



Willowsford[®]

CONSERVANCY



Board of Trustees Meeting

May 10, 2022



Agenda

- Willowsford Conservancy Update
- FY2021 Audit & 990
- Financial update
- Farm update
- Land Stewardship update
- Marketing update
- Executive Session



Conservancy Update

Transition Leadership in Place

- Welcome Kathryn Stephens
- First 90-day focus is ensuring the team has the tools and support needed to launch a successful summer enterprise, along with a review and fine-tuning of the systems infrastructure to support efficiencies and data driven decision making.

Strategic Planning Underway

- Capacity Partners leading the Conservancy in a 6-month process
- Community Engagement, inclusive of Resident Survey and HOA leadership, is an important activity in the process
- Will be in touch to schedule two mini-retreats for board and staff leadership
- Process culminates in October with a strategic plan that will inform the Executive Search



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WILLOWSFORD CONSERVANCY, INC

2021 FINANCIAL SUMMARY

MITCHELL & Co., P.C.

110 EAST MARKET STREET | LEESBURG, VIRGINIA

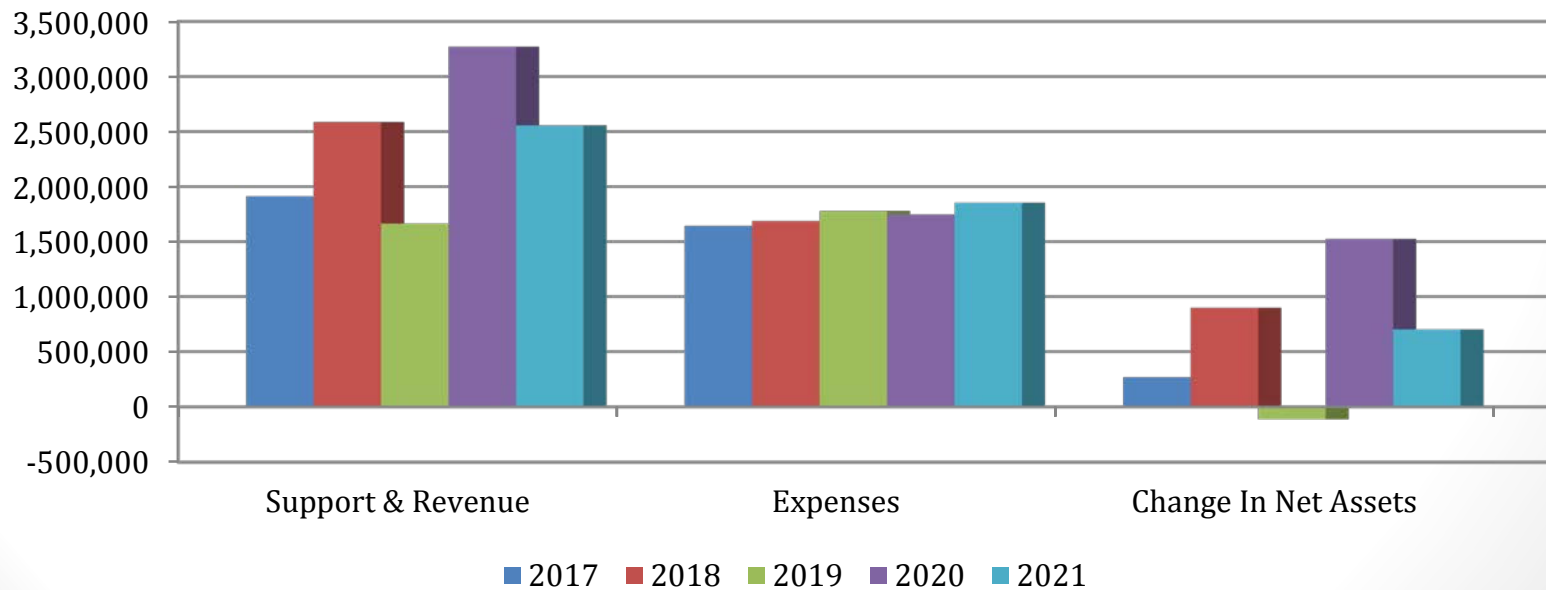
BOARD MEETING– MAY 10, 2022

FINANCIAL POSITION (2017 & 2018 UNAUDITED)

	2021	2020	2019	2018	2017
Total Assets	\$ 8,385,116	\$ 7,751,583	\$ 6,118,708	\$ 3,132,858	\$ 1,883,742
Cash & Cash Equivalents	987,068	710,889	55,164	119,165	19,828
Investments	1,197,651	1,047,342	-	-	-
Accounts Receivable	28,261	3,505	110,992	733,682	387,790
Prepaid Expenses and other	13,751	42,899	36,160	118	-
Property and Equipment, Net	6,158,385	5,946,948	5,916,392	2,279,893	1,476,124
Total Liabilities	\$ 83,438	\$ 149,879	\$ 42,869	\$ 741,418	\$ 391,143
Accrued expenses	31,091	25,308	9,618	736,924	388,236
Security Deposits	1,076	3,750	2,650	-	-
Deferred Revenue	17,904	65,774	30,601	4,494	2,907
Loan Payables	33,367	55,047	-	-	-
Total Net Assets	\$ 8,301,678	\$ 7,601,704	\$ 6,075,839	\$ 2,391,440	\$ 1,492,599
Without Donor Restrictions					
Designated	400,000	150,000	-	-	-
Undesignated	6,704,028	6,404,363	6,075,839	2,391,440	1,492,599
With Donor Restrictions	1,197,650	1,047,341	-	-	-

REVENUES AND EXPENSES-CONSERVANCY AND FARM

	2021	2020	2019	2018	2017
Support & Revenue	\$ 2,555,102	\$ 3,269,921	\$ 1,663,547	\$ 2,585,542	\$ 1,911,259
Expenses	\$ 1,853,128	\$ 1,745,686	\$ 1,776,758	\$ 1,686,701	\$ 1,642,695
Change In Net Assets	\$ 701,974	\$ 1,524,235	\$ (113,211)	\$ 898,841	\$ 268,564



Farm Sales and Expenses

	2021	2020	2019	2018	2017
Farm Sales (CSA)	\$ 418,940	\$ 449,268	\$ 273,216	\$ 212,066	\$ 237,098
Retail/Production Revenue	39,560	107,075	124,712	139,343	224,924
Wholesale Revenue	30,207	26,821	42,600	42,640	2,156
Total Revenue	488,707	583,164	440,528	394,049	464,178
Cost of Goods Sold	377,820	365,200	428,924	497,894	587,754
Gross Margin	110,887	217,964	11,604	(103,845)	(123,576)
Shares Sold:					
Vegetable	350	403	300	253	
Meat	61	70	38	-	
Eggs	204	200	181	219	
Flowers	78	74	47	58	
Total Shares	693	747	566	530	



Support & Assessments

	2021	2020	2019	2018	2017
Assessments & Fees	\$ 1,501,593	\$ 1,330,170	\$ 966,791	\$ 632,740	\$ 363,151
Developer subsidy	-	-	205,111	1,537,230	1,041,592
Contributions/Grants	335,734	1,191,879	-	-	-



AUDITOR COMMENTS

- General audit process
- Restricted vs. Unrestricted Net Assets
 - Without Donor restrictions
 - With Donor restrictions
- Endowment
 - Principal set aside
 - Earnings used for operations
 - Policy
- Board Conflict of interest
- New lease pronouncement
- Cash Balances
- Tax Return-Form 990





FY 2022 Q1 Performance

January- March 2022

- Net Operating Revenue is positive (\$16K), against a budgeted seasonal deficit (-\$41K)
- Resales are underperforming with nearly 4 months of sales showing 13 sales against the HOA projections of 103, representing a \$30K negative deviation on a seasonally adjusted budget. Current global and market volatility makes projections challenging, however conservative projections could be nearly \$100,000 under budget
- Summer CSA Sales are lagging last year, given platform changes and delays in marketing. However, with the early opening of winter sales, revenue is on par with last year.
- Expenses are tracking close to budget, with some seasonal deviations. Notable are savings in benefits which we anticipate will persist through year end.
- 2022 is a rebuilding year and we anticipate deferred maintenance and systems improvements that will have multi-year benefit but may require investment in 2022

Resale Transfer Fees – 3 Year Comparison

Resale - Transfer Fee Income							
Year	Jan	Feb	Mar	April	Jan-April	FY Actuals	FY Budget
2020	\$ 6,373	\$ -	\$ 4,875	\$ 20,520	\$ 31,768	\$ 238,290	\$ 148,000
2021	\$ 26,683	\$ 11,516	\$ 26,961	\$ 26,135	\$ 91,296	\$ 352,323	\$ 240,000
2022	\$ 8,888	\$ 17,625	\$ 11,468	\$ 10,764	\$ 48,744		\$ 347,625

CSA Sales – Year over Year

CSA Sales (Summer)	2022 (as of 4/26)	2021	2020	2019	2018
Vegetable	284	350	403	300	253
Meat	n/a	61	70	38	n/a
Eggs	147	204	200	181	219
Flowers	29	78	74	47	58
Source	Barn2Door	Audited Financials			

2022 Potential Budget Impacts

Item	Timing	Est. Impact
Farm truck purchase	Complete	\$37,000
ED settlement	Complete	Confidential
Dam work	TBD urgency	~\$80,000 per dam?
Lightridge house	More urgent	\$81,000 - \$123,000
Peach Orchard house	TBD urgency	\$16,050 + ???
Interim ED	April - December	FT at budgeted expense of ED
New farm equipment purchases	TBD	Neutral based on sale of equipment



2022 Accounting Projects

- Rationalizing chart of accounts to improve analytics to inform farm and retail decisions
- Optimized integration of retail programs and other reconciling procedures into accounting system.
- Staffing- Seeking best accounting solution, and while goal is still to allow Jamie to retire, she has graciously extended her contract

May Farm Update

The farm planting schedule is well underway, with approximately half of Grange Farm acreage planted and well over 120,000 transplants in the ground.

We continue our focus of **building soil health, improving operational efficiencies, and increasing community engagement opportunities** – all three goals are aimed at providing our Farm and community with greater resiliency.



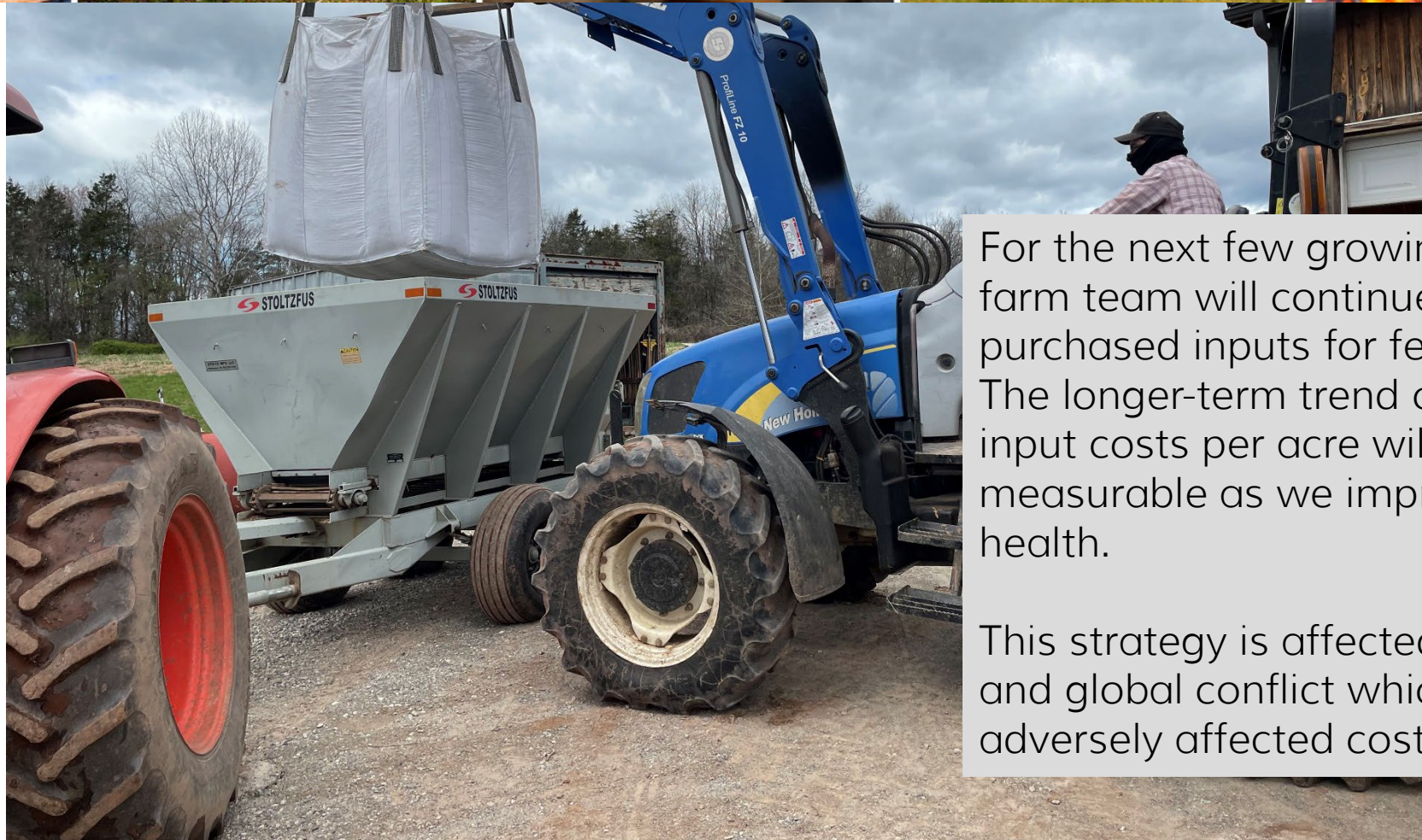
Building Soil Health



Building soil health is a years long process. The farm team is committed to improving soil health in-part by cover cropping 80% or more of our production acres annually and utilizing the laying hens appropriately in the rotation.

The photo on the right was included in the last board presentation. The photo on the left was taken last week.

Building Soil Health



For the next few growing seasons the farm team will continue to rely on purchased inputs for fertility needs. The longer-term trend of reduced input costs per acre will be measurable as we improve our soil health.

This strategy is affected by inflation and global conflict which has adversely affected costs.

Improving Operational Efficiencies

A walk around the Grange Farm Loop Trail this spring gives a good view of many changes being implemented; the re-oriented field layouts are reducing labor hours by reducing tractor turning and total field passes.

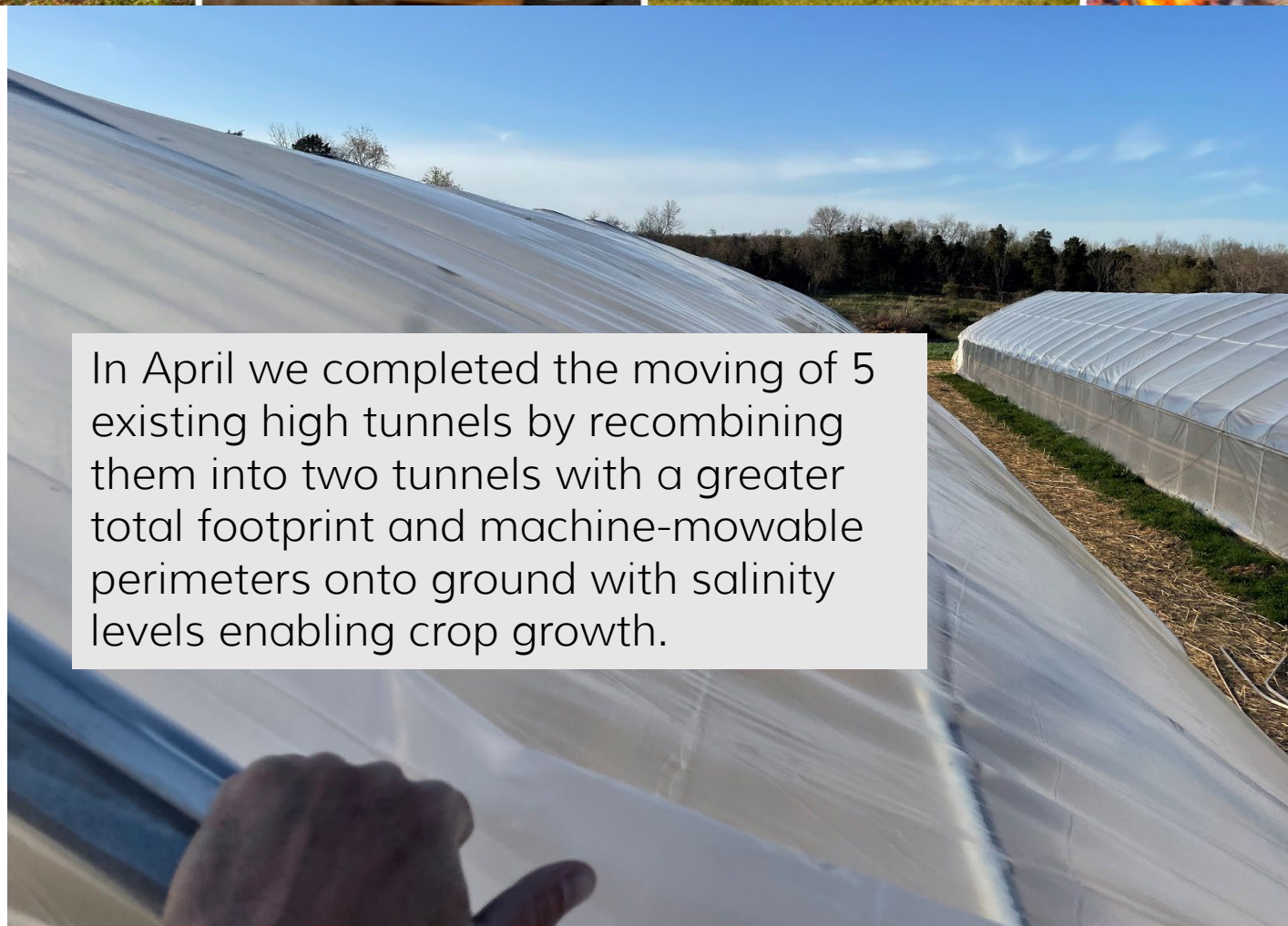
The winter deer fence and brush clearing are reducing the damages to crops from groundhogs, rabbits, deer, and other vermin that come with raising food crops within a nature conservancy.



Improving Operational Efficiencies



In April we completed the moving of 5 existing high tunnels by recombining them into two tunnels with a greater total footprint and machine-movable perimeters onto ground with salinity levels enabling crop growth.



Improving Operational Efficiencies



Reduced risk and chance of breakdowns by improving maintenance practices.



Community Engagement and Volunteerism

We remain committed to increasing opportunities to spend time with our community, and we will **measure our success by tracking the number of hours our team is able to sustainably engage.**

To do this we are rolling out regular volunteer activities that will engage the community **and** ease crew hours. These activities include **produce bagging, CSA box packing, family egg collection, and egg washing.**

Look for communications about how to get involved in the Conservancy and CSA newsletters.





Community Engagement and Volunteerism

Farm tours are integral to improving community engagement. The farm team will conduct monthly farm tours in season as part of the farm stand reopening.

A number of the current HOA board members recently made time to attend farm tours with the goal of better understanding the farm's current role in the greater community.



Farm Stand Re-opening May 19th

The farm stand will re-open on May 19th!

We will be open on Thursday afternoons and Saturday mornings coinciding with regular CSA box pickup times. We intend to foster a positive, engaging space where residents and the general public can come together for local & specialty foods shopping experience, Conservancy programming, and to enjoy the outdoors.

CSA remains the primary way forward to improve the farm's financial sustainability – please consider purchasing a share or spreading the word within the community.





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Trail Maintenance



Trail Maintenance

- Addressed muddy spots in the Grant Trail System & installed water bars to redirect sheet flow.

Volunteer Trail Days

- Mountain Bike Club
 - Completed two trail days where they helped Land Stewardship remove large boulders from the trail, prune back vegetation, and install a mountain biking feature in the Greens.


Arbor Day Planting

- In partnership with **DataBank** and **Arbor Day Foundation**
 - Received funding for a \$4,300 for a reforestation project in the Grange.
 - 29 Volunteers engaged
 - 200 Native trees planted
- Potential for future, larger plantings in partnership with **DataBank**.





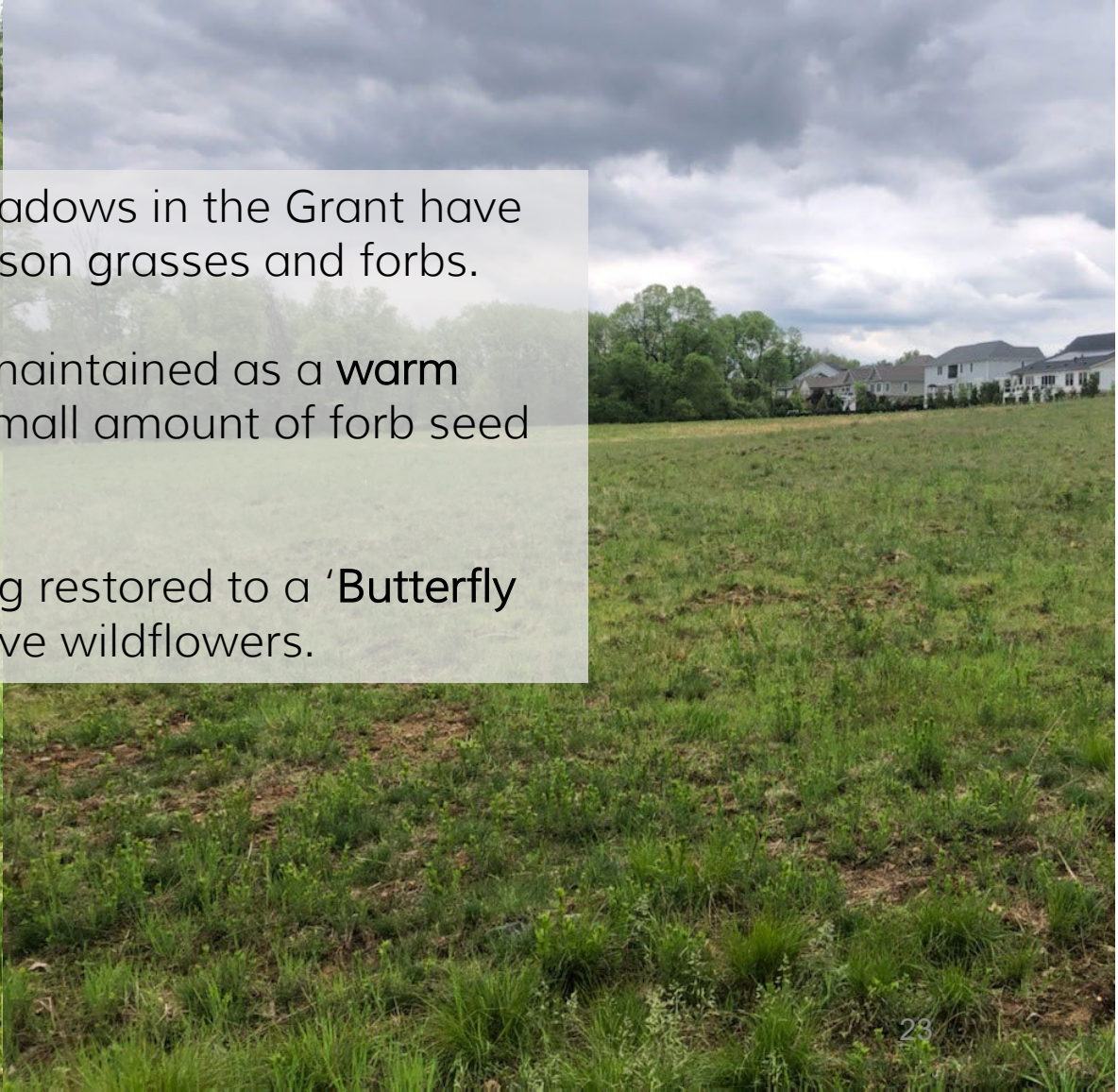

Meadow Restoration Projects



As a part of our 2022 plan, two meadows in the Grant have been seeded with native warm season grasses and forbs.

The larger 4-acre meadow will be maintained as a **warm season grass meadow** and had a small amount of forb seed mixed in.

The smaller 1-acre meadow is being restored to a '**Butterfly Garden**': a pollinator garden of native wildflowers.



Deer Management Program

Program Hunt Schedule for 2022-2023

Archery:

October 1st 2022 – January 14th 2023 – **Grant, Grove, Greens, Grange all Zones**

Shotgun/Muzzleloader:

November 14-18 (Mon 12pm – Fri 12pm)

November 30-December 3 (Wed – Sat) ** Youth Hunt Week

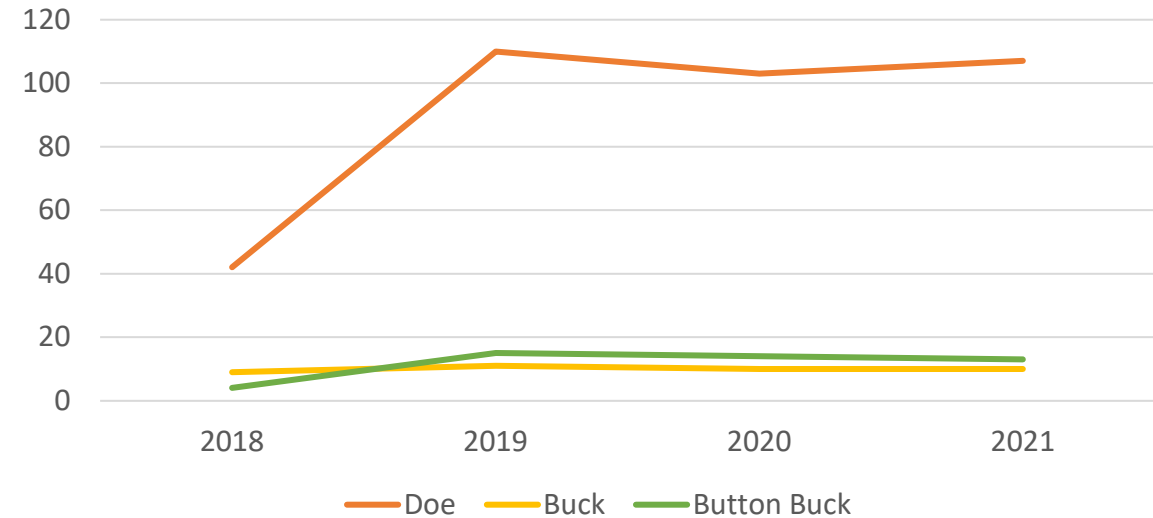
December 12-16 (Mon 12pm – Fri 12pm)

January 4-7, 2023 (Wed – Sat)

Grant, Greens, Grove all Zones except Zone 14

Grant and Greens Trails, and portions of Grove Trails are CLOSED throughout the day.

Yearly Harvest Results



In 2021-2022 there were only 2 incidents of a lost deer.



Tenant House Repairs & Renovations

Peach Orchard

- Flooding Prevention
 - Regrading exterior landscape to re-direct water flow
 - Installing additional drainage as needed
- Minor repairs and improvements
 - Air filtration system
 - Regrouting bathroom
 - New washing machine
 - Sealing basement door

Grant Farmhouse

- New tenants are staff members Gabe & Alex.
- House received full inspection and is in good condition.

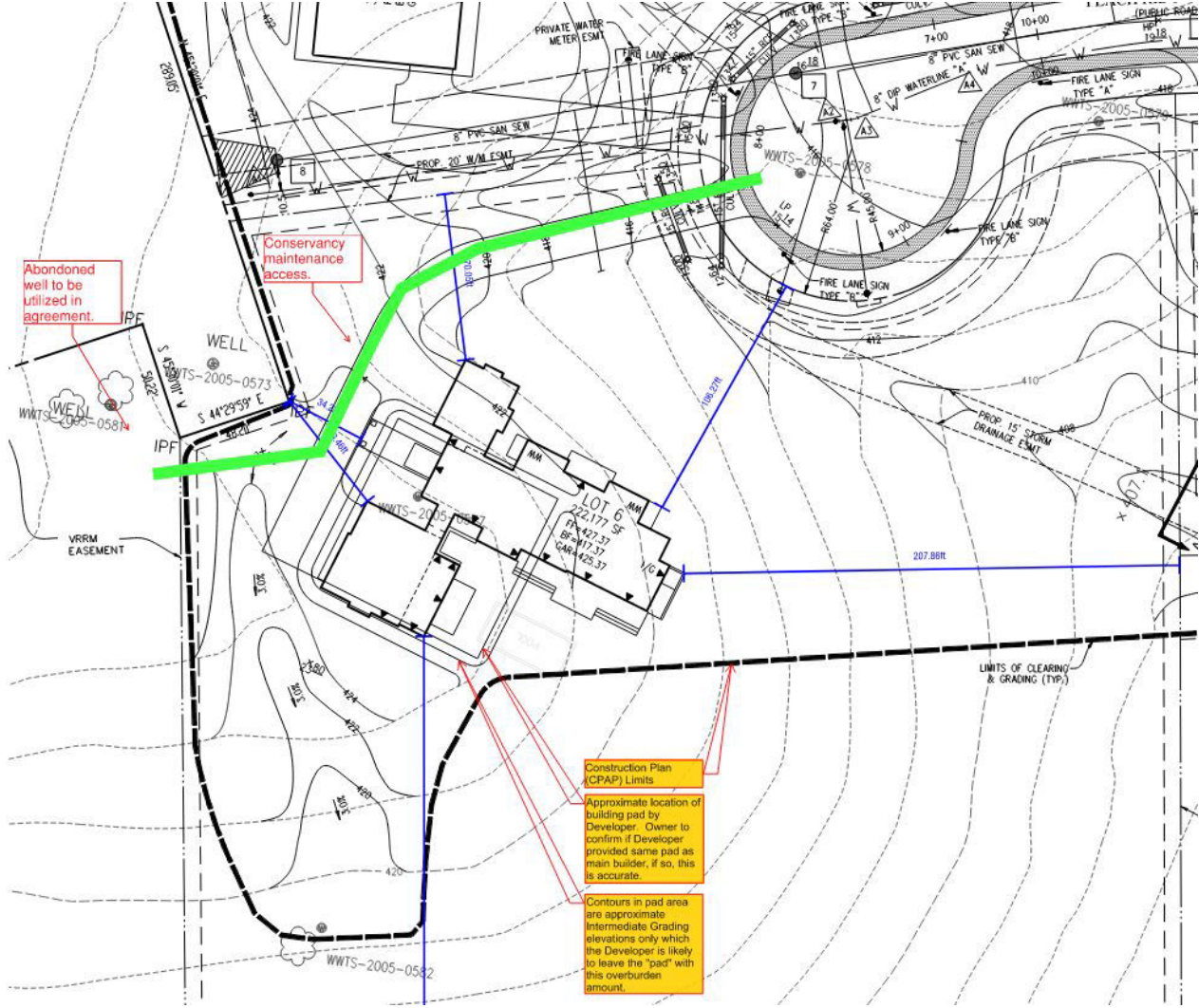
Lightridge

- All repairs and renovations on hold until further notice.

Easement Request

A resident in the Greens has offered to discuss a mutually beneficial easement request with Willowsford Conservancy. In exchange for providing him with an easement and access to an abandoned well on Conservancy property, he is providing us with an easement through his property for access to the open space.

This section of land would be inaccessible without an easement. The well is located approximately 40ft from his property line.

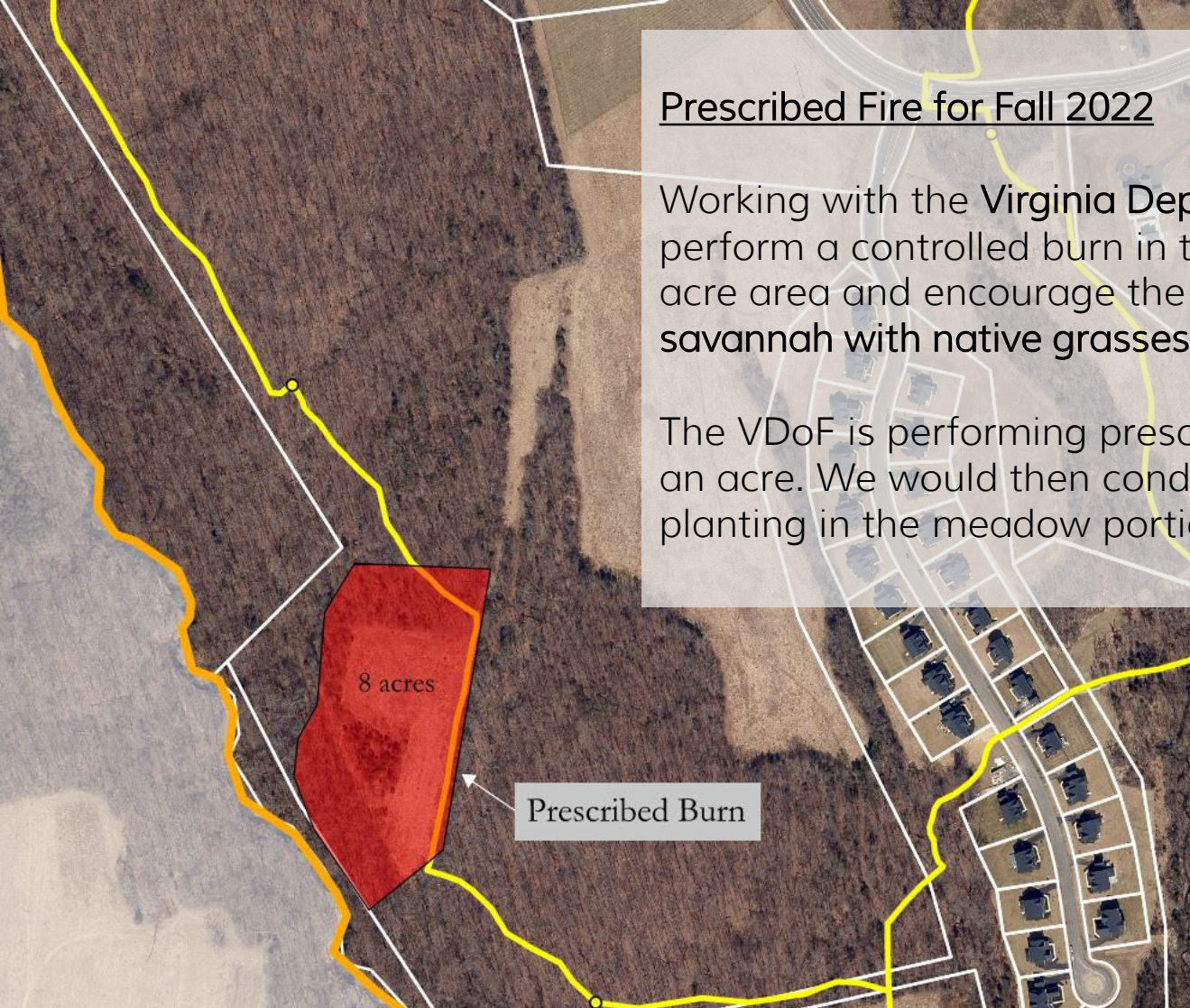


Future projects: Prescribed Fire

Prescribed Fire for Fall 2022

Working with the Virginia Dept. of Forestry, our goal is to perform a controlled burn in the southern Greens in an 8-acre area and encourage the development of an **oak-pine savannah with native grasses**.

The VDoF is performing prescribed burns for the cost of \$20 an acre. We would then conduct a loblolly pine seedling planting in the meadow portion, along with native grasses.



Future projects: Prescribed Fire



Fire is a key element to maintaining specific forest stands and grasslands in a healthy, native state. Because of fire prevention, native grasslands and savannahs are scarce in Virginia—this is tied to the loss of certain wildlife populations such as the **northern bobwhite quail**, pheasants, and other grassland birds.

The purpose of this project is to begin creating habitat spaces for quail and grassland birds to return. Additionally, this project will serve as an **educational launching point for the community** to better understand the importance of prescribed burns, and how they can help the land and wildlife elsewhere in Willowsford.



Moving Forward

Projects in the Near Term

May	<ul style="list-style-type: none">- Campsite Rentals Begin- Two Hunter Volunteer Days- Hiking Spree Program	<ul style="list-style-type: none">- Trail Mowing Begins- Dogbane and Carpet Grass removal- Garlic Mustard Removal
June	<ul style="list-style-type: none">- Meadow Buffers are Mowed- Lotus Pond Lily Pad Removal- Meadow Invasive Control	<ul style="list-style-type: none">- HOA Date Night with Land Stewardship- Fishing for Beginners Program- Lespedeza, Bull Thistle, Mile-a-minute Targeted
July	<ul style="list-style-type: none">- Broad Attack of Invasives- Three Program Offerings- Focus on Wetlands Way Trail Work	<ul style="list-style-type: none">- Pruning back vegetation along trails- Installing interpretive signage at Pinewoods Loop



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Marketing & Communications Update



Mother's Day email campaign to 1,863 people, open rate 60%

Post card mailing sent in early May to all 2,300 Willowsford residents, waiting to see sales results

Current CSA Summer Sales is 284, compared to 327 at this time last year.

Website Redevelopment

- 85% Complete
- Improved Community engagement processes for amenity rentals and volunteer sign-up

Next Focus

- Social Marketing Strategy with Integrated Email Campaigns

Volunteer Activity Promotions

- Scheduled and On-demand activities are designed to broaden engagement.

Program Events

- Earth Day Celebration, Farm Stand Re-Opening, Jr Farmer, Boat House Farm Stand Monthly



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