

COLUMBIA LAND CONSERVANCY, INC.

AUDITED FINANCIAL STATEMENTS

For the year ended December 31, 2019
(with memorandum totals for the year ended December 31, 2018)

COLUMBIA LAND CONSERVANCY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Columbia Land Conservancy, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the Columbia Land Conservancy, Inc. (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses, and cash flows 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 from 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 judgement, including the assessment of 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Summarized Comparative Information

Pattison, Koskey, Howe, & Bucci, CPAs, P.C., who combined with UHY LLP effective January 1, 2020, previously audited the Columbia Land Conservancy, Inc.'s December 31, 2018 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated June 26, 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.

UHY LLP

Hudson, New York
July 1, 2020

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2019
(with memorandum totals for December 31, 2018)

	2019	2018 (memorandum only)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 672,204	\$ 1,585,101
Pledges receivable, current portion	796,473	1,335,278
Accounts receivable	22,649	11,512
Contributions receivable	75,161	67,164
Grants receivable	71,961	54,620
Prepaid expenses	64,243	63,359
Inventory	3,989	5,231
Total current assets	<u>1,706,680</u>	<u>3,122,265</u>
PROPERTY AND EQUIPMENT, NET	<u>1,115,937</u>	<u>1,210,994</u>
OTHER ASSETS		
Investments	10,664,394	9,518,039
Pledges receivable, non-current portion	215,193	634,284
Land	8,761,990	8,698,340
Total other assets	<u>19,641,577</u>	<u>18,850,663</u>
Total assets	<u>\$ 22,464,194</u>	<u>\$ 23,183,922</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 33,664	\$ 1,115,891
Accrued expenses	50,219	58,295
Deferred revenue	1,530	15,791
Other liabilities	1,350	14,219
Notes payable, current	10,747	15,061
Total current liabilities	<u>97,510</u>	<u>1,219,257</u>
LONG-TERM LIABILITIES		
Notes payable, net of current portion	223,941	18,400
Total long-term liabilities	<u>223,941</u>	<u>18,400</u>
Total liabilities	<u>321,451</u>	<u>1,237,657</u>
NET ASSETS		
Without donor restrictions	6,838,932	6,580,494
With donor restrictions	15,303,811	15,365,771
Total net assets	<u>22,142,743</u>	<u>21,946,265</u>
Total liabilities and net assets	<u>\$ 22,464,194</u>	<u>\$ 23,183,922</u>

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2019
(with memorandum totals for the year ended December 31, 2018)

	2019			2018 (memorandum only)
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING ACTIVITIES				
REVENUE AND SUPPORT				
Annual support contributions	\$ 769,394	\$ 99,548	\$ 868,942	\$ 664,824
Foundation grants	347,597	112,130	459,727	290,833
Corporate and business contributions	53,980	-	53,980	39,675
Capital campaign contributions	54,633	34,071	88,704	1,190,650
Government grants - other projects	45,000	112,091	157,091	155,352
Government grants - purchase of development rights	1,435,994	-	1,435,994	2,759,003
Program events	20,775	-	20,775	-
Merchandise sales	9,594	-	9,594	13,729
Donated services	22,032	-	22,032	5,711
Land protection contributions	-	49,844	49,844	70,403
Program revenues	28,781	-	28,781	41,877
Rental income	20,985	-	20,985	23,100
Miscellaneous	11,361	-	11,361	3,805
Investment releases per spending policy	153,857	-	153,857	141,225
Net assets released from restriction	2,013,194	(2,013,194)	-	-
	<u>4,987,177</u>	<u>(1,605,510)</u>	<u>3,381,667</u>	<u>5,400,187</u>
Total revenues and support				
EXPENSES				
Program:				
Public conservation area management	638,545	-	638,545	644,773
Easement stewardship and management	194,556	-	194,556	139,982
Land protection activities	1,344,721	-	1,344,721	567,818
Purchase of development rights	1,393,004	-	1,393,004	2,705,330
Community outreach and education	391,771	-	391,771	278,371
Total Program Expenses	<u>3,962,597</u>	<u>-</u>	<u>3,962,597</u>	<u>4,336,274</u>
Supporting Services:				
Management and General	367,710	-	367,710	380,669
Fundraising	489,342	-	489,342	306,944
Total Supporting Services	<u>857,052</u>	<u>-</u>	<u>857,052</u>	<u>687,613</u>
Total expenses	<u>4,819,649</u>	<u>-</u>	<u>4,819,649</u>	<u>5,023,887</u>
Change in net assets from operating activities	<u>167,528</u>	<u>(1,605,510)</u>	<u>(1,437,982)</u>	<u>376,300</u>
NON-OPERATING ACTIVITIES				
Investment return, net	257,120	1,361,342	1,618,462	(465,919)
Endowment contributions- capital campaign	-	22,065	22,065	1,906,035
Grant for land acquisition	-	314,000	314,000	-
Donated land	-	-	-	1,446,850
Loss on sale of land	(149,350)	-	(149,350)	(15,000)
Interest expense	(16,860)	-	(16,860)	(981)
Investment releases per spending policy	-	(153,857)	(153,857)	(141,225)
	<u>90,910</u>	<u>1,543,550</u>	<u>1,634,460</u>	<u>2,729,760</u>
Change in net assets from non-operating activities				
CHANGE IN NET ASSETS	258,438	(61,960)	196,478	3,106,060
NET ASSETS, Beginning of year	<u>6,580,494</u>	<u>15,365,771</u>	<u>21,946,265</u>	<u>18,840,205</u>
NET ASSETS, End of year	<u>\$ 6,838,932</u>	<u>\$ 15,303,811</u>	<u>\$ 22,142,743</u>	<u>\$ 21,946,265</u>

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019
(with memorandum totals for the year ended December 31, 2018)

	2019							2018 (memorandum only)	
	Public Conservation Area Management	Easement Stewardship and Management	Land Protection Activities	Community Outreach and Education	Total Program	General and Administration	Fundraising and Development	Total	Total
Staff salaries	\$ 226,429	\$ 121,882	\$ 292,240	\$ 226,498	\$ 867,049	\$ 149,394	\$ 150,654	\$ 1,167,097	\$ 1,081,070
Payroll taxes	17,330	9,485	22,112	17,754	66,681	10,123	13,950	90,754	82,702
Employee benefits	40,156	23,942	49,260	41,381	154,739	3,851	28,653	187,243	178,672
Professional development	3,638	2,514	3,604	1,264	11,020	5,094	1,728	17,842	18,394
Advertising and marketing	-	-	107	163	270	5,987	944	7,201	13,098
Bad debt	-	-	2,000	-	2,000	50	150,000	152,050	3,110
Banking and credit card services	-	-	28	-	28	7,214	-	7,242	3,644
Board and committees	-	-	-	-	-	3,445	-	3,445	7,930
Catering and event services	175	-	2,114	7,537	9,826	2,085	57,348	69,259	51,430
Consulting services	48,339	-	8,669	5,498	62,506	44,679	4,150	111,335	170,128
Depreciation	79,636	2,790	8,048	3,646	94,120	3,964	3,855	101,939	101,582
Donations to other organizations	2,000	750	10,050	-	12,800	900	-	13,700	16,300
Donor/volunteer expenses	-	-	-	153	153	-	48	201	569
Duplication	89	247	584	1,388	2,308	890	437	3,635	3,635
Education transportation	-	-	-	1,177	1,177	-	-	1,177	-
Equipment and fixtures	8,223	1,918	6,109	2,064	18,314	852	2,555	21,721	23,063
In-kind services and materials	-	100	-	10,442	10,542	200	11,290	22,032	5,711
Insurance	7,961	13,392	-	-	21,353	34,903	4,156	60,412	52,553
Memberships and subscriptions	332	-	3,699	306	4,337	2,684	95	7,116	5,016
Merchandise	-	-	-	8,907	8,907	-	-	8,907	8,020
Miscellaneous	2,433	-	807	199	3,439	3,105	1,779	8,323	4,107
Occupancy	21,535	3,556	9,338	4,545	38,974	4,599	4,473	48,046	36,441
Payroll services	-	-	-	-	-	5,841	-	5,841	5,283
Payments in lieu of taxes	16,436	-	1,804	-	18,240	-	-	18,240	21,051
PCA vehicle expense	9,316	-	-	-	9,316	-	-	9,316	11,958
Postage/shipping/storage	1,172	1,842	3,148	5,230	11,392	676	8,308	20,376	19,667
Printing and design	15,468	1,332	28,822	23,177	68,799	4,259	14,474	87,532	51,645
Accounting	-	-	-	-	-	17,450	-	17,450	16,000
Legal	-	2,920	57,025	-	59,945	44,957	-	104,902	87,968
Property maintenance and improvements	113,235	-	-	-	113,235	1,000	-	114,235	69,227
Recruitment	1,262	-	-	-	1,262	1,397	3,465	6,124	5,231
Staff travel	601	-	1,356	-	1,957	1,103	233	3,293	2,938
Supplies and services	22,779	7,066	13,439	30,442	73,726	7,008	26,747	107,481	101,125
Easement and acquisition costs	-	820	772,008	-	772,828	-	-	772,828	14,418
Purchase of development rights	-	-	1,393,004	-	1,393,004	-	-	1,393,004	2,705,330
Trade land	-	-	48,350	-	48,350	-	-	48,350	42,886
Subtotal	638,545	194,556	2,737,725	391,771	3,962,597	367,710	489,342	4,819,649	5,021,902
Interest expense	843	84	15,586	110	16,623	120	117	33,483	981
Total	\$ 639,388	\$ 194,640	\$ 2,753,311	\$ 391,881	\$ 3,979,220	\$ 367,830	\$ 489,459	\$ 4,853,132	\$ 5,022,883

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2019
(with memorandum totals for the year ended December 31, 2018)

	2019	2018 (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 196,478	\$ 3,106,060
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	101,939	101,582
Donated land	-	(1,446,850)
Grant for land acquisition	(314,000)	-
Realized and unrealized (gain) loss	(1,381,592)	672,686
Loss on disposal of land/assets	149,350	15,000
Restricted contributions for endowment	(22,065)	(1,119,865)
Bad debt expense	152,050	3,110
Imputed interest on new long-term debt	(84,206)	-
Changes in:		
Pledges receivable	805,846	(591,243)
Accounts receivable	(11,137)	(2,574)
Grants receivable	(17,341)	25,307
Contributions receivable	(7,997)	50,476
Prepaid expenses	(884)	(4,775)
Inventory	1,242	(585)
Accounts payable	(1,082,227)	1,079,929
Accrued expenses	(8,076)	10,178
Deferred revenue	(14,261)	(66,161)
Other liabilities	(12,869)	12,193
Total adjustments	(1,746,228)	(1,261,592)
Net cash (used for) provided by operating activities	(1,549,750)	1,844,468
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,658,167	22,584
Purchases of investments	(1,422,930)	(2,472,909)
Proceeds from sale of land	375,000	125,000
Purchase of land	(274,000)	-
Purchase of fixed assets	(6,882)	(149,052)
Net cash provided by (used for) investing activities	329,355	(2,474,377)
CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted contributions for endowment	22,065	1,119,865
Proceeds from line of credit	100,000	-
Payments on line of credit	(100,000)	-
Proceeds from long-term debt	400,000	-
Payments of long-term debt	(114,567)	(9,740)
Net cash provided by financing activities	307,498	1,110,125
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(912,897)	480,216
CASH AND CASH EQUIVALENTS, Beginning of year	1,585,101	1,104,885
CASH AND CASH EQUIVALENTS, End of year	\$ 672,204	\$ 1,585,101
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 16,860	\$ 981
Donated stock	\$ 85,294	\$ 74,271
Fixed asset purchases financed with debt	\$ -	\$ 28,397
Non-cash grant for land acquisition	\$ 314,000	\$ -

See notes to financial statements.

NOTE 1 – NATURE OF OPERATIONS

The Columbia Land Conservancy, Inc., (the “Organization” or “CLC”) is a non-profit land trust that works with the community to conserve the farmland, forests, wildlife habitat, and rural character of Columbia County, New York, strengthening connections between people and the land. CLC is based in Chatham, New York. It receives its support from private donations, program fees, investment income, and private and government grants.

Program Services

Land Protection – CLC employs a three-pronged programmatic approach to its land protection mission.

- *Conservation Easements* - CLC helps families and individuals protect privately owned land including, but not limited to, working farmlands, by creating, accepting and stewarding conservation easements, ensuring the owner’s conservation vision will be upheld forever.
- *Support of land use planning and community projects* - Working with municipalities, communities and conservation groups, CLC encourages land use planning practices and procedures that support protection of the county’s rich conservation resources and helps to implement local conservation efforts, including fundraising, acquisition, site planning, and the like for creation of public open spaces, trail building, training of local officials and volunteers, and stewardship of land for habitat, recreation, and education.
- *Support for agriculture* - CLC believes that a strong and vibrant farm sector is, among other things, an important conservation asset to this area, where centuries of farming have left an indelible mark on the county’s lands, conservation resources, and scenic attributes. CLC works to find ways to support an active and resurgent agricultural community, including the development and implementation of innovative strategies to provide new farmers, and farmers who want to expand their operation, opportunities to farm land that might otherwise be unaffordable to them.

Community Outreach and Education: CLC works to communicate its mission and the importance of conservation throughout the County with an active and aggressive program of public information and advocacy for conservation values. Among other things, the Organization provides numerous informational programs to community groups, issues frequent press releases about its programs and projects, and maintains a substantive and active web site and social media presence. CLC also offers regular outdoor education and recreation opportunities for the general public to promote an appreciation for the natural resources and landscapes within Columbia County.

Easement Stewardship - CLC is responsible for ensuring that the goals of every conservation easement CLC holds are respected in perpetuity. CLC monitors its easement properties by air each year and visits every property on the ground in alternating years to ensure the terms of the easement are being upheld and appropriate action is taken in accordance with best professional standards and practices, if and when necessary.

Conservation Lands – CLC owns 14 properties with a variety of conservation attributes. Each property is managed for one or more of the following purposes: to maintain and/or improve its ecological health, to demonstrate best practices for conservation management, to maintain and increase soil health and agricultural viability, and for public access. Ten Properties, CLC’s Public Conservation Areas (PCAs), are open to the public for hiking and outdoor enjoyment. They are maintained for wildlife habitat, recreation, and CLC’s educational programs. The areas offer a diversity of experiences and ecosystems. Two other properties will be established as PCAs in the future and there are two additional properties that will, in time, be opened for limited public and educational use. While these four properties are not currently open to the public, they are being monitored by staff, except the Thompson Finch Farm (described below) is being maintained by the farmers who hold the long-term ground lease. CLC also manages one public preserve for Scenic Hudson Land Trust, Inc. (See Note 12).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts and financial statements are maintained and presented using the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred.

Summarized Comparative Information

Amounts shown for December 31, 2018, in the accompanying statements are included to provide a basis for comparison with December 31, 2019 and present summarized totals only. Accordingly, the December 31, 2018 amounts are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, and has subsequently issued supplemental and/or clarifying Accounting Standards Updates (collectively "ASC 606"). ASC 606 outlines a five-step framework that supersedes the principles for recognizing revenue and eliminates industry-specific guidance. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASC 606 revises current disclosure requirements in an effort to help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Policies related to recognition of revenue for CLC is discussed below. On January 1, 2019, CLC adopted ASU 2014-09 using the modified retrospective application. There was no material impact as a result of this accounting change.

CLC also implemented FASB ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* as of January 1, 2019. The implementation of this ASU had no significant effect on the financial statements for the year ended December 31, 2019.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the nature of any donor restrictions.

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a time restriction ends, or a 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. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under provisions of ASC 958, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- Net assets without restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific purposes from time to time.
- Net assets with restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of CLC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets with or without restrictions. Expenses are reported as decreases in net assets without restrictions. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Cash Equivalents

For the purpose of the statement of cash flows, CLC considers cash equivalents to be investments with maturities of three months or less at acquisition date.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or grants receivable. No allowance for uncollectible accounts and grants receivable was deemed necessary as of December 31, 2019.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their face value which approximates net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate, adjusted for donor risk where necessary, applicable to the year in which the promise was received and the duration of the commitment. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable (Continued)

An allowance is made for uncollectible promises to give based upon management's judgement and analysis of creditworthiness of the donors, past collection experience, and other relevant factors. No allowance for uncollectible promises to give was deemed necessary as of December 31, 2019.

Inventory

Inventory consists of items for sale at the CLC store and is stated at the lower of cost or net realizable value determined by the first-in, first-out method.

Investments

Investments consist of certificates of deposit, municipal bonds, and publicly traded mutual funds, purchased and recorded at cost on a trade date basis or received as contributions and recorded at fair value as of the date received. Net appreciation (depreciation) in the fair value of investments, which consists of the realized and unrealized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Investments are measured at fair value on a recurring basis. In accordance with FASB ASC 820-10, fair value measurements are identified as Level 1, Level 2 or Level 3. Level 1 fair value is based on quoted prices in active markets for identical assets/liabilities. Level 2 fair value is based on significant other observable inputs such as quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices. Level 3 fair value is based on significant unobservable inputs for the asset or liability.

Investments in mutual funds are valued based on quoted market prices within active markets. Investments in bonds are valued based on prices obtained from a pricing service using primarily matrix pricing, which considers observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, credit information, and the bond's terms and conditions, among other things. Certificates of deposit are stated based upon similar certificates of deposit available in the market.

Property, Equipment and Depreciation

Property and equipment with a value of \$3,000 or greater is recorded at cost. Donated property and equipment is recorded at fair market value as of the date of donation. Expenditures for maintenance and repairs are charged to expense when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations. Depreciation of property and equipment is provided over the useful lives of the assets using the straight-line method.

Land

CLC records both acquisitions and conveyances at cost if purchased or at fair value at the date of acquisition, if all or part of the land was received as a donation. Fair value is generally determined by appraisal.

- Values are primarily based on independent professional appraisals performed for the Organization or on appraised values determined or adopted by public agencies.
- Where neither of the foregoing sources is readily available, CLC may use the full cash value as established by the local tax assessor, cost if the cash value is minimal, or internal estimates based on staff analyses.
- Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when CLC is satisfied that the appraisal is reasonable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Easements

Conservation easements are voluntary legal agreements by which landowners can elect to ensure permanent protection of the conservation values of their property. Easement donors continue to own the property in fee, with the right to live on, rent, mortgage, or convey their land subject only to use restrictions and, sometimes, site planning constraints set out in the easement. CLC does not attribute value to the easements held. Easements are not marketable interests in real estate and have no segregable economic value to CLC. Indeed, the easements impose on CLC a perpetual obligation to monitor and steward the properties, the costs of which are an on-going expense in CLC's annual budget.

Functional Expense Allocations

Management has performed occupancy (square-footage) and time studies of administrative costs and personnel to enable the finance office to allocate indirect costs to all departments that benefit from the expense. Expenses, such as salaries and benefits, office expense, depreciation and general professional services have been allocated among program services, development, and management and support services classifications based primarily on employee ratios, space occupied, and on estimates made by CLC's management.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$7,201 for the year ended December 31, 2019.

Presentation of Sales Taxes

New York imposes sales tax on CLC's sales of certain merchandise to non-exempt customers. CLC collects the sales tax from customers and remits the entire amount to the state. The accounting policy is to exclude the tax collected and remitted to the state from revenues and cost of sales.

Income Taxes

Columbia Land Conservancy, Inc. has been granted an exemption from Federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified CLC as other than a private foundation. The State of New York also recognizes this classification.

The Organization has evaluated any uncertain tax positions and related income tax contingencies and determined any uncertain positions, if any, are not material to the financial statements, according to FASB ASC 740-10. Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. None of the Organization's returns are currently under examination.

Payments in Lieu of Taxes (PILOT)

While CLC is exempt from property tax on the lands it owns for public access and conservation purposes, it is the Organization's policy to make annual PILOT payments to the town or village in which the public conservation areas that it owns are located.

Donated Services, Goods and Facilities

A substantial number of volunteers have donated hours to the Organization's program services and fundraising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, legal services and specialized skills, which enhanced or created a financial asset, are reflected in the statement of activities at their fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash is maintained at FDIC insured financial institutions and credit exposure is limited to any one institution. The Organization has not experienced any losses on its cash balances. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents. The Organization places its cash and cash equivalents with high credit quality institutions.

Investments are exposed to various risks. Due to the level of risk associated with these securities and the level of uncertainty related to the changes in their value, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and statement of activities as of and for the year ended December 31, 2019.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to CLC's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, property asset transactions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Subsequent Events

Subsequent events have been evaluated through July 1, 2020, which is the date the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

Subsequent to March 11, 2020, the Organization has taken the following actions to comply with laws and regulations and address the impact of COVID-19: closed offices to the general public and required that office-based employees work remotely. In April 2020, the Organization applied for, and received a loan in the amount of \$220,400 from the Bank of Greene County through the Small Business Administration's Paycheck Protection Program. This loan has allowed the Organization to retain a full workforce to date.

The Organization anticipates decreased revenue for fiscal year 2020 and, as a result, has implemented a revised operating budget that reduces expenditures by 10% (\$230,000). These austerity measures are expected to be in place for the remainder of the fiscal year. Management recognizing the evolving circumstances may indicate the need for further austerity and has identified two additional scenarios that could be implemented should circumstances warrant.

The extent of COVID-19's effect on the Organization's operational and financial performance will depend on future developments, including the duration, spread, and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Organization's finances. However, if the pandemic continues to evolve into a worldwide health crisis, the disease could have a material adverse effect on the Organization's activities, results of operations, financial condition, and cash flow.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 3 – CONCENTRATION OF CREDIT RISK

At year end and at various times during the year, the Organization may have amounts on deposit with the bank that exceed Federal Deposit Insurance Corporation limits. As of December 31, 2019, cash and cash equivalents of \$444,523 were in excess of FDIC coverage.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2019, relate mainly to the Organization’s capital campaign.

After receiving a leadership gift of \$2.4 million dollars in late 2015, CLC began planning a capital campaign and in 2017 launched *Columbia County Tomorrow: Our Heritage, Our Future* with a goal to raise at least \$7,000,000. The campaign increases CLC’s capacity and strengthens the organization’s ability to continue to work effectively and strategically. The campaign proceeds will support three broad initiatives. They include: 1) the Legacy Lands Fund will enhance the existing permanently restricted endowment for the management of CLC’s public conservation areas (previously named the PCA management fund); 2) the Farm and Forest Fund will be used to support CLC’s efforts to secure and protect properties of high conservation value as they come on the market; and 3) the Community Engagement Fund will focus on connecting people with the land. This initiative will enable CLC to expand its capacity to provide outdoor education, work more closely with County schools and community-based youth organizations, assist landowners looking to CLC for guidance on how to manage their property, and support planning, trail building, and create municipal parkland by providing additional resources to municipal officials and community groups. Funds that are not directed to one of these particular initiatives will be allocated to the Capital Campaign General Fund which is a Board Designated fund. Once the campaign is completed, the Board will designate a portion without donor restrictions from this fund to the three initiatives listed above.

As of December 31, 2019, the campaign has raised \$8,844,702 in the form of contributions and pledges. These funds were designated as follows and represent amounts pledged prior to discounting:

Legacy Lands Fund	\$ 3,485,814
Farm and Forest Fund	1,160,335
Community Engagement Fund	30,240
General Fund	4,168,313
	<u>\$ 8,844,702</u>

Pledges receivable at December 31, 2019 related to the campaign consist of the following:

Pledges receivable, current portion	\$ 796,473
Total current	<u>796,473</u>
Pledges receivable, non-current portion	227,250
Less: Discount	(12,057)
Total non-current	<u>215,193</u>
Pledges receivable	<u>\$ 1,011,666</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 4 – PLEDGES RECEIVABLE (Continued)

Pledges receivable at December 31, 2019 are expected to be realized as follows:

2020	\$	796,473
2021		157,250
2022		30,000
2023		10,000
2024		10,000
Thereafter		20,000
Total		<u>1,023,723</u>
Discount		<u>(12,057)</u>
Net Present Value	\$	<u><u>1,011,666</u></u>

NOTE 5 – INVESTMENTS

Columbia Land Conservancy, Inc.'s investment policy conforms to NYPMIFA (New York Prudent Management of Institutional Funds Act). The primary investment objective of CLC is to preserve, protect, and enhance its assets, by earning a total return for each fund appropriate to each fund's time horizon, liquidity needs and risk tolerance. This objective is achieved through the use of a portfolio that is diversified across a number of asset classes in a manner that management believes will balance the long-term total return objective while minimizing risk. The purpose of such diversification is to provide reasonable assurance that no single security, investment style, or asset class will have a disproportionate impact on the portfolio's aggregate results.

With approval from the Executive Committee, CLC may recognize as annual operating revenue a maximum of 3.5% of the five-year rolling average of certain endowment funds each fiscal year. Such revenues are generally transferred from endowment funds in the last month of each fiscal year. Other funds have been established for the express purpose of directly reimbursing CLC for annual expenditures and the Organization draws those funds, if available, during the year the expenses are incurred.

CLC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably 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.

Investments, stated at fair value, at December 31, 2019, are as follows:

	Cost	Unrealized Gain	Fair Value	FASB ASC 820 Measurements
Certificates of deposit	\$ 25,000	\$ 541	\$ 25,541	Level 1
Mutual funds:				
Equity	5,010,548	880,140	5,890,688	Level 1
Fixed income	3,553,411	86,757	3,640,168	Level 1
Real estate	353,764	48,958	402,722	Level 1
Money market fund	663,511	-	663,511	Level 1
Municipal bonds	40,000	767	40,767	Level 2
Accrued interest	997	-	997	N/A
Total Investments	<u>\$ 9,647,231</u>	<u>\$ 1,017,163</u>	<u>\$ 10,664,394</u>	

A portion of the above portfolio is considered donor restricted (see Note 14).

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2019, is as follows:

<u>Operational Assets</u>		<u>Useful Lives</u>
Buildings and improvements	\$ 582,005	39-39.5 years
Furniture and fixtures	<u>189,523</u>	3-7 years
 Total operational assets	 771,528	
Less: accumulated depreciation	<u>(383,284)</u>	
Net Operational Assets	<u>388,244</u>	
 <u>Public Conservation Areas</u>		
Buildings and improvements	1,116,525	5-39 years
Equipment and vehicles	<u>260,133</u>	5-7 years
 Total Public Conservation Areas	 1,376,658	
Less: accumulated depreciation	<u>(648,965)</u>	
Net Public Conservation Areas	<u>727,693</u>	
 Total Property and Equipment	 <u>\$ 1,115,937</u>	

Total depreciation expense recorded for the year ended December 31, 2019 was \$101,939.

NOTE 7 – LAND

Land consists of the following as of December 31, 2019:

Land-Main St. office building, Chatham	\$ 25,000
Land-Public Conservation Areas-restricted in perpetuity	5,684,779
Land-Public Conservation Areas-board designated	1,378,678
Land-Held in Fee-board designated	808,500
Other Land-wth donor restrictions	36,500
Other Land-without donor restrictions	828,533
	<u>\$ 8,761,990</u>

Land – Public Conservation Areas – CLC owns 12 conservation areas: Bardwell Conservation Area, Bloody Hill Conservation Area, Borden’s Pond Conservation Area, Drowned Lands Swamp Conservation Area, Greenport Conservation Area, Hand Hollow Conservation Area, Harris Conservation Area, High Falls Conservation Area, Ooms Conservation Area, Overmountain Conservation Area, Schor Conservation Area, and Siegel-Kline Conservation Area. In 2018, the Round Ball Conservation Area was incorporated into the Overmountain Conservation Area. The properties are recorded at appraised values at acquisition based on the determination that the properties will be operated as public conservation areas in perpetuity. CLC also manages one additional conservation area as described in Note 12.

NOTE 7 – LAND (Continued)

Public conservation areas are of two types:

- Restricted in perpetuity, which represent properties donated or bequeathed to CLC to be held in perpetuity as public conservation areas and properties purchased with funds specifically donated to CLC for the purchase of property to be held in perpetuity as public conservation areas.
- Board designated, which represent properties purchased by CLC or unrestricted property donated to the Organization and converted to public conservation areas.

Land Held in Fee – Board Designated – In 2018, CLC received a bequest and a land donation from landowners in Hillsdale totaling \$220,500. The property, called the Four Sisters, is rich in conservation value and the board has determined that, for the present, the property will be held for limited public access and used for educational purposes.

In March of 2019, CLC took ownership of the Thompson Finch Farm in Ancram, New York, and entered into a long-term ground lease with the current farmer. Under the ground lease model, CLC owns the farm's 196.3 acres (valued at \$588,000), while the structures on the property are owned by the leasing farmer. Thanks to a community-wide effort led by CLC, including a multi-pronged partnership with Equity Trust, Dutchess Land Conservancy, and Scenic Hudson, the property will remain a farm long into the future. More than 300 community members plus multiple organizations and foundations contributed to the \$1,525,328 to purchase the farm; CLC raised and paid \$1,015,956 toward the purchase of the easement and the land with partners paying the remaining \$509,372.

As part of this transaction, CLC entered into of a five-year, interest-free loan for \$400,000 from the PCLB Foundation. Interest has been imputed on this loan using the Wall Street Journal Prime Rate (5.5%) as of the date of the initial borrowing (March 1, 2019), which will be amortized over the life of the loan and reflected as an in-kind contribution from the donor. The loan is collateralized by an investment account held at Vanguard with the stipulation that the account maintain a fair market value of a minimum of \$600,000. During 2019, CLC paid down \$100,000 on the balance and recognized \$99,548 of the imputed interest as a contribution; per the loan agreement, the security requirements for the investment account were adjusted in proportion to the paydown. The current fair market value must be a minimum of \$450,000.

Other Land – With Donor Restrictions – CLC owns a ¼ acre parcel in the Town of Ghent situated along the Right of Way for what is planned to become a portion of the Harlem Valley Rail Trail, which was gifted to CLC with the expectation it may be conveyed to the State of New York for the Rail Trail at some future date.

Other Land – Without Donor Restrictions- Other unrestricted land consists of several parcels that were gifted, bequeathed, or purchased by the Organization. When a determination has been made as to the disposition of these properties, the property will either be improved as appropriate and transferred to "Land – Public Conservation Areas" or sold with the proceeds to be used to support CLC's programmatic activities. In 2019, CLC sold two gifted parcels, each subject to a conservation easement, incurring a net loss of \$149,350.

NOTE 8 – DEFERRED REVENUE

Deferred revenue results from current year collections for services to be performed in the subsequent year and will be recognized as revenue in the period earned. Payments received in advance for grants that contain contingencies are treated as deferred revenue until the contingency is met. Sponsorship money received in advance of the period covered are deferred until the terms of the sponsorship are met. As of December 31, 2019, deferred revenue is comprised of \$1,530 for purchase development rights (PDR) grant funds received in advance.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 9 – LINE OF CREDIT

CLC maintains a line of credit that is due on demand with a fixed rate of interest of 5.49% at December 31, 2019, for a three-year period ending August 31, 2021; available balance of \$260,000 at December 31, 2019. There was no outstanding balance as of December 31, 2019.

NOTE 10 – NOTES PAYABLE

Notes payable were comprised of the following as of December 31, 2019:

Note payable, Ford Motor, 2.9% interest bearing, collateralized by a vehicle; monthly payments of \$825, final payment due in October 2021. \$ 17,656

Note payable, Ford Motor, 5.99% interest bearing, collateralized by a vehicle; monthly payments of \$369, final payment due in March 2020. 1,238

Note payable, Peter and Carmen Lucia Buck Foundation, collateralized by investments, no-interest, due and payable in full in March 2024 with option to pre-pay unpaid principal balance in whole or in part at any time upon ten days prior written notice without any prepayment charge, penalty, or fee. The effective interest rate is 5.50%. During the year ended December 31, 2019, \$15,342 was amortized and recorded as interest expense. 300,000

Total	318,894
Less: current portion	10,747
Less: unamortized imputed interest	84,206
Long-term Debt	<u><u>\$ 223,941</u></u>

Notes payable are expected to mature as follows:

2020	\$ 10,747
2021	8,147
2022	-
2023	-
2024	<u>300,000</u>
	<u><u>\$ 318,894</u></u>

The final payment on outstanding notes payable maturing in the fiscal year ending December 31, 2024 is presented above gross of the imputed interest.

NOTE 11 – OPERATING LEASES

The Organization has a copier lease agreement. Total lease expense under this agreement was \$2,921 for the year ended December 31, 2019. Future minimum lease payments as of December 31, 2019 are as follows:

2020	\$	2,921
2021		2,921
2022		243
	\$	<u>6,085</u>

NOTE 12 – COMMITMENTS

Easements and Public Conservation Areas

Acceptance of easements and other restricted public conservation areas impose on the Organization a perpetual obligation to monitor and steward the properties.

During the year ended December 31, 2019, the Organization closed on 3 new easements, adding 735 acres of protected land. CLC amended two conservation easements in 2019, resulting in significant conservation gains. In one case, where the original easement had permitted a single residence and associated structures, development rights were eliminated. In the other, the footprint of the area within which construction of a residence and accessory structures was allowed was significantly restricted, and a Resource Protection Area was established further limiting permitted activities to protect conservation values.

As of December 31, 2019, CLC holds a total of 207 easements on 29,476 acres in Columbia County. During the year ended December 31, 2019, CLC's expense for monitoring and stewarding easements was \$194,640.

Harrier Hill Park

The Organization has entered into a contract to monitor, maintain and provide certain management services at Harrier Hill Park in Stockport, NY. The property is owned by the Scenic Hudson Land Trust, Inc. (SHLT). The contract requires SHLT to pay the Organization \$4,000 per year for site management and monitoring as well as reimburse the Organization for any repairs made to the site; repairs greater than \$100 must be preapproved by Scenic Hudson Land Trust, Inc.

Farmland Access, Resources, and Matching Program (FARM)

In 2013, CLC entered into an agreement with Dutchess Land Conservancy, Inc. (DLC) to provide programmatic services expanding the scope of what has been the Farmer Landowner Match Program from Columbia County into Dutchess County. Dutchess Land Conservancy, Inc. agreed, among other terms, to pay a \$3,000 upfront fee and \$1,000 per month to CLC for staff time related to this program.

In 2018, the program was updated and rebranded as the FARM program. The agreement with DLC was updated in May 2018 and the fee structure modified. Under the current agreement, DLC will pay \$3,782 per quarter to CLC for staff time related to managing this program on their behalf.

NOTE 13 – BOARD DESIGNATED NET ASSETS

Board Designated net assets are comprised of the following:

Investment	\$ 2,684,704
Conservation Lands:	
Schor Conservation Area	590,750
Hand Hollow Conservation Area	175,928
Round Ball Mountain	612,000
Four Sisters	220,500
Total board designated PCAs	<u>1,599,178</u>
Total Board Designated net assets	<u>\$ 4,283,882</u>

The funds designated for investment are the accumulated contributions and earnings from a capital campaign endeavor in 2001, plus 2017, 2018 capital campaign contributions that were without donor restriction, as well as additional amounts approved by the Board on an annual basis. The funds are intended to support the on-going operations of CLC and may be used only with approval from CLC’s Board of Trustees.

The public conservation areas listed above are properties purchased with net assets without donor restrictions or properties gifted with no restrictions and converted into public conservation areas.

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS

Donor restricted endowment fund assets total \$12,763,373 at December 31, 2019. These assets are comprised of \$5,684,779 in land that was gifted or bequeathed to CLC to use as public conservation areas or purchased with funds restricted for the express purpose of acquiring land for a public conservation area (PCA). The remaining \$7,078,594 represents funds from, and restricted by, donors in perpetuity for specific uses. In 2019, as part of the Capital Campaign, CLC received endowment gifts totaling \$22,065. In the prior year, one million was gifted to create the Ellsworth Kelly Fund, which provides additional support for the management of CLC’s public conservation areas, \$895,604 has been donated to create the David & Peggy Rockefeller Endowment Fund which is for general operating support, and an additional \$43,165 was donated to the Legacy Funds which supports the on-going maintenance of our public lands. The remaining funds (\$1,944,648) include endowments for specific PCA sites, a general PCA management endowment, a PCA staff endowment and a staff housing endowment fund. The PCA related endowments are intended to generate funds to maintain and improve the PCA sites, to support PCA staff and offset direct expenses for specific sites. The staff housing endowment is designated for upkeep and improvement of housing that CLC owns in part to provide quality, affordable housing for the staff and to otherwise support staff housing expenses. All earnings and appreciation derived from the investment of restricted endowments are recorded as net assets with donor restrictions.

Underwater Endowment Funds

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA has required the organization to retain as a fund of perpetual duration. There were no underwater donor-restricted endowments as of December 31, 2019.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS (Continued)

Endowment composition by type of fund is as of December 31, 2019:

	<u>With Donor Restrictions</u>
Donor-Restricted Endowment Funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 5,817,643
Accumulated investment gains	1,260,951
Total	<u>\$ 7,078,594</u>

Changes in endowment net assets for the year ended December 31, 2019 are as follows:

	<u>With Donor Restrictions</u>
Beginning balance December 31, 2018	\$ 6,131,585
Investment returns, net	1,078,801
Contributions	22,065
Appropriated for expenditure	(153,857)
Ending balance December 31, 2019	<u>\$ 7,078,594</u>

Endowment fund balance is comprised of the following as of December 31, 2019:

	<u>With Donor Restrictions</u>
Investments	\$ 6,663,404
Pledge receivable, net discount	415,190
Total	<u>\$ 7,078,594</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets at December 31, 2019 are held as follows:

Subject to expenditure for a specified purpose:

Public Conservation Area Management	\$ 91,318
Community Outreach & Education	
Educational Programming	15,837
Special projects	77,988
Capital Campaign: Community Engagement	34,131
Land Protection	
Farm & Forest: Thompson Finch Farm	68,001
Farm & Forest: General	52,497
Forest Corridor Collaboration	84,780
Land held to be donated to NYS for Rail Trail	36,500
	<u>461,052</u>

Subject to CLC's spending policy and appropriation:

Conservation Easement Stewardship & Legal Defense Fund	<u>1,496,340</u>
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Subject to the passage of time:

Capital Campaign: General fund	498,840
Unamortized imputed interest	84,206
	<u>583,046</u>

Donor restricted endowments (subject to spending policy and appropriations, net of accumulated net earnings of \$1,260,951)

Public Conservation Area Management	4,279,883
Public Conservation Area Staffing	630,598
Staff Housing	114,511
General Fund (David and Peggy Rockefeller Endowment)	1,009,251
Ellsworth Kelly Fund (supports PCAs)	1,044,351
	<u>7,078,594</u>

Land required to be used as a Public Conservation Area	<u>5,684,779</u>
Total net assets with donor restrictions	<u>\$ 15,303,811</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Releases from donor restricted net assets for the year ended December 31, 2019 are as follows:

Releases from restrictions:

Subject to the passage of time \$ 517,015

Subject to expenditure for a specified purpose:

Public Conservation Area Management (including \$12,452 subject to CLC's spending policy and appropriation) 99,452

Public Conservation Area Improvement Grants 85,167

Agricultural Program - FARM Program 17,671

Community Outreach & Education 150,000

Educational Programming 28,864

Farm & Forest - Thompson Finch Farm 1,049,571

Forest Corridor Collaboration 20,266

Special projects 14,390

Subject to CLC's spending policy and appropriation

Investment in perpetuity:

Public Conservation Area Management 121,240

Public Conservation Area Staffing 20,165

Per donor restriction:

CE Stewardship & Legal Defense Fund 43,250

\$ 2,167,051

NOTE 16 – RENTAL INCOME

CLC received three houses as part of the land transaction at two conservation areas. Currently, CLC rents a house to staff under an annual lease agreement and one to a tenant on a month to month basis. Rental income collected for the year ended December 31, 2019 totaled \$20,980. The lease agreements are as follows:

- One-year lease expiring December 2020 that requires monthly payments of \$650.
- Month-to-month lease beginning January 2, 2020 that requires monthly payments of \$650

On December 31, 2019, the aggregate net minimum rental commitment under the leases for 2020 is \$7,800.

The cost of the properties being rented is \$527,250 with a net book value of \$337,271 at December 31, 2019.

NOTE 17 – PENSION PLAN

CLC offers a 403(b) defined contribution retirement plan through TIAA-CREF to all eligible employees. Currently, the plan provides for annual contributions of 3% of wages earned after one year of service. Contributions to the plan were \$26,370 for the year ended December 31, 2019.

NOTE 18 – LIQUIDITY

The table on the following page reflects CLC's financial assets as of December 31, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one-year, perpetual endowments, and accumulated earnings net of appropriations within one year, or because the CLC board has set aside the funds for a specific contingency reserve. These board designations could be drawn upon if the board approves that action.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 18 – LIQUIDITY (Continued)

Current financial assets at year end:

Cash and cash equivalents	\$ 672,204
Accounts receivable	22,649
Grants receivable	71,961
Contributions receivable	75,161
Investments	10,664,394
Pledges receivable	<u>1,023,723</u>
Total financial assets	<u>12,530,092</u>

Less amounts unavailable for general expenditures within one year, due to:

Perpetual and term endowments and accumulated earnings beyond one year	(6,889,724)
Donor restricted net assets, restricted for purpose, beyond one year	(1,451,480)
Grants receivable beyond one year	(5,000)
Pledges receivable beyond one year	(227,250)
Endowment pledge not convertible	(400,000)
Board designated reserve held as collateral for loan	(460,203)
Board designated reserve for future contingencies	(379,036)
Financial assets held for others	<u>(750)</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 2,716,649

CLC has an invested asset management policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The policy anticipates that CLC will hold at least \$1,000,000 of its board designated in reserve as an emergency fund should conditions require. CLC also has a \$260,000 line of credit, see Note 9.