

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.

FINANCIAL STATEMENTS

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Center for Community Land Trusts Inc.
Madison, Wisconsin

Opinion

We have audited the financial statements of International Center for Community Land Trusts Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of International Center for Community Land Trusts Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 International Center for Community Land Trusts Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about International Center for Community Land Trusts Inc.'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 GAAS 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 GAAS, 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 International Center for Community Land Trusts Inc.'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 International Center for Community Land Trusts Inc.'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.



Wegner CPAs, LLP
Madison, Wisconsin
May 7, 2024

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS	
CURRENT ASSETS	
Cash	\$ 329,625
Grants receivable	526,196
Prepaid expenses	785
Total current assets	856,606
OTHER ASSETS	
Grants receivable, less current portion	400,000
Total assets	\$ 1,256,606
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 34,440
Accrued expenses	3,726
Sales tax payable	43
Total liabilities	38,209
NET ASSETS	
Without donor restrictions	
Undesignated	293,397
Board designation for operating reserve	125,000
Total without donor restrictions	418,397
With donor restrictions	800,000
Total net assets	1,218,397
Total liabilities and net assets	\$ 1,256,606

See accompanying notes.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUES

Contributions	
Grants	\$ 540,119
Individual	1,547
Fee for service agreements	12,250
Merchandise sales, net of cost of goods sold	(212)
Other revenue	
Interest income	6,909
Other income	242
Total revenues without donor restrictions	560,855

EXPENSES

Program services	142,841
Supporting activities	
Management and general	47,280
Fundraising	9,495
Total expenses	199,616

Change in net assets without donor restrictions	361,239
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CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions	
Grants	800,000

Change in net assets	1,161,239
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Net assets at beginning of year	57,158

Net assets at end of year	\$ 1,218,397

See accompanying notes.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

	<u>Supporting Activities</u>			<u>Totals</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Personnel	\$ 46,384	\$ 19,704	\$ 4,926	\$ 71,014
Contracted labor	89,248	16,300	4,075	109,623
Other professional fees	-	8,494	-	8,494
Telecommunications	3,632	1,976	494	6,102
Recruitment and outreach	1,508	-	-	1,508
Travel	1,074	-	-	1,074
Insurance	-	520	-	520
Office expenses	150	20	-	170
Licenses and permits	-	79	-	79
Banking and fees	-	187	-	187
Other expenses	845	-	-	845
Total expenses	\$ 142,841	\$ 47,280	\$ 9,495	\$ 199,616

See accompanying notes.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,161,239
Adjustments to reconcile change in net assets to change in cash	
Increase in assets	
Grants receivable	(872,216)
Prepaid expenses	(785)
Increase in liabilities	
Accounts payable	34,088
Accrued expenses	3,726
Sales tax payable	43
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Change in cash	326,095
Cash at beginning of year	<hr/> 3,530
Cash at end of year	<u><u>\$ 329,625</u></u>

See accompanying notes.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

International Center for Community Land Trusts Inc. (the Center) is based in Madison, Wisconsin. The purpose of the Center is to support the advancement of education regarding community land trusts, both in the United States and abroad, through book publication, support for academic research, and training for nonprofit practitioners, boards of directors, and community members. These educational efforts will inform, enhance, and support the work of community land trusts and other not-for-profit organizations so that they may better address the following goals: relief of the poor, the distressed, or the underprivileged; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration. The Center is primarily supported through grants from foundations and other non-governmental organizations.

Grants Receivable

Grants receivable represent amounts owed by foundations and other non-governmental organizations. Grants receivable are recognized in the period received, if unconditional. Grants receivable are stated at the amount management expects to be collected from outstanding balances. Discounts on grants receivable are only recorded if the discount is material to the financial statements as a whole. No discount was recorded for the year ended December 31, 2023. Conditional grants are recognized only when the conditions on which they depend are substantially met and they become unconditional. There were no conditional grants in 2023.

Grants and Contributions

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

The Center's earned revenue consists of fee for service agreements and merchandise sales. Fee for service agreements are generally short-term (e.g., under one year in duration) and consist of research, consulting, and education services. Revenue is recognized at the point in time when project deliverables are met as determined by the contract terms. Merchandise sales consist of print book sales and revenue is recognized at the point of sale, net of sales tax.

Sales Tax

Sales tax is assessed by the state of Wisconsin on the Center's merchandise sales.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, contracted labor, and telecommunications, which are allocated on the basis of estimates of time and effort.

Foreign Currency Translation

Grant revenues and receivables are translated from the euro to the U.S. dollar using the exchange rate at year-end for the current period. Any foreign currency translation gains or losses from exchange rate changes are recognized in the statement of activities.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through May 7, 2024, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS

For the year ended December 31, 2023, approximately 88% of total revenue was derived from one grantor.

NOTE 3—RELATED PARTY TRANSACTIONS

During 2023, the Center acquired contracted services for the Global South CLT Network project from Catalytic Communities Inc. totaling \$26,000. At December 31, 2023, the balance in accounts payable was \$13,000. The Executive Director of Catalytic Communities Inc. is a member of the Center's board of directors.

INTERNATIONAL CENTER FOR COMMUNITY LAND TRUSTS INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4—GRANTS RECEIVABLE

Grants receivable are as follows at December 31, 2023:

Receivable in less than one year	\$ 526,196
Receivable in one to five years	<u>400,000</u>
Total grants receivable	<u>\$ 926,196</u>

NOTE 5—RETIREMENT EXPENSE

The Center offers a 403(b) plan to its employees as outlined in their employment contracts. Full-time employees receive a dollar-for-dollar match contribution up to 7%. Part-time employees are eligible for pro-rated benefits. Total retirement expense for 2023 was \$3,798.

NOTE 6—NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023, net assets with donor restrictions consisted of \$800,000 that is restricted for future periods.

NOTE 7—LIQUIDITY AND AVAILABILITY

The table below reflects the Center's financial assets as of the date of the statement of financial position reduced by amounts not available for general expenditures within one year of the date of the statement of financial position:

Financial assets at end of year	\$ 1,255,821
Less those unavailable for general expenditures within one year due to:	
Restrictions by donor for future periods	(400,000)
Board designations for operating reserve	<u>(125,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 730,821</u>

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.