
CAPITOL LAND TRUST
A Washington Not For Profit Organization

Financial Statements

For the Years Ended December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Directors
Capitol Land Trust
Lacey, WA

Report on the Financial Statements

We have audited the accompanying financial statements of Capitol Land Trust (the Trust), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 the Trust, as of December 31, 2020 and 2019, and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Aiken & Sanders, Inc., PS

Aiken & Sanders

Certified Public Accountants
& Consultants

June 15, 2021

Montesano, WA

Capitol Land Trust
A Washington Not For Profit Organization

Statement of Financial Position

December 31,	2020	2019
Assets		
Current Assets:		
Cash	\$ 1,190,825	\$ 1,076,612
Grants Receivable	200,498	41,461
Pledges Receivable	40	30
Prepaid Expenses	6,801	2,200
Total Current Assets	1,398,164	1,120,303
Property & Equipment:		
Land Under Conservancy	16,316,811	15,566,106
Trade Land	-	304,100
Equipment	26,351	26,351
Accumulated Depreciation	(24,707)	(22,256)
Total Property & Equipment	16,318,455	15,874,301
Other Assets:		
Investments	2,471,082	1,673,112
Maytown Conservation Fund	156,863	155,907
Total Other Assets	2,627,945	1,829,019
Total Assets	\$ 20,344,564	\$ 18,823,623
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 11,510	\$ 23,235
Accrued Vacation	29,534	22,887
Payroll Expenses & Benefits Payable	33,702	25,766
Total Current Liabilities	74,746	71,888
Long Term Liabilities:		
Custodial Funds-Maytown Conservation Fund	156,863	155,907
Total Long Term Liabilities	156,863	155,907
Net Assets:		
Without Donor Restrictions	2,380,628	1,674,846
With Donor Restrictions	17,732,327	16,920,982
Total Net Assets	20,112,955	18,595,828
Total Liabilities and Net Assets	\$ 20,344,564	\$ 18,823,623

The accompanying notes are an integral part of these financial statements

Capitol Land Trust
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Statement of Activities and Changes in Net Assets

Year Ended December 31,	2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Grants	\$ 681,380	\$ 788,604	\$ 1,469,984
Contributions	330,424	283,193	613,617
Fundraising	88,342	-	88,342
Less: Costs of Direct Benefits to Donors	(2,026)	-	(2,026)
Interest & Dividend Income	25,068	10,720	35,788
Inkind Donations	775	72,500	73,275
Miscellaneous Income	21,767	-	21,767
Gain on Sale of Assets	285,653	-	285,653
Released from Restrictions	430,415	(430,415)	-
Total Support and Revenue	1,861,798	724,602	2,586,400
Expenses:			
Program Services	1,030,017	-	1,030,017
Management and General	210,858	-	210,858
Fundraising	96,404	-	96,404
Total Expenses	1,337,279	-	1,337,279
Other Revenue & Expenses:			
Investment Income (Loss)	181,263	86,743	268,006
Total Other Revenue & Expenses	181,263	86,743	268,006
Increase (Decrease) in Net Assets	705,782	811,345	1,517,127
Net Assets, Beginning of Year	1,674,846	16,920,982	18,595,828
Net Assets, End of Year	\$ 2,380,628	\$ 17,732,327	\$ 20,112,955

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

Capitol Land Trust
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets

Year Ended December 31,	2019		
	Without Donor Restriction	With Donor Restrictions	Total
Support and Revenue:			
Grants	\$ 326,679	\$ 158,295	\$ 484,974
Contributions	228,031	708,261	936,292
Fundraising	226,244	-	226,244
Less Costs of Direct Benefits to Donors	(35,502)	-	(35,502)
Interest & Dividend Income	14,167	19,721	33,888
Inkind Donations	304,600	-	304,600
Miscellaneous Income	1,273	-	1,273
Gain (Loss) on Sale of Assets	(100,636)	-	(100,636)
Released from Restrictions	364,691	(364,691)	-
Total Support and Revenue	1,329,547	521,586	1,851,133
Expenses:			
Program Services	724,407	-	724,407
Management and General	167,596	-	167,596
Fundraising	108,562	-	108,562
Total Expenses	1,000,565	-	1,000,565
Other Revenue & Expenses:			
Investment Income (Loss)	53,958	85,716	139,674
Total Other Revenue & Expenses	53,958	85,716	139,674
Increase (Decrease) in Net Assets	382,940	607,302	990,242
Net Assets, Beginning of Year	1,291,906	16,313,680	17,605,586
Net Assets, End of Year	\$ 1,674,846	\$ 16,920,982	\$ 18,595,828

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Statement of Cash Flows

Years Ended December 31,	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Donors	\$ 723,716	\$ 1,163,942
Cash Received From Grantors	1,310,947	530,965
Cash Paid to Vendors	(670,753)	(461,678)
Cash Paid To/For Employees	(597,069)	(557,455)
Net Cash Provided (Used) by Operating Activities	<u>766,841</u>	<u>675,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Paid For Land and Equipment	(788,686)	(188,827)
Cash Received From Land Sales	625,153	557,802
Cash Received From Investments	109,141	107,009
Cash Paid For Investments	(598,236)	(529,644)
Net Cash Provided (Used) by Investing Activities	<u>(652,628)</u>	<u>(53,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	114,213	622,114
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,076,612</u>	<u>454,498</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,190,825</u>	<u>\$ 1,076,612</u>

**RECONCILIATION OF NET ASSETS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	\$ 1,517,127	\$ 990,242
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) in Operating Activities:		
Depreciation	2,451	2,592
Donated Land	72,500	(304,100)
(Gain) Loss on Sale	(285,653)	100,636
Inkind Easement Acquisition	(75,000)	-
Net Change in Investment Values	(303,794)	(173,562)
(Increase) Decrease in Grants Receivable	(159,037)	45,991
(Increase) Decrease in Pledges Receivable	(10)	133
(Increase) Decrease in Prepaid Expense	(4,601)	925
Increase (Decrease) in Accounts Payable	(11,725)	5,927
Increase (Decrease) in Accrued Vacation	6,647	4,491
Increase (Decrease) in Payroll Expenses & Benefits Payable	7,936	2,499
Net Cash Provided (Used) by Operating Activities	<u>\$ 766,841</u>	<u>\$ 675,774</u>

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

Capitol Land Trust
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Statement of Functional Expenses

Year Ended December 31,	2020			
	Program Services	Management & General	Fundraising	Total
Salaries & Wages	\$ 284,322	\$ 159,961	\$ 62,132	\$ 506,415
Employee Benefits	39,575	13,260	9,381	62,216
Payroll Taxes	24,458	13,198	5,365	43,021
Contracted Labor	10,000	-	-	10,000
Rent Expense	17,854	6,430	3,856	28,140
Telephone	5,055	1,722	1,044	7,821
Insurance	10,886	2,461	2,801	16,148
Supplies	10,591	2,838	2,740	16,169
Printing & Postage	7,384	2,430	2,490	12,304
Property Taxes	10,900	-	-	10,900
Dues	7,908	475	186	8,569
Licenses & Permits	153	10	862	1,025
Professional Services	133,489	2,923	3,867	140,279
Land Stewardship & Restoration	231,085	-	-	231,085
Easement Acquisition Expense	186,608	-	-	186,608
Travel	7,107	1,489	956	9,552
Advertising	20	97	40	157
Equipment R&M	400	-	-	400
Equipment Rental	2,854	-	-	2,854
Property R&M	35,971	-	-	35,971
Inkind Expense	775	-	-	775
Bank/Commission Fees	1	3,564	-	3,565
Depreciation	2,451	-	-	2,451
Miscellaneous	170	-	684	854
Total	\$ 1,030,017	\$ 210,858	\$ 96,404	\$ 1,337,279

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

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Statement of Functional Expenses

Year Ended December 31,	2019			
	Program Services	Management & General	Fundraising	Total
Salaries & Wages	\$ 284,957	\$ 120,601	\$ 62,576	\$ 468,134
Employee Benefits	38,061	11,710	6,809	56,580
Payroll Taxes	24,407	10,109	5,215	39,731
Contracted Labor	10,000	-	-	10,000
Rent Expense	19,284	5,809	5,030	30,123
Telephone	4,927	1,451	697	7,075
Insurance	10,884	1,343	932	13,159
Supplies	2,926	740	1,077	4,743
Printing & Postage	6,184	691	3,635	10,510
Property Taxes	11,840	-	-	11,840
Dues	8,543	174	780	9,497
Licenses & Permits	673	34	60	767
Professional Services	31,644	3,223	6,118	40,985
Land Stewardship & Restoration	197,548	-	-	197,548
Advertising	55	289	-	344
Travel	14,239	6,874	1,484	22,597
Depreciation Expense	2,592	-	-	2,592
Equipment R&M	10,808	1,729	795	13,332
Equipment Rental	3,314	-	10,964	14,278
Property R&M	35,901	-	-	35,901
Inkind Expense	500	-	-	500
Bank/Commission Fees	30	2,903	2,390	5,323
Miscellaneous	5,090	(84)	-	5,006
Total	\$ 724,407	\$ 167,596	\$ 108,562	\$ 1,000,565

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

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Notes to Financial Statements

December 31, 2020 and 2019

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization, purpose and principal program--

The mission of Capitol Land Trust (The Trust) is furthering collaborative and strategic conservation of Southwest Washington's essential natural areas and working lands.

The Trust receives a substantial amount of its annual support in the form of government grants. In the event one or more of the government programs from which the grants are received were to end or experience significant budget cuts, The Trust could experience a significant loss of support.

Basis of accounting--

The Trust's policy is to prepare its financial statements on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset

Financial Statement Presentation--

The Trust follows accounting prescribed by the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958 Not-for Profit Entities. Under ASC 958, The Trust is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions, and without donor restrictions.

With Donor Restrictions: Net assets that result from contributions whose use by The Trust is restricted by donor imposed stipulations that may expire with the passage of time or can be fulfilled or otherwise removed by actions of The Trust.

Without Donor Restrictions: Net assets that are not restricted by donor stipulation.

Gifts of goods and equipment are reported as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of land are reported as donor restricted if The Trust intends to protect the land in perpetuity. Gifts of land, which the donor stipulates may be sold, are reported as without donor restriction.

Estimates--

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Notes to Financial Statements

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Land, buildings and equipment--

Land, buildings and equipment are recorded at cost. Property and equipment donated to The Trust are capitalized at their estimated fair market value. It is The Trust's policy to expense the acquisition cost of equipment in the year of purchase for items with a unit cost of less than \$1,000. Depreciation is provided using the straight-line method. A five-year life is used for both purchased and donated equipment. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain or loss is included in income.

Functional Allocation of Expenses--

The Trust records its expenses by function. Program expenses represent expenses incurred to fulfill The Trust's exempt purposes. Management and general expenses support that exempt purpose while fundraising expenses are incurred to raise resources to carry out program activities. Expenses are recorded, when appropriate, to the function receiving direct benefit. When expenses benefit more than one function, an allocation is made based on relative benefits provided to each function.

Cash and Cash Equivalents--

For purposes of the Statement of Cash Flows, The Trust considers cash, checking, and money market accounts to be cash and cash equivalents.

Advertising--

The Trust's policy is to expense advertising costs as they are incurred.

B. RECOGNITION OF CONTRIBUTION REVENUE:

Contributions are recognized when received or when a donor makes an unconditional promise to give to the organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the pledge is received. Long term pledges (collection expected in greater than one year) are discounted to the net present value of future cash flows. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

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Notes to Financial Statements

December 31, 2020 and 2019

C. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Trust, although it expects to receive current support to fund operations for 2021 and later years, has \$755,751 and \$492,342 of financial assets available within one year of the statement of financial position dates on December 31, 2020 and 2019, respectively, to meet cash needs for general operating expenditures of The Trust. The Trust also has \$1,691,178 and \$943,997, of board designated assets as of December 31, 2020 and 2019, respectively, that can be reallocated for general expenditures if needed. Financial assets available within one year consist of the following:

	<u>2020</u>	<u>2019</u>
Financial assets at year end	\$ 3,862,445	\$ 2,791,215
Donor restricted to purpose	(1,415,516)	(1,354,876)
Board designations	<u>(1,691,178)</u>	<u>(943,997)</u>
Financial assets available to meet cash needs within one year	<u>\$ 755,751</u>	<u>\$ 492,342</u>

D. NET ASSETS COMPOSITION:

	<u>2020</u>	<u>2019</u>
Without Donor Restrictions:		
Board designated stewardship fund	\$ 1,623,810	\$ 879,589
Board designated quasi-endowment fund	17,307	14,408
Board designated rapid fund	50,061	50,000
Undesignated	<u>689,450</u>	<u>730,849</u>
Total:	<u>\$ 2,380,628</u>	<u>\$ 1,674,846</u>
With Donor Restrictions:		
Donor restricted stewardship fund	\$ 581,877	\$ 567,074
Endowment	27,073	22,539
Rapid fund	4,382	4,377
Conservation breakfast sponsors	-	4,000
Other restricted purpose donations	802,184	756,886
Conserved land	<u>16,316,811</u>	<u>15,566,106</u>
Total:	<u>\$ 17,732,327</u>	<u>\$ 16,920,982</u>

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Notes to Financial Statements

December 31, 2020 and 2019

E. ECONOMIC DEPENDENCY:

For 2020 and 2019, the funding used to acquire land was primarily provided by the State of Washington Recreation and Conservation Office, State of Washington Department of Ecology, and the Thurston County Resource Stewardship office .

F. LEASES:

The Trust signed a five year lease for a new office space in Lacey, Washington, in February of 2017 which commenced in March of 2017. Office lease expense under this arrangement was \$25,740 and \$25,113 for the years ended December 31, 2020 and December 31, 2019, respectively. On December 1, 2020, the Trust signed a lease addendum that postponed a scheduled increase of rent on March, 1, 2021 until March 1, 2022.

Future rental payments under this arrangement are as follows:

Year Ending December 31:	2020
2021	\$ 25,845
2022	6,461
Total:	\$ <u>32,306</u>

G. INVESTMENTS & FAIR VALUE MEASUREMENTS:

The investments in mutual funds and money market funds are accounted for at fair value. As of December 31, 2020, the investments had a cost basis of \$1,999,325 and a fair value of \$2,471,082. As of December 31, 2019, the investments had a cost basis of \$1,448,292 and a fair value of \$1,673,112. Investment income on the statement of activities and changes in net assets is the following:

	2020	2019
Unrealized gain	\$ 246,937	\$ 140,016
Realized gain	21,069	(342)
Total:	\$ <u>268,006</u>	\$ <u>139,674</u>

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Notes to Financial Statements

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The Trust adopted Accounting Standards Codification 958 as of January 1, 2009. ASC 958, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under ASC 958 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Trust has the ability to access.

Level 2: Inputs to valuation methodology include: Quoted prices for similar assets or liabilities in active markets. Quoted prices for identical or similar assets or liabilities in inactive markets. Inputs other than quoted prices that are observable for the asset or liability. Inputs that are principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

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.

Mutual Funds: Valued at the net asset value (NAV) of shares held by The Trust at year end.

Common Stock: Market value on public exchanges.

Certificates of Deposit: Valued at original investment plus received and accrued interest.

Money Market Funds: The investments are reported at face value plus accrued interest.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Trust believes its valuation methods are 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.

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Notes to Financial Statements

December 31, 2020 and 2019

The following table sets forth by level, within the fair value hierarchy, The Trust's assets at fair value as of December 31, 2020:

Assets at Fair Value as of December 31, 2020

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ 2,349,410	\$ -	\$ 2,349,410
Common Stock	23,702	-	-	23,702
Money market funds	-	97,970	-	97,970
Total Assets at Fair Value:	\$ 23,702	\$ 2,447,380	\$ -	\$ 2,471,082

The following table sets forth by level, within the fair value hierarchy, The Trust's assets at fair value as of December 31, 2019:

Assets at Fair Value as of December 31, 2019

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ 944,531	\$ -	\$ 944,531
Certificates of deposit	-	154,006	-	154,006
Money market funds	-	574,575	-	574,575
Total Assets at Fair Value:	\$ -	\$ 1,673,112	\$ -	\$ 1,673,112

H. GRANTS RECEIVABLE:

Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

Historically, bad debts have been immaterial. The Trust uses the direct write-off method, which is not in accordance with generally accepted accounting principles. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During 2020 and 2019, there were bad debts of \$0. As of December 31, 2020 and 2019, management estimated that all accounts receivable were collectible. The Trust considers all receivables over 90 days as past due. No interest is charged on past due receivables. As of December 31, 2020, no receivable amounts were past due.

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Notes to Financial Statements

December 31, 2020 and 2019

I. CONTINGENCIES:

Amounts received or receivable from federal and state government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of The Trust if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

J. INKIND REVENUE:

During 2020 and 2019, respectively, The Trust received property donations with a fair market value of \$72,500 and \$304,100. These donations were recorded as inkind revenue and capitalized as land on the statement of financial position. The Trust received inkind donations of professional services, supplies, and miscellaneous items during 2020 and 2019 valued at \$775 and \$500, respectively. The donations are recorded as inkind revenue and expense in the financial statements.

K. INCOME TAX & UNCERTAIN TAX POSITIONS:

The Trust is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The Trust files income tax returns in the U.S. federal jurisdiction. The Trust is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2017.

Currently, there are no examinations or pending examinations with the Internal Revenue Service (IRS).

The Trust adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. As of December 31, 2020, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

L. PLEDGES RECEIVABLE:

The Trust received, in 2020 and 2019, several unconditional promises to give. The promises have been recorded as pledge receivable and contribution revenue for 2020 and 2019. The pledge balance at December 31, 2020 and 2019 totaled \$40 and \$30 respectively. All outstanding pledges are expected to be collected during the 2021 year.

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M. SUBSEQUENT EVENTS:

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. COVID-19 has required the Trust to make adjustments to operating practice and delivery of services. The Trust has continued its work. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. See also Note O to the financial statements.

No other events have occurred through June 15, 2021, which is the date the financial statements were available to be issued based on client facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2020.

N. MAYTOWN CONSERVATION FUND:

The Trust, during 2011, entered into an agreement with the Black Hills Audubon Society (BHAS) to act as fund administrator for a mitigation fund called the Maytown Conservation Fund (Fund). The Fund was created as a result of a settlement agreement with a private company.

The Trust agreed to act as custodian of the Fund and to process invoices submitted by BHAS as qualifying expenditures are made. The Trust, per the agreement, has sole discretion to determine that expenditures submitted for payment are for activities that are consistent with the settlement agreement and an annual work plan submitted by BHAS.

The Fund is presented as an other asset and liability in the statement of financial position.

O. PAYCHECK PROTECTION PROGRAM LOAN:

On April 25, 2020, the Trust received a loan of \$109,300 from Umpqua Bank. The loan was part of the Paycheck Protection Program, which is a United States Government program intended to mitigate the economic impact of the Covid-19 Pandemic. The loan was guaranteed by the United States Small Business Administration and carried a stated interest rate of 1%. The loan term was two years from inception, with interest payments starting on the 7th month following origination. However, the loan was eligible for forgiveness if the loan proceeds were used to subsidize payroll and certain occupancy costs of the Trust. The Trust used the loan proceeds for eligible expenses during 2020 and has recorded \$109,300 as grant income in the financial statements. The loan was formally forgiven in February of 2021.