coming soon.*
 - iv. Prospects for County Trail Maintenance
 - *Adeline Murthy proposed in County budget starting July 1 for SFCT trail maintenance on County Dale Ball portion. Doesn't include La Piedra section. She also will be putting out an RFP for the Little Tesuque re-route.*
- 6. Involvement with Local Road / Trail Projects
 - i. City Parks: Acequia Trail in Hermanos Rodriguez Park
 - *New trail connection thanks to Homewise who purchased lot to make connection possible. Tim and volunteer crew made a new trail through the park. Homewise is looking for additional trail connections that they can help make happen, including Siler to Henry Lynch Road to further expand Acequia Trail.*
 - ii. City Public Works:
 - a. Next Round of Bicycle Wayfinding – happening soon.
 - b. Bishop's Lodge Road – *Tim shared the current process which he felt is not following professional guidelines. He is trying to work with Public Works Director Regina Wheeler on a solution.*

c. Paseo del Sol Extension – *new possible trails. Committee member Carmichael commented that this is a type of project that expands access and helps SFCT live up to its DEI standards in its mission. A question was posed to committee on how to create access to the park that ameliorates 4-wheelers eroding hillsides.*

iii. City Tourism: Foothills Trails Map Update -*Tim worked with City tourism on a new map that had not been updated in years. New features include Audubon trails, among others. Now available!*

7. Galisteo Property Accessible Trail – *Construction documents are mostly done for this project. SFCT is gather quotes on construction from Rocket Ramps, local welders, Red Line Excavating. SFCT continues to work with Surroundings (landscape architecture firm) and JenkinsGavin (development consultants). Next step is applying for funding through the Outdoor Recreation Division's Trails+ grant program, with newly expanded access to "tier 2" funding of up to \$500K.*

8. Information / Concerns from Chair and Committee Members

- Committee member Luke suggested that the committee recruit more at large members in the area of 2-3 more members.

9. Adjourn and Action Items

- The meeting adjourned at: 5:45pm
- The next meeting was scheduled for September, more info on specific date to come.
- Action Items:
 - Amend Charter with following:
 1. "Three directors as appointed by Chair:
 2. Change "directors" to "board members"
 3. Take of #4 Trails Alliance section – outdated.
 4. Circulate red-lined version to committee members.
 - Nigel to discuss Secret Agent trail issue and concerns with SFFTS.
 - Meet with residents of Camino Pequeño and Riverhaven neighbors on traffic control solutions to mitigate traffic going onto private property.
 - Tim to circulate information on Bishop's Lodge trail project to committee.
 - Tim to schedule next meeting for September, more info to come.