

COLUMBIA LAND CONSERVANCY, INC.

AUDITED FINANCIAL STATEMENTS

As of and for the year ended December 31, 2020
(with memorandum totals for the year ended December 31, 2019)

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, 2020 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, 2020, 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

We have previously audited the Columbia Land Conservancy, Inc.'s December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 1, 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.

UHY LLP

Hudson, New York
August 2, 2021

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020
(with memorandum totals for December 31, 2019)

	2020	2019 (memorandum only)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,146,084	\$ 672,204
Pledges receivable, current portion	317,742	796,473
Accounts receivable	29,848	22,649
Contributions receivable	109,014	75,161
Grants receivable	189,281	71,961
Prepaid expenses	62,126	64,243
Inventory	3,659	3,989
Total current assets	<u>1,857,754</u>	<u>1,706,680</u>
PROPERTY AND EQUIPMENT, NET	<u>1,054,071</u>	<u>1,115,937</u>
OTHER ASSETS		
Investments	12,047,996	10,664,394
Pledges receivable, non-current portion	62,240	215,193
Land	8,261,990	8,761,990
Total other assets	<u>20,372,226</u>	<u>19,641,577</u>
Total assets	<u>\$ 23,284,051</u>	<u>\$ 22,464,194</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 31,371	\$ 33,664
Accrued expenses	68,770	50,219
Deferred revenue	929	1,530
Other liabilities	1,350	1,350
Notes payable, current	13,135	10,747
Total current liabilities	<u>115,555</u>	<u>97,510</u>
LONG-TERM LIABILITIES		
Notes payable, net of current portion	259,561	223,941
Total long-term liabilities	<u>259,561</u>	<u>223,941</u>
Total liabilities	<u>375,116</u>	<u>321,451</u>
NET ASSETS		
Without donor restrictions	6,774,543	6,838,932
With donor restrictions	16,134,392	15,303,811
Total net assets	<u>22,908,935</u>	<u>22,142,743</u>
Total liabilities and net assets	<u>\$ 23,284,051</u>	<u>\$ 22,464,194</u>

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2020
(with memorandum totals for the year ended December 31, 2019)

	2020			2019 (memorandum only)
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING ACTIVITIES				
REVENUE AND SUPPORT				
Annual support contributions	\$ 728,772	\$ -	\$ 728,772	\$ 868,942
Foundation grants	268,850	67,380	336,230	459,727
Corporate and business contributions	30,661	-	30,661	53,980
Capital campaign contributions	17,523	4,089	21,612	88,704
Government grants - other projects	37,347	164,682	202,029	157,091
Government grants - purchase of development rights	478,371	-	478,371	1,435,994
Program events	-	-	-	20,775
Merchandise sales	2,360	-	2,360	9,594
Donated services	521	-	521	22,032
Land protection contributions	-	20,000	20,000	49,844
Program revenues	34,515	160,250	194,765	28,781
Rental income	23,250	-	23,250	20,985
Miscellaneous	18,931	-	18,931	11,361
Releases from invested endowed funds	200,755	-	200,755	153,857
Net assets released from restriction	624,257	(624,257)	-	-
Total revenues and support	2,466,113	(207,856)	2,258,257	3,381,667
EXPENSES				
Program:				
Public conservation area management	512,613	-	512,613	638,545
Easement stewardship and management	174,705	-	174,705	194,556
Land protection activities	562,902	-	562,902	1,344,721
Purchase of development rights	605,000	-	605,000	1,393,004
Community outreach and education	378,384	-	378,384	391,771
Total Program Expenses	2,233,604	-	2,233,604	3,962,597
Supporting Services:				
Management and General	429,821	-	429,821	367,710
Fundraising	210,514	-	210,514	489,342
Total Supporting Services	640,335	-	640,335	857,052
Total expenses	2,873,939	-	2,873,939	4,819,649
Change in net assets from operating activities	(407,826)	(207,856)	(615,682)	(1,437,982)
NON-OPERATING ACTIVITIES				
Government grant - Paycheck Protection Program (PPP)	220,400	-	220,400	-
Investment income, net	193,471	1,171,060	1,364,531	1,618,462
Endowment contributions- capital campaign	-	68,132	68,132	22,065
Grant for land acquisition	-	-	-	314,000
Loss on sale of land	(50,000)	-	(50,000)	(149,350)
Interest expense	(20,434)	-	(20,434)	(16,860)
Releases from invested endowed funds	-	(200,755)	(200,755)	(153,857)
Change in net assets from non-operating activities	343,437	1,038,437	1,381,874	1,634,460
CHANGE IN NET ASSETS	(64,389)	830,581	766,192	196,478
NET ASSETS, Beginning of year	6,838,932	15,303,811	22,142,743	21,946,265
NET ASSETS, End of year	\$ 6,774,543	\$ 16,134,392	\$ 22,908,935	\$ 22,142,743

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020
(with memorandum totals for the year ended December 31, 2019)

	2020							2019 (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	\$ 243,944	\$ 115,195	\$ 285,650	\$ 249,945	\$ 894,734	\$ 197,927	\$ 135,550	\$ 1,228,211	\$ 1,167,097
Payroll taxes	19,172	8,973	22,271	19,644	70,060	12,071	10,890	93,021	90,754
Employee benefits	39,473	17,595	42,001	37,720	136,789	21,684	20,538	179,011	187,243
Professional development	870	-	266	1,064	2,200	2,545	270	5,015	17,842
Advertising and marketing	-	-	16	119	135	1,630	-	1,765	7,201
Bad debt	-	-	6,288	-	6,288	-	2,872	9,160	152,050
Banking and credit card services	-	-	26	68	94	4,424	-	4,518	7,242
Board and committees	38	-	-	-	38	3,234	-	3,272	3,445
Catering and event services	-	-	1,359	615	1,974	1,073	5,037	8,084	69,259
Consulting services	1,800	-	74,492	1,125	77,417	59,640	-	137,057	111,335
Depreciation	81,603	2,753	7,944	3,598	95,898	3,913	3,805	103,616	101,939
Donations to other organizations	2,000	750	5,000	350	8,100	150	-	8,250	13,700
Donor/volunteer expenses	-	-	-	-	-	25	85	110	201
Duplication	682	317	787	843	2,629	425	385	3,439	3,635
Education transportation	-	-	-	-	-	-	-	-	1,177
Equipment and fixtures	3,436	594	5,823	10,558	20,411	1,158	2,778	24,347	21,721
In-kind services and materials	521	-	-	-	521	-	-	521	22,032
Insurance	31,116	13,680	-	-	44,796	11,851	-	56,647	60,412
Memberships and subscriptions	-	-	5,410	305	5,715	7,023	95	12,833	7,116
Merchandise	-	-	-	1,985	1,985	-	-	1,985	8,907
Miscellaneous	104	-	603	-	707	3,158	656	4,521	8,323
Occupancy	9,914	1,316	2,882	1,659	15,771	8,072	1,311	25,154	48,046
Payroll services	-	-	-	-	-	6,744	-	6,744	5,841
Payments in lieu of taxes	16,569	-	1,109	-	17,678	-	-	17,678	18,240
PCA vehicle expense	10,718	-	-	-	10,718	-	-	10,718	9,316
Postage/shipping/storage	1,279	1,716	2,875	4,061	9,931	657	2,658	13,246	20,376
Printing and design	693	836	926	18,029	20,484	1,035	5,171	26,690	87,532
Accounting	-	-	-	-	-	23,524	-	23,524	17,450
Legal	567	5,313	27,577	-	33,457	50,544	-	84,001	104,902
Maintenance and improvements	35,379	-	-	-	35,379	430	-	35,809	114,235
Recruitment	55	-	-	-	55	1,026	-	1,081	6,124
Staff travel	-	-	79	691	770	581	43	1,394	3,293
Supplies and services	12,680	4,667	13,874	26,005	57,226	5,277	18,370	80,873	107,481
Easement and acquisition costs	-	1,000	16,628	-	17,628	-	-	17,628	772,828
Purchase of development rights	-	-	605,000	-	605,000	-	-	605,000	1,393,004
Trade land	-	-	39,016	-	39,016	-	-	39,016	48,350
Subtotal	512,613	174,705	1,167,902	378,384	2,233,604	429,821	210,514	2,873,939	4,819,649
Interest expense	225	-	20,209	-	20,434	-	-	20,434	33,483
Total	\$ 512,838	\$ 174,705	\$ 1,188,111	\$ 378,384	\$ 2,254,038	\$ 429,821	\$ 210,514	\$ 2,894,373	\$ 4,853,132

See notes to financial statements.

COLUMBIA LAND CONSERVANCY, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2020
(with memorandum totals for the year ended December 31, 2019)

	2020	2019 (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 766,192	\$ 196,478
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	103,616	101,939
Government grant - PPP	(220,400)	-
Grant for land acquisition	-	(314,000)
Realized and unrealized gain	(1,343,422)	(1,381,592)
Loss on disposal of land	50,000	149,350
Restricted contributions for endowment	(68,132)	(22,065)
Bad debt expense	9,160	152,050
Imputed interest on long-term debt	20,209	(84,206)
Changes in:		
Pledges receivable	622,524	805,846
Accounts receivable	(7,199)	(11,137)
Grants receivable	(117,320)	(17,341)
Contributions receivable	(33,853)	(7,997)
Prepaid expenses	2,117	(884)
Inventory	330	1,242
Accounts payable	(2,293)	(1,082,227)
Accrued expenses	18,551	(8,076)
Deferred revenue	(601)	(14,261)
Other liabilities	-	(12,869)
Total adjustments	(966,713)	(1,746,228)
Net cash used for operating activities	(200,521)	(1,549,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	227,745	1,658,167
Purchases of investments	(267,925)	(1,422,930)
Proceeds from sale of land	450,000	375,000
Purchase of land	-	(274,000)
Purchase of fixed assets	(11,870)	(6,882)
Net cash provided by investing activities	397,950	329,355
CASH FLOWS FROM FINANCING ACTIVITIES		
Nonoperating government grant - PPP	220,400	-
Restricted contributions for endowment	68,132	22,065
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	(12,081)	(114,567)
Net cash provided by financing activities	276,451	307,498
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	473,880	(912,897)
CASH AND CASH EQUIVALENTS, Beginning of year	672,204	1,585,101
CASH AND CASH EQUIVALENTS, End of year	\$ 1,146,084	\$ 672,204
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 225	\$ 16,860
Donated stock	\$ 141,930	\$ 85,294
Fixed asset purchases financed with debt	\$ 29,880	\$ -
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 may be established as PCAs in the future and there are two additional properties that may 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 which 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, 2019, in the accompanying statements are included to provide a basis for comparison with December 31, 2020 and present summarized totals only. Accordingly, the December 31, 2019 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.

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.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 investments with maturities of three months or less at acquisition date to be cash equivalents.

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, 2020.

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.

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, 2020.

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 income. Investment income is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

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 is based on quoted prices in active markets for identical assets/liabilities. Level 2 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 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 valued 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

Both acquisitions and conveyances of land are recorded 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 qualified independent appraiser retained by a third party, such value may be adopted when CLC is satisfied that the appraisal is reasonable.

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 it to allocate indirect costs to all departments that benefit from the expenses. Expenses, such as salaries and benefits, office, depreciation and general professional services have been allocated among program services, development, and management and support services classifications based primarily on employee efforts, space occupied, and other estimates made by CLC's management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are expensed as incurred.

Presentation of Sales Taxes

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

Income Taxes

CLC 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 services requiring specialized skills, which enhanced or created a financial asset, are reflected in the statement of activities at their fair value.

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 fair 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

The Organization took the following actions to comply with laws and regulations and to address the impact of COVID-19: closed the offices to the general public and required office-based employees to work remotely, both of which have continued into the 2021 fiscal year.

In April 2020, the Organization received a Paycheck Protection Program (PPP) refundable advance of \$220,400 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This refundable advance, which is in the form of a promissory note dated April 17, 2020, is between the Organization and the Bank of Greene County, and the satisfaction of conditions of the advance are subject to review by the Small Business Administration (SBA).

The terms of the refundable advance require the Organization to meet certain conditions regarding an economic need for the advance as well as incurring qualifying expenses such as payroll costs, benefits, rent, and utilities during a 24-week period that concluded on December 31, 2020. All or a portion of the refundable advance may be recognized as contribution revenue upon meeting the conditions and the incurrence of allowable qualifying expenses. As of December 31, 2020, the Organization recorded contribution revenue of \$220,400, as the Organization determined it had substantially met all conditions of the refundable advance.

According to the terms of the refundable advance, the Organization would be required to repay all or a portion of the refundable advance if it is later determined that it failed to meet certain conditions. The Organization did apply for and achieved forgiveness on January 17, 2021. Additionally, the application for the refundable advance required the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. Subsequently release guidance instructs all applicants and recipients to take into account their current business activity and the Organization's ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to their business.

Should any portion of the refundable advance be repayable to the SBA, the Organization will record the amount of refundable advance to be repaid as a loan which carries an interest rate of 1.00% per annum, payable in monthly installments over a 5-year term. There is no prepayment penalty. The loan, if recorded, will be subject to customary provisions for a loan of this type, including customer events of default related to, among other things, payment defaults and breaches of the provisions of the loan.

According to the rules of the SBA, the Organization is required to retain documentation for six years after the date the refundable advance is forgiven or paid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization's judgments pertaining to satisfying conditions of the refundable advance, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

As the pandemic continues to endure, the disease could have a material adverse effect on the Organization's activities and results of operations.

Subsequent Events

Subsequent events have been evaluated through August 2, 2021, which is the date the financial statements were available to be issued.

On February 12, 2021, the New York State Department of Agriculture and Markets, through the Department's Dairy Transitions Farmland Protection Initiative, awarded CLC two grants totaling \$1,537,982. This funding is to assist the Organization in a Purchase of Development Rights project to permanently protect the viable agricultural lands associated with High Low Farm and Taking Care Farm located in Columbia County. These Farmland Protection Implementation Grants are funded through the New York State Environmental Protection Fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events (Continued)

CLC partnered with the Rensselaer Plateau Alliance, Highstead Foundation, Housatonic Valley Association, and others in a successful grant application to the United States Department of Agriculture – National Resources Conservation Service for \$6.2 million. The Rensselaer Plateau Alliance was the lead applicant and will serve as the grant manager. While the grant has been awarded, the formal grant contract has not yet been issued. CLC match responsibilities are still to be determined, but current estimates are approximately \$400,000 cash match over a five year period with this amount decreasing if CLC is successful in negotiating a greater number of easement bargain sales than initially estimated.

NOTE 3 – CONCENTRATION OF CREDIT RISK

At year end and at various times during the year, the Organization may have amounts on deposit with its financial institutions that exceed Federal Deposit Insurance Corporation (FDIC). As of December 31, 2020, cash and cash equivalents of approximately \$133,000 were in excess of related FDIC coverage.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2020, 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 its ability to continue to work effectively and strategically. The campaign proceeds will support three broad initiatives, which include: 1) the Legacy Lands Fund, to 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, to 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, to 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, 2020, the campaign has raised \$8,930,150 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	4,253,761
	<u>\$ 8,930,150</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 4 – PLEDGES RECEIVABLE (Continued)

Pledges receivable at December 31, 2020 related to the campaign consist of the following:

Pledges receivable, current portion	\$ 317,742
Total current	<u>317,742</u>
Pledges receivable, non-current portion	70,000
Less: Discount	<u>(7,760)</u>
Total non-current	<u>62,240</u>
Pledges receivable	<u><u>\$ 379,982</u></u>

Pledges receivable at December 31, 2020 are expected to be realized as follows:

2021	\$ 317,742
2022	30,000
2023	10,000
2024	10,000
2025	<u>20,000</u>
Total	387,742
Discount	<u>(7,760)</u>
Net Present Value	<u><u>\$ 379,982</u></u>

NOTE 5 – INVESTMENTS

CLC's investment policy conforms to the New York Prudent Management of Institutional Funds Act (NYPMIFA). 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 its 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.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 – INVESTMENTS (Continued)

Investments, stated at fair value, at December 31, 2020, are as follows:

	Cost	Unrealized Gain	Fair Value	FASB ASC 820 Measurements
Certificates of deposit	\$ 25,000	\$ 986	\$ 25,986	Level 1
Mutual funds:				
Equity	5,220,519	1,837,743	7,058,262	Level 1
Fixed income	3,845,955	201,976	4,047,931	Level 1
Real estate	430,917	22,310	453,227	Level 1
Money market fund	462,277	-	462,277	Level 1
Accrued interest	313	-	313	N/A
Total Investments	<u>\$ 9,984,981</u>	<u>\$ 2,063,015</u>	<u>\$ 12,047,996</u>	

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

NOTE 6 – PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2020, 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>(406,191)</u>	
Net Operational Assets	<u>365,337</u>	
 <u>Public Conservation Areas</u>		
Buildings and improvements	1,116,525	5-39 years
Equipment and vehicles	<u>301,884</u>	5-7 years
Total Public Conservation Areas	1,418,409	
Less: accumulated depreciation	<u>(729,675)</u>	
Net Public Conservation Areas	<u>688,734</u>	
Total Property and Equipment	<u>\$ 1,054,071</u>	

Total depreciation expense recorded for the year ended December 31, 2020 was \$103,616.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 – LAND

Land consists of the following as of December 31, 2020:

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	328,533
	<u>\$ 8,261,990</u>

Land – Public Conservation Areas – CLC owns 10 conservation areas with public access: 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. In addition, CLC owns two conservation areas without public access: Bardwell Conservation Area and Bloody Hill 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.

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 \$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 was imputed on this loan during 2019 using the Wall Street Journal Prime Rate as of the date of the initial borrowing (March 1, 2019, which was 5.5%). This imputed interest will be amortized over the life of the loan and reflected as releases from with restriction time donations from the grantor equal to the imputed interest expense for each year. 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 2020, CLC made no principal payments on the loan and recognized \$20,209 of imputed interest expense; per the loan agreement, the security requirements for the investment account were adjusted in proportion to the payday. The current fair market value must be a minimum of \$450,000.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 – LAND (Continued)

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 2020, CLC sold one gifted parcel, subject to a conservation easement, for \$450,000, incurring a net loss of \$50,000.

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, 2020, deferred revenue is comprised of \$929 for purchase development rights (PDR) grant funds received in advance.

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, 2020, for a three-year period ending August 31, 2021; available balance of \$260,000 at December 31, 2020. There was no outstanding balance as of December 31, 2020.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 10 – NOTES PAYABLE

Notes payable were comprised of the following as of December 31, 2020:

Note payable, Ford Motor, 2.9% interest bearing, collateralized by related vehicle; monthly payments of \$825, final payment due in October 2021. \$ 7,694

Note payable, Kinderhook Toyota, 4.99% interest bearing, collateralized by related vehicle; monthly payments of \$564, final payment due in September 2025. 28,999

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 5.5%. During the year ended December 31, 2020, \$20,209 was amortized and recorded as interest expense. 300,000

Total	336,693
Less: current portion	13,135
Less: unamortized imputed interest	63,997
Long-term Debt	<u><u>\$ 259,561</u></u>

Notes payable are expected to mature as follows:

2021	\$	13,135
2022		5,719
2023		6,011
2024		306,318
2025		5,510
		<u><u>\$ 336,693</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, 2020. Future minimum lease payments as of December 31, 2020 are as follows:

2021	\$	2,921
2022		243
		<u><u>\$ 3,164</u></u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 12 – COMMITMENTS

Easements and Public Conservation Areas

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

During the year ended December 31, 2020, the Organization closed on 2 new easements, adding 208 acres of protected land.

As of December 31, 2020, CLC holds a total of 209 easements on 29,684 acres in Columbia County. During the year ended December 31, 2020, CLC's expense for monitoring and stewarding easements was \$174,705.

There were no amendments to existing easements during in 2020.

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 SHLT.

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. DLC 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 June 2020 and the fee structure modified. Under the current agreement, DLC will pay \$3,897 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:

Cash, money markets, and investments	\$ 3,090,574
Contributions receivable	13,333
Conservation Lands:	
Schor Conservation Area	590,750
Hand Hollow Conservation Area	175,928
Round Ball Mountain	612,000
Four Sisters	220,500
Thomson Finch Farm	588,000
Total board designated PCAs	<u>2,187,178</u>
Total Board Designated net assets	<u>\$ 5,291,085</u>

The funds designated for investment are the accumulated contributions and earnings from capital campaigns in 2001, 2017, and 2018 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.

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.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS – ENDOWMENT FUNDS

Donor restricted endowment fund assets total \$13,587,686 at December 31, 2020. 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 \$7,902,907 represents funds from, and restricted by, donors in perpetuity for specific uses. In 2020, as part of the Capital Campaign, CLC received endowment gifts totaling \$68,132; this gift increases the David & Peggy Rockefeller Endowment Fund to \$963,736. In 2018, one million was gifted to create the Ellsworth Kelly Fund, which provides additional support for the management of CLC’s public conservation areas. The remaining funds 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, 2020.

Endowment composition by type of fund as of December 31, 2020:

	<u>With Donor Restrictions</u>
Donor-Restricted Endowment Funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 5,885,775
Accumulated investment gains	<u>2,017,132</u>
Total	<u>\$ 7,902,907</u>

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

	<u>With Donor Restrictions</u>
Beginning balance December 31, 2019	\$ 7,078,594
Investment returns, net	956,936
Contributions	68,132
Appropriated for expenditure	<u>(200,755)</u>
Ending balance December 31, 2020	<u>\$ 7,902,907</u>

Endowment fund balance is comprised of the following as of December 31, 2020:

	<u>With Donor Restrictions</u>
Investments	\$ 7,898,009
Pledge receivable, net discount	4,898
Total	<u>\$ 7,902,907</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets at December 31, 2020 are as follows:

Subject to expenditure for a specified purpose:

Public Conservation Area Management	\$ 117,325
Community Outreach & Education	
Educational Programming	60,217
Special projects	35,616
Capital Campaign: Community Engagement	37,860
Land Protection	
Farmland Protection: Agriculture & Markets	17,554
Farm & Forest: Thompson Finch Farm	68,601
Farm & Forest: General	59,712
Forest Corridor Collaboration	50,180
Land held to be donated to NYS for Rail Trail	36,500
	<u>483,565</u>

Subject to CLC's spending policy and appropriation:

Conservation Easement Stewardship & Legal Defense Fund	<u>1,669,242</u>
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Subject to the passage of time:

Capital Campaign: General fund	329,902
Unamortized imputed interest	63,997
	<u>393,899</u>

Donor restricted endowments (subject to spending policy and appropriations, net of accumulated net earnings of \$2,017,132)

Public Conservation Area Management	4,700,781
Public Conservation Area Staffing	693,329
Staff Housing	105,918
General Fund (David and Peggy Rockefeller Endowment)	1,215,120
Ellsworth Kelly Fund (supports PCAs)	1,187,759
	<u>7,902,907</u>

Land required to be used as a Public Conservation Area	<u>5,684,779</u>
Total net assets with donor restrictions	<u>\$ 16,134,392</u>

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Releases from donor restricted net assets for the year ended December 31, 2020 are as follows:

Subject to the passage of time	\$ 172,364
Subject to expenditure for a specified purpose:	
Saulpaugh Farm FPIG	129,610
Public Conservation Area Management (including \$8,180 subject to CLC's spending policy and appropriation)	13,180
Public Conservation Area Improvement Grants	29,753
Agricultural Program - FARM Program	6,344
Community Outreach & Education	77,987
Educational Programming	37,071
Farm & Forest - Thompson Finch Farm	20,209
Forest Corridor Collaboration	27,274
Special projects	72,582
Grimaldi Farm FPIG	588
Subject to CLC's spending policy and appropriation	
Investment in perpetuity:	
Public Conservation Area Management	137,000
Public Conservation Area Staffing	21,000
Staff Housing Fund	23,800
Rockefeller General Operating Endowment	10,775
Per donor restriction:	
CE Stewardship & Legal Defense Fund	45,475
	<u>\$ 825,012</u>

NOTE 16 – RENTAL INCOME

CLC received three houses as part of the land transaction at two conservation areas. Rental income collected for the year ended December 31, 2020 totaled \$23,250. The lease agreements are as follows:

- One-year lease expiring March 31, 2022 that requires monthly payments of \$650.
- Month-to-month lease beginning January 2, 2020 that requires monthly payments of \$650
- Month-to-month lease that requires monthly payments of \$600.

On December 31, 2020, the aggregate net minimum rental commitment under the leases for 2021 is \$22,800.

The cost of the properties being rented is \$527,250 with a net book value of \$323,751 at December 31, 2020.

NOTE 17 – PENSION PLAN

CLC offers a 403(b) defined contribution retirement plan to all eligible employees. Currently, the plan provides for annual contributions of 3% of wages earned after one year of service. CLC made contributions to the plan of \$27,900 for the year ended December 31, 2020.

COLUMBIA LAND CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 18 – LIQUIDITY

The table below reflects CLC’s financial assets as of December 31, 2020, 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.

Current financial assets at year end:

Cash and cash equivalents	\$ 1,146,084
Accounts receivable	29,848
Grants receivable	189,281
Contributions receivable	95,681
Investments	12,047,996
Pledges receivable	<u>401,075</u>
Total financial assets	<u>13,909,965</u>

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

Perpetual and term endowments and accumulated earnings beyond one year	(7,902,907)
Donor restricted net assets, restricted for purpose, beyond one year	(1,669,242)
Pledges receivable beyond one year	(70,000)
Board designated reserve held as collateral for loan	(462,277)
Board designated reserve for future contingencies	(437,809)
Financial assets held for others	<u>(750)</u>

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

\$ 3,366,980

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 assets in reserve as an emergency fund should conditions require. CLC also has a \$260,000 line of credit, see Note 9.