

NORTHEASTERN CAVE CONSERVANCY, INC.

Agenda

Submitted by Christa Hay

6/09/07 Speleobooks, Schoharie, NY 2:00 PM

Meeting called to order at 2:08

Before the meeting there was a cleanup at Baugh Cave with 20 volunteers helping.

1. Introduction and greetings – President Bob Addis
2. Nominating Committee Chairman Mike Martuscello - Attachment A-1 announced the results of the Trustees' election - – The new/returning trustees are seated at this time. Welcome to new trustees: Peter Haberland and David Lyons..
3. Attendance:
Officers: B. Addis, P. Youngbaer, B. Folsom, C. Hay
Trustees: J. Armstrong, M. Chu, J. Siemion, Joe Armstrong, Bob Simmons (2:30), David Lyons,
4. Absent without Proxy
 - Peter Haberland
5. Absent with Proxy
 - Chuck Porter for Vince Kappler
 - Alan Traino for Al Hicks
6. President's Report – Bob Addis- Attachment A – *all attachments are at the end of the minutes.*
7. Vice President's Report –Peter Youngbaer – Attachment B
8. Treasurer's Report –Bill Folsom - Attachment C
9. Secretary's Report – Christa Hay
 - Status quo, attended the MHLT annual dinner meeting. Attended Earth Day at Howe Caverns – set up our new karst water model. Got items ready for Spring NRO – Bob took care of working the table.
 - Electronic Vote:
Addis moved up to \$2000 be allocated for a legal defense in our Department of Environmental Conservation hearing concerning the expansion of the Schoharie Quarry and the threat to Becker's Cave, NY.
2nd by Youngbaer
For - Rest, Abstain – Siemion, Hicks No response- Warner, Armstrong
Passed
10. Acquisitions Committee Report –Chuck Porter – no report
11. Bylaws Committee Report – Joe Levinson
 - *Progress:* The updated pages to the board manual will be at the meeting.
 - *Plans:* To continue to update the board manual when I receive the minutes.
 - *Problems:* I need to get the following three items in a word format, pdf's are impossible to work with, in order to finish the updates. (the conservation easement that was approved for the Mohawk Hudson Land Conservancy (voted on 12-Mar-06), the Ella Armstrong management plan that was updated (3-Jun-06) the updated Clarksville plan (30-Sep-06)). Appendix XII will be removed in the next update, as it was placed there in error.
12. Conservation Committee Report - Joe Armstrong
 - Baugh cleanup before board meeting.
 - Spoke with the Rogers and will set a cleanup for Levys.
 - Still planning on cleanup on Al Lehmann's property.
 - Meeting update: quick cleanup at Clarksville in the morning.
13. Publications/Publicity Committee Report - Christa Hay
 - Status quo

14. Fundraising Committee Report - Alan Traino
 - Nothing to report – waiting for an acquisition.
 - Thom Engel donated \$2,000 for general funds.
15. Office Committee Report – Emily Davis / Mike Warner
 - *Problems:* None
 - *Plans:* Send out a copy of the special use requirements to all special use groups. *Handed out copy at meeting.*
 - *Progress:* We are currently putting together a database of all special use groups from the past 3 years. Otherwise, we have been able to complete all requests from officers even though we have been out of town for a bit. All of our bank records for the past 6 years are currently with Bill Folsom.
16. Knox Cave Preserve Report – Emily Davis/Jay Siemion.
 - *Information:* Major bat kill this winter. Peter Haberland with a DEC officer collected 350 dead bats near the entrance to Knox. This is a blow to our recovering colony. The bodies were sent out for necropsy and emaciation was found. Something white was seen on the faces of the bats but there has been no determination as to what that was. There was evidence of some trespassing this winter. Beer bottles were found in the cave on the first trip in this spring.
 - *Progress:* New signs and information posters have been prepared. They are laminated and will be posted soon. Joe Armstrong mowed in early May.
 - *Plans:* Post signs and start working with Special Use Committee for heavy summer use.
17. Onesquethaw Cave Preserve Report – Thom Engel
 - I cleared the short trail to the cave. Some dead sumac and grape vines had obscured the trail. I have designed a changing area and hope to construct it this year.
18. Sellecks Karst Preserve Report – Jason Siemion
 - Nothing new to report
 - Mike Chu will construct a parking lot sign to read 'Sellecks Cave Preserve'.
19. Clarksville Preserve Report – Mike Chu, Thom Engel, Chuck Porter
 - *Problems:* A few small problems with groups and lack of regard for waivers, but nothing major.
 - *Progress:* 22 tons of gravel spread around lower parking area. Bill Zinzow suggests more gravel is needed, and Darren Dorenzel volunteered to drop some more off for the cost of gas.
20. Ella Armstrong Preserve Report – Joe Armstrong
 - Spoke with Chris Lawton about the driveway – waiting for estimate. Still want to get another estimate but it has been very hard for anyone to return calls.
21. Membership Report – Sean Ryan
 - Numerous renewals and a few new members joined the NCC at the Spring NRO. Emailed renewals continue for expiring members, although not as promptly as they should.
22. Website Subcommittee Report – Mike Chu
 - *Problems:* Apparently a number of Brinkster accounts were "compromised" recently, and because of this they gave us a new password for the website account. Website has been working ok, no problems in the last 3 months.
23. Land Trust Liaison Committee Report – Jon Allison
 - No progress in the land trust area
24. Legal Committee Report – Dan Werner – no report
25. Special and Group Use Coordinators – Aaron and Amy Cox – no report
 - Aaron has resigned.
26. Financial and Investments Committee – Joe Levinson
 - Nothing to report
27. Volunteer Value Committee – Vince Kappler
 - *Progress:* Current VV totals: 2385 miles, and 291 hours of work for a total value of \$5503.00

The web page to submit hours, http://www.necaveconservancy.org/add_vv.php is working very well and some members are using it regularly. I encourage all Officers, Committee Chairs and Property Managers to check it out.

Plans: I will continue to collect data and maintain totals of the hours, mileage, and expenses members contribute to NCC projects. I will send periodic VV reminders to the membership, monitor data collection, and try to answer questions as they come up.

Problems: None at this time

28. Ad hoc Committee – Surprise Cave – Bob Simmons

- Pat responded to our letter but we cannot find it. Have asked for her to send it back.

29. Addis moved to open the Committee of the Whole. The Vice President will preside.

2nd by Chu

Passed unanimously

- Hicks – Bat kill update

We have had the matter of dead bats that I thought deserved mentioning. Below is a copy of an abstract on the subject that I will be presenting in Mexico. So far, starvation seems to be the prime suspect, (related to the warm weather), but the jury is still way out. There may be an issue related to fungi.... We still have hundreds of carcasses to look at and much pathology to finish. So we are not yet close to final word yet.

Beside the four caves mentioned below, we have the deaths in the new Columbia county cave and a cave in Pennsylvania that may or may not be connected. I have not yet heard from our board members that were pursuing a visit to Surprise, and you can encourage them to pursue the quest. Skeletons count as easily as carcasses.

Abstract: Unusual mortality events were detected at four hibernacula in New York between early March and late April 2007. Bat carcasses and parts of carcasses were estimated to number in the thousands within Hailes Cave where this years winter survey count of 7,296 live bats was 47% of the 2005 survey total. At Schoharie Cavern, 125 carcasses were found and the survey count of 478 live bats was 36% of the 2006 total. The number of carcass collected at Knox Cave (125) and Gages Cave (805) represent 20% and 83% respectively of the most recent winter counts. All of these caves are within a 12 km radius in Albany and Schoharie Counties, NY. With two exceptions that may be unrelated, there were no reported mortality events elsewhere in NY,VT or PA. It is clear that many bats died outside of the hibernacula, and that mortalities began no later than early February. Winter submissions from the Albany County region to the NYS Health Department (DOH) of *Myotis* spp. were 10 times higher than mean submission rates over the last decade. Anecdotally, the number of observations reported by the public of bats flying in a wide variety of winter conditions were the highest in the experience of Department of Environmental Conservation (DEC) and DOH staff. Carcasses collected both inside and outside of Hailes Cave were emaciated, although necropsy results by pathology units at DEC and USGS are not yet completed. Many carcasses at Hailes and Schoharie had been predated or scavenged. We do not yet know the exact species composition of the kills, or the cause or causes of these mortalities, and investigations are continuing. We will discuss potential explanations including disease, and the possible relationship to record warm temperatures that occurred during the early winter.

- Youngbaer - Mt. Aeolus Bat Cave in Vermont – received a letter stating that they had to cancel the meeting.
- Armstrong – Veen Fleits son of landowner brought up conservation concerning the cave. Son will be taking over management interested in something but you sure yet.
- Siemion – membership renewal
- Youngbaer and Porter - updating our old acquisition "wish list"
- Hay – email voting on trustees?

3:13pm

Youngbaer moved to suspend committee of the whole and go into executive session to discuss the financing and planning for Beckers cave and activities.

2nd by Simmons

For – all

Passed unanimously

Youngbaer moved to close the executive session.

2nd by Hay

For all

Passed unanimously

4:45 Ended

Committee of whole continued.

- Folsom -Conservation Easements
- Armstrong – other sports on the properties. Ice climbing, Each manager to revise plans for this.
- Porter – group conflicts at Clarksville – the managers will handle the issue
- Folsom – Financial and Investment volunteer – Paul Murphy had the experience.
- Addis – lawn mower – free lawn mower and then Mike Chu donated \$70 towards fixing it. Addis to notify the NSS of this.

30. Youngbaer moved to close the Committee of the Whole.

2nd by Hay

For – Rest, Abstained - Traino

Passed

31. Hay moved to accept the minutes of the March 3, 2007 meeting.

2nd by Folsom

Passed unanimously

32. Addis moved Roioli Schweiker and Thom Engel be representatives to 2007 NSS Convention.

2nd by Kappler

Passed unanimously

33. Simmons moved that the NCC open formal discussions with the Weantinoge Heritage Land Trust of Connecticut to pursue potential management and/or ownership of Tory's Cave Preserve in New Milford, CT.

2nd by Traino

For – Rest, Not present –Warner

Passed

34. Informational Point: The Tory's Cave ad hoc committee is formed with Bob Simmons as Chair.

35. Simmons moved that the Tory's Cave ad-hoc committee be authorized to obtain and prepare all paperwork necessary register the NCC as a Foreign Business Entity in the State of Connecticut and any other such documentation/registration necessary to conduct business as a non profit corporation in CT.

2nd by Traino

For – Rest, Not present – Warner

Passed

36. Addis moved the Northeastern Cave Conservancy, Inc. engage the services and pay the expenses of an expert witness on blasting, up to \$1500.00, for the upcoming expansion of Schoharie Quarry DEC hearing starting June 12, 2007.

2nd by Folsom

For Rest, Opposed – Traino, Abstained – Armstrong, Not present -Warner

Passed

37. Addis moved to allot up to \$ 00.00 for the cost of a professional appraisal on the parcel of land containing the entrance to Beckers Cave, village of Schoharie, NY.

If the appraisal seems favorable to the Executive and Acquisitions Committees, they shall request that a Management Plan be completed for Beckers Cave.

2nd by Folsom

For – Rest, Not present – Warner

Passed

38. Kappler moved Appendix XIII (references ACT-35-52) of the Board Manual "Conflict of Interest Policy," is amended to read:

Officers, Trustees, and members who have access to proprietary or confidential information concerning the NCC, in order to retain their position(s) with the NCC, will agree to the terms and sign the Conflict of Interest Policy statement. The NCC Secretary will retain the signed Conflict of Interest Policy statements in a permanent file.

ALSO – The second and third paragraph of the C OF I Policy is amended to read:

CONFLICT OF INTEREST POLICY

NORTHEASTERN CAVE CONSERVANCY, INC.

SECTION 1. PURPOSE

The Northeastern Cave Conservancy, Inc. (herein referred to as NCC) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the NCC as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between the NCC and its board, officers, and management (*members who have access to proprietary or confidential information concerning the NCC*), and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management have the responsibility of administering the affairs of the NCC honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the NCC. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the NCC or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed not only to trustees and officers, but to all members who can influence the actions of the NCC. For example, this would include all who make purchasing decisions, all persons who might be described as management, i.e., future paid staff and/or consultants and anyone who has proprietary information concerning the NCC.

2nd by Armstrong
For – Rest, Not present – Warner, Lyons
Passed

39. Addis moved the Cave and Karst acquisition Policy passed on March 3, 2005 be corrected as follows:

- a. The correct name is “Acquisitions Committee”. Three corrections on Pg. 1 and one on Pg. 5.
- b. Pg. 2, NCC Criteria for Cave Ownership, **Delete** “Science, protection & fellowship”.
- c. Pg. 2, General Attributes. Change “national significance” to “regional significance”.
- d. Pg.2, Procedures to Follow. **Delete** the word “Overview”.
- e. Pg. 6, Enclosure One, Checklist. **Delete** the words “national or” in the first sentence.

2nd by Traino
For – Rest, Abstained- Youngbaer, Not present – Warner
Passed

41. Folsom moved to postpone numbers 42, 43, 44, 45.

2nd by Traino
For – Rest, Not present – Warner
Passed

42. Addis moves to **Delete** the Evaluation process on pg. 1.

Postponed – see motion 41

43. Addis moves to **substitute** the following for the 2 paragraphs of “**Recreation**”, Pg. 4:

Recreation:

“Since recreation is stated in the NCC Mission Statement as one of the factors for conservation, it may be considered particularly if the cave represents a significant regional recreational resource that would be lost to the caving community if it is not acquired by the NCC. As well, maintaining access to popular caves may reduce recreational pressure on more sensitive caves in the area and provide a benefit to the NCC.”

Postponed – see motion 41

44. Addis moves to add a first sentence and modify the second sentence under **Professional land survey**, Pg. 2 and on Enclosure One, Pg. 6 to read as follows:

“A professional land survey may not be required and it will be the Board's decision to call for one. If a land survey is required,…”

Postponed – see motion 41

45. Addis moves to amend the second sentence of **Appraisal** on Pg. 6 to confirm with the fourth sentence of **Appraisal** on Pg. 2 so that Pg. 6 reads:

"The NCC, as a guideline, shall not pay more than 10% over fair market value as documented by a certified appraisal."

Postponed – see motion 41

46. Informational Point: The Officers will conduct an Executive Committee meeting on August 12 in Cohoes at 10:00 am.
47. Addis moved that the next NCC Board meeting will be held on Sunday September 9th at 11:00 am in New Milford, CT.
2nd by Simmons
For – Rest – Opposed – Traino, Abstained – Hay, Not present – Warner
Passed
48. Addis moved to thank Speleobooks for hosting the meeting.
2nd by Chu
For – Rest, Not present – Warner
Passed
49. Addis moved to adjourn.
2nd by Siemion
For – Rest, Not present – Warner
Passed

Meeting adjourned at 5:45 pm

Attachment A-1: REPORT OF THE NOMINATING COMMITTEE, June 9, 2007

To The Board:

Since the last Board Meeting in March, there has been an election held for the four open Board of Trustee positions. Three of these positions are for a three year term, and one for a two year term (remaining time on a 3-year term). The winners of the election have been notified prior to this meeting, and are as follows:

3 Year Term:

Joe Armstrong (returning)
David Lyons
Peter Haberland

2/3 Year Term:

Mike Warner (returning)

I would like to especially thank all of the candidates for their participation in this election.

Sincerely,

Mike Martuscello
NCC Nominating Committee Chair

Attachment A

**PRESIDENT'S REPORT
6/01/07**

1. **Howe Caverns.** In 4/19/07, the stockholders of Howe Caverns, Inc. voted to sell the business, buildings, and 380 acres of land to Galasso-Wright, Inc. for \$3.6 million. Bob Holt is the General Manager. They are open for daily operations and have plans for an expanded tourist trip beyond the existing dam on the lake.

The NCC had a meeting scheduled with the prospective owners on 3/26, but it was canceled by them. After the sale, I contacted the new owners to re-schedule and the results of that are below.

Dear Mr. Holmes.

As you know, the Northeastern Cave Conservancy's (NCC) mission is to preserve caves and karst - land areas over caves showing cave features. During the recent time period leading up to the sale of Howe Caverns, the NCC consistently expressed its desire to work to protect this nationally renowned natural resource and public attraction for generations to come - working with either the previous ownership or new ownership.

You may also have been aware that the State of New York and the Open Space Institute, at our urging, had put forth a proposal for a conservation easement. Their willingness to pursue that still stands.

To that end, we would like to meet with you and explore the possibility of entering into a process that would lead to that long term protection of the cave. This process may result in Howe Caverns receiving a significant sum of money in exchange for the conservation easement - funds that could assist in the development plans for the Caverns.

Please contact me at your client's earliest convenience to set up a meeting.

Thank you,

Bob Addis, President

From: John Holmes
To: Bob Addis
Sent: Tuesday, May 29, 2007 7:30 AM
Subject: Re: Meeting

I have passed your message on. I feel safe in saying that your intervention in the Schoharie permitting process will not help your cause. I would also note that my clients do not need your assistance to "protect this nationally renowned natural resource".
John Holmes

Mr. Holmes is the lawyer for Galasso-Wright and Cobleskill Stone Products (CSP). I can't say whether he speaks for Mr. Galasso and Wright but I will wait a reasonable time for a reply from the owners before deciding that it is a closed issue.

2. **Beckers Cave** - Permit for the Expansion of the Schoharie Quarry and its Draft Environmental Impact Statement.

There is a hearing scheduled with a judge and lawyers for CSP, DEC, Town, village of Schoharie, and Save our Schoharie (SOS - the citizens' concern group opposed to the mine expansion), and the NCC Board will be asked if they want to join forces with SOS over our concerns about Beckers Cave and related groundwater. Motions are on the agenda to share expenses of legal fees and an expert witness on the blasting issue and I plan on going into

Executive Session of the Board to discuss finances and strategy. The hearing process starts Tuesday night, 6/12 at 7 Pm in the Schoharie Holiday Inn as a public hearing similar to the one earlier in the spring. The following day, 6/13 and for as many days as are required the hearing will continue at the same location for “invited parties” of which the NCC is one.

I believe that I speak for the Executive Committee when I say that we feel the outcome of these hearings will have long lasting outcomes on the closeness of mining and blasting to the caves, i.e. what is an acceptable buffer zone to protect the caves and private water systems. The precedent will not be for Schoharie alone; it will address all mining in New York State and could be referenced across state lines. Hence the importance of this effort as we see it.

3. **Beckers Cave Ownership.** The cave's entrance is contained in a 3.3 acre parcel of landlocked land owned by T.L. “Tom” Wright. Tom sold an adjacent apartment complex in 2006 and thought that the 3.3 Ac. were included in the sale. They weren't, and I was unable to communicate this with Tom until recently when he returned from his winter home overseas. He has acknowledged his oversight and expressed an interest in selling the parcel. It would appear that we are some distance apart in an asking price vs. the NCC's requirement of sticking close to an appraisal. Motions are on the agenda concerning this.

4. **Recent Cave Management Opportunities.**

- a. Surprise Cave, NY. With Al Hicks' assistance, a letter is into the NYS DEC stating the case for the NCC taking over management. Follow-up on the letter is required.
- b. Tory Cave, CT. A similar situation as above exists in CT with a land trust owning the cave and needing help. Bob Simmons has been the point on this project.
- c. Mt. Aeolus Bat Cave, VT. Peter Youngbaer has been representing the NCC here. Unfortunately the Nature Conservancy (owners) had to cancel a May meeting on the management subject due to a recent loss of two key TNC personnel.

5. **The Cave & Karst Acquisition Policy.** (Located on the website under March 2005 minutes.) I have spent several hours of Volunteer Value reviewing and revising this policy that the Board adopted in March 2005. Initially it was name corrections and typos, but soon I was questioning the policy's layout and logic. There will be agenda items addressing this.

For several days I had heartburn over the statement that we had to keep our purchase prices very close to the fair market value (FMV) of the land as determined by a certified appraisal. I thought that this would completely prevent us from buying caves. (“Everybody knows that caves are valuable, especially when they are selling one.”) The IRS recommendation or guideline was FMV + 10% as an upper limit, and there is a not so veiled threat on the IRS's part to remove our 501.C.3 charity status if we violated this. I have searched the IRS website and can find no reference to this anywhere – Others are challenged to do the same. It appears to be a “folk legend” of sorts among the non profit organizations, particularly the sizeable Nature Conservancy. I'm guessing that small cave conservancies are pretty much under the IRS radar on this and they won't bother us, but obviously this protection may not last forever.

I am heartened to hear that the Indiana Karst Conservancy (IKC) who preached this sermon faithfully has purchased three caves and on one they paid FMV + 52% for a popular cave they “had to have” for educational purposes, etc.

I do however have difficulty with the statement that a cave adds no value to the land. Cave conservancies are in the business of acquiring caves and land happens to come along with them. We are not land trusts; we seek caves, don't we? This issue will raise its complicated head time and time again when a landowner feels that his land is worth much more than the appraisal because it contains a cave.

I have sought the advice of the Officers, Trustees, Acquisitions Committee and a Preserve Manager in reviewing this policy.

6. **Events Attended:**

- a. 4/28 - Earth Day at Howe Caverns. This was the first demonstration of our new ground water model and it worked well.
- b. 5/16 – Mohawk Hudson Land Conservancy Annual Banquet. We manage their Onesquethaw Cave and this was a good opportunity for Christa Hay and me to talk to their board

members. We are getting closer to trading them conservation easements for all of our Albany County preserves for the deed to Onesquethaw Cave.

c. 5/18-20 – Spring NRO Weekend with over 100 cavers attending. We manned the booth, took in \$740 in the auction from donated items and bank-deposited about \$1700 including dues renewals and other donations.

Attachment B Vice President's Report

Howe Caverns. Since last meeting, the VP has been very much involved in the events surrounding the sale of Howe Caverns. I think you are all aware of that result, despite all our efforts.

One of the things we did do, right up to the sale, was to publicly and privately indicate that we were willing to discuss preservation of the cave, through a conservation easement or otherwise, with both prior and new owners.

I am very proud of the relationship we built with the state of New York (Commissioner Ash's dept.), OSINY, and Parks and Trails of New York.

We have attempted to reach out to the new owners subsequent to the sale, but the initial reply of their attorney was quite hostile.

One post-script thought that I have is, how do we tell the story of the Howe Caverns events to others, such as other cave conservancies? Are there lessons to be learned? Is it too soon, given that events may still unfold? We put a lot of effort into this, and something should come out of it.

Mt. Aeolus Bat Cave. After months of attempting to meet with The Nature Conservancy and other appropriate parties to jump start the discussions of the cave's management plan, TNC pulled the plug at the last minute on the May 15 meeting. They continue to have personnel vacancy issues, including their Vermont director position. Rose Paul, acting director, simply said she had been unable to find the time to do the preparation necessary for a meeting at this time. On behalf of the NCC, I expressed my disappointment, but reiterated our desire to complete the work necessary for us to manage the cave.

Conflict of Interest Policy. As the result of varied interpretations and much-appreciated feedback from several NCC members, there should be a revision to the policy adopted to clarify that it applies to the Board, Officers, and any potential future employees, but not to others (such as the cave property managers). As a member of the Executive Committee, I support this change.

Becker's Cave. Again, as a member of the Executive Committee, I've followed the detailed reports from Bob Addis about the permit process and hearings involved in the expansion and proposed blasting permit from the Schoharie quarry. You will have several likely motions relating to legal services and expert witness fees that should be discussed and, in general, supported. This will be done in Executive Session.

Bat Mortality. Pursuant to Al Hick's notices about the winter bat mortality, I was in communication with his Vermont counterpart, Scott Darling. Scott reported that there hasn't been any evidence of anything similar so far in any of the Vermont habitats. However, I am not aware that Aeolus has been checked yet, particularly the entrance chamber.

**Attachment C
Treasurer's Report
6/09/07**

Current Account Balances

Checking accounts (as of 5/07/07):	\$4,322.30
Money market (as of 4/30/07):	\$15,238.34
National Speleological Society fund (as of 3/31/07):	\$40,540.00
 Total:	 \$60,100.64

Online access to our local bank account was applied for, currently pending processing from bank.

2007 Budget Status

See attached Summary Sheet below. Full spreadsheet with detail worksheets was emailed to Board 6/05/07.

Also note that 2006 Actual Expenses increased by \$26.00 due to the annual PO Box fee, not previously reported elsewhere.

Income Taxes

Upon calculating our taxes in April, I discovered a discrepancy between what the IRS calculation states that the NCC should have on hand for assets (cash), and what we actually have in our accounts. The difference is \$11,085. While this may in fact be an error in how the taxes were figured from 1999-2005, it is necessary to audit our finances over that entire time period to ensure that we report our taxes correctly for Tax Year 2006. Christa's sister, Marta, a CPA, confirmed for me the apparent discrepancy. Over NRO weekend I picked up all the NCC financial records on hand from the Office Committee.

As of this writing (6/5/07), I am scheduled to go over all the NCC's financial records from 1999 to the present with Azyha Wolf, Met Grotto Treasurer (and bookkeeper by profession) to see where the discrepancies lie. By the time of the Board Meeting I hope to have an estimate from her on how much, if anything, it will cost us for her to balance the books. Then we will need to hire a CPA/licensed paid preparer of taxes in order to resubmit our taxes to the IRS.

Easements

Given the NCC's lack of general liability insurance, I would strongly encourage the pursuit of conservation easements on all of our properties. Currently the only property with an easement (in process) is the Gregory entrance to Clarksville.