

**THE LAND CONSERVANCY OF
MCHENRY COUNTY, INC.**

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019 AND 2018**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Land Conservancy of McHenry County, Inc.:

We have audited the accompanying financial statements of The Land Conservancy of McHenry County, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors of
The Land Conservancy of McHenry County, Inc.
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Opinion

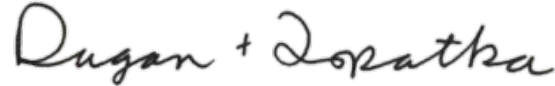
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Land Conservancy of McHenry County, Inc. at December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Land Conservancy of McHenry County's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Correction of Error

As described in Note 13 to the financial statements, the Organization understated land in the previous year due to an error in recording an in-kind contribution. Our opinion is not modified with respect to that matter.



DUGAN & LOPATKA

Warrenville, Illinois
June 18, 2020

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u> (restated)
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 251,470	\$ 336,962
Promises to give	102,368	180,664
Investments	258,716	164,293
Prepaid expenses	10,663	6,646
Total current assets	<u>623,217</u>	<u>688,565</u>
PROPERTY AND EQUIPMENT, at cost:		
Land	3,360,069	2,921,632
Office equipment	20,595	20,595
Total property and equipment	3,380,664	2,942,227
Less - Accumulated depreciation	18,996	16,402
Net property and equipment	<u>3,361,668</u>	<u>2,925,825</u>
OTHER ASSETS:		
Deposits	-	12,679
Investments	514,363	432,828
Total current assets	<u>514,363</u>	<u>445,507</u>
	<u>\$ 4,499,248</u>	<u>\$ 4,059,897</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 19,745	\$ 9,401
Agency funds	40,027	37,530
Total current liabilities	59,772	46,931
LONG-TERM LIABILITIES:		
Note payable, long-term portion	-	50,000
Total liabilities	<u>59,772</u>	<u>96,931</u>
COMMITMENTS		
NET ASSETS:		
Without donor restrictions - Undesignated	-	(1,850)
- Net property and equipment, less note payable for property and equipment	3,361,668	2,875,825
- Board designated	156,799	219,571
With donor restrictions	921,009	869,420
Total net assets	<u>4,439,476</u>	<u>3,962,966</u>
	<u>\$ 4,499,248</u>	<u>\$ 4,059,897</u>

The accompanying notes are an integral part of this statement.

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with summarized financial information for the year ended December 31, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2018 (for comparative purposes only)</u>
PUBLIC SUPPORT AND REVENUE:				
Contributions	\$ 108,084	\$ 103,214	\$ 211,298	\$ 289,718
Grants	96,738	75,000	171,738	357,123
In-kind contributions	425,800	-	425,800	10,800
Special events, net of expense of \$13,935	33,939	-	33,939	28,733
Program service fees	38,925	-	38,925	32,292
Investment income (loss)	43,913	75,535	119,448	(36,381)
Other revenue	98	-	98	39,719
	<u>747,497</u>	<u>253,749</u>	<u>1,001,246</u>	<u>722,004</u>
Net assets released from restrictions - Restriction satisfied by payments	<u>202,160</u>	<u>(202,160)</u>	<u>-</u>	<u>-</u>
Net public support and revenue	<u>949,657</u>	<u>51,589</u>	<u>1,001,246</u>	<u>722,004</u>
FUNCTIONAL EXPENSES:				
Program services	425,013	-	425,013	420,644
Management and general	51,841	-	51,841	45,468
Fundraising	47,882	-	47,882	37,946
	<u>524,736</u>	<u>-</u>	<u>524,736</u>	<u>504,058</u>
CHANGE IN NET ASSETS	424,921	51,589	476,510	217,946
NET ASSETS, Beginning of year, restated	<u>3,093,546</u>	<u>869,420</u>	<u>3,962,966</u>	<u>3,745,020</u>
NET ASSETS, End of year	<u>\$ 3,518,467</u>	<u>\$ 921,009</u>	<u>\$ 4,439,476</u>	<u>\$ 3,962,966</u>

The accompanying notes are an integral part of this statement.

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 476,510	\$ 217,946
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated land	(415,000)	-
Depreciation	2,594	2,714
Unrealized and realized (gain) loss on investments	(106,557)	45,389
(Increase) decrease in promises to give	78,296	(86,254)
(Increase) in prepaid expenses	(4,017)	(109)
Increase in accounts payable and accrued liabilities	10,344	157
Increase in agency funds	2,497	1,356
Total adjustments	<u>(431,843)</u>	<u>(36,747)</u>
Net cash provided by operating activities	<u>44,667</u>	<u>181,199</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(10,758)	(1,300)
Purchase of investments	(238,323)	(460,418)
Sales of investments	168,922	381,793
Net cash (used in) investing activities	<u>(80,159)</u>	<u>(79,925)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(50,000)	(100,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(85,492)	1,274
CASH AND CASH EQUIVALENTS, Beginning of year	<u>336,962</u>	<u>335,688</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 251,470</u>	<u>\$ 336,962</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 2,387</u>	<u>\$ 5,247</u>
Deposit transferred to land	<u>\$ 12,679</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with summarized financial information for the year ended December 31, 2018)

	Program Services	Management and General	Fundraising	Total	2018 (for comparative purposes only)
Salaries	\$ 257,458	\$ 32,182	\$ 32,182	\$ 321,822	\$ 258,936
Payroll taxes and benefits	30,890	3,861	3,861	38,612	27,681
Cost of direct benefits to donors	-	-	13,935	13,935	13,937
Depreciation	-	2,594	-	2,594	2,714
Grant expense	30,735	-	-	30,735	74,506
Insurance	8,206	912	-	9,118	26,507
Interest	2,387	-	-	2,387	5,247
Mailings	5,791	1,158	4,633	11,582	7,285
Meetings	4,670	-	-	4,670	3,991
Membership dues	2,440	305	305	3,050	2,225
Miscellaneous	7,190	899	899	8,988	13,028
Office supplies	3,476	435	435	4,346	3,703
Outside services	1,794	-	-	1,794	4,994
Printing	3,572	-	3,572	7,144	5,516
Professional fees - Accounting	-	7,500	-	7,500	7,100
- Legal	8,003	-	-	8,003	15,332
Real estate taxes	701	-	-	701	351
Rent	11,346	1,418	1,418	14,182	14,298
Stewardship	41,741	-	-	41,741	27,786
Telephone	2,048	256	256	2,560	2,562
Travel	2,565	321	321	3,207	296
Total expenses by function	425,013	51,841	61,817	538,671	517,995
Less expenses included with revenues on the statement of activities	-	-	(13,935)	(13,935)	(13,937)
Total expenses included in the expense section on the statement of activities	<u>\$ 425,013</u>	<u>\$ 51,841</u>	<u>\$ 47,882</u>	<u>\$ 524,736</u>	<u>\$ 504,058</u>

The accompanying notes are an integral part of this statement.

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Land Conservancy of McHenry County, Inc. (the Organization) is a private not-for-profit organization dedicated to the conservation and preservation of McHenry County landscape. Its mission is to preserve the natural heritage of McHenry County by protecting undeveloped land and provide for open space needs. Through the preservation of land, the Organization helps to preserve the agricultural heritage and offers opportunities to observe and study nature, while providing a habitat for native plants and animals. The mission is accomplished primarily through the use of conservation easements, a strategy by which private property owners retain ownership of their lands but donate their development rights to the Organization.

The financial statements were available to be issued on June 18, 2020, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements.

Accounting Method -

The accounting records of the Organization are maintained on the accrual basis which recognizes revenue when earned and expenses as they are incurred.

Basis of Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, which are without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents -

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Unconditional Promises to Give -

Unconditional promises to give represent contributions and grants due to the Organization from individuals, foundations, and government agencies. Promises to give were reviewed at year end and all significant amounts were deemed collectible. Promises to give at year end are due within one year.

Investments -

Investments are carried at fair value. Investment securities in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, ranging from 5-7 years.

Public Support and Revenue -

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-Kind Contributions -

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenue by a like amount.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, depreciation, rent and utilities, and other expenses which are allocated on the basis of estimates of time and effort.

Comparative Financial Information -

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

New Accounting Pronouncement -

Effective January 1, 2019, the Organization adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improve guidance to better distinguish between conditional and unconditional contributions.

The adoption of this new standard did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative adjustment to net assets at the date of adoption under the modified retrospective method.

Recently Issued Accounting Pronouncement -

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective for fiscal periods beginning after December 15, 2020 and interim period within fiscal years beginning after December 15, 2021, with early adoption permitted. It is to be adopted using the modified retrospective approach. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

(2) INCOME TAXES:

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) as described under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

(2) INCOME TAXES: (Continued)

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2016. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

(3) INVESTMENTS:

At December 31, 2019 and 2018, the fair values of the Organization's investments were as follows:

	<u>2019</u>	<u>2018</u>
Bonds	\$ 313,292	\$ 299,901
Stocks	419,720	275,438
Mutual funds	5,222	3,007
Real estate investment trusts	<u>34,845</u>	<u>18,775</u>
Total investments	<u>\$ 773,079</u>	<u>\$ 597,121</u>

Investment income (loss) for the years ended December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Dividends and interest	\$ 22,601	\$ 16,884
Realized gain	1,826	24,471
Unrealized gain (loss)	104,731	(69,860)
Fees	<u>(9,710)</u>	<u>(7,876)</u>
Investment income (loss)	<u>\$ 119,448</u>	<u>\$ (36,381)</u>

Some of these investments are with donor restrictions and can only be released upon the occurrence of a legal defense of an easement. As of December 31, 2019 and 2018, investments with donor restrictions are \$514,363 and \$432,828, respectively.

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this codification are described as follows:

(4) FAIR VALUE MEASUREMENTS: (Continued)

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Stocks, Corporate Bonds, U.S. Government Securities and Real Estate Investment Trusts: Valued at the closing price reported on the active market on which the individual securities are traded.

Municipal Bonds: Valued at cost closing price reported on the active market on which the individual bonds are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(4) FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds:				
Municipal	\$ 260,380	\$ -	\$ -	\$ 260,380
Corporate	52,912	-	-	52,912
Stocks	419,720	-	-	419,720
Real Estate Investment Trusts	34,845	-	-	34,845
Mutual Funds	<u>5,222</u>	<u>-</u>	<u>-</u>	<u>5,222</u>
Total assets at fair value	<u>\$ 773,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,079</u>

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds:				
Municipal	\$ 187,868	\$ -	\$ -	\$ 187,868
Corporate	112,033	-	-	112,033
Stocks	275,438	-	-	275,438
Real Estate Investment Trusts	18,775	-	-	18,775
Mutual Funds	<u>3,007</u>	<u>-</u>	<u>-</u>	<u>3,007</u>
Total assets at fair value	<u>\$ 597,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,121</u>

(5) COMMITMENTS:

The Organization signed an agreement with the City of Woodstock to become a Site Steward for a property. In exchange for being the Site Steward, the Organization is allowed to use this property free of rent for its operations until July 2021. An in-kind donation of \$10,800 was recognized at December 31, 2019 and 2018.

(6) NOTE PAYABLE:

	<u>2019</u>	<u>2018</u>
Payable to a bank, due in annual principal installments of \$50,000, due December 2020 with monthly interest payments at 4%, and secured by land. Was paid in full during 2019.	\$ -	\$ 50,000
Less - Current portion	<u>-</u>	<u>-</u>
Long-term portion	<u>\$ -</u>	<u>\$ 50,000</u>

(7) AGENCY FUNDS:

The Organization is acting as a fiscal agent that holds and disburses the funds per the request of two not-for-profit organizations.

The following is a show of the transactions that have occurred during the year:

Beginning balance	\$	37,530
Receipts		36,232
Disbursements		<u>(33,735)</u>
Ending balance	\$	<u>40,027</u>

(8) NET ASSETS:

Board designated net assets are comprised as follows at December 31:

	<u>2019</u>	<u>2018</u>
Long-term management	\$ 90,276	\$ 93,094
Operating reserve	40,658	78,696
Land restoration	<u>25,865</u>	<u>47,781</u>
Total board designated net assets	<u>\$ 156,799</u>	<u>\$ 219,571</u>

Net assets with donor restrictions are comprised as follows at December 31:

	<u>2019</u>	<u>2018</u>
Legal issues with regard to easements	\$ 503,061	\$ 434,228
Stewardship	96,593	104,179
Long-term management	222,428	176,327
Land acquisition fund	-	51,505
Land trust project	83,872	80,666
Oak conservation	<u>15,055</u>	<u>22,515</u>
Total net assets with donor restrictions	<u>\$ 921,009</u>	<u>\$ 869,420</u>

(9) EMPLOYEE RETIREMENT PLAN:

The Organization maintains a SIMPLE IRA plan for the benefit of eligible employees. Employees may start contributing to their IRA once their compensation is in excess of \$5,000 in the two prior years and in the current year. The Organization will contribute 2% of the employee's compensation regardless if the eligible employee contributes to the plan.

Contributions to the plan for the years ended December 31, 2019 and 2018, were \$5,715 and \$4,512, respectively.

(10) AVAILABILITY AND LIQUIDITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2019</u>	<u>2018</u>
Financial Assets -		
Cash and cash equivalents	\$ 251,470	\$ 336,962
Investments	773,079	597,121
Promises to give	<u>102,368</u>	<u>180,664</u>
Total financial assets	1,126,917	1,114,747
Less cash held for others	<u>40,027</u>	<u>37,530</u>
Net financial assets after cash held for others	1,086,890	1,077,217
Less amounts not available -		
Donor imposed restrictions	921,009	869,420
Board advised funds	<u>156,799</u>	<u>219,571</u>
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	<u>\$ 9,082</u>	<u>\$ (11,774)</u>

The Organization receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of \$178,214 and \$323,953 were received and included in financial assets for the years ended December 31, 2019 and 2018, respectively.

Additionally, the Organization has certain board designated assets that are designated for future expenditures and are not available for general expenditure within the next year. However, the board designated amounts could be made available, if necessary.

The Organization manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability
- maintaining adequate liquid assets to fund near-term operating needs
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(11) EASEMENTS:

The Organization has received 93 easements since it began operations. There have been 2,119 easement acres donated to the Organization as of December 31, 2019.

(12) CONCENTRATIONS:

The Organization received an in-kind donation of land that comprised approximately 41% of its total public support and revenue for the year ended December 31, 2019.

The Organization received funds of approximately 29% of its total public support and revenue from two foundations for the year ended December 31, 2018.

(13) PRIOR PERIOD ADJUSTMENT:

Certain errors resulting in an understatement of previously reported land were discovered during the current year. Accordingly, an adjustment of \$291,000 was made during fiscal year ended December 31, 2019 to increase land for the beginning of the year. A corresponding entry was made to increase previously reported net assets. The 2018 financial statements have been restated to increase the change in net assets by \$291,000 for this error.

(14) SUBSEQUENT EVENT:

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the operations and financial statements.

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in April 2020, the Organization obtained a Payroll Protection Program (PPP) loan in the amount of \$59,150. The interest rate on this loan is 1% with the amount to be repaid in 18 installments beginning November 2020 with the final payment due on April 2022. As part of the PPP loan agreement, a portion of the loan can be forgiven. The Organization intends to maximize the forgiven portion of this loan as allowed under the Act.

As a result of COVID-19, the United States and global markets experienced significant declines in value resulting from uncertainty caused by the world-wide coronavirus pandemic. The Organization is closely monitoring their investment portfolio and its liquidity and are actively working to minimize the impact of these declines. The Organization financial statements do not include adjustments to fair value that have resulted from these declines.