

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

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019**

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, 2020, 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.
Page two

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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
June 9, 2021

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 394,752	\$ 251,470
Promises to give	68,398	102,368
Investments	311,663	258,716
Prepaid expenses	11,833	10,663
Total current assets	<u>786,646</u>	<u>623,217</u>
PROPERTY AND EQUIPMENT, at cost:		
Land	3,784,645	3,360,069
Office equipment	20,595	20,595
Total property and equipment	3,805,240	3,380,664
Less - Accumulated depreciation	20,416	18,996
Net property and equipment	<u>3,784,824</u>	<u>3,361,668</u>
OTHER ASSETS:		
Investments	558,940	514,363
	<u>\$ 5,130,410</u>	<u>\$ 4,499,248</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Note payable, current maturities	\$ 20,090	\$ -
Accounts payable and accrued liabilities	13,507	19,745
Agency funds	37,185	40,027
Total current liabilities	70,782	59,772
LONG-TERM LIABILITIES:		
Note payable, long-term portion	52,014	-
Total liabilities	<u>122,796</u>	<u>59,772</u>
COMMITMENTS		
NET ASSETS:		
Without donor restrictions - Undesignated	-	-
- Net property and equipment	3,784,824	3,361,668
- Board-designated	289,919	156,799
With donor restrictions	932,871	921,009
Total net assets	<u>5,007,614</u>	<u>4,439,476</u>
	<u>\$ 5,130,410</u>	<u>\$ 4,499,248</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, 2020
(with summarized financial information for the year ended December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>2019 (for comparative purposes only)</u>
PUBLIC SUPPORT AND REVENUE:				
Contributions	\$ 148,031	\$ 92,847	\$ 240,878	\$ 211,298
Grants	287,115	376,403	663,518	171,738
In-kind contributions	10,800	-	10,800	425,800
Special events, net of expense of \$9,734	23,562	-	23,562	33,939
Program service fees	43,007	-	43,007	39,967
Investment income	24,281	37,900	62,181	118,406
Forgiveness of debt	59,135	-	59,135	-
Other revenue	27	-	27	98
	<u>595,958</u>	<u>507,150</u>	<u>1,103,108</u>	<u>1,001,246</u>
Net assets released from restrictions - Restriction satisfied by payments	<u>495,288</u>	<u>(495,288)</u>	<u>-</u>	<u>-</u>
Net public support and revenue	<u>1,091,246</u>	<u>11,862</u>	<u>1,103,108</u>	<u>1,001,246</u>
FUNCTIONAL EXPENSES:				
Program services	434,200	-	434,200	425,013
Management and general	53,729	-	53,729	51,841
Fundraising	47,041	-	47,041	47,882
	<u>534,970</u>	<u>-</u>	<u>534,970</u>	<u>524,736</u>
CHANGE IN NET ASSETS	556,276	11,862	568,138	476,510
NET ASSETS, Beginning of year	<u>3,518,467</u>	<u>921,009</u>	<u>4,439,476</u>	<u>3,962,966</u>
NET ASSETS, End of year	<u>\$ 4,074,743</u>	<u>\$ 932,871</u>	<u>\$ 5,007,614</u>	<u>\$ 4,439,476</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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 568,138	\$ 476,510
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated land	-	(415,000)
Depreciation	1,420	2,594
Forgiveness of debt	(59,135)	-
Unrealized and realized (gain) on investments	(50,632)	(106,557)
Decrease in promises to give	33,970	78,296
(Increase) in prepaid expenses	(1,170)	(4,017)
Increase (decrease) in accounts payable and accrued liabilities	(6,238)	10,344
Increase (decrease) in agency funds	(2,842)	2,497
Total adjustments	<u>(84,627)</u>	<u>(431,843)</u>
Net cash provided by operating activities	<u>483,511</u>	<u>44,667</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(424,576)	(10,758)
Purchase of investments	(151,615)	(238,323)
Sales of investments	104,723	168,922
Net cash (used in) investing activities	<u>(471,468)</u>	<u>(80,159)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	141,135	-
Payments on notes payable	(9,896)	(50,000)
Net cash provided by (used in) financing activities	<u>131,239</u>	<u>(50,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	143,282	(85,492)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>251,470</u>	<u>336,962</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 394,752</u>	<u>\$ 251,470</u>
Cash and cash equivalents - Operations	\$ 357,567	\$ 211,443
- Held for others	<u>37,185</u>	<u>40,027</u>
Total cash and cash equivalents	<u>\$ 394,752</u>	<u>\$ 251,470</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, 2020
(with summarized financial information for the year ended December 31, 2019)

	Program Services	Management and General	Fundraising	Total	2019 (for comparative purposes only)
Salaries	\$ 271,522	\$ 33,940	\$ 33,940	\$ 339,402	\$ 321,822
Payroll taxes and benefits	31,505	3,938	3,938	39,381	38,612
Cost of direct benefits to donors	-	-	9,734	9,734	13,935
Depreciation	-	1,420	-	1,420	2,594
Grant expense	32,586	-	-	32,586	30,735
Insurance	16,244	1,805	-	18,049	9,118
Interest	795	-	-	795	2,387
Mailings	3,671	734	2,936	7,341	11,582
Meetings	1,611	-	-	1,611	4,670
Membership dues	2,240	280	280	2,800	3,050
Miscellaneous	10,018	1,252	1,252	12,522	8,988
Office supplies	6,799	850	850	8,499	4,346
Outside services	6,066	-	-	6,066	1,794
Printing	2,135	-	2,135	4,270	7,144
Professional fees - Accounting	-	7,800	-	7,800	7,500
- Legal	8,323	-	-	8,323	8,003
Real estate taxes	3,180	-	-	3,180	701
Rent	9,980	1,248	1,248	12,476	14,182
Stewardship	23,834	-	-	23,834	41,741
Telephone	2,678	335	335	3,348	2,560
Travel	1,013	127	127	1,267	3,207
Total expenses by function	434,200	53,729	56,775	544,704	538,671
Less expenses included with revenues on the statement of activities	-	-	(9,734)	(9,734)	(13,935)
Total expenses included in the expense section on the statement of activities	\$ 434,200	\$ 53,729	\$ 47,041	\$ 534,970	\$ 524,736

The accompanying notes are an integral part of this statement.

THE LAND CONSERVANCY OF MCHENRY COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(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 9, 2021, 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)

Program Service Fees -

Program service fees revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing various stewardship services. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization.

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, 2019, from which the summarized information was derived.

(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.

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 2017. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

(3) INVESTMENTS:

At December 31, 2020 and 2019, the fair values of the Organization's investments were as follows:

	<u>2020</u>	<u>2019</u>
Bonds	\$ 329,686	\$ 313,292
Stocks	495,677	419,720
Mutual funds	7,803	5,222
Real estate investment trusts	<u>37,437</u>	<u>34,845</u>
Total investments	<u>\$ 870,603</u>	<u>\$ 773,079</u>

Investment income for the years ended December 31, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 22,501	\$ 21,559
Realized gain	157	1,826
Unrealized gain	50,475	104,731
Fees	<u>(10,952)</u>	<u>(9,710)</u>
Investment income	<u>\$ 62,181</u>	<u>\$ 118,406</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, 2020 and 2019, investments with donor restrictions are \$558,940 and \$514,363, 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:

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:

(4) FAIR VALUE MEASUREMENTS: (Continued)

- 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, 2020 and 2019.

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.

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

(4) FAIR VALUE MEASUREMENTS: (Continued)

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Bonds:				
Municipal	\$ 296,242	\$ -	\$ -	\$ 296,242
Corporate	33,444	-	-	33,444
Stocks	495,677	-	-	495,677
Real Estate Investment Trusts	37,437	-	-	37,437
Mutual Funds	7,803	-	-	7,803
Total assets at fair value	<u>\$ 870,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 870,603</u>

<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	5,222	-	-	5,222
Total assets at fair value	<u>\$ 773,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,079</u>

(5) NOTES PAYABLE:

	<u>2020</u>	<u>2019</u>
Payable to an individual, in quarterly installments of principal and interest of \$5,345 with an interest rate of 2%. Due in April 2024, and unsecured.	\$ 72,104	\$ -
Less - Current portion	<u>20,090</u>	<u>-</u>
Long-term portion	<u>\$ 52,014</u>	<u>\$ -</u>

Maturities of long-term debt as of December 31, 2020, are due in future years as follows:

2021	\$ 20,090
2022	20,495
2023	20,908
2024	<u>10,611</u>
	<u>\$ 72,104</u>

(5) NOTES PAYABLE: (Continued)

The Organization received a loan from the Small Business Administration (SBA) in the amount of \$59,135 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 2020. The Organization applied for, and has been notified that \$59,135 in eligible expenditures for payroll and other expenses described in the CARES Act have been forgiven. Loan forgiveness is reflected in the accompanying statement of activities. There is no remaining loan balance for the PPP loan as of December 31, 2020.

Additionally, in February 2021, the Organization qualified, and was approved for a second PPP loan as part of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act in the amount of \$78,635. The new loan carries the same general terms and rules as the first PPP loan, with a portion or all of the balance eligible to be forgiven. The loan matures five years from the date of disbursement.

(6) 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 for the years ended December 31, 2020 and 2019.

(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	\$	40,027
Receipts		21,352
Disbursements		<u>(24,194)</u>
Ending balance	\$	<u>37,185</u>

(8) NET ASSETS:

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

	<u>2020</u>	<u>2019</u>
Long-term management	\$ 168,345	\$ 90,276
Operating reserve	61,999	40,658
Land restoration	<u>59,575</u>	<u>25,865</u>
Total board-designated net assets	<u>\$ 289,919</u>	<u>\$ 156,799</u>

(8) NET ASSETS: (Continued)

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

	<u>2020</u>	<u>2019</u>
Legal issues with regard to easements	\$ 558,940	\$ 503,061
Stewardship	90,358	96,593
Long-term management	216,498	222,428
Land trust project	36,604	83,872
Special projects	11,200	
Oak conservation	<u>19,271</u>	<u>15,055</u>
Total net assets with donor restrictions	<u>\$ 932,871</u>	<u>\$ 921,009</u>

(9) 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>2020</u>	<u>2019</u>
Financial Assets -		
Cash and cash equivalents	\$ 394,752	\$ 251,470
Investments	870,603	773,079
Promises to give	<u>68,398</u>	<u>102,368</u>
Total financial assets	1,333,753	1,126,917
Less cash held for others	<u>37,185</u>	<u>40,027</u>
Net financial assets after cash held for others	1,296,568	1,086,890
Less amounts not available -		
Donor-imposed restrictions	932,871	921,009
Board-advised funds	<u>289,919</u>	<u>156,799</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>\$ 73,778</u>	<u>\$ 9,082</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 \$469,250 and \$178,214 were received and included in financial assets for the years ended December 31, 2020 and 2019, respectively.

(9) AVAILABILITY AND LIQUIDITY: (Continued)

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.

(10) CONCENTRATIONS:

The Organization received approximately 41% of its total public support and revenue from two donors for the year ended December 31, 2020.

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.

(11) SUPPLEMENTAL CASH FLOW INFORMATION:

The Organization paid the following during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash paid for interest	\$ <u>795</u>	\$ <u>2,387</u>

The Organization had the following non-cash transactions during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Deposit transferred to land	\$ <u>-</u>	\$ <u>12,679</u>

(12) 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, 2020 and 2019, were \$6,407 and \$5,715, respectively.

(13) EASEMENTS:

The Organization has received 93 easements since it began operations. There have been 2,187 easement acres donated to the Organization as of December 31, 2020.

(14) MANAGEMENT RESPONSE TO COVID-19 PANDEMIC:

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. As part of these mitigation measures, the Organization has had to make changes in how to operate its programs. In response to the effects of COVID-19, management is implementing strategies to help mitigate the losses in relation to this pandemic. The Organization received a PPP loan as part of the CARES Act (see Note 5) to make up for some of the lost revenue. Additionally, the Organization has received a second PPP loan in 2021. The Organization cannot reasonably estimate the continued length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Organization's operations and financial statements in the future.