

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Financial Report**  
**December 31, 2021**

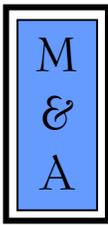


**EAGLE VALLEY**  
**LAND TRUST**

**Eagle Valley Land Trust  
(A Colorado Non-Profit Corporation)  
December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the financial statements of Eagle Valley Land Trust (the "Land Trust"), a Colorado non-profit corporation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Land Trust as of December 31, 2021, 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 ("U.S. GAAP").

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Land Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Land Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Land Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Land Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited the Land Trust's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 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.**  
**Avon, Colorado**  
**November 9, 2022**

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Financial Position**  
**December 31, 2021**  
**(With Comparative Totals at December 31, 2020)**

	<b>2021</b>			<b>2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>	<b>Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	1,136,515	601,538	1,738,053	1,244,285
Investments	2,094,669	2,896,866	4,991,535	3,334,250
Promises to give, net	22,980	-	22,980	97,600
Reimbursable project costs	-	-	-	7,377
Other accounts receivable	31,306	-	31,306	37,735
Investment in Land and Rivers program	26,987	-	26,987	-
Prepaid expenses	25,239	-	25,239	1,000
Due (to) from other category	(122,568)	122,568	-	-
<b>Total Assets</b>	<b>3,215,128</b>	<b>3,620,972</b>	<b>6,836,100</b>	<b>4,722,247</b>
<b>Liabilities and Net Assets:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	96,926	169	97,095	168,086
Loan payable	-	-	-	53,292
Deferred revenue	-	1,100,000	1,100,000	-
<b>Total Liabilities</b>	<b>96,926</b>	<b>1,100,169</b>	<b>1,197,095</b>	<b>221,378</b>
<b>Net Assets</b>	<b>3,118,202</b>	<b>2,520,803</b>	<b>5,639,005</b>	<b>4,500,869</b>
<b>Total Liabilities and Net Assets</b>	<b>3,215,128</b>	<b>3,620,972</b>	<b>6,836,100</b>	<b>4,722,247</b>

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, 2021**  
**(With Comparative Totals For the Year Ended December 31, 2020)**

	<b>2021</b>			<b>2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>	<b>Totals</b>
<b>Support and Revenues:</b>				
General contributions	595,531	133,184	728,715	451,575
Contributions for conservation of land	-	2,641	2,641	268,044
Program-related revenues	168,236	45,327	213,563	182,718
Grants:				
Grants for conservation of land	-	-	-	707,700
Other	37,563	-	37,563	19,982
Investment return, net	327,857	143,778	471,635	367,609
Donated goods and services	9,799	-	9,799	9,501
Fundraising events:				
Fundraising event revenues	250,177	-	250,177	108,227
Fundraising event expenses	(81,570)	-	(81,570)	(49,817)
Fundraising events, net	168,607	-	168,607	58,410
Miscellaneous	53,416	-	53,416	211
Net assets released from restrictions:				
Satisfaction of program restrictions	88,274	(88,274)	-	-
<b>Total Support and Revenues</b>	<b>1,449,283</b>	<b>236,656</b>	<b>1,685,939</b>	<b>2,065,750</b>
<b>Expenses:</b>				
Program services:				
Conservation of land	185,951	-	185,951	1,270,960
Stewardship, outreach, and education	223,522	-	223,522	232,306
	409,473	-	409,473	1,503,266
Administrative	70,783	-	70,783	64,093
Fundraising	67,547	-	67,547	67,099
<b>Total Expenses</b>	<b>547,803</b>	<b>-</b>	<b>547,803</b>	<b>1,634,458</b>
<b>Change in Net Assets</b>	<b>901,480</b>	<b>236,656</b>	<b>1,138,136</b>	<b>431,292</b>
<b>Net Assets - Beginning of Year</b>	<b>2,216,722</b>	<b>2,284,147</b>	<b>4,500,869</b>	<b>4,069,577</b>
<b>Net Assets - End of Year</b>	<b>3,118,202</b>	<b>2,520,803</b>	<b>5,639,005</b>	<b>4,500,869</b>

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, 2021**  
**(With Comparative Totals For the Year Ended December 31, 2020)**

	2021					2020	
	Program Services			Supporting Services			
	Conservation of Land	Stewardship, Outreach and Education	Total	Administrative	Fundraising	Totals	Totals
<b>Expenses:</b>							
Payroll, taxes and benefits	79,611	168,945	248,556	31,843	44,380	324,779	303,865
Bank charges	30	-	30	251	1,787	2,068	2,801
Board expenses	-	-	-	1,886	-	1,886	3,302
Seminars and classes	329	697	1,026	131	183	1,340	3,845
Insurance	1,656	3,519	5,175	663	924	6,762	5,491
Membership, dues and subscriptions	3,346	6,857	10,203	1,243	1,640	13,086	11,133
Advertising	3,103	7,754	10,857	539	270	11,666	14,076
Licenses and permits	-	500	500	30	-	530	320
Office costs	2,118	4,382	6,500	826	1,151	8,477	10,305
Postage and delivery	-	579	579	-	1,316	1,895	1,748
Printing and publications	1,190	914	2,104	270	376	2,750	2,872
Mailing house services	-	-	-	-	-	-	13,504
Professional fees	6,715	19,304	26,019	20,417	2,573	49,009	62,513
Rent and occupancy	3,073	7,936	11,009	2,643	4,348	18,000	17,400
Travel and entertainment	2,851	2,135	4,986	792	201	5,979	4,697
Donated goods and services	274	-	274	9,249	276	9,799	9,501
Grant expense for conservation	-	-	-	-	8,122	8,122	1,063,300
Acquisition of easement	-	-	-	-	-	-	95,319
Repair and maintenance	2,155	-	2,155	-	-	2,155	-
Bad debt expense	79,500	-	79,500	-	-	79,500	8,466
<b>Total Expenses</b>	<b>185,951</b>	<b>223,522</b>	<b>409,473</b>	<b>70,783</b>	<b>67,547</b>	<b>547,803</b>	<b>1,634,458</b>

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, 2021**  
**(With Comparative Totals For the Year Ended December 31, 2020)**

	<b>2021</b>			<b>2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Contributions / grants received for acquisition / preservation of land	-	2,641	2,641	975,744
Other contributions and grants received	623,024	225,684	848,708	534,049
Cash received from programs	153,496	-	153,496	84,707
Cash received from fundraising events	168,607	-	168,607	58,410
Other cash receipts (payments)	124	45,327	45,451	99,311
Cash paid for goods and services	(306,643)	1,100,169	793,526	(89,018)
Cash paid for conservation of land	(8,122)	-	(8,122)	(1,158,619)
Cash paid for labor and employee benefits	(324,889)	-	(324,889)	(297,587)
Released from restrictions / Inter-category	(21,746)	21,746	-	-
Cash received from interest and dividends	78,909	55,549	134,458	91,492
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>362,760</b>	<b>1,451,116</b>	<b>1,813,876</b>	<b>298,489</b>
<b>Cash Flows from Investing Activities:</b>				
Cash received on sale/redemption of investments	1,727,869	406,220	2,134,089	1,840,870
Cash paid to purchase investments	(1,844,442)	(1,609,755)	(3,454,197)	(1,832,244)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(116,573)</b>	<b>(1,203,535)</b>	<b>(1,320,108)</b>	<b>8,626</b>
<b>Cash Flows From Financing Activities:</b>				
Proceeds of promissory note	-	-	-	53,292
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,292</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>246,187</b>	<b>247,581</b>	<b>493,768</b>	<b>360,407</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>890,328</b>	<b>353,957</b>	<b>1,244,285</b>	<b>883,878</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>1,136,515</b>	<b>601,538</b>	<b>1,738,053</b>	<b>1,244,285</b>
<b>Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:</b>				
Change in net assets	901,480	236,656	1,138,136	431,292
<b>Adjustments to reconcile:</b>				
Unrealized (gain) loss on investments	(48,191)	(16,546)	(64,737)	(271,676)
Realized (gain) loss on investments	(200,757)	(71,683)	(272,440)	(4,441)
(Increase) decrease in joint venture investment	(26,987)	-	(26,987)	-
(Increase) decrease in net promises to give	(17,880)	92,500	74,620	44,000
(Increase) decrease in reimbursable project costs	7,377	-	7,377	1,089
(Increase) decrease in other accounts receivable	6,429	-	6,429	18,492
(Increase) decrease in prepaid expenses	(24,239)	-	(24,239)	7,248
Increase (decrease) in accounts payable and accrued expenses	(71,160)	169	(70,991)	72,485
Increase (decrease) in loan payable	(53,292)	-	(53,292)	-
Increase (decrease) in deferred revenue	-	1,100,000	1,100,000	-
Change in due (to) from other category	(110,020)	110,020	-	-
<b>Total Adjustments</b>	<b>(538,720)</b>	<b>1,214,460</b>	<b>675,740</b>	<b>(132,803)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>362,760</b>	<b>1,451,116</b>	<b>1,813,876</b>	<b>298,489</b>

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, 2021**

**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 39 parcels of protected land consisting of approximately 13,540 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 39 conservation easements at December 31, 2021; an increase of 1 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, 2021**  
**(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, 2021**  
**(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, 2021, the Land Trust incurred \$79,500 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 Recognition**

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, 2021**  
**(Continued)**

**3. Summary of Significant Accounting Policies (continued)**

**H. Support and Revenue Recognition (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.

The Land Trust also derives revenues from program-related fees within the fiscal year in which the related program services are provided. The Land Trust may receive program funding from various individual, governmental or corporate sources in exchange for an equivalent benefit in return. Revenues from such exchange transactions are recognized as related costs to the program funding are incurred.

**I. Advertising**

Advertising costs are expensed as incurred. Advertising expense for 2021 totaled \$11,666.

**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 2018.

**Eagle Valley Land Trust**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(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, 2020, from which the comparative totals were derived.

**N. Subsequent Events**

Management has evaluated subsequent events through November 9, 2022; 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, 2021 are as follows:

	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Total</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual funds, ETFs, and closed-end funds	\$ 4,991,535	4,991,535	-	-
<b>Total</b>	<b>\$ 4,991,535</b>	<b>4,991,535</b>	<b>-</b>	<b>-</b>

The Land Trust's investment income for 2021 is summarized as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Interest and dividend income	\$ 78,909	55,549	134,458
Realized gains (losses)	200,757	71,683	272,440
Unrealized gains (losses)	48,191	16,546	64,737
<b>Net investment return</b>	<b>\$ 327,857</b>	<b>143,778</b>	<b>471,635</b>

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**5. Promises to Give**

Unconditional promises to give are estimated to be collected as follows at December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Within one year	\$ 22,980	-	22,980
In one to five years	-	-	-
<b>Promises to give, net</b>	<u>\$ 22,980</u>	<u>-</u>	<u>22,980</u>

Promises to give at December 31, 2021 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	\$ -	-	-
Promises to give - Others, net	22,980	-	22,980
<b>Promises to give, net</b>	<u>\$ 22,980</u>	<u>-</u>	<u>22,980</u>

Aggregate contributions from Board members totaled \$47,714 during the year ended December 31, 2021.

**6. Fixed Assets**

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

Depreciation expense for 2021 was \$0.

**7. Note Payable**

In May 2020, the Land Trust executed a promissory note with ANB Bank, under the United States Small Business Administration's (the "SBA") Payroll Protection Program, in the amount of \$53,292 (the "PPP Loan"). The PPP Loan, which was unsecured and bears interest at 1% per annum, was to mature in May 2022. No payments were due for the first six months of the loan term. The PPP Loan and related interest was forgivable provided the Land Trust used the proceeds for qualified purposes within the timeframe prescribed by the Payroll Protection Program. In March 2021, the PPP Loan and related interest was forgiven in full by the SBA.

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**8. 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, 2021 for general expenditures are as follows:

Cash and cash equivalents	\$ 1,136,515
Short-term investments	2,094,669
Promises to give, net	22,980
Other accounts receivable	<u>31,306</u>
	<u>\$ 3,285,470</u>

**9. 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, 2021:

	<b><u>With Donor Restrictions</u></b>
<b>Donor-Restricted Endowment:</b>	
Corpus of endowment (required by donor to be maintained in perpetuity)	<u>\$ 570,669</u>

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**9. Endowments (continued)**

**A. Donor-Restricted Endowment (continued)**

Changes in the Land Trust's donor-restricted endowment net assets during 2021 were as follows:

	<b>With Donor Restrictions</b>
<u>Donor-Restricted Endowment:</u>	
<b>Net assets - Beginning of year</b>	\$ 437,484
Contributions	133,185
<b>Net assets - End of year</b>	<b>\$ 570,669</b>

**B. Board-Designated Quasi-Endowment**

The Board has designated net assets totaling \$1,117,291 as of December 31, 2021 (from net assets without donor restrictions of \$3,118,202 ) 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.

The Board-designated quasi-endowment was comprised of the following at December 31, 2021:

	<b>Without Donor Restrictions</b>
<b>Board-Designated Quasi-Endowment:</b>	
Original Board-designated corpus	\$ 573,569
Accumulated investment gains	543,722
<b>Total</b>	<b>\$ 1,117,291</b>

Changes in the Land Trust's Board-designated quasi-endowment during 2021 were as follows:

	<b>Without Donor Restrictions</b>
<u>Board-Designated Quasi-Endowment:</u>	
<b>Net assets - Beginning of year</b>	\$ 742,299
Investment return, net	192,414
Contributions	182,578
<b>Net assets - End of year</b>	<b>\$ 1,117,291</b>

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**10. Classification of Net Assets and Net Assets Released from Restriction**

At December 31, 2021, the Land Trust had the following net assets without donor restrictions and with donor restrictions:

**Without donor restrictions:**

Undesignated	\$ 2,000,911
Board-designated quasi-endowment	1,117,291
<b>Total net assets without donor restrictions</b>	<b>\$ 3,118,202</b>

**With donor restrictions:**

Purpose restrictions:

Future easement acquisitions:	
Land Protection Fund	\$ 77,005
Save the Lake Fund	153,401
Heart of the Valley Fund	68,110
Our Valley Fund	52,956
Walter Kirch Memorial Fund	76,964
	428,436
Stewardship of existing conservation easements	1,203,903
Legal defense of existing conservation easements	317,795
	1,950,134

Perpetual in nature:

Corpus of donor-restricted endowment	570,669
<b>Total net assets with donor restrictions</b>	<b>\$ 2,520,803</b>

**11. 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.

In June 2019, the parties amended the lease agreement to revise the term of the lease for three years and two months, ending September 30, 2022. The amended lease requires the Land Trust to pay a base monthly rental of \$1,500. The Land Trust incurred rent expense totaling \$18,000 in 2021 in respect of the office lease.

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**11. Operating Lease (continued)**

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

Year ending December 31,	
2022	\$ 13,500
<b>Total</b>	<b>\$ 13,500</b>

**12. Revenue from Contracts with Customers**

For the year ended December 31, 2021, revenue recognized for goods transferred or performance obligations met at a point in time were \$191,446. There were no revenues recognized for goods transferred or performance obligations met over time during 2021. Revenues may be affected by general economic conditions and inflationary pressures. Revenues are primarily collected from governments or individual property owners.

**13. 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 \$13,500 for calendar year 2021. 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 2021, the Land Trust made matching contributions totaling \$7,265 to the SIMPLE Plan.

**14. 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, 2021, the Land Trust's uninsured cash balances totaled \$135,884.

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**15. Easements Held**

At December 31, 2021, the Land Trust held the following 39 conservation easements.

<u>Easement</u>	<u>Acres</u>
<b>Held solely by the Land Trust:</b>	
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
Mulroy Ranch	1,908.00
Ridgeway	131.00
Walking Mountains - Sweetwater	224.13
Subtotal	<u>9,908.29</u>

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**15. Easements (continued)**

Easement	Acreage
<b>Co-held with Eagle County:</b>	
Canyon Ranch - Bair Ranch	2,794.00
Derby Mesa - Gates Ranch	740.00
Meadow Creek	2.64
Subtotal	3,536.64
<b>Co-held with Town of Gypsum:</b>	
Constellation Ridge - Brightwater	95.00
<b>Total</b>	<b>13,539.93</b>

**16. Land & Rivers Fund – Joint Venture**

On November 13, 2020, the Land Trust entered into a Joint Venture agreement with Eagle River Watershed Council (“ERWC”) to jointly invest and set up a joint venture enterprise called the Land & Rivers Fund (the “L&R Fund” or the “Program”). The Program involves a voluntary donation, typically 1%, assessed to customers at checkout at participating businesses. All donations received through the Program, after expenses, are to be used directly by the Land Trust and ERWC (collectively, the “members”) within the Eagle River and Colorado River watersheds to help fund their objectives of promoting and protecting clean water and responsible growth through restoration and conservation of open space, agricultural operations, fish and wildlife habitat, public recreation, scenic vistas, and significant natural resources. Funds of the Program will be distributed equally to the members on a quarterly basis.

The Land Trust uses the equity method to account for its 50% investment in the L&R Fund. At December 31, 2021, the Land Trust’s 50% investment in the L&R fund was \$26,987. Included in accounts receivable of the Land Trust at December 31, 2021 is an amount due from the L&R Fund of \$1,381. The Land Trust earned \$22,117 for their proportionate share of net income for the year-ended December 31, 2021. Transactions with the L&R Fund for 2021 consist of the following:

Program revenues	\$ 131,581
Program expenses	(87,346)
<b>Net income to be distributed equally</b>	<b>\$ 44,235</b>

**17. Significant Transactions**

During 2019, the Land Trust started a “Save the Lake” fundraising campaign to assist The Conservation Fund in preserving the 488-acre Sweetwater Lake property from development. The Land Trust raised contributions totaling \$597,056 for this campaign in 2019 and 2020, with an additional \$2,191 collected in 2021 (recognized in the 2021 financial statements as donor-restricted *Contributions for conservation of land*). In June 2020, The Conservation Fund acquired the Sweetwater Lake property, with funding, in part, provided by \$350,000 paid by the Land Trust from accumulated campaign fundraising on closing (recorded in *Grant expense for conservation expense* in 2020). Any funds raised by the Land Trust during the “Save the Lake” campaign beyond the initial property acquisition are dedicated for use in activating Sweetwater Lake for public use and enjoyment.

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**17. Significant Transactions (continued)**

In August 2021, The Conservation Fund transferred ownership of the Sweetwater Lake property to the United States Forest Service's ("USFS") White River National Forest, and in October 2021, Colorado Parks and Wildlife joined the USFS and the Land Trust to operate the property as Colorado's newest State Park.

The following is a summary of the Land Trust's "Save the Lake" campaign activity through December 31, 2021:

Contributions - 2019	\$ 407,426
Investment income (loss) - 2019	5
Project expenses incurred - 2019	(884)
<b>Donor-restricted net assets - "Save the Lake" - 12/31/2019</b>	<u>406,547</u>
Contributions - 2020	189,630
Investment income (loss) - 2020	42
Project expenses incurred - 2020	(352,037)
<b>Donor-restricted net assets - "Save the Lake" - 12/31/2020</b>	<u>244,182</u>
Contributions - 2021	2,191
Investment income (loss) - 2021	(6,130)
Project expenses incurred - 2021	(86,843)
<b>Donor-restricted net assets - "Save the Lake" - 12/31/2021</b>	<u><u>\$ 153,400</u></u>

In October 2021, The Conservation Fund ("TCF") granted the Land Trust \$1,100,000 to assist in the management and stewardship of the Sweetwater Lake property. The funds are to be used solely for the purposes outlined in the Agreement, and the Land Trust is required to return any portion of funds not used in accordance with the Agreement. There is no deadline for the expenditure of funds. The funds are reported as *Deferred revenue* in the 2021 financial statements and will be recognized as *Contributions for conservation of land* on the Statement of Activities as funds are expended in future periods.