

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Financial Report
December 31, 2019

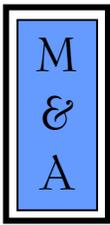


**EAGLE VALLEY
LAND TRUST**

**Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
December 31, 2019**

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Eagle Valley Land Trust
Edwards, Colorado**

Report on the Financial Statements

We have audited the accompanying financial statements of Eagle Valley Land Trust, a Colorado non-profit corporation, 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eagle Valley Land Trust 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Eagle Valley Land Trust
Edwards, Colorado

Report on Summarized Comparative Information

We have previously audited Eagle Valley Land Trust's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 4, 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
August 14, 2020

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Statement of Financial Position
December 31, 2019
(With Comparative Totals at December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Assets:				
Cash and cash equivalents	507,961	375,917	883,878	685,383
Investments	1,496,042	1,570,717	3,066,759	2,322,579
Promises to give, net	24,100	117,500	141,600	36,000
Reimbursable project costs	8,466	-	8,466	16,272
Other accounts receivable	56,227	-	56,227	12,269
Prepaid expenses	8,248	-	8,248	1,995
Due (to) from other category	(110,668)	110,668	-	-
Total Assets	1,990,376	2,174,802	4,165,178	3,074,498
Liabilities and Net Assets:				
Liabilities:				
Accounts payable and accrued expenses	95,601	-	95,601	64,245
Total Liabilities	95,601	-	95,601	64,245
Net Assets	1,894,775	2,174,802	4,069,577	3,010,253
Total Liabilities and Net Assets	1,990,376	2,174,802	4,165,178	3,074,498

The accompanying notes are an integral part of these financial statements.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Statement of Activities
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Support and Revenues:				
General contributions	334,480	10,000	344,480	558,081
Contributions for acquisition and preservation of easements	-	420,288	420,288	-
Program-related revenues	54,821	7,500	62,321	54,714
Grants	14,530	-	14,530	54,437
Investment return, net	302,133	197,922	500,055	(158,521)
Donated goods and services	12,109	6,645	18,754	17,163
Fundraising events:				
Fundraising event revenues	216,390	-	216,390	272,014
Fundraising event expenses	(93,725)	-	(93,725)	(82,868)
Fundraising events, net	122,665	-	122,665	189,146
Miscellaneous	163	-	163	178
Net assets released from restrictions:				
Expiration of time restrictions	28,000	(28,000)	-	-
Satisfaction of program restrictions	8,688	(8,688)	-	-
Total Support and Revenues	877,589	605,667	1,483,256	715,198
Expenses:				
Program services	297,504	-	297,504	276,475
Administrative	75,664	-	75,664	64,515
Fundraising	50,764	-	50,764	53,237
Total Expenses	423,932	-	423,932	394,227
Change in Net Assets	453,657	605,667	1,059,324	320,971
Net Assets - Beginning of Year	1,441,118	1,569,135	3,010,253	2,689,282
Net Assets - End of Year	1,894,775	2,174,802	4,069,577	3,010,253

The accompanying notes are an integral part of these financial statements.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	<u>2019</u>			<u>2018</u>	
	<u>Program</u>	<u>Supporting Services</u>		<u>Totals</u>	
	<u>Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Totals</u>	<u>Totals</u>
Expenses:					
Payroll, taxes and benefits	219,937	26,784	35,376	282,097	265,590
Bank charges	-	106	3,928	4,034	3,305
Board expenses	-	2,347	-	2,347	4,510
Seminars and classes	6,685	814	1,075	8,574	2,902
Insurance	5,557	677	894	7,128	5,373
Membership, dues and subscriptions	6,456	786	1,038	8,280	6,356
Advertising	5,543	5,645	29	11,217	4,587
Licenses and permits	6,970	-	-	6,970	503
Office costs	7,876	1,958	1,267	11,101	8,068
Postage and delivery	166	393	1,590	2,149	1,161
Printing and publications	9,522	1,160	1,532	12,214	4,480
Mailing house services	-	-	-	-	7,316
Professional fees	5,286	21,673	126	27,085	43,119
Rent and occupancy	9,444	2,280	3,476	15,200	13,200
Travel and entertainment	4,181	2,168	433	6,782	6,594
Donated goods and services	9,881	8,873	-	18,754	17,163
Total Expenses	<u>297,504</u>	<u>75,664</u>	<u>50,764</u>	<u>423,932</u>	<u>394,227</u>

The accompanying notes are an integral part of these financial statements.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2019
(With Comparative Totals For the Year Ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Cash Flows from Operating Activities:				
Contributions and grants received	288,952	340,788	629,740	633,849
Cash received from programs	62,627	-	62,627	57,165
Cash received from fundraising events	122,665	-	122,665	189,146
Other cash receipts (payments)	163	7,500	7,663	178
Cash paid for goods and services	(93,492)	-	(93,492)	(125,569)
Cash paid for labor and employee benefits	(286,583)	-	(286,583)	(273,118)
Change in inter-category balances	71,078	(71,078)	-	-
Cash received from interest and dividends	54,661	31,855	86,516	100,558
Net Cash Provided (Used) by Operating Activities	<u>220,071</u>	<u>309,065</u>	<u>529,136</u>	<u>582,209</u>
Cash Flows from Investing Activities:				
Cash received on sale/redemption of investments	402,987	244,032	647,019	610,272
Cash paid to purchase investments	(670,543)	(307,117)	(977,660)	(1,152,550)
Net Cash Provided (Used) by Investing Activities	<u>(267,556)</u>	<u>(63,085)</u>	<u>(330,641)</u>	<u>(542,278)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(47,485)	245,980	198,495	39,931
Cash and Cash Equivalents - Beginning of Year	<u>555,446</u>	<u>129,937</u>	<u>685,383</u>	<u>645,452</u>
Cash and Cash Equivalents - End of Year	<u><u>507,961</u></u>	<u><u>375,917</u></u>	<u><u>883,878</u></u>	<u><u>685,383</u></u>
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Change in net assets	<u>453,657</u>	<u>605,667</u>	<u>1,059,324</u>	<u>320,971</u>
Adjustments to reconcile:				
Unrealized (gain) loss on investments	(244,712)	(149,238)	(393,950)	258,172
Realized (gain) loss on investments	(2,760)	(16,829)	(19,589)	907
(Increase) decrease in net promises to give	(6,100)	(99,500)	(105,600)	31,100
(Increase) decrease in reimbursable project costs	7,806	-	7,806	2,451
(Increase) decrease in other accounts receivable	(53,958)	10,000	(43,958)	(9,769)
(Increase) decrease in prepaid expenses	(6,253)	-	(6,253)	(620)
Increase (decrease) in accounts payable and accrued expenses	31,356	-	31,356	(21,002)
Increase (decrease) in deferred revenue	-	-	-	(1)
Change in due (to) from other category	41,035	(41,035)	-	-
Total Adjustments	<u>(233,586)</u>	<u>(296,602)</u>	<u>(530,188)</u>	<u>261,238</u>
Net Cash Provided (Used) by Operating Activities	<u><u>220,071</u></u>	<u><u>309,065</u></u>	<u><u>529,136</u></u>	<u><u>582,209</u></u>

The accompanying notes are an integral part of these financial statements.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019

1. Organization

Eagle Valley Land Trust (the “Land Trust”) was incorporated in the State of Colorado as a non-profit corporation, pursuant to Articles of Incorporation dated February 5, 1981, and amended October 23, 1995 and March 26, 2007. The Land Trust is governed by a seventeen-member volunteer Board of Directors (the “Board”). The Land Trust’s offices are located in Edwards, Colorado.

The Land Trust’s stated mission is:

To protect forever the lands we love, to preserve our heritage, scenic beauty, recreational opportunities, and wildlife habitats, and to build a permanent legacy for future generations.

The Land Trust holds conservation easements on thirty-six parcels of protected land consisting of approximately 11,275 acres of permanent open space throughout Eagle County, Colorado – from East Vail to the entrance of Glenwood Canyon and from Yarmony Mountain at the Routt County border to Taylor City on Tennessee Pass. The Land Trust works with a variety of entities including private landowners, Eagle County government, local municipalities and other governmental entities, as well as state and federal agencies.

2. Conservation Easements

The Land Trust accomplishes its land conservation objectives, in part, by accepting donations of interests in real property, primarily in the form of conservation easements. Conservation easements are perpetual agreements between the Land Trust and public or private landowners pursuant to which landowners agree to abide by certain restrictions designed to preserve the open space or conservation value of their land, without transferring ownership. The terms of the easement agreements are binding on both current and future owners of the land. The Land Trust is considered a “qualified organization” under section 170(h)(3) of the Internal Revenue Code and may therefore accept conservation easements donated by landowners, who may derive certain Federal and state tax benefits through this contribution.

Upon accepting a conservation easement, the Land Trust assumes a perpetual obligation to monitor, at a minimum on an annual basis, the property to ensure that the landowner complies with the restrictions of the easement. Further, the Land Trust is perpetually obligated to enforce provisions of the easements in the event of a violation of the terms of the easement. Enforcing an easement violation could involve costly legal or other expenses. The Land Trust is a long-time member of a national land trust alliance organization; through which it has obtained insurance coverage to enhance its resources for any future need of legal defense.

As detailed in Note 14, the Land Trust held a total of 36 conservation easements at December 31, 2019; unchanged from the preceding year-end.

3. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the Land Trust have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

3. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

The Land Trust reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, including, if applicable, net assets that have been designated by the Board for expenditure on specific purposes or projects.

With Donor Restrictions – Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has lapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

C. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Land Trust considers cash and cash equivalents to include all cash and highly liquid financial instruments with original maturities of three months or less.

D. Investments

The Land Trust invests certain funds in certificates of deposit, publicly-traded mutual funds, unit investment trusts, and publicly-traded equities. Investments are reported on the financial statements at fair market value. Net investment gain / (loss) reported in the Statement of Activities consists of interest and dividend income received, as well as both realized and unrealized gains and losses. Investment income is considered to be without restrictions unless the earnings are restricted, either as to purpose or time period, by the donor of the original contribution.

Generally accepted accounting principles require that financial assets be valued at “fair value”, determined through application of a three-tiered hierarchy of input levels. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based on the best information available in circumstances where markets are non-existent or illiquid.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

3. Summary of Significant Accounting Policies (continued)

E. Receivables and Allowance for Doubtful Accounts

The Land Trust's receivables primarily consist of non-interest-bearing amounts due for outstanding promises to give and project costs reimbursable by landowners and others.

Management determines the allowance for uncollectible promises to give and doubtful accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and accounts receivable are written off when deemed uncollectible. For the year ended December 31, 2019, the Land Trust incurred \$1,000 of bad debt expense related to uncollected accounts and no allowance for uncollectible amounts was considered necessary by the Land Trust's management.

F. Fixed Assets

Office equipment purchased by or donated to the Land Trust are capitalized at historical cost or estimated cost when donated and depreciated on the straight-line basis over estimated useful lives of 3 - 5 years.

G. Conservation Easements

Conservation easements represent a perpetual restriction on the use of land without transfer of ownership of the underlying property. Although conservation easements are real property rights, they possess little or no market value due to a resale market that is essentially limited to the owner of the fee title in the restricted property. Because of this limited market and due to the obligations inherent in easement ownership, the Land Trust's easement holdings are not reflected in the accompanying financial statements either as assets or liabilities.

H. Support and Revenue

Contributions of cash and other assets are reported as with donor or grantor restriction if they are received with donor or grantor stipulations that limit or specify the use of the donated assets, whether by time, period, or purpose. When a donor or grantor restriction expires – that is, when a stipulated time restriction ends or the stated purpose restriction is accomplished – donor / grantor restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Unconditional promises to give expected to be collected within one year are reflected as current contributions and are recorded at their net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

3. Summary of Significant Accounting Policies (continued)

H. Support and Revenue (continued)

Non-monetary contributions of goods and services are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period received, provided that such services either create or enhance non-financial assets or the services are considered “professional” services which the Land Trust would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets. Nonmonetary donations are recognized as revenue and offsetting expense or asset, depending on the nature of such support received.

Program services fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

I. Advertising

Advertising costs are expensed as incurred. Advertising expense for 2019 totaled \$11,217.

J. Method used for Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the Land Trust’s programs and supporting services.

The financial statements report certain categories of expenses that are attributable to one or more of the Land Trust’s program or supporting functions. Those expenses include salaries and benefits, office supplies and equipment, utilities, and office rent. Salaries and benefits are allocated based on position and time spent on each function. Office supplies and equipment and utilities are allocated based on estimates of time and effort and reflect the allocation of salaries and benefits. Office rent is allocated based on square footage of each department.

K. Income Taxes

The Land Trust is a non-profit organization as described in section 501(c)(3) of the Internal Revenue Code and is thus exempt from federal and state income taxes on income which is directly related to its organizational purpose.

The Land Trust’s federal information returns are subject to examination by the Internal Revenue Service. The Land Trust’s information returns are no longer subject to examinations for tax years prior to 2016.

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

3. Summary of Significant Accounting Policies (continued)

L. 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Comparative Information

The financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Land Trust's financial statements as of and for the year ended December 31, 2018, from which the comparative totals were derived.

N. Subsequent Events

Management has evaluated subsequent events through August 14, 2020; the date these financial statements were available to be issued.

4. Investments

The fair values of the Land Trust's investments measured on a recurring basis at December 31, 2019 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds, ETFs, and closed-end funds	\$ 2,894,259	2,894,259	-	-
Unit investment trusts	13,740	13,740	-	-
Certificates of deposit	158,760	158,760	-	-
Total	\$ 3,066,759	3,066,759	-	-

The Land Trust's investment income for 2019 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 54,661	31,855	86,516
Realized gains (losses)	2,760	16,829	19,589
Unrealized gains (losses)	244,712	149,238	393,950
Net investment return	\$ 302,133	197,922	500,055

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

5. Promises to Give

Unconditional promises to give are estimated to be collected as follows at December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Within one year	\$ 19,100	57,500	76,600
In one to five years	5,000	60,000	65,000
Promises to give, net	<u>\$ 24,100</u>	<u>117,500</u>	<u>141,600</u>

Promises to give at December 31, 2019 are receivable from the following sources:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Promises to give - Board members, net	\$ 1,600	42,000	43,600
Promises to give - Others, net	22,500	75,500	98,000
Promises to give, net	<u>\$ 24,100</u>	<u>117,500</u>	<u>141,600</u>

Aggregate contributions from Board members totaled \$72,413 during the year ended December 31, 2019.

6. Fixed Assets

Property and equipment	\$ 13,319
Less: Accumulated depreciation	<u>(13,319)</u>
Fixed assets, net	<u>\$ -</u>

Depreciation expense for 2019 was \$0.

7. Liquidity and Availability of Resources

The Land Trust's net assets consist of donor-restricted amounts and amounts without donor restrictions. The Land Trust's investment policy and liquidity management is structured around short-term investments to ensure financial assets are available as general expenditures and other obligations become due. In addition, the Land Trust invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Land Trust could draw upon its Board-designated quasi-endowment.

The Land Trust's financial assets available within one year from December 31, 2019 for general expenditures are as follows:

Cash and cash equivalents	\$ 507,961
Short-term investments	1,416,662
Promises to give, net	19,100
Reimbursable project costs	8,466
Other accounts receivable	<u>56,227</u>
	<u>\$ 2,008,416</u>

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

8. Endowments

Net assets associated with endowments – including funds designated by the Board to function as an endowment – are classified and reported based on the existence or absence of donor-imposed restrictions. The Land Trust’s endowment consists of a donor-restricted endowment and a Board-designated quasi-endowment to support the longevity of the Land Trust.

A. Donor-Restricted Endowment

As provided in the donor-restricted endowment agreement, at least one-half of the bequest was to be added to the Land Trust’s endowment, with the remainder used for operations. The donor-restricted endowment corpus may not be drawn down or pledged as collateral for a loan or other liability; however, interest and other returns earned on the donor-restricted endowment are considered to be undesignated, and may be used for operating purposes upon approval of a two-third majority of the Land Trust’s Finance Committee or the Board.

The Land Trust’s donor-restricted endowment was comprised of the following at December 31, 2019:

	With Donor Restrictions
Donor-Restricted Endowment:	
Corpus of endowment (required by donor to be maintained in perpetuity)	<u>\$ 412,088</u>

Changes in the Land Trust’s donor-restricted endowment net assets during 2019 were as follows:

	With Donor Restrictions
<u>Donor-Restricted Endowment:</u>	
Net assets - Beginning of year	\$ 407,088
Contributions	5,000
Net assets - End of year	\$ 412,088

B. Board-Designated Quasi-Endowment

The Board has designated net assets totaling \$463,281 as of December 31, 2019 (from net assets without donor restrictions of \$1,894,775) for the purpose of a quasi-endowment. The Land Trust’s policy governing the Board-designated quasi-endowment requires that the corpus is not to be spent or pledged as collateral for a loan or other liability; however, balances in excess of the corpus may be used for operations upon approval by a 2/3 majority of Finance Committee or the Board.

**Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)**

8. Endowments (continued)

B. Board-Designated Quasi-Endowment (continued)

The Board-designated quasi-endowment was comprised of the following at December 31, 2019:

	Without Donor Restrictions
Board-Designated Quasi-Endowment:	
Original Board-designated corpus	\$ 205,315
Accumulated investment gains	257,966
Total	\$ 463,281

Changes in the Land Trust's Board-designated quasi-endowment during 2019 were as follows:

	Without Donor Restrictions
<u>Board-Designated Quasi-Endowment:</u>	
Net assets - Beginning of year	\$ 316,497
Investment return, net	146,784
Net assets - End of year	\$ 463,281

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2019
(Continued)

9. Classification of Net Assets and Net Assets Released from Restriction

At December 31, 2019, the Land Trust had the following net assets without donor restrictions and with donor restrictions:

Without donor restrictions:

Undesignated	\$ 1,431,494
Board-designated quasi-endowment	463,281
	463,281
Total net assets without donor restrictions	\$ 1,894,775

With donor restrictions:

Purpose restrictions:

<u>Future easement acquisitions:</u>	
Land Protection Fund	\$ 48,954
Save the Lake Fund	406,546
Heart of the Valley Fund	68,093
Our Valley Fund	21,096
Walter Kirch Memorial Fund	76,566
	621,255
Stewardship of existing conservation easements	879,518
Legal defense of existing conservation easements	256,941
	1,757,714

Time-restricted for future periods:

General future pledges and sponsorships	5,000
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Perpetual in nature:

Corpus of donor-restricted endowment	412,088
	412,088

Total net assets with donor restrictions **\$ 2,174,802**

10. Operating Lease

Effective August 2015, the Land Trust entered into a three-year operating lease agreement for office space in Edwards, Colorado. The lease calls for monthly rent of \$1,000 for the term of the lease, and provides the Land Trust with the option of extending the arrangement for an additional three-year term.

In March 2018, the parties amended the lease agreement to extend the term for three years, ending July 31, 2021, but providing the Land Trust with the option to terminate the lease, upon specified notice, effective July 31, 2019. The amended lease requires the Land Trust to pay a base monthly rental of \$1,100. The Land Trust incurred rent expense totaling \$15,200 in 2019 in respect of the office lease.

Future minimum lease payment requirements under the amended lease are as follows:

Year ending December 31,	
2020	\$ 13,200
2021	7,700
	7,700
Total	\$ 20,900

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11. Retirement Plan

The Land Trust has established a Savings Incentive Match Plan for Employees retirement plan (the "SIMPLE Plan"). All employees are eligible to participate in the SIMPLE Plan, provided they are likely to receive at least \$5,000 in compensation from the Land Trust in the current year and received at least \$5,000 in compensation during the preceding year. Under the SIMPLE Plan, eligible employees may elect to have their pre-tax compensation reduced by a percentage or a fixed dollar amount, not to exceed an aggregate of \$13,000 for calendar year 2019. The Land Trust matches each participant's elective deferrals up to 3% of their eligible compensation for the year, with all such matching contributions vesting immediately. Participants in the SIMPLE Plan must establish a SIMPLE IRA at a financial institution of their choice to receive the contributions. For fiscal year 2019, the Land Trust made matching contributions totaling \$6,123 to the SIMPLE Plan.

12. Concentration of Credit Risk

The Land Trust's cash balances held with financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor at each separately charter FDIC-member financial institution, without regard to the nature of the accounts. At December 31, 2019, the Land Trust's uninsured cash balances totaled \$135,794.

13. Subsequent Events

The spread of COVID-19 may have operational, economic, and financial impacts on the Land Trust. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

In May 2020, the Land Trust executed a promissory note with ANB Bank, under the Payroll Protection Program of the United States Small Business Administration (the "SBA"), in the amount of \$53,292 (the "PPP Loan"). The PPP Loan, which is unsecured and bears interest at 1% per annum, matures in May 2022. No payments are due during the first six months of the loan term. The PPP Loan and related interest are forgivable by the SBA, provided the Land Trust uses the proceeds for qualified purposes within the timeframe prescribed by the Payroll Protection Program.

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15. Easements Held

At December 31, 2019, the Land Trust held the following 36 conservation easements.

<u>Easement</u>	<u>Acreage</u>
Held solely by the Land Trust:	
Abrams Creek	172.10
Buffehr Creek	9.29
Casteel Creek	118.09
Cordillera Ridgeline	167.00
Creamery Ranch	24.00
Dewey Park	38.00
Diamond Star I	1,450.00
Diamond Star II	180.00
Duck Pond River Access	55.51
Eagle River Preserve	71.70
East Vail Waterfall	4.97
Homestead Open Space I	120.00
Homestead Open Space II	18.00
Horn Ranch I	288.00
Horn Ranch II	115.00
Johnson	23.72
"L" Community Open Space	160.00
McCoy Springs	32.06
Miller Ranch	32.53
Ptarmigan Road	5.39
Red Sandstone - Potato Patch	2.89
Roberts Ranch	12.93
Spud Cellar	35.19
Taylor City	61.72
Walking Mountains	3.51
Webster	376.53
West Avon Preserve	478.09
Yarmony Mountain	75.60
Buchholz Winfrey Ranch	1,768.00
Horse Mountain	201.00
Hardscrabble Ranch	1,540.00
Minturn Boneyard	4.35
Subtotal	<u>7,645.16</u>
Co-held with Eagle County:	
Canyon Ranch - Bair Ranch	2,794.00
Derby Mesa - Gates Ranch	740.00
Meadow Creek	2.64
Subtotal	<u>3,536.64</u>
Co-held with Town of Gypsum:	
Constellation Ridge - Brightwater	95.00
Total	<u><u>11,276.80</u></u>