**Skagit Land Trust's 990 for year ending March 31, 2106**

The Form 990 serves two essential purposes.  First, it provides information that helps government agencies enforce the laws that govern nonprofits.   Second, the Form 990 can help donors arrive at informed conclusions about the filer’s ability to garner financial support in the future and thus to be able to continue its operations.

**Skagit Land Trust is in the business of saving land.** We do this through donation of land or conservation easements, through purchasing land and by helping other organizations protect land. **Conservation land is considered an "asset" by the IRS in the form 990 reporting. Thus it takes some "putting pieces together" to understand Skagit Land Trust's 990 reporting of our annual review and expenses.** For this reason, in our annual report each year, we also report income and expenses in a simple pie chart format fashion.

**Tips for understanding Skagit Land Trust's 990**

*Page One - Overview of Income and Expenses*

**Page 1, Line 12** gives an overall idea of the level of the organizations income for the year being reported on. **Total income on line 12** **includes all income for operations and also funds and grants for land purchases.**

**Page 1, Line 17 reports total expenses for the year. However it** **does not include expenses for land purchases** or due diligence (appraisals, surveys etc) that go with land purchases.

**Page 1,  Line 19 (**in the fund balances section) indicates revenue minus expenses. For most nonprofits this shows whether the organization operated at a surplus or deficit for the year and the size of such surplus or deficit. **However this line will almost always show up as a "surplus" on Skagit Land Trust's 990 because the income for purchasing land is included in this calculation but the expense for buying the land is not.**

Instead the expense for land purchases shows up in the net asset section.

**Page 1, Line 20 - the expense for buying land shows up here** in a round-about way if you compare the change in total assets from the beginning of year to the end of year.Every time we add land to our conservation portfolio, our net assets go up (even though we never intend to sell these properties and in most cases could not due to restrictions). **However** **this line includes all our assets** (land, our office building, equipment, and our investment funds for long-term stewardship. It also includes depreciation on assets and investments). This amount also deducts depreciation for our properties when we restore them for wildlife habitat by i.e. taking down structures. **Thus Page 1, Line 20 does not tell the full story of what we spent on land in the year.**

To find out what we spend on land, you must go to **Page 11, Line 10a.** This separates our long-term investments from our land and other assets. Again, you have to do some math.

*Page Two and Page 10 - Program Services and Statement of Functional Expenses*

These pages document what we spent in the past year for all programs (land, stewardship, administration and fundraising). These numbers do not include the cost of buying fee land or the due diligence (surveys, appraisals, environmental assessments). However in an interesting twist of accounting principles, if we purchase a conservation easement, that expense does show up as an expense under land programs. Donated conservation easements do not show up in the 990.

*Page Nine, Part VIII, Statement of Revenue*

1. c) Fundraising events. This is the net proceeds (not gross) and excludes money raised for the fund a need because these are contributions.

Please feel free to call the Trust if you have any questions.