

# Historic Virginia Land Conservancy

5000 New Point Road, Suite 3101  
Williamsburg, VA 23188

June 15, 2022

Beth Moore & Associates, CPAs  
735 Thimble Shoals Blvd, Suite 150  
Newport News, VA 23606

This representation letter is provided in connection with your audit of the financial statements of *Historic Virginia Land Conservancy* (Conservancy), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, “the financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 15, 2022, the following representations made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 18, 2022, including our responsibility for the preparation and fair presentation of the financial statements.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition you have proposed adjusting journal entries that have been posted to the Conservancy's accounts. We are in agreement with those adjustments. A list of the journal entries is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
11. Guarantees, whether written or oral, under which the Conservancy contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

### **Information Provided**

12. We have provided you with:
  - o Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - o Additional information that you have requested from us for the purpose of the audit.
  - o Unrestricted access to persons within the Conservancy from whom you determined it necessary to obtain audit evidence.
  - o Minutes of the meetings of the governing board or summaries of actions of recent meetings for which the minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects the Conservancy and involves:
  - o Management,
  - o Employees who have significant roles in internal control, or
  - o Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Conservancy's financial statements communicated by employees, former employees, grantors, regulators, or others.
17. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
19. We have disclosed to you the names of all the Conservancy's related parties and all the related-party relationships and transactions, including any side arrangements.

20. The Conservancy has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
22. ***Historic Virginia Land Conservancy*** is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Conservancy's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
23. In regard to the proposal of adjusting journal entries, maintenance of fixed asset files and depreciation schedules and the financial statement preparation and tax services performed by you, we have:
  - Assumed all management responsibilities.
  - Designated an individual (within management) with suitable skill, knowledge, or experience to oversee the services.
  - Evaluated the adequacy and results of services performed.
  - Accepted responsibility for the results of the services.
  - Ensured that the Conservancy's data and records are complete and received sufficient information to oversee the services.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**NPO-CX-12.2: AUDIT DIFFERENCE EVALUATION FORM**

Entity: Historic Virginia Land Conservancy Statement of Financial Position Date: December 31, 2021

Completed by: BK June 15, 2022

**Instructions:** This form may be used to accumulate audit differences (AD) greater than the amount considered clearly trivial (documented at Step 5 of NPO-CX-2.1). This form should not include normal closing entries. At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. Before evaluating the effect of uncorrected misstatements, reassess whether materiality is still appropriate based on the entity's actual financial results. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements using both the rollover and iron curtain methods, as appropriate. You need to be familiar with the guidance in section 1112 before completing this form.

Description (Nature) of Audit Difference (AD) Accrued	Factual (F), Judgmental (J), or Projected (P)	Cause	W/P Reference	Financial Statement Effect—Amount of Over (Under) Statement of:							
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets		
payroll	Projected				-\$2,355			-\$2,355		-\$2,355	
Total				\$0	-\$2,355	\$0	\$0	-\$2,355		\$2,355	\$0
Less Audit Adjustments Subsequently Booked											
Unadjusted AD—Current Year (Iron Curtain Method)				\$0	-\$2,355	\$0	\$0	-\$2,355		\$2,355	\$0
Effect of Unadjusted AD—Prior Years											\$2,449
Combined Current and Prior Year AD (Rollover Method)				\$0	-\$2,355	\$0	\$0	-\$2,355		\$4,804	\$4,804
Financial Statement Caption Totals				\$2,242,756	\$4,259	\$2,238,497	\$1,078,594	\$1,005,997		\$72,597	\$72,597
Current Year AD as % of FS Captions (Iron Curtain Method)				0 00%	-55.29%	0 00%	0 00%	-0.23%		6.62%	6.62%
Current and Prior Year AD as % of FS Captions (Rollover Method)											

**Qualitative Factors:** Describe qualitative factors that entered into your evaluation of whether uncorrected accumulated misstatements are material, individually or in the aggregate, in relation to specific accounts and disclosures and to the financial statements as a whole, and the reasons why.

**Conclusion:** Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, do not cause the financial statements taken as a whole to be materially misstated.

**Conclusion:** Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate,  do  do not cause the financial statements taken as a whole to be materially misstated.

Client: 71935 - Historic Virginia Land Conservancy  
 Engagement: 21 Audit - Historic Virginia Land Conservancy  
 Period Ending: 12/31/2021  
 Trial Balance: TBD  
 Workpaper: AJE - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To adjust pledges receivables for pledges paid off in 2021				
4800.1	Stewardship Revenue:4800.1 Easement Acquisition		58,800.00	
8120	RESTRICTED CONTRIBUTIONS:8120 Land Stewardship:8125 Grantor Contributions		10,200.00	
1089	Pledge Receivable			69,000.00
<b>Total</b>			<u>69,000.00</u>	<u>69,000.00</u>
<b>Adjusting Journal Entries JE # 2</b>				
To adjust net assets to PY FS				
3000	Unrestricted Net Assets		9,426.00	
7603	Overhead Expenses:7600 Payroll Expenses:7603 ERTC			9,426.00
<b>Total</b>			<u>9,426.00</u>	<u>9,426.00</u>
<b>Adjusting Journal Entries JE # 3</b>				
To adjust net assets for income recognized in the prior year				
5001	Gain on Sale of Fee Simple		20,000.00	
3000	Unrestricted Net Assets			20,000.00
<b>Total</b>			<u>20,000.00</u>	<u>20,000.00</u>
<b>Adjusting Journal Entries JE # 4</b>				
For the recording of depreciation expense				
8310	Depreciation		212.00	
1800	Accumulated Depreciation			212.00
<b>Total</b>			<u>212.00</u>	<u>212.00</u>
<b>Adjusting Journal Entries JE # 5</b>				
To record donated conservation easements				
5900	In-kind conservation easement		828,100.00	
4500	In-kind conservation easement			828,100.00
<b>Total</b>			<u>828,100.00</u>	<u>828,100.00</u>
<b>Adjusting Journal Entries JE # 6</b>				
To adjust net assets to PY FS				
3000	Unrestricted Net Assets		11,332.00	
3100	Temporarily Restricted N. Asset		82,329.00	
3102	Retained Earnings		4,326,064.00	
3010	Net Assets - Board Designated			617,124.00
3105	Restricted Net Assets			3,802,601.00
<b>Total</b>			<u>4,419,725.00</u>	<u>4,419,725.00</u>
<b>Adjusting Journal Entries JE # 7</b>				
To adjust event carry over expense				
4973.1	Special Projects:4973 Fundraiser Major Annual Event		2,900.00	
8110	RESTRICTED CONTRIBUTIONS:8102 Event Carryovers			2,900.00
<b>Total</b>			<u>2,900.00</u>	<u>2,900.00</u>