



a community partner protecting land, water and quality of life through conservation, stewardship and education

Special Issue: Combined 2005—2006 Annual Reports

October 27, 2007

The KLT in Transition

Past and Present Presidents' Recollections of 2005-2006

As some of you know, I'm a physician specializing in geriatrics. In one incarnation I did a lot of teaching. In order to spice up my presentations I would often include cartoons. In a presentation on memory loss, I had a cartoon showing two old rich guys sitting in overstuffed leather chairs surrounded by trophies etc. The caption read, "Here I sit surrounded by my memorabilia, and I can't remember having done a damn thing." My situation precisely.

What I do remember from my term as President is the changing impact dedicated staff was having on KLT. Board meetings were filled with new contacts that Evan and Pat were making, new collaborations, and most of all new projects. While the Board remained very active, keeping loose ends tied and "the eye on the prize" became much easier. Instead of initiator, I was relegated to curmudgeon. I felt the Manitou Island and Lightfoot Bay projects were way too ambitious for our small organization and that it was my responsibility to drag my feet to prevent us from biting off more than we could chew. Fortunately, no one listened to me and the successful completion of these two projects rates highly among the gems of conservation in the Copper Country. It was a heady time.

Terry Kinzel, KLT Board President 2005

KLT Board of Directors 2005-2006

- Erik Lilleskov, President 2006**
- Terry Kinzel, President 2005**
- Dave Bach**
- Jim Belote**
- Mark Gleason**
- Joe Kaplan**
- Jeanne Kurtz**
- William Leonard**
- Carol MacLennan**
- Ann Mayo-Kiely**
- Bruce Petersen**
- Dana Richter**
- Mark Roberts**
- Norma Veurink**
- Suzanne Van Dam**
- Christine Williams**

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Terry's recollections remind me of something, but I can't seem to remember what it is. Perhaps it is this: Although some days we may wonder whether we are making any progress, and feel as if we are in the Red Queen's race in Alice and Wonderland ("Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else — if you run very fast for a long time,

as we've been doing." "A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place."), if we look over the course of the year we can see how far we have actually come. Although I only presided over the tail end of 2006, when I look over the entire year I get a sense of continuous activity and growth at KLT: the first Talvotinat, the Paavola Purchase, Horsetail Scramble, Tall Ship events, the Marsin dedication, the grant request for funding at Lightfoot Bay, to name only a few. All of these successes were underlain by much dedication and planning by staff and many volunteers.

Underlying all of this is a sense of KLT evolving rapidly as an organization, with expanding horizons and responsibilities as KLT matures. The fiscal and organizational role of the Executive Director, Evan McDonald, grows with every year as we take on new partnerships and new challenges. With more land and more opportunities to protect land the role of our lands specialist, Pat Toczydlowski, has become ever more pivotal. While the core mission remains the same, the way we go about fulfilling this mission seems to be shifting as our organization grows and our staff becomes more professional and more experienced with a diversity of mechanisms for streamlining the operations of the organization, protecting land and connecting with the community.

The other feeling I have about the year is a sense that the organization is on the right trajectory. Despite any minor challenges and setbacks, the balance of maintenance and growth of the organization seems just about right, as I hope that even a curmudgeon like Terry would agree. Of course with growth there are always some risks, but the converse is also true, that without risks there is no growth. The growing pains we feel today lead to tomorrow's new opportunity. I hope that, as they look back over these two years, the members feel, as I do, a strong sense of both pride in what this organization has become and gratitude to the organizations staff and volunteers; and, as they look forward into the coming year, an equally strong sense of opportunity. Congratulations KLT-- keep up the good work!

*Erik Lilleskov, KLT Board President 2006*

## Executive Director's Report

KLT newsletters inform our members and the community about progress with our mission and project accomplishments. The Annual Report focuses more on the health of the organization itself – the ongoing evolution of KLT as a non-profit. If you pay attention to KLT Annual Reports, we apologize for the delay presenting 2005 information. If you are not usually interested in these reports, please take a look anyway. We can all learn how KLT is doing and better understand the successes behind us and the challenges ahead.

So, what was the holdup for the 2005 report? The theme for this report is about *transitions*, and that's part of the explanation.

As KLT has grown - adding staff, expanding our service area, building new partnerships, and accomplishing more conservation - that growth requires organizational change. Transitions are challenging, and you might not know what is needed to make progress. Before staff, without an office, volunteers previously kept records in their homes. Now the KLT office houses records, databases, computer systems...and staff. We are making good progress with record organization and office procedures. While we still rely on volunteers to accomplish our mission, the staff assumes more responsibility for daily tasks. Handling tasks efficiently involves assessing needs, getting good tools, and instituting procedures. That has all been happening the last couple of years. With our membership growing, new land projects completed, more assets and liabilities to manage, more diversified funding sources and hence more restricted funds to be tracked, KLT outgrew the capacity of a volunteer treasurer – another transition.

Mark Roberts, our treasurer in 2005, began converting our accounting over to QuickBooks software, a popular program for small businesses and non-profits alike. KLT owes Mark a debt of gratitude as he worked hard on this transition. The process was challenging and important questions arose, reflecting the growing complexity of our accounting and anticipating future needs during database development. We needed professional assistance. As a Land Trust Alliance (LTA) member, we have access to resources and our new chart of accounts is modeled after LTA's recommended template. While seemingly simple, land trust accounting is as elabo-

rate as any business, with restricted funds, many client and vendor accounts, a diversity of assets, including land and interests in land...and liabilities. We made the transition and critical accounting tasks now happen nearly at the push of a button. With a revised accounting system in place, improved procedures, professional services to handle payroll and state and federal filings, we are in good shape. Next we tackle our membership, volunteer, and land project database with a similar strategy. We will buy software tailored to land trusts and get professional assistance to set it up.

Another transition affects all non-profits, with some national issues specific to land trusts. I think the work and importance of non-profits is steadily growing. With more activity and more donations and grants flowing to charities, this brings more scrutiny. We appreciate that state and federal governments, and especially donors themselves, should have confidence that non-profits are well managed and that funds go where they are supposed to go as efficiently as possible. While new requirements and expectations can entail more work for us, the end result will help us do our work more carefully and efficiently. In the meantime, these emerging issues have us in transition.

Among charities, the land trust community has been proactive by establishing guidelines for ethical and efficient land trust operation. As testament, many other types of charitable organizations refer to LTA's Standards and Practices (LTA S&Ps) specifically related to organizational management to make their own improvements. KLT adopted LTA S&Ps years ago and adopted the 2004 Revised LTA S&Ps in April, 2005. We completed a guided assessment of our organization at two retreats held in May 2005, one facilitated by Renee Kivikko of the LTA-Midwest office. LTA recently established a third-party accreditation program to be implemented in the coming years. KLT is keeping posted on accreditation, which will entail some expense, so we will plan and budget for this when we've determined it is appropriate to proceed. I hope you will read through the rest of this report and provide us your feedback. We appreciate the trust you place with the KLT staff to help this organization accomplish its mission, and thank you for your continued support.

*Evan McDonald, Executive Director*

**Keweenaw Land Trust**  
**Income and Expenses by Class**  
 January through December 2005

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 Cash Basis

| Ordinary Income/Expense     | General Operations |  | Manitou Island   |  | Land Purchase |  | Stewardship Endowment |  | Reading the Landscape |  | Property & Endowments |                 | TOTAL             |
|-----------------------------|--------------------|--|------------------|--|---------------|--|-----------------------|--|-----------------------|--|-----------------------|-----------------|-------------------|
|                             |                    |  |                  |  |               |  |                       |  |                       |  |                       |                 |                   |
| <b>Income</b>               |                    |  |                  |  |               |  |                       |  |                       |  |                       |                 |                   |
| Contributions Income        | 11,677.73          |  | 2,006.00         |  | 200.00        |  | 4,500.00              |  | 990.00                |  |                       | 0.00            | 19,373.73         |
| Direct Support from Grants  | 5,800.00           |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 5,800.00          |
| Investment Income           | 742.49             |  | 0.00             |  | 16.79         |  | 35.14                 |  | 0.00                  |  |                       | 0.00            | 794.42            |
| Program Revenues            | 9,800.00           |  | 0.00             |  | 0.00          |  | 0.00                  |  | 1,355.00              |  |                       | 0.00            | 11,155.00         |
| Event Income                | 0.00               |  | 0.00             |  | 0.00          |  | 4,125.00              |  | 0.00                  |  |                       | 0.00            | 4,125.00          |
| Interfund transfers         | -387.13            |  | 387.13           |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 0.00              |
| <b>Total Income</b>         | <b>27,633.09</b>   |  | <b>2,393.13</b>  |  | <b>216.79</b> |  | <b>8,660.14</b>       |  | <b>2,345.00</b>       |  |                       | <b>0.00</b>     | <b>41,248.15</b>  |
| <b>Expense</b>              |                    |  |                  |  |               |  |                       |  |                       |  |                       |                 |                   |
| Operating Expenses          | 5,450.40           |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 5,450.40          |
| Payroll Expenses            | 42,299.76          |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 42,299.76         |
| Insurance                   | 3,214.00           |  | 1,122.00         |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 4,336.00          |
| Program expenses            | 0.00               |  | 0.00             |  | 0.00          |  | 0.00                  |  | 1,747.46              |  |                       | 0.00            | 1,747.46          |
| Communications              | 2,608.27           |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 2,608.27          |
| Land Projects               | 191.47             |  | 2,802.45         |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 2,993.92          |
| Professional Fees           | 100.00             |  | 100.00           |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 200.00            |
| Travel                      | 620.00             |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 620.00            |
| Grant Allocations           | 100.00             |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 0.00            | 100.00            |
| <b>Total Expense</b>        | <b>54,563.90</b>   |  | <b>4,024.45</b>  |  | <b>0.00</b>   |  | <b>0.00</b>           |  | <b>1,747.46</b>       |  |                       | <b>0.00</b>     | <b>60,355.81</b>  |
| <b>Net Ordinary Income</b>  | <b>-26,950.81</b>  |  | <b>-1,631.32</b> |  | <b>216.79</b> |  | <b>8,660.14</b>       |  | <b>597.54</b>         |  |                       | <b>0.00</b>     | <b>-19,107.66</b> |
| <b>Other Income/Expense</b> |                    |  |                  |  |               |  |                       |  |                       |  |                       |                 |                   |
| Other Income                |                    |  |                  |  |               |  |                       |  |                       |  |                       |                 |                   |
| Asset appreciation          | 0.00               |  | 0.00             |  | 0.00          |  | 0.00                  |  | 0.00                  |  |                       | 2,777.28        | 2,777.28          |
| <b>Total Other Income</b>   | <b>0.00</b>        |  | <b>0.00</b>      |  | <b>0.00</b>   |  | <b>0.00</b>           |  | <b>0.00</b>           |  |                       | <b>2,777.28</b> | <b>2,777.28</b>   |
| <b>Net Other Income</b>     | <b>0.00</b>        |  | <b>0.00</b>      |  | <b>0.00</b>   |  | <b>0.00</b>           |  | <b>0.00</b>           |  |                       | <b>2,777.28</b> | <b>2,777.28</b>   |
| <b>Net Income</b>           | <b>-26,950.81</b>  |  | <b>-1,631.32</b> |  | <b>216.79</b> |  | <b>8,660.14</b>       |  | <b>597.54</b>         |  |                       | <b>2,777.28</b> | <b>-16,330.38</b> |

**Project Class Descriptions:**

Manitou Island - Light Station Preserve  
 Land Purchase - internal revolving loan fund dedicated for land conservation projects  
 Stewardship Endowment - permanently restricted to support long-term stewardship and legal defense for protected lands  
 Reading the Landscape - art and natural history outreach program (KLT sponsors program and serves as fiscal agent)

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Cash Basis

**Income and Expenses by Class**  
January - December 2006



|                                | General Operations | Marsin              | Maritou Island   | Land Purchase | Stewardship Endowment | Paavola Wetlands | Lightfoot Bay  | Reading the Landscape | Property & Endowments | TOTAL               |
|--------------------------------|--------------------|---------------------|------------------|---------------|-----------------------|------------------|----------------|-----------------------|-----------------------|---------------------|
| <b>Ordinary Income/Expense</b> |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Income                         |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Contributions Income           | 29,816.00          | 50.00               | 30.00            | 520.00        | 0.00                  | 14,820.45        | 0.00           | 700.00                | 0.00                  | 45,936.45           |
| Direct Support from Grants     | 35,000.00          | 0.00                | 0.00             | 0.00          | 0.00                  | 10,000.00        | 0.00           | 0.00                  | 0.00                  | 45,000.00           |
| Legacies and Bequests          |                    | 1,595,467.23        |                  |               |                       |                  |                |                       |                       | 1,595,467.23        |
| Investment Income              | 283.60             | 90,240.44           | 0.00             | 147.53        | 590.10                | 0.00             | 0.00           | 0.00                  | 0.00                  | 91,261.67           |
| Program Revenues               | 0.00               | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 1,140.00              | 0.00                  | 1,140.00            |
| Event Income                   | 4,590.22           | 0.00                | 0.00             | 0.00          | 0.00                  | 7,769.53         | 0.00           | 0.00                  | 0.00                  | 12,359.75           |
| Unrelated Business Income      | 0.00               | 837.00              | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 837.00              |
| <b>Total Income</b>            | <b>69,689.82</b>   | <b>1,686,594.67</b> | <b>30.00</b>     | <b>667.53</b> | <b>590.10</b>         | <b>32,589.98</b> | <b>0.00</b>    | <b>1,840.00</b>       | <b>0.00</b>           | <b>1,792,002.10</b> |
| <b>Expense</b>                 |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Operating Expenses             | 5,268.32           | 1,959.71            | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 7,228.03            |
| Payroll Expenses               | 52,641.83          | 9,859.74            | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 62,501.57           |
| Insurance                      | 3,482.00           | 2,993.10            | 721.00           | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 7,196.10            |
| Program expenses               | 70.00              | 958.78              | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 2,021.03              | 0.00                  | 3,049.81            |
| Event expenses                 | 3,508.72           | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 3,508.72            |
| Communications                 | 3,769.71           | 49.50               | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 3,819.21            |
| Land Projects                  | 1,582.45           | 209.46              | 5,232.24         | 0.00          | 0.00                  | -40.17           | 862.00         | 0.00                  | 0.00                  | 7,845.98            |
| Professional Fees              | 6,365.00           | 1,264.79            | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 7,629.79            |
| Maintenance                    | 0.00               | 143.78              | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 143.78              |
| Travel                         | -215.00            | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | -215.00             |
| Grant Allocations              | 100.00             | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 100.00              |
| <b>Total Expense</b>           | <b>76,573.03</b>   | <b>17,438.86</b>    | <b>5,953.24</b>  | <b>0.00</b>   | <b>0.00</b>           | <b>-40.17</b>    | <b>862.00</b>  | <b>2,021.03</b>       | <b>0.00</b>           | <b>102,807.99</b>   |
| <b>Net Ordinary Income</b>     | <b>-6,883.21</b>   | <b>1,669,155.81</b> | <b>-5,923.24</b> | <b>667.53</b> | <b>590.10</b>         | <b>32,630.15</b> | <b>-862.00</b> | <b>-181.03</b>        | <b>0.00</b>           | <b>1,689,194.11</b> |
| <b>Other Income/Expense</b>    |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Other Income                   |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Asset Appreciations            | 69,426.00          | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 69,426.00           |
| Total Other Income             | 69,426.00          | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 69,426.00           |
| Other Expense <sup>1</sup>     |                    |                     |                  |               |                       |                  |                |                       |                       |                     |
| Remove KCF Endowment           | 0.00               | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 50,290.17             | 50,290.17           |
| Tail ship 2005 course pgm fees | 9,338.00           | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 0.00                  | 9,338.00            |
| Total Other Expense            | 9,338.00           | 0.00                | 0.00             | 0.00          | 0.00                  | 0.00             | 0.00           | 0.00                  | 50,290.17             | 59,628.17           |
| <b>Net Other Income</b>        | <b>60,088.00</b>   | <b>0.00</b>         | <b>0.00</b>      | <b>0.00</b>   | <b>0.00</b>           | <b>0.00</b>      | <b>0.00</b>    | <b>0.00</b>           | <b>-50,290.17</b>     | <b>9,797.83</b>     |
| <b>Net Income</b>              | <b>53,204.79</b>   | <b>1,669,155.81</b> | <b>-5,923.24</b> | <b>667.53</b> | <b>590.10</b>         | <b>32,630.15</b> | <b>-862.00</b> | <b>-181.03</b>        | <b>-50,290.17</b>     | <b>1,698,991.94</b> |

**Project Class Descriptions:**

Maritou Island - Light Station Preserve - \*project is owed ~\$7,000 from State Historic Preservation reimbursement grant  
 Land Purchase - internal revolving loan fund dedicated for land conservation projects  
 Stewardship Endowment - permanently restricted to support long-term stewardship and legal defense for protected lands  
 Paavola Wetlands - purchase 75 acres to expand preserve  
 Lightfoot Bay - cooperative coastal wetlands acquisition project  
 Reading the Landscape - art and natural history outreach program (KLT sponsors program and serves as fiscal agent)

**Footnotes:**

<sup>1</sup> KLT designated endowment held by Keweenaw Community Foundation removed from our books  
 Tail ship student fees for 2005 course paid to Pearl M program partner in 2006

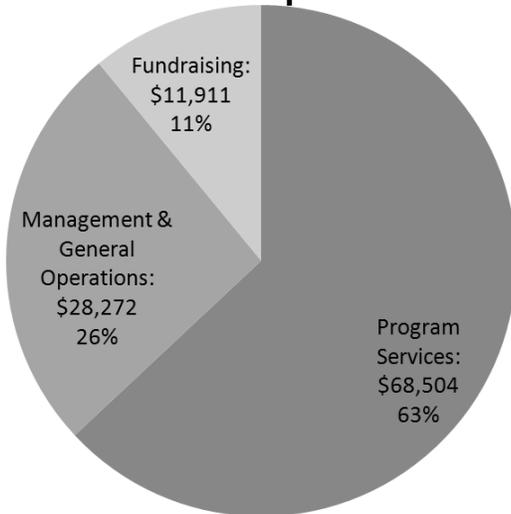
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**Keweenaw Land Trust**  
**Balance Sheet-Comparison of 2005 to 2006**  
As of December 31, 2006

|                                                     | <u>Dec 31, 06</u>          | <u>Dec 31, 05</u>        | <u>\$ Change</u>           |
|-----------------------------------------------------|----------------------------|--------------------------|----------------------------|
| <b>ASSETS</b>                                       |                            |                          |                            |
| <b>Current Assets</b>                               |                            |                          |                            |
| Land Stewardship and Purchase Funds                 | 21,847.41                  | 20,589.78                | 1,257.63                   |
| Checking and Savings                                | <u>41,465.55</u>           | <u>49,846.54</u>         | <u>-8,380.99</u>           |
| <b>Total Current Assets</b>                         | <b>63,312.96</b>           | <b>70,436.32</b>         | <b>-7,123.36</b>           |
| <b>Fixed Assets</b>                                 |                            |                          |                            |
| 1700 · Real Property                                | 1,071,852.00               | 91,626.00                | 980,226.00                 |
| 1800 · Personal Property                            | <u>65,376.00</u>           | <u>2,000.00</u>          | <u>63,376.00</u>           |
| <b>Total Fixed Assets</b>                           | <b>1,137,228.00</b>        | <b>93,626.00</b>         | <b>1,043,602.00</b>        |
| <b>Other Assets</b>                                 |                            |                          |                            |
| 1550 · Marsin Investment Account                    | 726,545.88                 | 0.00                     | 726,545.88                 |
| 1920 · Purchase Option on Lightfoot Bay             | 15,000.00                  | 0.00                     | 15,000.00                  |
| 1990 · KCF Endowment Fund Balance                   | <u>0.00</u>                | <u>50,290.17</u>         | <u>-50,290.17</u>          |
| <b>Total Other Assets</b>                           | <b>741,545.88</b>          | <b>50,290.17</b>         | <b>691,255.71</b>          |
| <b>TOTAL ASSETS</b>                                 | <b><u>1,942,086.84</u></b> | <b><u>214,352.49</u></b> | <b><u>1,727,734.35</u></b> |
| <b>LIABILITIES &amp; EQUITY</b>                     |                            |                          |                            |
| <b>Liabilities</b>                                  |                            |                          |                            |
| <b>Current Liabilities</b>                          |                            |                          |                            |
| 2200 · Payroll Liabilities                          | 1,808.87                   | 2,366.46                 | -557.59                    |
| 2300 · Short Term Loans - Paavola                   | <u>29,300.00</u>           | <u>0.00</u>              | <u>29,300.00</u>           |
| <b>Total Current Liabilities</b>                    | <b>31,108.87</b>           | <b>2,366.46</b>          | <b>28,742.41</b>           |
| <b>Total Liabilities</b>                            | <b>31,108.87</b>           | <b>2,366.46</b>          | <b>28,742.41</b>           |
| <b>Equity</b>                                       |                            |                          |                            |
| 3200 · Unrestricted net assets                      | 101,588.20                 | 48,383.41                | 53,204.79                  |
| <b>3300 · Permanently restrict net assets</b>       |                            |                          |                            |
| 3310 · KCF Endowment net assets                     | 0.00                       | 50,290.17                | -50,290.17                 |
| 3320 · Marsin (endowment)                           | 737,024.81                 | 0.00                     | 737,024.81                 |
| 3340 · Land Under Protection                        | 965,626.00                 | 91,626.00                | 874,000.00                 |
| 3830 · Land Stewardship                             | <u>17,562.43</u>           | <u>16,972.33</u>         | <u>590.10</u>              |
| <b>Total 3300 · Permanently restrict net assets</b> | <b>1,720,213.24</b>        | <b>158,888.50</b>        | <b>1,561,324.74</b>        |
| <b>3800 · Temporarily Restricted Funds</b>          |                            |                          |                            |
| 3820 · Land Purchase                                | 4,284.98                   | 3,617.45                 | 667.53                     |
| 3840 · Reading the Landscape                        | 1,385.38                   | 1,566.41                 | -181.03                    |
| 3850 · Manitou Island Fund                          | -6,392.98                  | -469.74                  | -5,923.24                  |
| 3860 · Lightfoot Bay                                | -862.00                    | 0.00                     | -862.00                    |
| 3870 · Marsin (operations)                          | 58,131.00                  | 0.00                     | 58,131.00                  |
| 3880 · Paavola                                      | <u>32,630.15</u>           | <u>0.00</u>              | <u>32,630.15</u>           |
| <b>Total 3800 · Temporarily Restricted Funds</b>    | <b>89,176.53</b>           | <b>4,714.12</b>          | <b>84,462.41</b>           |
| 3999 · Current Year Allocations                     | -1,698,991.94              | 16,330.38                | -1,715,322.32              |
| <b>Net income</b>                                   | <b>1,698,991.94</b>        | <b>-16,330.38</b>        | <b>1,715,322.32</b>        |
| <b>Total Equity</b>                                 | <b>1,910,977.97</b>        | <b>211,986.03</b>        | <b>1,698,991.94</b>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>               | <b><u>1,942,086.84</u></b> | <b><u>214,352.49</u></b> | <b><u>1,727,734.35</u></b> |

KLT Designated Endowment held by the Keweenaw Community Foundation  
December 31, 2006 value of \$61,979 with \$3375 gifted in 2006

## 2006 Functional Expense Breakdown



Non-profits reach a new level when they can no longer file the IRS 990 EZ form and are required to file the IRS 990 long form. KLT made that **transition** in 2006, and the greater detail required is partly why we revamped our accounting system—all for the better. This filing includes a breakdown of functional expenses into program services, management/general operations, and fundraising categories. These values are helpful to assess how a non-profit is doing...where donor's dollars are spent, for example, as a gauge of how much mission success has been achieved. The pie chart above shows KLT's expense breakdown for 2006 directly from our IRS 990 filing.

## KLT Accomplishments

KLT continues to actively cultivate conservation easement projects and build partnerships to leverage resources and gain community support.

### 2005 Highlights:

- Bete Grise South Preserve established in partnership with The Nature Conservancy (TNC) and Houghton Keweenaw Conservation District (HKCD) protecting 1045 acres of Lake Superior coastal wetlands
- *Denis Sullivan* tall ship water and land conservation program on Lake Superior with Pier Wisconsin and MTU
- Staff attend Land Trust Alliance 'Rally' (national conference) in Madison WI with scholarship support
- Summer Interns survey Paavola Wetlands pond and interview former KLT Board presidents and easement donors
- Condition Assessment of Manitou Island Light Station begins with support from the State Historic Preservation Office and botanist Janet Marr surveys the island for rare plants
- Volunteer Easement Monitoring program begun
- 'Reading the Landscape' programs on *Fresh Water Studies*
- KLT office moved from Lake Linden to Hancock

## 2006 Highlights:

- Marsin Nature Retreat Center and lakeshore campus established adding 16 acres and 900+ feet of shoreline along the Portage Waterway under protection
- Paavola Wetlands Preserve expanded by 73 acres
- Conservation easement donation permanently protects another 280-acres at Churning Rapids with scattered large oaks and scenic trails in this popular 'working forest'
- The *Denis Sullivan* returns for week-long course on Lake Superior plus day sails on the Portage
- Management plan completed for Six-Mile Creek Preserve under the Stewardship Incentive Program -- we can now apply for cost-sharing for stewardship practices on the property under this program available to most landowners with 12+ acres
- Conservation partners HKCD/KLT/TNC begin developing management plan for Bete Grise South Preserve with Michigan Coastal Management Planning grant support
- 'In Their Own Voices' folio of land conservation success stories across the Lake Superior basin developed through the Lake Superior Land Trust Partnership with grant support
- Conservation partnerships apply for land acquisition funding to protect additional coastal wetlands at Bete Grise and at Lightfoot Bay in Baraga County
- Purchase option secures threatened parcels of land at Lightfoot Bay – 57 acres of diverse wetlands, barrier beach and pine dunes surrounding this natural embayment of Huron Bay
- 'Reading the Landscape' features *The Forested Landscape*
- KLT Organizational Portfolio produced – what a story!
- KLT assists North Houghton County Sewer Authority in receiving donation of Centennial Mine Site property (270 acres)
- Site improvements and condition assessments continue on Manitou Island with SHPO support

