

*Financial Statements*

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**UPPER SACO VALLEY LAND TRUST**

**FOR THE YEARS ENDED DECEMBER 31, 2020 (AUDITED)  
AND DECEMBER 31, 2019 (REVIEWED)  
AND  
INDEPENDENT AUDITORS' REPORT**

**UPPER SACO VALLEY LAND TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2020 (AUDITED)  
AND DECEMBER 31, 2019 (REVIEWED)**

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To the Board of Directors  
Upper Saco Valley Land Trust  
North Conway, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Upper Saco Valley Land Trust (a New Hampshire nonprofit 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 misstatements whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Upper Saco 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.

**Summarized Comparative Information**

We previously reviewed Upper Saco Valley Land Trust's financial statements, and our conclusion dated August 18, 2020 stated that based on our review, we were not aware of any material modifications that should be made to the 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2019, for it to be consistent with the reviewed financial statements from which it has been derived.

*Leone, McDonnell ; Roberts  
Professional Association*

September 9, 2021  
North Conway, New Hampshire

**UPPER SACO VALLEY LAND TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR 2019**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>AUDITED 2020 TOTALS</u>	<u>REVIEWED 2019 TOTALS</u>
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 185,012	\$ 885,482	\$ 1,070,494	\$ 572,414
Investments	288,117	-	288,117	213,194
Accounts receivable	5,358	-	5,358	3,887
Current pledges receivable	-	532,375	532,375	7,750
Prepaid expenses	<u>3,968</u>	<u>-</u>	<u>3,968</u>	<u>6,450</u>
Total current assets	<u>482,455</u>	<u>1,417,857</u>	<u>1,900,312</u>	<u>803,695</u>
<b>PROPERTY</b>				
Building	105,000	-	105,000	-
Conservation easements	-	56	56	51
Land	-	2,103,286	2,103,286	1,950,286
Furniture and equipment	<u>25,733</u>	<u>-</u>	<u>25,733</u>	<u>24,641</u>
Total property	130,733	2,103,342	2,234,075	1,974,978
Less accumulated depreciation	<u>23,530</u>	<u>-</u>	<u>23,530</u>	<u>20,418</u>
Property, net	<u>107,203</u>	<u>2,103,342</u>	<u>2,210,545</u>	<u>1,954,560</u>
<b>OTHER ASSETS</b>				
Pledges receivable, net of discount of \$16,969 in 2020	-	424,231	424,231	-
Beneficial interest in assets held by others	<u>-</u>	<u>245,658</u>	<u>245,658</u>	<u>222,944</u>
Total other assets	<u>-</u>	<u>669,889</u>	<u>669,889</u>	<u>222,944</u>
Total assets	<u>\$ 589,658</u>	<u>\$ 4,191,088</u>	<u>\$ 4,780,746</u>	<u>\$ 2,981,199</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	<u>\$ 25,483</u>	<u>\$ -</u>	<u>\$ 25,483</u>	<u>\$ 39,201</u>
Total liabilities	<u>25,483</u>	<u>-</u>	<u>25,483</u>	<u>39,201</u>
<b>NET ASSETS</b>				
Without donor restrictions	564,175	-	564,175	507,867
With donor restrictions	<u>-</u>	<u>4,191,088</u>	<u>4,191,088</u>	<u>2,434,131</u>
Total net assets	<u>564,175</u>	<u>4,191,088</u>	<u>4,755,263</u>	<u>2,941,998</u>
Total	<u>\$ 589,658</u>	<u>\$ 4,191,088</u>	<u>\$ 4,780,746</u>	<u>\$ 2,981,199</u>

UPPER SACO VALLEY LAND TRUST

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>AUDITED 2020 TOTALS</u>	<u>REVIEWED 2019 TOTALS</u>
<b>REVENUE AND SUPPORT</b>				
Gifts, grants and contributions	\$ 172,348	\$ -	\$ 172,348	\$ 185,441
Investment return	31,959	31,051	63,010	63,859
Forgiveness of debt	35,000	-	35,000	-
New Hampshire GOFERR grant	8,527	-	8,527	-
CARES Act FMLA grant	7,487	-	7,487	-
Rental income	1,681	-	1,681	-
Special events, net of direct costs of \$772 in 2020 and \$23,281 in 2019	(772)	-	(772)	37,414
Net assets released from donor-imposed restrictions	<u>617,847</u>	<u>(617,847)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>874,077</u>	<u>(586,796)</u>	<u>287,281</u>	<u>286,714</u>
<b>EXPENSES</b>				
Program services	210,546	-	210,546	219,069
Management and general	52,232	-	52,232	39,310
Fundraising	<u>11,313</u>	<u>-</u>	<u>11,313</u>	<u>9,451</u>
Total expenses	<u>274,091</u>	<u>-</u>	<u>274,091</u>	<u>267,830</u>
Net operating increase (decrease)	<u>599,986</u>	<u>(586,796)</u>	<u>13,190</u>	<u>18,884</u>
<b>SPECIAL PROJECTS</b>				
Special projects income	-	2,343,753	2,343,753	610,508
Special projects expense	<u>(543,678)</u>	<u>-</u>	<u>(543,678)</u>	<u>(141,632)</u>
Net increase (decrease) from special projects	<u>(543,678)</u>	<u>2,343,753</u>	<u>1,800,075</u>	<u>468,876</u>
<b>CHANGE IN NET ASSETS</b>	56,308	1,756,957	1,813,265	487,760
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>507,867</u>	<u>2,434,131</u>	<u>2,941,998</u>	<u>2,454,238</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 564,175</u>	<u>\$ 4,191,088</u>	<u>\$ 4,755,263</u>	<u>\$ 2,941,998</u>

UPPER SACO VALLEY LAND TRUST

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

	LAND PROTECTION	OUTREACH	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	AUDITED 2020 TOTALS	REVIEWED 2019 TOTALS
Salaries and wages	\$ 164,761	\$ -	\$ 164,761	\$ -	\$ 8,673	\$ 173,434	\$ 168,452
Payroll taxes	12,044	-	12,044	-	634	12,678	13,459
Benefits	13,171	-	13,171	-	61	13,232	8,471
Total salaries and related expenses	189,976	-	189,976	-	9,368	199,344	190,382
Stewardship costs	8,593	-	8,593	-	-	8,593	15,718
Professional fees	3,974	-	3,974	6,129	-	10,103	13,993
Rent - office	-	-	-	8,400	-	8,400	7,982
Printing and postage	-	5,339	5,339	1,391	1,678	8,408	7,315
Office expenses	-	-	-	9,576	-	9,576	5,954
Insurance	-	-	-	5,876	-	5,876	4,666
Fees and permits	-	-	-	1,309	-	1,309	3,167
Dues and subscriptions	-	-	-	10,345	-	10,345	2,685
Depreciation	-	-	-	3,112	-	3,112	2,621
Real estate taxes	-	-	-	3,366	-	3,366	1,971
Telephone and internet	-	-	-	1,171	-	1,171	1,784
Annual meeting and membership	268	971	971	-	-	971	1,053
Travel and conferences	-	-	268	387	-	655	990
Utilities	-	-	-	-	-	-	754
Marketing and publicity	-	-	-	-	267	267	285
Miscellaneous	1,425	-	1,425	1,170	-	2,595	6,510
Total operating expenses	204,236	6,310	210,546	52,232	11,313	274,091	267,830
Special projects	543,678	-	543,678	-	-	543,678	141,632
Total expenses	\$ 747,914	\$ 6,310	\$ 754,224	\$ 52,232	\$ 11,313	\$ 817,769	\$ 409,462

See Notes to Financial Statements

UPPER SACO VALLEY LAND TRUST

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>AUDITED 2020 TOTALS</u>	<u>REVIEWED 2019 TOTALS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ 56,308	\$ 1,756,957	\$ 1,813,265	\$ 487,760
Adjustments to reconcile change in net assets to net cash from operating activities:				
Net change on beneficial interest in assets held by others	-	(22,714)	(22,714)	(33,779)
Net realized and unrealized gain on investments	(37,489)	-	(37,489)	-
Depreciation	3,112	-	3,112	2,621
(Increase) decrease in assets:				
Accounts receivable	(1,471)	-	(1,471)	(3,888)
Pledges receivable	7,750	(956,606)	(948,856)	(7,750)
Prepaid expenses	2,482	-	2,482	(3,312)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	(13,718)	-	(13,718)	21,865
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>16,974</u>	<u>777,637</u>	<u>794,611</u>	<u>463,517</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Easement purchases	-	(5)	(5)	-
Land purchases	-	(153,000)	(153,000)	(322,000)
Purchase of property	(106,092)	-	(106,092)	-
Net purchases of investments	(37,434)	-	(37,434)	(1,365)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(143,526)</u>	<u>(153,005)</u>	<u>(296,531)</u>	<u>(323,365)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(126,552)	624,632	498,080	140,152
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>311,564</u>	<u>260,850</u>	<u>572,414</u>	<u>432,262</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 185,012</u>	<u>\$ 885,482</u>	<u>\$ 1,070,494</u>	<u>\$ 572,414</u>



## UPPER SACO VALLEY LAND TRUST

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

#### **NOTE 1**      **NATURE OF ORGANIZATION**

Upper Saco Valley Land Trust (the Organization) is a New Hampshire nonprofit conservation corporation dedicated to preserving natural resources and promoting education and awareness of the protection of natural resources. The Organization conducts its activities predominantly in Central New Hampshire and Western Maine.

The Organization's primary sources of revenue are contributions from the public (including gifts of land), investment income, government grants as well as revenue from special events undertaken for fundraising.

#### **NOTE 2**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Accounting**

The financial statements of Upper Saco Valley Land Trust have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

##### **Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the assets be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When the restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

##### **Accounting Estimates**

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

**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as restricted support. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

**Cash and Cash Equivalents**

Cash and cash equivalents include all monies in banks and liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Investments**

Investments are accounted for according to Accounting Standards Codification (ASC) 958-320 *Not For Profit Entities – Investments – Debt and Equity Securities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Fair values of investments are based on quoted prices in active markets for identical investments.

**Property and Depreciation**

Property and equipment are recorded at cost or, if contributed, at estimated fair value at the date of contribution, with the exception of conservation easements discussed elsewhere in Note 2. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Office Equipment	3 – 7 years
Furniture and Fixtures	5 – 10 years
Building	39 years

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense totaled \$3,112 and \$2,621 for the years ended December 31, 2020 and 2019, respectively.

**Advertising**

The Organization expenses advertising costs as incurred.

## UPPER SACO VALLEY LAND TRUST

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a summary of the program services:

Land Protection: This program includes the permanent protection of new property and associated natural resources through the donation or purchase of conservation easements and land, as well as stewardship and management of those lands and easements once acquired. These activities are conducted by staff, volunteers and contracted professionals and include the evaluation, negotiation and completion of new land acquisition projects; and conducting natural resource inventories, boundary maintenance, habitat management, and easement monitoring site visits on lands and easements already acquired.

Outreach: This program is focused on educating members of Upper Saco Valley Land Trust, the general public, and community leaders on land conservation options and natural resources through field trips, seminars, presentations and special events.

#### Conservation Easements

In conformity with the practice followed by many land trusts, conservation easements purchased or donated are recorded as assets on the statement of financial position at the nominal value of \$1. All easements acquired by purchase are recorded as conservation activities expenses in the statement of activities and changes in net assets. In addition, costs incurred in obtaining the easements are recorded as current period expenses.

#### Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements.

#### Donations of Long-Lived Assets

The Organization records donations of services and materials which increase long-lived assets at their fair values and recognizes these revenues as increases in unrestricted net assets.

## UPPER SACO VALLEY LAND TRUST

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

#### Fair Value of Financial Instruments

ASC Topic No. 820-10, Fair Value Measurement, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity specific measurement, and requires expanded disclosures about fair value measurements. In accordance with FASB ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

**Level 1** – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

**Level 2** - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

**Level 3** - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

At December 31, 2020 and 2019, the Organization's investments were all classified as Level 1 and were based on fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

*Exchange traded funds:* Valued at the closing market price on the stock exchange where they are traded (primarily the New York Stock Exchange).

## UPPER SACO VALLEY LAND TRUST

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

The preceding method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### **Adoption of New Accounting Standards**

FASB ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This accounting standard is meant to help not-for profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the years ending December 31, 2019 are presented under FASB ASU 2018-08. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014- 09, "Revenue from Contracts with Customers (Topic 606)". The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2020, the first day of the Organization's fiscal year using the full retrospective approach. The adoption did not result in a change to the accounting for any of the applicable revenue streams; as such, no cumulative effect adjustment was recorded.

#### **Revenue Recognition Policy**

The Organization occasionally derives revenue from merchandise, program and event fees. Revenues are recognized when control of these products or services is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those products and services. Incidental items that are immaterial in the context of the contract are recognized as expense. The Organization does not have any significant financing components as payment is received at the point of sale. Cost incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**Performance Obligations and Contract Assets and Liabilities**

Almost all of the performance obligations of contracts for the Organization are satisfied at a point in time. Revenue from performance obligations satisfied at a point in time program and event fees. At the end of the fiscal year the Organization has no contract assets and contract liabilities.

**NOTE 3 AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets as of December 31, 2020 and 2019:

Financial assets at year-end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,070,494	\$ 572,414
Investments	288,177	213,194
Pledges receivable	947,606	7,750
Beneficial interest	<u>245,658</u>	<u>222,944</u>
Total financial assets	<u>2,551,935</u>	<u>1,016,302</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	4,191,088	2,434,131
Less net assets with purpose and time restrictions to be met in less than a year	(532,375)	(5,643)
Less restricted conservation easements	(56)	(51)
Less restricted land conservation	(2,103,286)	(1,950,286)
Beneficial interest	<u>245,658</u>	<u>222,944</u>
Amounts not available within one year	<u>1,801,029</u>	<u>701,905</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 750,906</u>	<u>\$ 314,397</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

**NOTE 4 CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances that, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended December 31, 2020 and 2019. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5**      **INVESTMENTS**

Investments held in the form of exchange traded funds are stated at fair value. Realized gains and losses are determined on the specific identification method. Gains and losses (realized and unrealized) are reported in the statement of activities as increases or decreases to net assets without donor restrictions, except for those investments for which their use is restricted. Information on investments at December 31, 2020 and 2019 is presented as follows:

	<b><u>Cost</u></b>	<b><u>Market Value</u></b>
Exchange traded funds - 2020	\$ 259,864	\$ 288,117
Exchange traded funds – 2019	\$ 180,099	\$ 213,194

**Components of investment return without donor restrictions:**

	<b><u>2020</u></b>	<b><u>2019</u></b>
Interest and dividends	\$ 5,238	\$ 5,476
Realized and unrealized gains	28,253	33,095
Investment fees	<u>(1,532)</u>	<u>(1,235)</u>
Total investment return	<b><u>\$ 31,959</u></b>	<b><u>\$ 37,336</u></b>

**NOTE 6**      **BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (MAINE COMMUNITY FOUNDATION)**

The Organization transfers certain gifts and grants to the Maine Community Foundation (MCF) in an irrevocable designated fund of MCF, the income of which will be provided to the Organization to use in programs and operations.

MCF maintains investments in a pooled investment account and, using a unitary allocation system, allocates a distribution of income to the Organization each calendar year based on a percentage of the average balance of the fund principal over a specified period. Activity in the account was as follows for the years ended December 31, 2020 and 2019:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Balance at January 1	\$ 222,944	\$ 189,165
Contribution	-	15,000
Distributions	(7,860)	(7,230)
Fees	(3,806)	(3,000)
Net investment gain (loss)	<u>34,380</u>	<u>29,009</u>
Balance at December 31	<b><u>\$ 245,658</u></b>	<b><u>\$ 222,944</u></b>

UPPER SACO VALLEY LAND TRUST

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

**NOTE 7**      **CONTINGENCIES**

The Organization holds 56 conservation easements covering 8,282 acres of land. There may be future costs associated with maintaining these properties in accordance with the conservation commitment the easements and properties were acquired to uphold. Because there is no reasonable basis for estimating the potential future cost of defending these easements and properties no liability has been recognized in these financial reports.

**NOTE 8**      **SPECIAL PROJECTS**

Special project expenses consisted of the following during the year ended December 31, 2020:

Easements acquired by donation:

Easement, World Fellowship – Whitton Pond, 330 acres	\$	1
Easement, World Fellowship – Soccer Field, 32 acres		1
Easement, World Fellowship – Weller House, 36 acres		1
Easement, Old Blake Farm, 95 acres		1
Easement, Lucy Brook Farm, 43 acres		<u>1</u>

Total easements acquired by donation \$ 5

Other project expenses:

Ag Revitalization	\$	21,009
World Fellowship		289,411
Lucy Brook		193,405
Vision 2020		31,687
Other expenses related to current year special projects:		<u>8,166</u>

Total special project expense \$ 543,678

Special project expenses consisted of the following during the year ended December 31, 2019:

Easement, Pine Hill, 460 acres	\$	4,290
World Fellowship		50,548
Lucy Brook		14,744
Other expenses related to current year special projects:		<u>72,050</u>

Total special project expense \$ 141,632



**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 9**      **NON-CASH CONTRIBUTIONS, LAND AND EASEMENTS**

During the years ended December 31, 2020 and 2019, the Organization received the following non-cash contributions:

Noncash contribution 2020:		
Easement, World Fellowship – Whitton Pond, 330 acres	\$	1
Easement, World Fellowship – Soccer Field, 32 acres		1
Easement, World Fellowship – Weller House, 36 acres		1
Easement, Old Blake Farm, 95 acres		1
Easement, Lucy Brook Farm, 43 acres		1
Total noncash contributions	\$	5

**NOTE 10**      **LEASE COMMITMENT**

The Organization is a tenant under a one-year lease from November 2020 to November 2021. The tenant has the right to renew this lease for five successive periods of one year each. Monthly rent payments were \$700 for the years ended December 31, 2020 and 2019. The annual rent expense for 2020 and 2019 was \$8,400 and \$7,982, respectively.

**NOTE 11**      **LINE OF CREDIT**

The Organization maintains a \$100,000 line of credit with an area bank. The interest rate is variable with a 2.0% margin over the Index, which is the Prime rate as published in the Wall Street Journal. The interest rate as of December 31, 2020 and 2019 was 5.25% and 6.75%, respectively. Interest payments are required monthly. The line of credit expires in September 2022. The Organization did not draw on the line of credit and there were no outstanding balances as of December 31, 2020 and 2019.

**NOTE 12**      **BOARD DESIGNATED FUNDS**

Certain unrestricted funds have been set aside by the board of directors for particular purposes based on a formula that accounts for expected staff time and probability of legal action, which is determined by the complexity of the document and other factors. As of December 31, 2020 and 2019 the board designated funds consisted of the following:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Legal reserve	\$ 129,449	\$ 116,479
Operating reserve	115,530	104,073
Fee owned stewardship	165,793	147,554
Thorne Memorial	5,140	5,131
Total board designated funds	\$ 415,912	\$ 373,237

**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 13**      **NET ASSETS**

Net assets with donor restrictions were as follows for the years ended December 31, 2020 and 2019:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Special Purpose Restrictions:		
Easement support	\$ 1,779,019	\$ 203,567
Land action	42,831	42,733
General and other	20,238	20,192
MCF Fund	245,658	222,944
Restricted in Perpetuity:		
Land conservation	2,103,286	1,944,644
Easement conservation	<u>56</u>	<u>51</u>
Total net assets with donor restrictions	<b><u>\$ 4,191,088</u></b>	<b><u>\$ 2,434,131</u></b>

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 are as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Undesignated	\$ 148,262	\$ 126,880
Board designated	<u>415,914</u>	<u>373,237</u>
Total net assets without donor restrictions	<b><u>\$ 564,176</u></b>	<b><u>\$ 500,117</u></b>

**NOTE 14**      **OTHER EVENTS**

The impact of the novel coronavirus ("COVID-19") and measures to prevent its spread are affecting many businesses. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial and operational results, will be dictated by the length of time that such disruptions continue, and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The COVID-19 impact on the capital markets could impact the organization's cost of borrowing. There are certain limitations on the organization's ability to mitigate the adverse financial impact of these items. COVID-19 also makes it more challenging for management to estimate future performance of the businesses, particularly over the near to medium term.

**UPPER SACO VALLEY LAND TRUST**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

The Organization received funding related to COVID-19 pandemic relief in the form of debt forgiveness and grants. During the year ended December 31, 2020, the Organization applied for and was awarded a Paycheck Protection Program loan of \$35,000 through the Small Business Administration. Loan forgiveness is possible if certain criteria are met. Any amounts not forgiven are to be repaid over a five-year period, with payments deferred for the first six months. Interest would be stated at 1%. The Organization has received full forgiveness of the loan and it is reflected in income in the accompanying statement of activities.

During the year ended December 31, 2020, the Organizations applied for and received a Nonprofit Emergency Relief fund grant from the State of New Hampshire to offset lost revenue related to the COVID-19 pandemic in the amount of \$8,527. The Organization believes it qualifies to have this full amount forgiven and as such has recorded this in income and it is presented in the accompany statement of actives.

**NOTE 15**      **RECLASSIFICATIONS**

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These classifications had no effect on the previously reported change in net income, or net assets.

**NOTE 16**      **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through September 9, 2021, the date the December 31, 2020 financial statements were available for issuance.