OPEN SPACE INSTITUTE, INC.
AND
CONSOLIDATED ENTITY

OPEN SPACE INSTITUTE

Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)
Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for December 31, 2020)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Open Space Institute, Inc. and Consolidated Entity

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Open Space Institute, Inc. and Consolidated Entity (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in their net assets and their 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Summarized Comparative Information

The consolidated financial statements of the Organization as of and for the year ended December 31, 2020, were audited by another auditor whose report dated August 12, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as of and for the year ended December 31, 2021 on pages 29 through 31 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information as of and for the year ended December 31, 2020 (shown on page 31) was subjected to the auditing procedures applied in the December 31, 2020 audit of the consolidated financial statements by another auditor, whose report on such information stated it was fairly stated in all material respects in relation to the December 31, 2020 consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
July 26, 2022

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2D and 9)	$ 46,303,152	$ 33,713,734
Investments, at fair value (Notes 2G, 2H, 4 and 9)	236,963,389	221,362,500
Contributions and grants receivable (Notes 2E and 5)	5,052,369	6,966,161
Accounts receivable (Note 7)	3,409,549	7,886,086
Conservation lending program receivable, net (Notes 2F and 6)	3,352,600	1,633,348
Investment - Limited Liability Company (Note 4)	1,986,555	3,356,847
Land and easement holdings, net (Notes 2I and 7)	66,009,112	54,141,673
Property, furniture and equipment, net (Notes 2J and 8)	601,444	852,300
Other assets	1,718,987	1,257,021
TOTAL ASSETS	$ 365,397,157	$ 331,169,670
LIABILITIES		
Accounts payable and accrued expenses (Note 13A)	$ 2,428,439	$ 2,457,142
Deferred contributions and grants revenue (Note 5)	7,913,447	7,891,836
Conservation borrowing and lending program (Notes 2F and 11)	23,731,904	11,800,867
Grants payable (Note 7)	4,326,299	10,051,842
Other liabilities	2,104,115	1,883,669
TOTAL LIABILITIES	40,504,204	34,085,356
COMMITMENTS AND CONTINGENCIES (Note 13)		
NET ASSETS (Note 2B)		
Without donor restrictions	89,422,925	85,301,884
With donor restrictions (Note 10)	235,470,028	211,782,430
TOTAL NET ASSETS	324,892,953	297,084,314
TOTAL LIABILITIES AND NET ASSETS	$ 365,397,157	$ 331,169,670

The accompanying notes are an integral part of these consolidated financial statements.

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	For the Year Ended December 31, 2021			
	Without Donor Restrictions	**With Donor Restrictions**	**Total 2021**	**Total 2020**
OPERATING REVENUES AND SUPPORT:				
Contributions and grants (Note 2E)	$ 2,422,331	$ 21,797,973	$ 24,220,304	$ 20,623,063
Conservation lending program interest income (Note 2F)	97,671	-	97,671	225,877
Project revenues (Note 2L)	800,533	17,143	817,676	2,636,365
Investment income and appreciation utilized	7,498,062	166,536	7,664,598	7,628,906
Revenue recovery (Note 2L)	289,511	210,254	499,765	1,247,822
Gain on real estate activity	842,179	-	842,179	136,723
Miscellaneous income (Note 2L)	174,815	7,713	182,528	510,735
Net assets released from restrictions (Note 10)	10,214,790	(10,214,790)	-	-
Total Operating Revenues and Support	22,339,892	11,984,829	34,324,721	33,009,491
OPERATING EXPENSES (Note 2M):				
Program services:				
Land protection	7,710,166	-	7,710,166	10,170,780
Stewardship	1,446,128	-	1,446,128	1,270,823
Conservation capital	3,020,794	-	3,020,794	3,562,733
Conservation communities	821,250	-	821,250	557,513
Parks and policy	4,825,655	-	4,825,655	7,634,609
Total program services	17,823,993	-	17,823,993	23,196,458
Supporting services:				
Management and administration	3,511,070	-	3,511,070	3,648,865
Fundraising	939,965	-	939,965	891,022
Total supporting services	4,451,035	-	4,451,035	4,539,887
Total Operating Expenses	22,275,028	-	22,275,028	27,736,345
CHANGES IN NET ASSETS FROM OPERATIONS (Note 2K)	64,864	11,984,829	12,049,693	5,273,146
NON-OPERATING ACTIVITIES:				
Investment activity (Note 4)	4,196,538	19,227,006	23,423,544	28,958,079
Investment appreciation utilized	-	(7,664,598)	(7,664,598)	(7,628,907)
Transfers of net assets (Note 14)	(140,361)	140,361	-	-
NET NON-OPERATING ACTIVITIES	4,056,177	11,702,769	15,758,946	21,329,172
CHANGES IN TOTAL NET ASSETS	4,121,041	23,687,598	27,808,639	26,602,318
NET ASSETS - BEGINNING OF YEAR	85,301,884	211,782,430	297,084,314	270,481,996
NET ASSETS - END OF YEAR	$ 89,422,925	$ 235,470,028	$ 324,892,953	$ 297,084,314

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	For the Year Ended December 31, 2021									
	Land Protection	Stewardship	Conservation Capital	Conservation Communities	Parks and Policy	Total Program Services	Management and Administration	Fundraising	Total 2021	Total 2020
Salaries and employee benefits (Note 12)	$ 2,728,363	$ 503,480	$ 1,521,652	$ 335,072	$ 1,422,198	$ 6,510,765	$ 2,290,747	$ 805,598	$ 9,607,110	$ 9,329,834
Professional fees	698,191	26,721	208,326	231,046	657,358	1,821,642	340,792	4,558	2,166,992	2,242,543
Public recreation additions	52,004	11,400	-	-	2,503,059	2,566,463	-	-	2,566,463	5,924,924
Grants	2,245,861	58,026	1,012,993	125,940	13,721	3,456,541	-	-	3,456,541	5,545,638
Real estate conservation loss (Note 7)	872,866	-	-	-	-	872,866	-	-	872,866	1,000,000
Cost of easements and options	-	-	-	-	-	-	-	-	-	125,281
Real estate taxes	-	301,591	-	-	-	301,591	-	-	301,591	207,750
Occupancy and related expenses (Note 13A)	410,574	209,841	237,104	82,939	142,783	1,083,241	705,778	120,534	1,909,553	1,631,004
Depreciation and amortization	44,921	110,462	-	-	-	155,383	-	-	155,383	385,268
Property maintenance	246,382	144,005	223	31,900	44,609	467,119	-	-	467,119	630,173
Travel and meetings	38,208	10,723	8,462	5,573	15,291	78,257	117,851	436	196,544	98,119
Interest	187,660	-	4,133	-	-	191,793	-	-	191,793	146,705
In-kind interest expense	-	-	-	-	-	-	-	-	-	968
Pledge and loan loss reserve expense	-	-	-	-	-	-	-	-	-	6,226
Public relations and communications	183,492	9,377	27,898	7,782	26,633	255,182	33,790	8,839	297,811	221,073
Miscellaneous	1,644	60,502	3	998	3	63,150	22,112	-	85,262	240,839
TOTAL	$ 7,710,166	$ 1,446,128	$ 3,020,794	$ 821,250	$ 4,825,655	$ 17,823,993	$ 3,511,070	$ 939,965	$ 22,275,028	$ 27,736,345
TOTAL - 2020	$ 10,170,780	$ 1,270,823	$ 3,562,733	$ 557,513	$ 7,634,609	$ 23,196,458	$ 3,648,865	$ 891,022	$ 27,736,345	

The accompanying notes are an integral part of these consolidated financial statements.

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 27,808,639	$ 26,602,318
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	387,184	385,268
Net unrealized/realized gain on investments	(23,364,545)	(29,185,823)
Donated natural land areas and improvements	(1,323,638)	(393,340)
Donated land received	(863,500)	-
Pledge and loan loss (recoveries) reserves	77,000	(159,636)
Unamortized loan discount	-	(282,864)
In-kind interest expense	-	968
Gain on sale of land areas	(842,179)	(136,723)
Real estate conservation loss	872,866	1,000,000
Subtotal	2,751,827	(2,169,832)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions, grants and accounts receivable	6,390,329	(4,801,088)
Other assets	(461,966)	838,673
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(28,703)	921,930
Deferred contributions and grants revenue	21,611	3,479,150
Grants payable	(5,725,543)	2,119,531
Other liabilities	220,446	896,686
Net Cash Provided by Operating Activities	3,168,001	1,285,050
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales or redemption of investments	37,899,679	37,457,087
Purchases of investments	(30,136,023)	(29,396,406)
Purchase of investment in Limited Liability Company	(4,708)	(1,960)
Distribution of investment in Limited Liability Company	1,375,000	2,300,000
Issuance of loans for conservation lending program	(1,809,600)	(1,633,348)
Payments received from conservation lending program	13,348	1,653,286
Purchases of property, furniture & equipment	(21,244)	(13,988)
Purchases of land and easement holdings	(37,492,046)	(20,119,242)
Proceeds from sales of land and easement holdings	27,665,974	17,461,895
Net Cash Provided by (Used in) Investing Activities	(2,509,620)	7,707,324
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from conservation lending program payable	19,396,391	5,004,009
Repayments of conservation lending program payable	(7,465,354)	(5,719,114)
Net Cash Provided by (Used in) Financing Activities	11,931,037	(715,105)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,589,418	8,277,269
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	33,713,734	25,436,465
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 46,303,152	$ 33,713,734
Supplemental Disclosure of Cash Flow Information:		
Noncash investing and financing transactions:		
Donations of land areas and improvements	$ 2,187,138	$ 393,340
Cash paid for interest during the year	$ 191,793	$ 146,705

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

A national conservation leader, the Open Space Institute, Inc. ("OSI") has protected more than 2.3 million acres of the land that matters most for our families, our communities, and our planet. For nearly 50 years, OSI has been protecting land throughout the eastern United States and southern Canada to support clean air and water; improve access to nature and the outdoors; secure wildlife habitat; and combat climate change, while curbing its devastating effects.

OSI and its affiliated entity, as defined in Note 2A, (collectively, the "Organization") achieve this mission through the following programs:

Land Protection: Smart, strategic land conservation strengthens communities, ensures access to drinking water resources, provides recreational resources, curbs climate change, and protects habitats. Working throughout the eastern United States, with project concentrations in New York, New Jersey, South Carolina, and Georgia, OSI acquires land of ecological, recreational, and climate protection significance with the goal of conveying it to public agencies and conservation partners as permanent additions to publicly accessible lands. In 2021, OSILT protected 14,236 acres of land having a fair market value of $49.2 million.

Conservation Capital: Guided by science, with a focus on climate change, water protection, forests, and wildlife habitat, OSI works with foundations to design and administer capital re-grant programs, directing capital and low-cost loans to accelerate the rate and effectiveness of conservation. OSI also offers catalyst grants to localities and their conservation partners to incorporate strategic land protection into local planning efforts. In 2021, OSLT made seven capital grants totaling $762,427, protecting 4,383 acres in four states with a fair market value of $9,258,537. Further, OSI approved 16 grants for planning and technical assistance totaling $185,275.

Parks and Policy: Great parks and trails offer sanctuary in our busy lives; are vital recreational, cultural, and economic destinations; and help foster the next generation of environmental stewards. OSI makes the outdoors more welcoming and enjoyable for long-time visitors and new explorers alike through park improvements, the creation of new trails and greenways, and advocacy for increased state and federal investment.

Stewardship: Through its Stewardship work, OSI monitors and enforces conservation easements, oversees the management of properties conserved with third-party partners, and provides interim management for properties that will be conveyed to public agencies or other conservation partners.

Conservation Communities: OSI supports grassroots organizations and promotes the development of young environmental leaders to broaden representation within the field of conservation. Its Citizen Action initiative supports newly formed local environmental groups and urban parks; the Malcolm Gordon Charitable Fund awards grants to nonprofits in urban Hudson Valley communities; and the Barnabas McHenry Hudson River Valley Awards provide grants to students who are actively working to improve their local communities. Likewise, OSI's Conservation Diversity Fellowship is promoting greater diversity within the environmental field by providing recent students salaried fellowships to jumpstart their careers.

OSI and Open Space Institute Land Trust, Inc. ("OSILT") are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and have been designated as organizations which are not private foundations. OSI and OSILT are incorporated under the laws of the State of New York (the "State") and are exempt from State and local income and sales taxes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as established by the Financial Accounting Standards Board (the "FASB"), and include the accounts and activities of the following entity for which OSI has control and an economic interest:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

OSILT, is a 501(c)(3) supporting organization of OSI through which Land Operations, Stewardship, Conservation Capital and Parks and Public Policy operate. OSILT holds all of the Organization's lands and all of the conservation easements.

All material inter-organizational accounts and transactions have been eliminated in consolidation.

B. *Basis of Presentation*

The Organization reports information regarding its financial position and activities in two classes of net assets: without and with donor restrictions. Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Organization and have no donor restrictions associated with them. Net assets without donor restrictions in the amount of $3,500,356 and $3,418,296 have been designated by the Board of Trustees for the Land Acquisition, Stewardship and Parks programs. As of December 31, 2021 and 2020, respectively, net assets with donor restrictions consist of contributions that are restricted by the donor for a specific time period or purpose. The Organization did not have any net assets with donor restrictions to be held in perpetuity as of December 31, 2021 and 2020.

C. *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenue, expenses, and other changes in net assets during the reported period. The most significant assumptions and estimates relate to the determination of the allowance for uncollectible grants and accounts receivable, reserve for possible loan losses, valuation of investments in pooled investment funds, impairment of land and other long-lived assets, discount factor for multi-year receivables, imputed interest on loans receivables and payables, estimated useful lives of property and equipment, and functional allocation of expenses. Actual results could differ from those estimates.

D. *Cash Equivalents*

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, except for those short-term investments managed by the Organization's investment managers as part of its long-term investment strategies. Approximately $30 million and $18 million of cash and cash equivalents at December 31, 2021 and 2020, respectively, were restricted for specific programs as required by certain funders.

E. *Contributions, Grants and Net Assets Released from Restrictions*

All contributions and grants, whether or not restricted, are recognized as revenue at fair value when received or unconditionally promised to the Organization.

The Organization classifies contributions as with donor restrictions if received with donor stipulations that limit the use of the contributions. When such donor stipulations expire, that is, when stipulated or implied time restrictions end or purpose restrictions are accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions of property are recorded at fair value on the date of contribution. Fair value is determined by an appraisal report, management estimate or quoted market prices when available.

Grants receivable represent amounts unconditionally committed by donors, foundations and agencies that have not yet been received by the Organization. Such receivables are recorded at the present value of their estimated future cash flows. The discounts on grants receivable are computed using the risk-adjusted discount rate in effect on the date of the gifts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Conservation Lending Program*

This program provides program-related loans primarily to nonprofit organizations to expand land conservation. This program is funded through program-related investments from various organizations at interest-free, or below market interest rates from the Organization's line of credit and the Organization's assets.

The Organization reports conservation loans at their outstanding principal balances, reduced by reserves for possible loan losses. The Organization estimates possible lending losses based on factors related to a specific borrower's financial position and ability to pay, loan collateral and current economic trends. The Organization reports conservation loans payable at their outstanding principal balances, reduced by the amount of imputed interest.

For loans receivable and payable that are interest-free or that have below-market interest rates, a contribution (income or expense) is recorded as the difference between the value of the loan at fair market rates and at its stated rate. The contribution is recorded at the time the loan is agreed to by both parties, with the value of the contribution reducing the outstanding loan balance and amortized over the life of the loan as in-kind interest income or expense. See Notes 6 and 11 for additional discussion.

G. *Investments*

Investments are carried at estimated fair value in the consolidated statement of financial position (See Note 4). The consolidated statement of activities and changes in net assets includes net return on investments consisting of interest and dividend income, realized and unrealized gains and losses, as well as management and custodial fees. Interest income is recorded on the accrual basis. Dividends are recorded when the company declares the dividend and sets a record date (the "ex-dividend date"). Purchases and sales of securities are recorded on a trade-date basis.

H. *Fair Value Measurements*

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

I. *Land and Easement Holdings*

Land purchased is recorded at cost. Improvements on land are valued at cost and depreciated over the estimated life of the asset unless deemed not to add to market value. Consistent with its conservation mission, the Organization assumes land purchased will be conserved and its market value may be impaired to reflect its conserved value. In many cases, the Organization purchases unencumbered property and then sells the property with a conservation easement restricting development rights. The Organization regularly reviews land held for sale for impairment and whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined to be impaired, the carrying value is reduced to the current estimated fair value based on the best information available at date of issuance of the consolidated financial statements. Realized gains and losses on natural land areas and improvements, if any, are recorded upon disposition.

Easements that have a resale value are recorded at cost. Easements that are determined to have no resale value are recorded at one dollar.

J. *Property, Furniture and Equipment*

Purchases of property and equipment in excess of $10,000 and an estimated useful life of greater than one year are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets ranging from five to forty years. Leasehold improvements are amortized over the shorter of the term of the lease or the life of the asset.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. ***Operating and Non-Operating Activities***

The Organization includes, in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment income allocation (see Note 10) and all contributions.

L. ***Project Revenues, Revenue Recovery and Miscellaneous Income***

The Organization recognizes revenue through the five-step model described by the FASB in the Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contracts; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contracts; and (5) recognition of revenue when a performance obligation is met.

Project revenues consist primarily of income derived from mitigation activities but also include other revenues related to services provided by the Organization.

Recovery revenue relates to the reversal of prior year accruals, reserves and impairments that are recovered in the current year.

Miscellaneous income is composed of various income items including management fee income, security settlements and rental income.

These line items may be restricted if the revenue is related to funds that were donor restricted at inception and have not yet been released.

M. ***Functional Allocation of Expenses***

The costs of program and supporting service activities have been summarized on a functional basis in the consolidated statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and miscellaneous, which are allocated on the basis of estimates of time and effort.

N. ***Summarized Comparative Information***

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class or the natural classification of functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of December 31:

	2021	2020
Cash and cash equivalents	$ 46,303,152	$ 33,713,734
Current portion of grants receivable	4,143,066	4,362,858
Current portion of accounts receivable	3,342,334	6,000,399
Current portion of conservation lending program receivable	-	13,348
Redeemable investments	221,491,497	205,608,570
Total financial assets	275,280,049	249,698,909
Donor and other imposed restrictions:		
Subject to specified purpose or passage of time	(216,091,379)	(193,194,390)
Internal designations:		
Cash collateral related to letter of credit	(138,744)	(138,744)
Investment collateral related to lines of credit	(17,332,122)	(7,690,420)
Net board designated funds for land purchases and trail building	(3,421,975)	(3,108,457)
Financial assets available to meet cash needs for general expenditures within one year	$ 38,295,829	$ 45,566,898

As part of the Organization’s liquidity management plan, the Organization invests excess cash beyond expected operating needs in U.S. government debt, common stock, common trust funds and hedge funds.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments, at fair value consisted of the following as of December 31:

	2021	2020
Investments, at fair value	$ 234,826,196	$219,362,500
Receivable redeemed investments	2,137,193	2,000,000
Total investments	$ 236,963,389	$221,362,500

Receivable redeemed investments arise when the Organization notifies an investment manager of a pending redemption. The investments without immediate liquidity segregate the redemption, removing it from market risk, and remits it at a later date. All such receivables were collected in 2022 and 2021, respectively.

As noted in Note 2G, investments are reported at fair value. FASB guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under FASB ASC Topic 820, “Fair Value Measurement,” as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under ASC Topic 820 are described below:

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments in Level 1 include listed equities and U.S. government debt.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments in this category generally include corporate debt and less liquid securities such as securities traded on certain foreign exchanges. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

All assets carried at fair value have been valued using a market approach. There were no changes in the valuation techniques during the current year. The following are the valuation techniques used by the Organization, some of which are obtained from the investment fund managers in the absence of readily determinable market values to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized:

- Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

- Securities traded in the common collective trust and listed securities for which no sale was reported on that date are stated at the last quoted bid price. These financial instruments are classified as Level 2 in the fair value hierarchy.

- Investments in pooled investment funds are classified as level 3 or by net asset value, and are valued at fair value based on the applicable percentage ownership of the investment funds' net assets as of the measurement date, as reported to the Organization by the investment fund. The majority of investment funds value the funds’ securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the investment funds, which may include private placements and other securities for which prices are not readily available, are determined by the management or sponsor of the respective investment funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Organization's investments in investment funds generally represents the amount the Organization would expect to receive if it were to liquidate its investment in the investment fund, excluding any redemption charges that may apply.

The Organization categorized its investments in investment funds as a Level 2 fair value measurement if the Organization had the ability to redeem its investments at year-end or within 90 days or less from year-end. Certain investment funds, including those that hold private equity and real estate investments that do not permit redemptions or have lock-ups that restrict redemptions for a specific period of time, are classified as Level 3.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Organization's fair value hierarchy for those assets measured at fair value as of December 31, 2021:

	2021 Fair Value Measurements Using				
Description	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Cash equivalents	$ 16,325,682	$ -	$ -	-	$ 16,325,682
U.S. government debt	7,858,444	-	-	-	7,858,444
Common Stock	23,139,912	-	-	-	23,139,912
Common /collective trust fund	-	30,811,222	-	-	30,811,222
Pooled investment funds					
Long/short equities (directional hedge)	-	-	-	-	-
Multi-strategy	-	-	1,012,077	-	1,012,077
Private equity	-	-	234,846	-	234,846
Real assets	-	-	15,237,046	-	15,237,046
Investments measured at net asset value	-	-	-	140,206,967	140,206,967
Total	$ 47,324,038	$ 30,811,222	$ 16,483,969	$ 140,206,967	$ 234,826,196

Certain investments that are measured at fair market value, including certain investments such as hedge funds, private equity and real estate funds, using the net asset value per share (or its equivalent) practical expedient, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

The following table reconciles all Level 3 assets measured at fair value for the year ended December 31, 2021:

	Pooled Investment Funds				
	Long/Short Equities (Directional Hedge)	Multi-Strategy	Private Equity	Real Assets	2021 Total
Balance, beginning of year	$ 65	$ 7,067,334	$ 291,594	$ 15,462,335	$ 22,821,328
Net change in unrealized appreciation	(65)	165,528	45,186	2,370,128	2,580,777
Purchases of investments	-	-	-	3,270,637	3,270,637
Sales and redemptions	-	(6,220,785)	(101,934)	(5,866,054)	(12,188,773)
Balance, end of year	$ -	$ 1,012,077	$ 234,846	$ 15,237,046	$ 16,483,969

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the Organization's investments in pooled investment funds at December 31, 2021:

Investment Objective	Fair Value	Unfunded Commitments	Redemption Frequency (if currently permitted)	Redemption Notice Period
Multi-strategy (1)	$ 1,012,077	$ -	Quarterly Annually	45 - 90 days
Private equity (2)	234,846	81,731	Illiquid	
Real assets (2)	15,237,046	11,214,109	Illiquid	
Total	$ 16,483,969	$ 11,295,840		

(1) Fund managers of OSI's investments in multi-strategy funds employ a variety of techniques, including event driven, debt and equity portfolios designed to provide above average returns while preserving capital.

(2) The Organization's investments in funds that hold private equity and real assets are primarily invested in illiquid investments for extended time periods measured in years. Due to the nature of the underlying investments, distributions and redemptions prior to the scheduled fund termination dates are at the sole discretion of these funds. Typically, distributions are made by the funds as the underlying investments are sold or otherwise liquidated.

In addition, investments measured at net asset value totaling $140,206,967 and $128,276,292 as of December 31, 2021 and 2020, respectively, are redeemable on a monthly, quarterly or annual basis at the Organization's request.

The following table presents the Organization's fair value hierarchy for those assets measured at fair value as of December 31, 2020:

	2020 Fair Value Measurements Using				
Description	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Cash equivalents	$ 11,821,090	$ -	$ -	$ -	$ 11,821,090
U.S. government debt	7,836,964	-	-	-	7,836,964
Common Stock	21,708,952	-	-	-	21,708,952
Common /collective trust fund	-	28,897,874	-	-	28,897,874
Pooled investment funds					
Long/short equities (directional hedge)	-	-	65	-	65
Multi-strategy	-	-	7,067,334	-	7,067,334
Private equity	-	-	291,594	-	291,594
Real assets	-	-	15,462,335	-	15,462,335
Investments measured at net asset value	-	-	-	128,276,292	128,276,292
Total	$ 41,367,006	$ 28,897,874	$ 22,821,328	$ 128,276,292	$ 221,362,500

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

The following table reconciles all Level 3 assets measured at fair value for the year ended December 31, 2020:

	Pooled Investment Funds				
	Long/Short Equities (Directional Hedge)	Multi-Strategy	Private Equity	Real Assets	2020 Total
Balance, beginning of year	$ 7,769	$ 7,073,353	$ 427,811	$ 13,244,096	$ 20,753,029
Net change in unrealized appreciation	(7,704)	669,280	(12,821)	638,401	1,287,156
Purchases of investments	-	-	-	2,830,403	2,830,403
Sales and redemptions	-	(675,299)	(123,396)	(1,250,565)	(2,049,260)
Balance, end of year	$ 65	$ 7,067,334	$ 291,594	$ 15,462,335	$ 22,821,328

The following table summarizes the Organization's investments in pooled investment funds at December 31, 2020:

Investment Objective	Fair Value	Unfunded Commitments	Redemption Frequency (if currently permitted)	Redemption Notice Period
Long/short equities (directional hedge)	$ 65	$ -	Quarterly	90 days
Multi-strategy (1)	7,067,334	-	Quarterly Annually	45 - 90 days
Private equity (2)	291,594	81,731	Illiquid	
Real assets (2)	15,462,335	15,204,433	Illiquid	
Total	$ 22,821,328	$ 15,286,164		

The net change in unrealized appreciation of investments in investment funds, which is included in investment activity in the consolidated statement of activities and changes in net assets, is applicable to investments still in position at December 31, 2021 and 2020.

The Organization's investments in certain funds have liquidity restraints due to lock-up periods that range from one to three years. The aggregate fair value of these investments subject to lock-ups was $26,071,120 and $22,244,191 as of December 31, 2021 and 2020, respectively. Additionally, several of the investments in investment funds have "side pocket" investments in illiquid assets, the redemption of which is dependent on the eventual sale of the underlying investments. The aggregate fair value of these investments held in side pockets was $127,822 and $182,086 as of December 31, 2021 and 2020, respectively.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The components of the net return on investments, including Level 3 investments, as reported in the accompanying consolidated statement of activities included the following for the years ended December 31:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 129,151	$ 589,165	$ 718,316
Realized gain on investments	3,409,433	15,595,132	19,004,565
Unrealized gain on investments	776,296	3,583,684	4,359,980
Investment fees	(118,342)	(540,975)	(659,317)
Net investment gain	$ 4,196,538	$ 19,227,006	$ 23,423,544

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 105,020	$ 484,377	$ 589,397
Realized gain on investments	2,389,466	11,022,450	13,411,916
Unrealized gain on investments	2,765,391	12,737,944	15,503,335
Investment fees	(97,389)	(449,180)	(546,569)
Net investment gain	$ 5,162,488	$ 23,795,591	$ 28,958,079

Certain securities held in investment accounts are pledged as collateral for the Organization's line of credit. The Organization is only at risk for the outstanding loan balance, which amounted to $18,084,904 and $8,156,858 as of December 31, 2021 and 2020 (see Note 11).

In October of 2017, OSILT formed a South Carolina Limited Liability Company (the "LLC") that is operating exclusively in furtherance of charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The purpose of the LLC is to acquire real estate, primarily in the state of South Carolina, that has high conservation value, and to hold, improve, restore and preserve such properties. The properties will then be sold to governmental agencies or conservation buyers subject to appropriate restrictions protecting the conservation value of such properties. OSILT has also entered into an operating agreement with an unrelated private foundation. Both organizations are 50% members of the LLC, valued using the equity method of accounting, with OSILT acting as manager of the LLC. As manager, OSILT is entitled to certain property placement fees and property maintenance fees. Condensed financial information for the LLC as of and for the years ended December 31, 2021 and 2020 is as follows:

Summary of statements of financial position

	2021	2020
Assets		
Cash	$ 196,855	$ 2,927,564
Accounts receivable	3,774,733	3,775,500
Natural land	10,076,252	10,076,252
Prepaid expenses	1,601	10,631
Total Assets	$ 14,049,441	$ 16,789,947

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Liabilities and Partners' Capital	2021	2020
Accounts payable	$ 78	$ -
Grants payable	10,076,253	10,076,253
Total Liabilities	10,076,331	10,076,253
Partners' Capital	3,973,110	6,713,694
Total Liabilities and Partners' Capital	$ 14,049,441	$ 16,789,947

Summary of Statements of Operations

	2021	2020
Service income	$ -	$ 28,500
Interest income	110,549	128,805
Total Income	110,549	157,305
Grant expense	-	25,000
Mitigation credits	-	3,500
Property placement and management fees	77,365	99,371
Insurance	10,631	16,648
Professional fees	5,183	-
Real estate taxes	7,954	8,866
Total expenses	101,133	153,385
Net Income	$ 9,416	$ 3,920

The investment in the LLC consists of the following as of December 31:

	2021	2020
Capital contribution - OSILT	$ 3,356,847	$ 5,654,887
Capital contribution - Second Partner	3,356,847	5,654,887
Capital distribution - OSILT	(1,375,000)	(2,300,000)
Capital distribution - Second Partner	(1,375,000)	(2,300,000)
Net income	9,416	3,920
Total investment in LLC	$ 3,973,110	$ 6,713,694
OSILT investment in LLC	$ 1,986,555	$ 3,356,847

NOTE 5 – GRANTS RECEIVABLE

Grants receivable consisted of the following as of December 31:

	2021	2020
Amounts due from foundations	$ 2,765,237	$ 4,123,081
Pledges and other receivables	2,287,132	2,843,080
Total	$ 5,052,369	$ 6,966,161

NOTE 5 – GRANTS RECEIVABLE (Continued)

Grants receivable were due to be collected as of December 31 as follows:

	2021	2020
Less than one year	$ 4,143,066	$ 4,362,860
Due within one to five years	909,303	2,603,301
Total grants and accounts receivable	$ 5,052,369	$ 6,966,161

The Organization determines whether an allowance for uncollectible grants and accounts receivable should be provided based on prior years' experience and management's analysis of specific pledges made. The Organization determined that no allowance was necessary as of December 31, 2021 and 2020, respectively.

As of December 31, 2021 and 2020, the Organization received conditional grants and contracts that are accounted for under FASB Accounting Standards Update ("ASU") 2018-08. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their budgets and agreements. If such services are not provided, the governmental entities are not obligated to disburse the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

The Organization entered into a $10,166,160 grant agreement with a foundation which covers the period from November 4, 2013 through December 31, 2019 and was extended through January 31, 2022. The grant agreement provides for $1,041,160 for administration and outreach and up to $9,125,000 restricted for a capital fund. The $9,125,000 in capital funding is subject to a variety of matching conditions. Of the $10,166,160 received as of December 2021, $9,470,492 has been recorded as revenue and $695,668 has been deferred, as the donor conditions have yet to be satisfied.

The Organization entered into an $11,443,000 grant agreement with a foundation which covers the period from February 1, 2018 through July 31, 2021 and was extended to December 15, 2024. The grant agreement provides for $2,000,000 for administration and outreach and up to $9,000,000 restricted for a capital fund. The $9,000,000 in capital funding is subject to a variety of matching conditions. If such services are not provided, the foundations and governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted. Of the $8,297,860 received as of December 31, 2021, $2,157,200 has been recorded as revenue and $6,140,660 has been deferred, as the donor conditions have yet to be satisfied.

The Organization entered into a $6,000,000 grant agreement with a foundation which covers the period from June 1, 2020 through May 31, 2024. The grant agreement provides for $500,000 for administration and outreach and up to $5,500,000 restricted for a capital fund. The $5,500,000 in capital funding is subject to a variety of matching conditions. Of the $3,000,000 received as of December 31, 2021, $1,939,548 has been recorded as revenue and $1,060,452 has been deferred, as the donor conditions have yet to be satisfied.

The Organization entered into a $50,000 grant agreement with a foundation which covers the period from February 15, 2018 through February 15, 2024. The grant agreement provides for $50,000 based on the conditions of the donor. Of the $50,000 received as of December 31, 2021, $33,333 has been recorded as revenue and $16,667 has been deferred, as the donor conditions have yet to be satisfied.

Such amounts are reflected as deferred grants revenue in the accompanying consolidated statement of financial position.

NOTE 6 – CONSERVATION LENDING PROGRAM RECEIVABLE

Conservation lending program receivable are loans to land conservation organizations which are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code to finance the acquisition of natural lands by such organizations. Funding for these loans is obtained by the Organization in the form of loans, grants and credit lines from various organizations.

Conservation lending program receivable consisted of the following at December 31:

	2021	2020
Loans and mortgage notes receivable	$ 3,429,600	$ 1,633,348
Less: reserve for possible loan losses	(77,000)	-
	$ 3,352,600	$ 1,633,348

These loans carry interest rates ranging from 0% to 2.4604% depending on the source of funding and other applicable lending guidelines set by the Organization. Certain loans have collateral requirements as specified in the loan agreements. The Organization performs ongoing credit evaluations of its borrowers and maintains a reserve for possible loan losses. The loan loss reserve as of December 31, 2021 represents donor funds that are conditional on actual loan losses. In the event that a loan loss occurs, the conditional amount will be recognized as contribution revenue to offset recognition of the loss. As of December 31, 2021 and 2020, none of the program-related investments receivable were impaired or past due.

The following table reconciles the reserve for possible loan losses for the years ended December 31:

	2021	2020
Balance, beginning of year	$ -	$ 153,410
Increase (decrease) in loan loss reserve	77,000	(153,410)
	$ 77,000	$ -

The conservation lending program receivables were due to be collected for the years ended December 31, as follows:

	2021	2020
Less than one year	$ 1,697,000	$ 13,348
Due within one to five years	1,732,600	1,620,000
	$ 3,429,600	$ 1,633,348

NOTE 7 – LAND AND EASEMENT HOLDINGS, NET

Land and easement holdings, net, consisted of the following as of December 31:

	2021	2020
Natural land areas	$ 60,873,756	$ 48,995,248
Buildings	3,919,601	3,879,125
Improvements	209,795	209,795
Conservation easements	2,789,085	2,789,082
Total	67,792,237	55,873,250
Less: Accumulated depreciation and amortization	(1,783,125)	(1,731,577)
Net book value	$ 66,009,112	$ 54,141,673

NOTE 7 – LAND AND EASEMENT HOLDINGS, NET (Continued)

The changes in land and easement holdings, net, consisted of the following for the year ended December 31, 2021:

	Balance at January 1, 2021	Additions	Deaccession	Impairments / Write-Offs	Balance at December 31, 2021
Natural land areas	$ 48,995,248	$ 40,512,812	$ (28,115,300)	$ (519,004)	$ 60,873,756
Buildings	3,879,125	490,007	(449,531)	-	3,919,601
Improvements	209,795	-	-	-	209,795
Conservation easements	2,789,082	3	-	-	2,789,085
	55,873,250	41,002,822	(28,564,831)	(519,004)	67,792,237
Less: accumulated depreciation and amortization	(1,731,577)	(115,084)	63,536	-	(1,783,125)
	$ 54,141,673	$ 40,887,738	$ (28,501,295)	$ (519,004)	$ 66,009,112

The changes in land and easement holdings, net, consisted of the following for the year ended December 31, 2020:

	Balance at January 1, 2020	Additions	Deaccession	Impairments / Write-Offs	Balance at December 31, 2020
Natural land areas	$ 49,386,830	$ 18,116,921	$ (17,508,503)	$ (1,000,000)	$ 48,995,248
Buildings	4,104,129	1	(225,005)	-	3,879,125
Improvements	209,795	-	-	-	209,795
Conservation easements	85	2,789,000	(3)	-	2,789,082
	53,700,839	20,905,922	(17,733,511)	(1,000,000)	55,873,250
Less: accumulated depreciation and amortization	(1,636,379)	(110,198)	15,000	-	(1,731,577)
	$ 52,064,460	$ 20,795,724	$ (17,718,511)	$ (1,000,000)	$ 54,141,673

Depreciation expense on buildings and improvements amounted to $115,084 and $110,198 for the years ended December 31, 2021 and 2020, respectively.

Included in natural land areas at December 31, 2021 are certain parcels of land with a carrying value of $1,604,476 that are contracted for sale mostly to state conservation agencies for $1,914,619. In addition, $3,007,048 of restricted land is expected to be donated to a state conservation agency.

As of December 31, 2021, the Organization had contracts or options to acquire natural land areas and conservation easements amounting to $15,211,231 that are not included in the consolidated financial statements.

During the years ended December 31, 2021 and 2020, the Organization identified several properties which were deemed to have book values in excess of their market values. The real estate reserve expense for these properties amounted to $519,004 and $1,000,000, respectively, and related primarily to approximately 386 acres and 2,409 acres, respectively, of conserved land to be sold or donated to conservation buyers. In addition, $353,862 of realized losses were recognized in 2021. These combined amounts are included in the land conservation operations expenses on the consolidated statement of activities.

As of December 31, 2021 and 2020, the cumulative real estate reserve amounted to $14,730,882 and $18,351,808, respectively.

NOTE 7 – LAND AND EASEMENT HOLDINGS, NET (Continued)

During 2021 and 2020, OSILT purchased several properties in South Carolina that will be used to mitigate other projects. OSILT and partners will collaborate to protect property to preserve and restore mutually agreeable wetlands consistent with overall conservation goals in accordance with the mitigation requirements under Section 404 of the Clean Water Act and of the South Carolina Department of Health and Environmental Control. OSILT entered into contracts with the partners to fund the mitigation projects, and committed to transfer the mitigated properties either by donation to a governmental organization or by sale to private conservation buyers subject to appropriate conservation easements. As of December 31, 2021 and 2020, $785,000 and $6,249,076 of receivables, respectively, relating to these contracts is included in accounts receivable and $4,020,700 and $10,051,842 respectively, of payables is included in grants payable.

NOTE 8 – PROPERTY, FURNITURE AND EQUIPMENT, NET

Property, furniture and equipment, net consisted of the following as of December 31:

	2021	2020
Office and other equipment	$ 519,082	$ 519,082
Furniture and fixtures	300,074	287,708
Leasehold improvements	3,113,653	3,104,775
Total cost	3,932,809	3,911,565
Less: Accumulated depreciation and amortization	(3,331,365)	(3,059,265)
Net book value	$ 601,444	$ 852,300

Depreciation and amortization expenses on property, furniture and equipment amounted to $272,100 and $275,070 for the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2020, the Organization wrote-off fully depreciated equipment in the amount of $20,987.

NOTE 9 – CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments in debt obligations.

The Organization places its cash and cash equivalents with quality financial institutions to mitigate this risk. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit. The Organization has not experienced any losses on these accounts. As of December 31, 2021 and 2020, the Organization had cash accounts that exceeded the FDIC insurance limits by approximately $37,312,000 and $26,783,000, respectively.

In order to control market risk, the Organization has an investment committee that oversees its investment portfolio and engages the services of an independent investment consultant to perform due diligence services and ongoing evaluation of investment/fund managers. The Organization also routinely monitors the market risk of its investment portfolio via asset allocation formulas, confirmed values from its investment custodians and the review of general partner reports. The Organization invests in a portfolio that consists of common stocks of financially strong corporations, U.S. government and agency obligations, diversified funds and investment partnerships. As of December 31, 2021, the Organization's largest pooled investment was in one fund with a fair value of $21,979,978, or approximately 6.77% of its net assets. As of December 31, 2020, the Organization's largest pooled investment was in one fund with a fair value of $18,065,000, or approximately 6.09% of its net assets. The underlying portfolio of this fund for the years ended December 31, 2021 and 2020 consisted of a diversified portfolio of common stocks. The clearing and depository operations for the Organization's portfolio of investments held in managed accounts are provided principally by one broker. As of December 31, 2021 and 2020, 100.0%, of the fixed income and common stocks directly owned by the Organization were held at JP Morgan Chase Bank.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

The following is a summary of the changes in net assets with donor restrictions during the year ended December 31, 2021:

	Endowment			Non-Endowment						
	Wallace Endowment	Malcolm Gordon Charitable Fund	Subtotal Endowment	Land	Stewardship	Conservation Capital	Parks and Public Policy	Conservation Communities	Subtotal Non-Endowment	Total
Balance, beginning of year	$ 179,244,964	$ 1,426,100	$ 180,671,064	$ 17,571,401	$ -	$ 10,788,938	$ 1,293,889	$ 1,457,138	$ 31,111,366	$ 211,782,430
Additions:										
Return on investments	18,854,788	148,255	19,003,043	140,782	-	-	-	83,182	223,964	19,227,007
Contributions	-	-	-	14,020,692	30,000	4,711,924	2,487,637	547,720	21,797,973	21,797,973
Other	5,847	46	5,893	44	-	1,616	210,390	17,168	229,218	235,111
Total Additions	18,860,635	148,301	19,008,936	14,161,518	30,000	4,713,540	2,698,027	648,070	22,251,155	41,260,091
Released from Wallace Endowment	(7,664,598)	-	(7,664,598)	-	-	-	-	-	-	(7,664,598)
Released from Restrictions/ Expenditure:										
Land Purchases	-	-	-	(1,995,933)	-	-	-	-	(1,995,933)	(1,995,933)
Land Operations	-	-	-	(2,115,075)	-	-	-	-	(2,115,075)	(2,115,075)
Stewardship	(73,661)	-	(73,661)	-	(30,000)	-	-	-	(30,000)	(103,661)
Conservation Capital	-	-	-	-	-	(2,347,366)	-	-	(2,347,366)	(2,347,366)
Parks and Public Policy	-	-	-	-	-	-	(2,917,482)	-	(2,917,482)	(2,917,482)
Conservation Communities	-	(80,899)	(80,899)	-	-	-	-	(337,504)	(337,504)	(418,403)
Total releases	(73,661)	(80,899)	(154,560)	(4,111,008)	(30,000)	(2,347,366)	(2,917,482)	(337,504)	(9,743,360)	(9,897,920)
Transfers to restricted	-	-	-	(101,200)	-	159,926	(68,701)	-	(9,975)	(9,975)
Net change during the year	11,122,376	67,402	11,189,778	9,949,310	-	2,526,100	(288,156)	310,566	12,497,820	23,687,598
Balance, end of year	$ 190,367,340	$ 1,493,502	$ 191,860,842	$ 27,520,711	$ -	$ 13,315,038	$ 1,005,733	$ 1,767,704	$ 43,609,186	$ 235,470,028

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following is a summary of the changes in net assets with donor restrictions during the year ended December 31, 2020:

	Endowment			Non-Endowment						
	Wallace Endowment	Malcolm Gordon Charitable Fund	Subtotal Endowment	Land Conservation	Stewardship	Conservation Capital	Parks and Public Policy	Conservation Communities	Subtotal Non-Endowment	Total
Balance, beginning of year	$ 163,533,136	$ 1,302,870	$ 164,836,006	$ 16,730,586	$ 2	$ 8,141,108	$ 883,489	$ 1,159,769	$ 26,914,954	$ 191,750,960
Additions:										
Return on investments	23,325,595	185,368	23,510,963	184,411	-	-	-	100,218	284,629	23,795,592
Contributions	-	-	-	5,375,232	-	5,734,361	6,134,482	332,250	17,576,325	17,576,325
Other	85,140	4,181	89,321	175,623	-	64,449	3,559	10,721	254,352	343,673
Total Additions	23,410,735	189,549	23,600,284	5,735,266	-	5,798,810	6,138,041	443,189	18,115,306	41,715,590
Released from Wallace Endowment	(7,628,907)	-	(7,628,907)	-	-	-	-	-	-	(7,628,907)
Released from Restrictions/ Expenditure:										
Land Purchases	-	-	-	(2,961,504)	-	-	-	-	(2,961,504)	(2,961,504)
Land Operations	-	-	-	(1,932,947)	-	-	-	-	(1,932,947)	(1,932,947)
Stewardship	-	-	-	-	(70,002)	-	-	-	(70,002)	(70,002)
Conservation Capital	-	-	-	-	-	(3,008,232)	-	-	(3,008,232)	(3,008,232)
Parks and Public Policy	-	-	-	-	-	-	(5,557,641)	-	(5,557,641)	(5,557,641)
Conservation Communities	-	(66,319)	(66,319)	-	-	-	-	(149,620)	(149,620)	(215,939)
Total releases	-	(66,319)	(66,319)	(4,894,451)	(70,002)	(3,008,232)	(5,557,641)	(149,620)	(13,679,946)	(13,746,265)
Transfers to restricted	(70,000)	-	(70,000)	-	70,000	(142,748)	(170,000)	3,800	(238,948)	(308,948)
Net change during the year	15,711,828	123,230	15,835,058	840,815	(2)	2,647,830	410,400	297,369	4,196,412	20,031,470
Balance, end of year	$ 179,244,964	$ 1,426,100	$ 180,671,064	$ 17,571,401	$ -	$ 10,788,938	$ 1,293,889	$ 1,457,138	$ 31,111,366	$ 211,782,430

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

As required by U.S. GAAP, the Organization reports and classifies net assets associated with endowment funds based on the existence or absence of donor-imposed restrictions. At December 31, 2021 and 2020, these endowments consist of funds restricted by donors for certain purposes. Substantially all of the Organization's endowment funds were received from the Lila Acheson and DeWitt Wallace Fund for the Hudson Highlands ("Wallace Endowment"). Pursuant to the terms of the endowment agreement, these funds are to be held in investment accounts and will be used only for the acquisition of natural land areas, easements, stewardship and related expenses in certain geographic areas.

Based on a resolution of the Board of Trustees in December 2013, and amended in March 2014, a portion of the Wallace Endowment has been segregated into a Stewardship Fund in the amount of $1,486,743 and $1,341,227 as of December 31, 2021 and 2020, respectively. In March 2018, $1,400,000 was carved out of the Stewardship fund to provide for the 34 fee parcels and 154 conservation easements that were transferred to Beaverkill Valley Land Trust (“BVLT”). The fund will be held by OSI and BVLT will be entitled to a 5% yearly draw to pay for stewardship expenses. The balance of the BVLT stewardship fund as of December 31, 2021 and 2020 amounted to $1,697,728 and $1,601,663, respectively. Also, the Board of Trustees designated funds from the Wallace Endowment for the purpose of monitoring and enforcing certain conservation easements which the Organization has assigned to a local land trust which amounted to $97,784 and $91,515 as of December 31, 2021 and 2020, respectively.

In addition, a Conservation Easement Legal Defense Fund without donor restrictions was maintained in the amount of $1,200,458 and $1,082,962 as of December 31, 2021 and 2020, respectively. In addition, there are $2,299,898 and $2,275,334 as of December 31, 2021 and 2020, respectively of board designated funds for land purchases and trail building. However, because these funds are board designated and not donor restricted, they are not included in net assets with donor restrictions. However, because these funds are Board-designated and not donor-restricted, they are not included in net assets with donor restrictions.

The Organization recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) on September 17, 2010. NYPMIFA replaced the prior law which was the Uniform Management of Institutional Funds Act (“UMIFA”). NYPMIFA applies to any funds that are not wholly-expendable on a current basis due to donor-imposed restrictions on appropriation for spending. The Wallace Endowment qualifies as an endowment fund for purposes of NYPMIFA, even though it is treated as with donor restriction not held in perpetuity for consolidated financial statement classification and disclosure. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets subject to these policies include those assets of donor-restricted funds as well as board-designated funds without donor restrictions. Under this policy, as approved by the Board of Trustees, the endowment assets are invested to produce a 5% return plus inflation over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The Board of Trustees of the Organization determines at the end of each year how much of the Wallace Endowment is appropriate for distribution for the next succeeding year. For the year ended December 31, 2021, the Board elected to appropriate for distribution 5% of the investable assets average fair value over the prior 12 quarters, which was lower than the September 30, 2020 spot rate. For the year ended December 31, 2020, the Board elected to appropriate for distribution 5% of the September 30, 2019 spot rate, which was lower than the investable assets average fair value over the prior 12 quarters. In establishing the annual spending rate policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the spending policy that it adopts each year to allow its endowment to grow at not less than the rate of inflation, consistent with the Organization's objective to maintain the purchasing power of the endowment assets held. Funds appropriated for expenditure need not be spent immediately and are carried forward to future years. Such unspent appropriated funds are with donor restriction, but no longer subject to the 5% distribution limitation. There were no unspent appropriated funds as of December 31, 2021 and 2020.

NOTE 11 – CONSERVATION BORROWING AND LENDING PROGRAMS

The Organization borrows money to finance its own acquisitions and to relend to other not-for-profit conservation organizations as part of either its Land or Conservation Capital programs borrowings. In 2003, the Board of Trustees of the Organization authorized a $20 million credit facility that it obtained from JP Morgan Chase Bank secured by the securities of the Wallace Endowment. The Organization also obtained a $10 million line of credit that is collateralized solely with assets without donor restrictions. In May 2021, the Organization increased the $10 million line of credit to $25 million and borrowed $15 million for a land conservation purchase in South Carolina. The Organization's lines of credit are as follows at December 31:

	2021	2020
JP Morgan line of credit - used in the Organization's Stewardship loan program. The line is terminable by either party at any time, subject to the terms of the Note.	$ 20,000,000	$ 20,000,000
JP Morgan line of credit - used in the Organization's South Carolina land program. The line is terminable by either party at any time, subject to the terms of the Note.	25,000,000	10,000,000
JP Morgan letter of credit - used as security for the Organization's office lease that expires on 12/31/23	138,744	138,744
	$ 45,138,744	$ 30,138,744

Certain foundations lend funds to the Organization at below-market rates. The Organization records the imputed difference between the borrowing rate and the current market rate as contribution value of below-market loans payable. The Organization relends at rates that are higher, but still below what the not-for-profit conservation organization would be able to obtain commercially.

NOTE 11 – CONSERVATION BORROWING AND LENDING PROGRAMS (Continued)

Following is the composition of the conservation lending program liability at December 31:

	2021	2020
PRI loans from certain foundations with fixed interest rates ranging from 0% to 1.0%. The loans have varying maturity dates through 2027 (recourse).	$ 1,668,000	$ 260,000
Land related loans with fixed interest rates ranging from 0% to 2.0%. The loans have varying maturity dates through 2030 (non-recourse).	2,979,000	3,384,009
Land related loan with fixed interest rate of 0%. The loan has a maturity date of 2026 (recourse).	1,000,000	-
Outstanding balances on lines of credit:		
$25 million line, secured by the Organization's investment accounts custodied at the bank. Interest rates ranged between 0.9750% and 1.1000% in 2021 and 1.0375% and 2.6625% in 2020. Interest is payable monthly.	14,732,304	6,536,858
$20 million line, secured by the Organization's investment accounts custodied at the bank. Interest rates ranged between 0.9750% and 1.1000% in 2021 and 1.0375% and 2.6625% in 2020. Interest is payable monthly.	3,352,600	1,620,000
	$ 23,731,904	$ 11,800,867

The following is a summary of the annual principal payments anticipated to be repaid or required to be repaid based on individual loan maturities:

2022	$ 19,012,304
2023	2,126,653
2025	1,000,000
2026	1,000,000
2027	408,000
2030	184,947
	$ 23,731,904

NOTE 12 – RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan (the “Plan”) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who normally work more than 20 hours per week. The Plan provides for voluntary salary deferrals with certain limits. The Organization provides matching employer contributions for eligible employees who contribute a certain minimum percentage of their compensation. The Plan also allows for a discretionary contribution based on salary. The Organization contributed $407,068 and $469,760 to the Plan for the years ended December 31, 2021 and 2020, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. *Lease Commitments*

The Organization leases space at various locations under non-cancelable operating leases. In July 2008, the Organization entered into an agreement to extend its lease for office space in New York City through December 31, 2023. In addition to the base monthly rent, the Organization is required to pay additional fees for its share of electricity, water and real estate tax escalations. The lease included an allowance of $270,000 to defray construction costs and a rental credit of $75,000. In November 2018, the Organization leased additional space in its New York City building through December 31, 2023. The new lease includes a rental credit of $34,095. The construction allowance and rental credits have been straight-lined over the life of the lease and deferred and amortized to record rental expense evenly throughout the lease term. In addition, the Organization leases various equipment expiring in December 2024. As of December 31, 2021 and 2020, the Organization's accounts payable and accrued expenses included $243,217 and $359,430, respectively, of deferred lease obligations. Rent expense recognized on these lease agreements, inclusive of escalations, totaled $1,068,643 and $1,078,167 for the years ended December 31, 2021 and 2020, respectively.

In June of 2009, the Organization entered into a sublease arrangement for a portion of the New York City space that continued until May 2014. In May 2014, the sublease arrangement was subsequently extended through May 2019. In May of 2019, the sublease arrangement extended to December 2023.

The following is a summary of the required minimum annual lease payments:

	Gross Rental Payments	Less: Sublease Rentals	Rental Payments, Net
2022	$ 805,268	$ (41,886)	$ 847,154
2023	790,075	(43,143)	833,218
2024	19,860	-	19,860
	$ 1,615,203	$ (85,029)	$ 1,700,232

B. *Litigation*

The Organization is a party to various legal proceedings pertaining to enforcement of conservation easements and resolution of title issues relating to real property owned by OSILT. While it is not feasible to predict or determine with certainty the outcome of each case, it is the opinion of management, in consultation with legal counsel, that the outcomes will not have a material adverse effect on the accompanying consolidated financial statements.

C. *Contingencies for Future Audits by Government Agencies*

Government supported programs are subject to audit by the granting agency. The Organization expects that any changes that could result from the audits would not have a material impact on the consolidated financial statements.

D. *Uncertainty in Income Taxes*

The Organization believes it had no uncertain tax positions as of December 31, 2021 and 2020 in accordance with FASB ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

E. ***COVID-19***

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Organization's mission, financial condition and results of operations will depend on future developments.

NOTE 14 – TRANSFERS OF NET ASSETS

During the years ended December 31, 2021 and 2020, the Organization transferred net $9,975 and $238,948, respectively, between the net assets without donor restrictions and the net assets with donor restrictions. The non-operating transfers netted in the total amount transferred amounted to $140,361 and $138,947, respectively. Such amounts were transferred after an evaluation of the nature and activity within the funds and the donors' intentions.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through July 26, 2022, the date the consolidated financial statements were available to be issued.

As of July 26, 2022, the total investment portfolio of the Organization decreased by approximately $39,000,000 or 10.6% of total assets. The decrease in the Organization's total investment portfolio can be attributable to the overall global market declines.

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

	Open Space Institute, Inc.	Open Space Institute Land Trust, Inc.	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	$ 6,841,867	$ 39,461,285	$ -	$ 46,303,152
Investments, at fair value	2,340,383	234,623,006	-	236,963,389
Contributions and grants receivable	131,876	4,920,493	-	5,052,369
Accounts receivable	488	3,409,061	-	3,409,549
Conservation lending program receivable, net	-	3,352,600	-	3,352,600
Investment - Limited Liability Company	-	1,986,555	-	1,986,555
Land and easement holdings, net	-	66,009,112	-	66,009,112
Property, furniture and equipment, net	546,702	54,742	-	601,444
Other assets	726,368	992,619	-	1,718,987
TOTAL ASSETS	$ 10,587,684	$ 354,809,473	$ -	$ 365,397,157
LIABILITIES				
Accounts payable and accrued expenses	$ 1,300,529	$ 1,127,910	$ -	$ 2,428,439
Deferred contributions and grants revenue	-	7,913,447	-	7,913,447
Conservation borrowing and lending program	-	23,731,904	-	23,731,904
Grants payable	-	4,326,299	-	4,326,299
Other liabilities	907,866	1,196,249	-	2,104,115
TOTAL LIABILITIES	2,208,395	38,295,809	-	40,504,204
NET ASSETS				
Without donor restrictions	5,118,083	84,304,842	-	89,422,925
With donor restrictions	3,261,206	232,208,822	-	235,470,028
TOTAL NET ASSETS	8,379,289	316,513,664	-	324,892,953
TOTAL LIABILITIES AND NET ASSETS	$ 10,587,684	$ 354,809,473	$ -	$ 365,397,157

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Open Space Institute, Inc.	Open Space Institute Land Trust, Inc.	Consolidating Eliminations	Consolidated Total
NET ASSET ACTIVITIES WITHOUT DONOR RESTRICTIONS				
OPERATING REVENUES AND SUPPORT:				
Contributions and grants	$ 1,357,253	$ 1,135,078	$ (70,000)	$ 2,422,331
Conservation lending program interest income	-	97,671	-	97,671
Project revenues	-	800,533	-	800,533
Investment income and appreciation utilized	-	7,498,062	-	7,498,062
Revenue recovery	233	289,278	-	289,511
Gain on real estate activity	-	842,179	-	842,179
Miscellaneous income	78,638	126,171	(29,994)	174,815
Net assets released from restrictions	473,402	9,741,388	-	10,214,790
Total Operating Revenues and Support Without Donor Restrictions	1,909,526	20,530,360	(99,994)	22,339,892
OPERATING EXPENSES:				
Program services:				
Land protection	-	7,710,166	-	7,710,166
Stewardship	60,000	1,456,128	(70,000)	1,446,128
Conservation capital	-	3,020,794		3,020,794
Conservation communities	851,244	-	(29,994)	821,250
Parks and policy	-	4,825,655	-	4,825,655
Total program services	911,244	17,012,743	(99,994)	17,823,993
Supporting services:				
Management and general	177,718	3,333,352	-	3,511,070
Fundraising	7,890	932,075	-	939,965
Total supporting services	185,608	4,265,427	-	4,451,035
Total Operating Expenses	1,096,852	21,278,170	(99,994)	22,275,028
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	812,674	(747,810)	-	64,864
NON-OPERATING ACTIVITIES:				
Investment activity	-	4,196,538	-	4,196,538
Transfers of net assets	(10,035)	(130,326)	-	(140,361)
NET NON-OPERATING ACTIVITIES	(10,035)	4,066,212	-	4,056,177
Net change in without donor restrictions net assets	802,639	3,318,402	-	4,121,041
NET ASSET ACTIVITIES WITH DONOR RESTRICTIONS				
OPERATING REVENUES AND SUPPORT:				
Contributions and grants	577,720	21,220,253	-	21,797,973
Project revenues	17,143	-	-	17,143
Investment income and appreciation utilized	-	166,536	-	166,536
Revenue recovery	-	210,254	-	210,254
Miscellaneous income	72	7,641	-	7,713
Net assets released from restrictions	(448,402)	(9,766,388)	-	(10,214,790)
Subtotal	146,533	11,838,296	-	11,984,829
NON-OPERATING ACTIVITIES				
Investment activity	231,436	18,995,570	-	19,227,006
Investment appreciation utilized	-	(7,664,598)	-	(7,664,598)
Transfers of net assets	-	140,361	-	140,361
Total other deductions	231,436	11,471,333	-	11,702,769
Net change in net assets with donor restrictions	377,969	23,309,629	-	23,687,598
CHANGE IN TOTAL NET ASSETS	1,180,608	26,628,031	-	27,808,639
NET ASSETS - BEGINNING OF YEAR	7,198,681	289,885,633	-	297,084,314
NET ASSETS - END OF YEAR	$ 8,379,289	$ 316,513,664	$ -	$ 324,892,953

OPEN SPACE INSTITUTE, INC. AND CONSOLIDATED ENTITY
SUPPLEMENTARY INFORMATION
SOURCES AND USES OF FUNDS AND OTHER KEY FINANCIAL INFORMATION
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Dollars in Thousands)

	2021	2020
SOURCES OF FUNDS:		
Contributions (1)	$ 23,357	$ 20,623
Net release/(deferral) of restricted gifts	(11,985)	(4,004)
Other income (2)	1,675	4,179
Investment funds available under spending policy	7,665	7,629
Proceeds from sales of natural land areas and improvements	27,666	17,462
Proceeds from conservation loans payable	19,396	5,004
Net proceeds from conservation lending program	13	1,653
Total Sources of Funds	67,787	52,546
USES OF FUNDS: (3)		
Grants	(4,780)	(5,152)
Easement purchases	-	(125)
Purchases of natural land areas and improvements	(37,513)	(20,920)
Other program expenses*	(13,339)	(16,374)
Supporting services	(4,451)	(4,307)
Repayments of conservation loans payable	(7,465)	(5,719)
Issuance of loans for conservation lending program	(1,810)	(1,633)
Total Uses of Funds	(69,358)	(54,230)
NET SOURCES AND USES OF FUNDS (A)	$ (1,571)	$ (1,684)
OTHER KEY FINANCIAL INFORMATION:		
Total assets	$ 365,397	$ 331,170
Net assets without donor restrictions	$ 89,423	$ 85,302
Net assets with donor restrictions	235,470	211,782
Total net assets	$ 324,893	$ 297,084

(1) Includes release/deferral of restricted gifts, excludes non-cash contributions, discount on future year contributions
(2) Excludes in-kind interest income
(3) Includes the noncash items of discount expense on program-related loans, depreciation and amortization, in-kind interest expense and loan loss reserve.