Eagle Valley Land Trust

(A Colorado Non-Profit Corporation)

Financial Report

December 31, 2020

EAGLE VALLEY
LAND TRUST

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
December 31, 2020

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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, 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 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, 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.

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

Emphasis of Matter

As discussed in Note 17 to the financial statements, the Land Trust adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments, in 2020. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Eagle Valley Land Trust's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
November 9, 2021
(Except as to Note 18, which is dated as of May 16, 2022)

Eagle Valley Land Trust
(A Colorado Non-Profit Corporation)
Statement of Financial Position
December 31, 2020
(With Comparative Totals at December 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Assets:				
Cash and cash equivalents	890,328	353,957	1,244,285	883,878
Investments	1,729,148	1,605,102	3,334,250	3,066,759
Promises to give, net	5,100	92,500	97,600	141,600
Reimbursable project costs	7,377	-	7,377	8,466
Other accounts receivable	37,735	-	37,735	56,227
Prepaid expenses	1,000	-	1,000	8,248
Due (to) from other category	(232,588)	232,588	-	-
Total Assets	2,438,100	2,284,147	4,722,247	4,165,178
Liabilities and Net Assets:				
Liabilities:				
Accounts payable and accrued expenses	168,086	-	168,086	95,601
Loan payable	53,292	-	53,292	-
Total Liabilities	221,378	-	221,378	95,601
Net Assets	2,216,722	2,284,147	4,500,869	4,069,577
Total Liabilities and Net Assets	2,438,100	2,284,147	4,722,247	4,165,178

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, 2020
(With Comparative Totals For the Year Ended December 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Support and Revenues:				
General contributions	406,178	45,397	451,575	344,480
Contributions for conservation of land	-	268,044	268,044	420,288
Program-related revenues	83,618	99,100	182,718	62,321
Grants:				
Grants for conservation of land	-	707,700	707,700	-
Other	19,982	-	19,982	14,530
Investment return, net	208,048	159,561	367,609	500,055
Donated goods and services	4,965	4,536	9,501	18,754
Fundraising events:				
Fundraising event revenues	108,227	-	108,227	216,390
Fundraising event expenses	(49,817)	-	(49,817)	(93,725)
Fundraising events, net	58,410	-	58,410	122,665
Miscellaneous	211	-	211	163
Net assets released from restrictions:				
Expiration of time restrictions	5,000	(5,000)	-	-
Satisfaction of program restrictions	1,169,993	(1,169,993)	-	-
Total Support and Revenues	1,956,405	109,345	2,065,750	1,483,256
Expenses:				
Program services:				
Conservation of land	1,270,960	-	1,270,960	93,676
Stewardship, outreach, and education	232,306	-	232,306	203,828
	1,503,266	-	1,503,266	297,504
Administrative	64,093	-	64,093	75,664
Fundraising	67,099	-	67,099	50,764
Total Expenses	1,634,458	-	1,634,458	423,932
Change in Net Assets	321,947	109,345	431,292	1,059,324
Net Assets - Beginning of Year	1,894,775	2,174,802	4,069,577	3,010,253
Net Assets - End of Year	2,216,722	2,284,147	4,500,869	4,069,577

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, 2020
(With Comparative Totals For the Year Ended December 31, 2019)

	2020						2019
	Program Services			Supporting Services			
	Conservation of Land	Stewardship, Outreach and Education	Total	Administrative	Fundraising	Totals	Totals
Expenses:							
Payroll, taxes and benefits	70,642	165,024	235,666	28,912	39,287	303,865	282,097
Bank charges	25	65	90	250	2,461	2,801	4,034
Board expenses	-	-	-	3,302	-	3,302	2,347
Seminars and classes	955	2,027	2,982	366	497	3,845	8,574
Insurance	1,365	2,894	4,259	522	710	5,491	7,128
Membership, dues and subscriptions	2,847	5,833	8,680	1,058	1,395	11,133	8,280
Advertising	785	10,295	11,080	1,551	1,445	14,076	11,217
Licenses and permits	-	300	300	20	-	320	6,970
Office costs	6,678	9,781	16,459	980	1,332	18,771	11,101
Postage and delivery	-	528	528	175	1,045	1,748	2,149
Printing and publications	714	1,514	2,228	273	371	2,872	12,214
Mailing house services	4,432	-	4,432	-	9,072	13,504	-
Professional fees	14,201	21,668	35,869	21,776	4,868	62,513	27,085
Rent and occupancy	2,854	8,120	10,974	2,472	3,954	17,400	15,200
Travel and entertainment	1,107	1,436	2,543	1,835	319	4,697	6,782
Donated goods and services	5,736	2,821	8,557	601	343	9,501	18,754
Grant expense for conservation	1,063,300	-	1,063,300	-	-	1,063,300	-
Acquisition of easement	95,319	-	95,319	-	-	95,319	-
Total Expenses	1,270,960	232,306	1,503,266	64,093	67,099	1,634,458	423,932

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, 2020
(With Comparative Totals For the Year Ended December 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Cash Flows from Operating Activities:				
Contributions / grants received for acquisition / preservation of land	-	975,744	975,744	340,788
Other contributions and grants received	463,652	70,397	534,049	288,952
Cash received from programs	84,707	-	84,707	62,627
Cash received from fundraising events	58,410	-	58,410	122,665
Other cash receipts (payments)	211	99,100	99,311	7,663
Cash paid for goods and services	(89,018)	-	(89,018)	(93,492)
Cash paid for conservation of land	(1,158,619)	-	(1,158,619)	-
Cash paid for labor and employee benefits	(297,587)	-	(297,587)	(286,583)
Released from restrictions / Inter-category	1,292,377	(1,292,377)	-	-
Cash received from interest and dividends	55,075	36,417	91,492	86,516
Net Cash Provided (Used) by Operating Activities	409,208	(110,719)	298,489	529,136
Cash Flows from Investing Activities:				
Cash received on sale/redemption of investments	1,362,677	478,193	1,840,870	647,019
Cash paid to purchase investments	(1,442,810)	(389,434)	(1,832,244)	(977,660)
Net Cash Provided (Used) by Investing Activities	(80,133)	88,759	8,626	(330,641)
Cash Flows From Financing Activities:				
Proceeds of promissory note	53,292	-	53,292	-
Net Cash Provided (Used) by Financing Activities	53,292	-	53,292	-
Net Increase (Decrease) in Cash and Cash Equivalents	382,367	(21,960)	360,407	198,495
Cash and Cash Equivalents - Beginning of Year	507,961	375,917	883,878	685,383
Cash and Cash Equivalents - End of Year	890,328	353,957	1,244,285	883,878
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:				
Change in net assets	321,947	109,345	431,292	1,059,324
Adjustments to reconcile:				
Unrealized (gain) loss on investments	(194,967)	(76,709)	(271,676)	(393,950)
Realized (gain) loss on investments	41,994	(46,435)	(4,441)	(19,589)
(Increase) decrease in net promises to give	19,000	25,000	44,000	(105,600)
(Increase) decrease in reimbursable project costs	1,089	-	1,089	7,806
(Increase) decrease in other accounts receivable	18,492	-	18,492	(43,958)
(Increase) decrease in prepaid expenses	7,248	-	7,248	(6,253)
Increase (decrease) in accounts payable and accrued expenses	72,485	-	72,485	31,356
Change in due (to) from other category	121,920	(121,920)	-	-
Total Adjustments	87,261	(220,064)	(132,803)	(530,188)
Net Cash Provided (Used) by Operating Activities	409,208	(110,719)	298,489	529,136

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

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 13,315 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 38 conservation easements at December 31, 2020; an increase of 2 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.

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.

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, 2020, the Land Trust incurred $8,466 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.

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 2020 totaled $14,076.

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 2017.

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 conjunctions with the Land Trust's financial statements as of and for the year ended December 31, 2019, from which the comparative totals were derived.

N. Subsequent Events

Management has evaluated subsequent events through November 9, 2021 (except as to Note 18, which is dated as of May 16, 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, 2020 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	$ 3,333,613	3,333,613	-	-
Unit investment trusts	637	637	-	-
Total	$ 3,334,250	3,334,250	-	-

The Land Trust's investment income for 2020 is summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 55,075	36,417	91,492
Realized gains (losses)	(41,994)	46,435	4,441
Unrealized gains (losses)	194,967	76,709	271,676
Net investment return	$ 208,048	159,561	367,609

5. Promises to Give

Unconditional promises to give are estimated to be collected as follows at December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Within one year	$ 5,100	57,500	62,600
In one to five years	-	35,000	35,000
Promises to give, net	$ 5,100	92,500	97,600

Promises to give at December 31, 2020 are receivable from the following sources:

	Without Donor Restrictions	With Donor Restrictions	Total
Promises to give - Board members, net	$ 100	30,000	30,100
Promises to give - Others, net	5,000	62,500	67,500
Promises to give, net	$ 5,100	92,500	97,600

Aggregate contributions from Board members totaled $68,128 during the year ended December 31, 2020.

6. Fixed Assets

Property and equipment	$ 13,319
Less: Accumulated depreciation	(13,319)
Fixed assets, net	$ -

Depreciation expense for 2020 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 is unsecured and bears interest at 1% per annum, matures in May 2022. No payments are due for the first six months of the loan term. The PPP Loan and related interest is forgivable provided the Land Trust uses the proceeds for qualified purposes within the timeframe prescribed by the Payroll Protection Program. The balance of the PPP Loan at December 31, 2020 was $53,292.

Although the Land Trust anticipates meeting the conditions for full forgiveness of the PPP Loan, the PPP Loan remains a liability of the Land Trust at December 31, 2020.

In March 2021, the PPP Loan and related interest was forgiven in full by the SBA.

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, 2020 for general expenditures are as follows:

Cash and cash equivalents	$ 890,328
Short-term investments	1,729,148
Promises to give, net	5,100
Reimbursable project costs	7,377
Other accounts receivable	37,735
	$ 2,669,688

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, 2020:

	With Donor Restrictions
Donor-Restricted Endowment:	
Corpus of endowment (required by donor to be maintained in perpetuity)	$ 437,485

9. Endowments (continued)

A. Donor-Restricted Endowment (continued)

Changes in the Land Trust's donor-restricted endowment net assets during 2020 were as follows:

	With Donor Restrictions
Donor-Restricted Endowment:	
Net assets - Beginning of year	$ 412,088
Contributions	25,397
Net assets - End of year	$ 437,485

B. Board-Designated Quasi-Endowment

The Board has designated net assets totaling $742,299 as of December 31, 2020 (from net assets without donor restrictions of $2,216,722) 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, 2020:

	Without Donor Restrictions
Board-Designated Quasi-Endowment:	
Original Board-designated corpus	$ 390,991
Accumulated investment gains	351,308
Total	$ 742,299

Changes in the Land Trust's Board-designated quasi-endowment during 2020 were as follows:

	Without Donor Restrictions
Board-Designated Quasi-Endowment:	
Net assets - Beginning of year	$ 463,281
Investment return, net	93,342
Contributions	185,676
Net assets - End of year	$ 742,299

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

At December 31, 2020, the Land Trust had the following net assets without donor restrictions and with donor restrictions:

Without donor restrictions:	
Undesignated	$ 1,474,423
Board-designated quasi-endowment	742,299
Total net assets without donor restrictions	$ 2,216,722
With donor restrictions:	
Purpose restrictions:	
Future easement acquisitions:	
Land Protection Fund	$ 71,975
Save the Lake Fund	244,182
Heart of the Valley Fund	68,106
Our Valley Fund	53,907
Walter Kirch Memorial Fund	76,871
	515,041
Stewardship of existing conservation easements	1,040,082
Legal defense of existing conservation easements	291,539
	1,846,662
Perpetual in nature:	
Corpus of donor-restricted endowment	437,485
Total net assets with donor restrictions	$ 2,284,147

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 $17,400 in 2020 in respect of the office lease.

11. Operating Lease (continued)

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

Year ending December 31,	
2021	$ 18,000
2022	13,500
Total	$ 31,500

12. Revenue from Contracts with Customers

For the year ended December 31, 2020, revenue recognized for goods transferred or performance obligations met at a point in time were $129,667. There were no revenues recognized for goods transferred or performance obligations met over time during 2020. 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 2020. 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 2020, the Land Trust made matching contributions totaling $6,053 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, 2020, the Land Trust's uninsured cash balances totaled $234,166.

15. Easements Held

At December 31, 2020, the Land Trust held the following 38 conservation easements.

Easement	Acreage
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
Mulroy Ranch	1,908.00
Ridgeway	131.00
Subtotal	9,684.16

15. Easements (continued)

Easement		Acreage
Co-held with Eagle County:		
Canyon Ranch - Bair Ranch		2,794.00
Derby Mesa - Gates Ranch		740.00
Meadow Creek		2.64
	Subtotal	3,536.64
Co-held with Town of Gypsum:		
Constellation Ridge - Brightwater		95.00
Total		13,315.80

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. Included in accounts receivable and accounts payable of the Land Trust at December 31, 2020 is an amount due from the L& R Fund of $35,235 and an amount due to the L&R Fund of $51,303, respectively. The Land Trust earned $53,051 for their proportionate share of net income for the year-ended December 31, 2020. Transactions with the L&R Fund for 2020 consist of the following:

Program revenues	$ 164,551
Program expenses	(58,448)
Net income to be distributed equally	$ 106,103

17. New Accounting Standard

Effective January 1, 2020, the Land Trust implemented Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), issued by the Financial Accounting Standards Board, and all subsequent amendments. ASU 2014-09 requires enhanced disclosures of the Land Trust's revenue recognition policies. The implementation of ASU 2014-09 has been applied retrospectively to all periods presented, with no effect to net assets or previously-issued financial statements.

18. Significant Transactions and Subsequent Events

During 2020, the Land Trust was awarded a $700,000 grant from the Great Outdoors Colorado Trust Fund ("GOCO") to support Eagle County's acquisition of Ridgway Ranch. The Ridgway Ranch property adjoins a parcel already held by Eagle County and subject to the Land Trust's "Hardscrabble Ranch" conservation easement. At the closing of the transaction, the GOCO grant funds, together with fundraising by the Land Trust, were released and the Land Trust was granted a perpetual conservation easement over the property. The Land Trust's receipt of the GOCO grant is reflected in the 2020 financial statements as donor-restricted *Grants for conservation of land*, and the release of funds on closing of the Ridgway Ranch project is included in *Grant expense for conservation* expense for 2020.

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 $407,426 for this campaign in 2019, with an additional $189,630 collected in 2020 (recognized in the 2020 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 for 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.

The following is a summary of the Land Trust's "Save the Lake" campaign activity through December 31, 2020:

Contributions - 2019	$ 407,426
Interest earned - 2019	5
Project expenses incurred - 2019	(884)
Donor-restricted net assets - "Save the Lake" - 12/31/2019	406,547
Contributions - 2020	189,630
Interest earned - 2020	42
Project expenses incurred - 2020	(352,037)
Donor-restricted net assets - "Save the Lake" - 12/31/2020	$ 244,182

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.