



FINANCIAL STATEMENTS
April 30, 2021 and 2020

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THE CENTRAL NEW YORK LAND TRUST, INC.

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS THE CENTRAL NEW YORK LAND TRUST, INC.

Report on the Financial Statements

We have audited the accompanying financial statements of **THE CENTRAL NEW YORK LAND TRUST, INC.** (a nonprofit organization), which comprise the statements of financial position as of April 30, 2021 and 2020, and the related statements of activities, 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 judgement, 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 Organization'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 Organization's internal control. Accordingly, we express no such opinion. An audit 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 qualified audit opinion.

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Basis for Qualified Opinion

As more fully described in Note 3 to the financial statements, property and property improvements purchased by or donated to the Organization prior to April 2011 are stated at assessed values determined by tax rolls and insurance coverage. Accounting principles generally accepted in the United States of America require that property and property improvements should be recorded at cost, if purchased, or at fair value, if donated. The effects on the accompanying financial statements of the failure to properly record these assets have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of The Central New York Land Trust, Inc. as of April 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

October 20, 2021

THE CENTRAL NEW YORK LAND TRUST, INC.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

April 30, 2021 and 2020

ASSETS

	2021	2020
Cash	\$ 1,182,529	\$ 41,601
Pledge Receivable	18,678	34,678
Grant Receivable	40,000	0
Mortgage Receivable	0	410,931
Investments	543,163	389,729
Beneficial Interest in Assets Held by the Community Foundation	13,393	9,548
Other Assets	23,505	21,263
Property and Equipment, Net of Accumulated Depreciation	<u>6,150,028</u>	<u>3,971,287</u>
TOTAL ASSETS	<u><u>\$ 7,971,296</u></u>	<u><u>\$ 4,879,037</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 10,328	\$ 10,347
Mortgage Payable, Net of Unamortized Discount	<u>219,910</u>	<u>214,821</u>
Total Liabilities	230,238	225,168

NET ASSETS

Net Assets Without Donor Restrictions	6,401,556	4,257,195
Net Assets With Donor Restrictions	<u>1,339,502</u>	<u>396,674</u>
Total Net Assets	<u>7,741,058</u>	<u>4,653,869</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,971,296</u></u>	<u><u>\$ 4,879,037</u></u>
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See notes to financial statements.

THE CENTRAL NEW YORK LAND TRUST, INC.

STATEMENT OF ACTIVITIES

Year Ended April 30, 2021 with Comparative
Totals for the Year Ended April 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
REVENUE				
Contributions	\$ 94,160	\$ 3,028,897	\$ 3,123,057	\$ 682,853
In-Kind Revenues	30,788	0	30,788	29,004
Membership Dues	64,477	0	64,477	18,773
Interest Income	10,496	28	10,524	8,250
Unrealized Gain on Investments	99,587	53,534	153,121	7,981
Change in Beneficial Interest in Assets				
Held by the Community Foundation	3,695	0	3,695	(452)
Fundraising Revenue	710	0	710	26,115
Paycheck Protection Program Grant	23,700	0	23,700	0
Rental Income	0	0	0	6,690
Grant Income	3,000	80,000	83,000	60,000
	<u>330,613</u>	<u>3,162,459</u>	<u>3,493,072</u>	<u>839,214</u>
Net Assets Released from Restrictions	<u>2,219,631</u>	<u>(2,219,631)</u>	<u>0</u>	<u>0</u>
Total Revenue	2,550,244	942,828	3,493,072	839,214
EXPENSES				
Program Services	259,325	0	259,325	169,039
Management and General	109,377	0	109,377	71,680
Fundraising Expenses	37,181	0	37,181	23,435
Total Expenses	405,883	0	405,883	264,154
Change in Net Assets	2,144,361	942,828	3,087,189	575,060
Net Assets, Beginning of Year	<u>4,257,195</u>	<u>396,674</u>	<u>4,653,869</u>	<u>4,078,809</u>
Net Assets, End of Year	<u><u>\$ 6,401,556</u></u>	<u><u>\$ 1,339,502</u></u>	<u><u>\$ 7,741,058</u></u>	<u><u>\$ 4,653,869</u></u>

See notes to financial statements.

THE CENTRAL NEW YORK LAND TRUST, INC.

STATEMENT OF ACTIVITIES

Year Ended April 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 484,902	\$ 197,951	\$ 682,853
In-Kind Revenues	29,004	0	29,004
Membership Dues	18,773	0	18,773
Interest Income	5,906	2,344	8,250
Unrealized Gain (Loss) on Investments	11,121	(3,140)	7,981
Change in Beneficial Interest in Assets Held by the Community Foundation	(452)	0	(452)
Fundraising Revenue	26,115	0	26,115
Rental Income	6,690	0	6,690
Grant Income	0	60,000	60,000
	<u>582,059</u>	<u>257,155</u>	<u>839,214</u>
Net Assets Released from Restrictions	<u>72,861</u>	<u>(72,861)</u>	<u>0</u>
Total Revenue	654,920	184,294	839,214
EXPENSES			
Program Services	169,039	0	169,039
Management and General	71,680	0	71,680
Fundraising Expenses	23,435	0	23,435
Total Expenses	<u>264,154</u>	<u>0</u>	<u>264,154</u>
Change in Net Assets	390,766	184,294	575,060
Net Assets, Beginning of Year	<u>3,866,429</u>	<u>212,380</u>	<u>4,078,809</u>
Net Assets, End of Year	<u>\$ 4,257,195</u>	<u>\$ 396,674</u>	<u>\$ 4,653,869</u>

See notes to financial statements.

THE CENTRAL NEW YORK LAND TRUST, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2021 with Comparative
Totals for the Year Ended April 30, 2020

	Program Services	Management and General	Fundraising Expenses	Total	
				2021	2020
Audit and Legal Services (Including In-Kind of \$30,788 and \$29,004 in 2021 and 2020, Respectively)	\$ 29,225	\$ 17,452	\$ 0	\$ 46,677	\$ 33,440
Salaries and Payroll Taxes	138,455	65,654	27,255	231,364	125,471
Office Expense	15,039	2,943	8,254	26,236	20,664
Advertising	2,876	0	0	2,876	6,267
Insurance	5,579	2,790	0	8,369	7,124
Property Taxes	6,779	0	0	6,779	6,707
Property Stewardship	16,562	0	0	16,562	8,632
Travel	2,878	0	0	2,878	3,111
Rental Property Expenses	7,023	0	0	7,023	4,496
Rent Expense	0	19,965	0	19,965	22,743
Dues and Subscriptions	8,815	0	0	8,815	3,863
Acquisition Costs	10,297	0	0	10,297	1,304
Fundraising Events	0	0	1,672	1,672	8,590
Miscellaneous Expenses	1,000	573	0	1,573	1,527
Interest Expense	5,089	0	0	5,089	5,089
Depreciation	9,708	0	0	9,708	5,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u><u>\$ 259,325</u></u>	<u><u>\$ 109,377</u></u>	<u><u>\$ 37,181</u></u>	<u><u>\$ 405,883</u></u>	<u><u>\$ 264,154</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2020

	Program Services	Management and General	Fundraising Expenses	Total
Audit and Legal Services (Including In-Kind of \$29,004)	\$ 18,141	\$ 15,299	\$ 0	\$ 33,440
Salaries and Payroll Taxes	83,739	27,716	14,016	125,471
Office Expense	17,150	2,685	829	20,664
Advertising	6,267	0	0	6,267
Insurance	4,749	2,375	0	7,124
Property Taxes	6,707	0	0	6,707
Property Stewardship	8,632	0	0	8,632
Travel	3,111	0	0	3,111
Rental Property Expenses	4,496	0	0	4,496
Rent Expense	0	22,743	0	22,743
Dues and Subscriptions	3,863	0	0	3,863
Acquisition Costs	1,304	0	0	1,304
Fundraising Events	0	0	8,590	8,590
Miscellaneous Expenses	665	862	0	1,527
Interest Expense	5,089	0	0	5,089
Depreciation	5,126	0	0	5,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 169,039</u>	<u>\$ 71,680</u>	<u>\$ 23,435</u>	<u>\$ 264,154</u>

STATEMENTS OF CASH FLOWS

Years Ended April 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,087,189	\$ 575,060
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Noncash Contributions	(742,500)	(476,199)
Noncash Interest Expense	5,089	5,089
Contributions for Restricted Land Purchases	(2,285,339)	(197,591)
Depreciation	9,708	5,126
Unrealized Gain on Investments	(153,121)	(7,981)
Change in Beneficial Interest in Assets Held by the Community Foundation	(3,695)	452
(Increase) Decrease in Operating Assets:		
Pledge Receivable	16,000	(34,678)
Grant Receivable	(40,000)	0
Mortgage Receivable	410,931	0
Rent Receivable	0	575
Other Assets	(2,242)	(13,730)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(19)	8,897
Net Cash Provided by (Used In) Operating Activities	302,001	(134,980)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(1,445,949)	(25,986)
Purchase of Investments	(313)	(8,250)
Net Beneficial Interest in Assets Held by the Community Foundation Activity	(150)	0
Net Cash Used In Investing Activities	(1,446,412)	(34,236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage Payable	0	(10,000)
Contributions for Restricted Land Purchases	2,285,339	197,591
Net Cash Provided By Financing Activities	2,285,339	187,591
Change in Cash	1,140,928	18,375
Cash, Beginning of Year	41,601	23,226
Cash, End of Year	\$ 1,182,529	\$ 41,601
NONCASH INVESTING AND FINANCING ACTIVITIES		
Mortgage Receivable Incurred for Property and Property Improvements	\$ 0	\$ 235,000

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 1 – NATURE OF OPERATIONS

The Central New York Land Trust, Inc. (Organization) was formed in 1972 as a not-for-profit New York State corporation for the purpose of acquiring and preserving unique and important natural areas in Central New York. Acquired land is used to provide the public with sites for nature, education, recreation, scientific study and wildlife protection.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, 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 the Board of Directors. The Board of Directors has designated, from net assets without donor restrictions, net assets for stewardship and defense reserve requirements of \$93,000 for both years ended April 30, 2021 and 2020.

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 the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. See Note 11. The Organization does not have any net assets with donor restrictions held in perpetuity.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid investments purchased with maturities of three months or less. The Organization maintains its cash in bank accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents. There were no cash equivalents as of April 30, 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments and Investment Income

Investments are carried at fair value. Fair value is determined principally on the basis of quoted market prices. Investment income or loss (including realized and unrealized gain and losses on investments, interest and dividends) is included in the change in net assets.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and property improvements, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. The Organization has determined that no impairment existed as of April 30, 2021 and 2020.

Contributions and Grant Income

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Contributions are considered available for general use unless specifically restricted by the donor and are recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated Services and In-Kind Revenues

The Organization received contributed professional services during the years ended April 30, 2021 and 2020, with fair values on the dates of donation of \$30,788 and \$29,004, respectively. These donated in-kind services have been recorded in the statements as both revenue and expenses. In addition, a substantial number of volunteers have donated significant amounts of their time to the Organization's program and support services. These amounts have not been reflected in the statements for donated services, as they do not meet the requirements for recognition.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Rental Income

Rental income is recognized as rentals are due. Leases are either on a month to month basis or are renewed annually. All leases between the Organization and tenants of the properties are operating leases.

Functional Allocation of Expenses

The costs of providing various program activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services.

Income Tax

The Organization has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and have been classified as an organization that is not a private foundation under Section 509(a). Management is unaware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Organization's exempt status.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 3 – DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Generally accepted accounting principles require that property and property improvements be valued at cost or fair market value at the time of donation. The Organization's property and property improvements acquired prior to April 2011 are stated at insured or tax assessment values.

THE CENTRAL NEW YORK LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization’s financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date, consist of the following as of April 30:

	2021	2020
Financial Assets:		
Cash	\$ 1,182,529	\$ 41,601
Pledge Receivable	18,678	34,678
Grant Receivable	40,000	0
Mortgage Receivable	0	410,931
Investments	543,163	389,729
Beneficial Interest in Assets Held by the Community Foundation	<u>13,393</u>	<u>9,548</u>
 Total Financial Assets	 1,797,763	 886,487
 Financial Assets Not Available Within One Year:		
Long-Term Portion of Mortgage Receivable	0	(248,560)
Board Designated Net Assets	(93,000)	(93,000)
Net Assets With Donor Restrictions	<u>(1,339,502)</u>	<u>(396,674)</u>
 Total Financial Assets Not Available Within One Year	 <u>(1,432,502)</u>	 <u>(738,234)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u>\$ 365,261</u>	 <u>\$ 148,253</u>
 Annual General Expenditures	 <u>\$ 391,086</u>	 <u>\$ 253,939</u>
 Approximate Days of Financial Assets Available to Meet Expenditures	 <u>341</u>	 <u>213</u>

Net assets with donor restrictions can only be used in accordance with donor restrictions and are generally not available for operations. If the Board of Directors deems it necessary, it can undesignate the board designated net assets.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 5 – PLEDGE RECEIVABLE

In March 2019, a donor pledged \$50,000 toward the purchase of a specific piece of property. This contribution requires a dollar for dollar match and is payable in thirty-six months from the date of the pledge. As of April 30, 2020, the Organization had met the match and recognized the \$50,000 pledge. The pledge receivable as of April 30, 2021 was \$18,678 and is expected to be paid in full by March 2022. The pledge receivable as April 30, 2020 was \$34,678.

NOTE 6 – GRANT RECEIVABLE

Grant receivable consists of an amount due from an unrelated organization to support the Organization's services. Payments were not received by the Organization at year-end. Grant and receivable is due within one year. The management of the Organization reviews the collectability of the grant receivable on a monthly basis, and has determined that no reserve for doubtful accounts needs to be established. Grant receivable was \$40,000 and \$-0- for the years ended April 30, 2021 and 2020, respectively.

NOTE 7 – MORTGAGE RECEIVABLE

During the year ended April 30, 2020, the Organization recognized a contribution of a \$410,931 mortgage receivable on a piece of property from a donor. The terms of the mortgage call for a \$150,000 payment in June 2020 and monthly payments thereafter of \$2,135, including interest at 4.35% through May 2021. The mortgage is secured by the property. As of April 30, 2021, the mortgage receivable was collected in full.

Interest earned on the mortgage receivable was \$10,211 and \$-0- for the years ended April 30, 2021 and 2020, respectively.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 8 – INVESTMENTS

The Organization’s investments consist of cash and cash equivalents, corporate equity securities, corporate bonds, government bonds, and equity mutual funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statements of financial position and the statement of activities.

Investments consisted of the following as of April 30:

	2021	2020
Cash and Cash Equivalents	\$ 9,488	\$ 89,602
Corporate Equity Securities	334,432	219,724
Equity Mutual Funds	52,953	47,508
Equity and Bond Mutual Funds	146,290	19,232
Corporate Bonds	0	13,634
Government Bonds	0	29
	<hr/>	<hr/>
Total	<u>\$ 543,163</u>	<u>\$ 389,729</u>

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 8 – INVESTMENTS – Continued

The three levels of the fair value hierarchy are described below:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Investments:

Cash and Cash Equivalents – Valued at carrying cost, which approximates fair value (Level 1 inputs).

Corporate Equity Securities, Corporate Bonds, and Government Bonds – Valued at the closing price reported in the active market in which the individual investment is traded (Level 1 inputs).

Mutual Funds – Valued at quoted net asset values of the shares held on the last business day of the fiscal year (Level 1 inputs).

All investments are considered to be Level 1 investments as they have readily determinable fair values and are stated at fair value based on quoted prices in active markets.

THE CENTRAL NEW YORK LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

**NOTE 9 – BENEFICIAL INTEREST IN ASSETS HELD BY
COMMUNITY FOUNDATION**

On April 26, 2019, the Organization established a fund at the Central New York Community Foundation, Inc. (Community Foundation) with The Central New York Land Trust, Inc. named as beneficiary. The Organization granted variance power to the Community Foundation, which allows the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of the Community Foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the Community Foundation for the Organization's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

The fair value of the beneficial interest in assets held by the Community Foundation is based on the fair value of the fund investments as reported by the Community Foundation. These are considered to be level 3 investments.

The table below sets forth a summary of changes in fair value of the beneficial interest in assets held by the Community Foundation as of April 30:

	2021	2020
Balance, Beginning of Year	\$ 9,548	\$ 10,000
Contributions	650	0
Investment Return, Net	3,695	(452)
Distributions to the Organization	(500)	0
	<hr/>	<hr/>
Balance, End of Year	<u>\$ 13,393</u>	<u>\$ 9,548</u>

THE CENTRAL NEW YORK LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 10 – PROPERTY AND EQUIPMENT

Property and equipment purchased or donated after April 2011, are stated at cost, or if donated, at fair market value. Assets acquired prior to April 2011 are stated at insurance or tax assessment values. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. It is the Organization’s policy to capitalize expenditures for items over \$1,000 with an estimated useful life of more than one year. Lesser amounts are expensed. When properties are retired or otherwise disposed of, the related costs are removed from the accounts and any gain or loss is recorded in the statement of activities. Expenditures for repairs and maintenance not considered to substantially lengthen property life are charged to expense as incurred. Depreciation expense was \$9,708 and \$5,126 for the years ended April 30, 2021 and 2020, respectively.

The components of property and equipment as of April 30 consisted of the following:

	2021	2020
Land	\$ 6,015,132	\$ 3,925,683
Land Improvements	80,948	20,948
Buildings	196,110	196,110
Building Improvements	46,221	46,221
Vehicles and Equipment	<u>39,000</u>	<u>0</u>
	6,377,411	4,188,962
Less: Accumulated Depreciation	<u>227,383</u>	<u>217,675</u>
Property and Equipment, Net of Accumulated Depreciation	<u><u>\$ 6,150,028</u></u>	<u><u>\$ 3,971,287</u></u>

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 11 – MORTGAGE PAYABLE

In June 2019, the Organization purchased a 206-acre property from an unrelated third party at a cost of \$285,000. The mortgage holder donated \$50,000 towards the purchase price at the closing. The remaining \$235,000 was financed with an interest-free mortgage held by another unrelated third party and secured by the property. The terms of the mortgage call for a \$10,000 payment before May 1, 2020 with the remaining balance to be paid in full by May 1, 2022. The Organization recorded contribution revenue and a loan discount using a rate of 2.37% at the time of the closing. The outstanding mortgage payable of \$225,000 is reported in the statements of financial position net of unamortized discount of \$5,090 and \$10,179 as of April 30, 2021 and 2020, respectively. The discount on the loan is being amortized to interest expense over the life of the mortgage. Imputed interest expense of \$5,089 was reported in the accompanying statement of activities for both years ended April 30, 2021 and 2020.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of April 30:

	2021	2020
Millennium Investment Account (Restricted for Purchase of New Property Only)	\$ 213,928	\$ 160,366
Purpose Restricted Donations:		
Maintenance of Specific Properties	36,007	29,068
Pleasant Valley	188,765	147,951
Purchase of Specific Properties	9,039	0
Administrative Expenses	40,000	0
Watershed Protection	851,763	0
Outdoor Watershed Education Center	0	59,289
Total	\$ 1,339,502	\$ 396,674

THE CENTRAL NEW YORK LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS –

Continued

Net assets released from restrictions consisted of the following for the years ended April 30:

	2021	2020
Purchase of New Property	\$ 2,090,737	\$ 50,000
Other Property Costs	88,894	22,861
Administrative Expenses	<u>40,000</u>	<u>0</u>
Total Net Assets Released from Restrictions	<u><u>\$ 2,219,631</u></u>	<u><u>\$ 72,861</u></u>

NOTE 13 – CONCENTRATIONS

The percentage of the Organization’s revenue that came from their top three donors was 86% and 64% for the years ended April 30, 2021 and 2020, respectively. These donations were solicited for the sole purpose of land purchases, not necessarily general operations. It is always considered reasonably possible that funding from benefactors, grantors or contributors might not be realized in the near term.

NOTE 14 – PAYCHECK PROTECTION PROGRAM GRANT

The Organization was granted a \$23,700 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. This loan was fully forgiven and paid off by the SBA in November 2020. The Organization has recognized \$23,700 as grant revenue for the year ended April 30, 2021.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021 and 2020

NOTE 15 – LEASES

In May 2019, the Organization entered into a five-year lease for office space. Monthly payments begin at \$1,621 and increase annually through April 30, 2024. Rent expense was \$19,965 and \$22,743 for the years ended April 30, 2021 and 2020, respectively. Minimum future rental payments under non-cancellable operating leases are as follows:

2022	\$	20,423
2023		20,909
2024		<u>21,395</u>
Total	\$	<u><u>62,727</u></u>

NOTE 16 – COMMITMENTS

In May 2019, the Organization, along with an unrelated not-for-profit organization, entered into a purchase offer for approximately 90 acres of property for \$345,000. The agreement allows the Organizations three years to close on the purchase of the property. It is anticipated that both organizations will raise the funds needed to purchase the property. Once the funds have been raised, the land will be purchased by an entity that is jointly owned by both organizations. The Organization made a down payment of \$12,938 toward the purchase of the property, which is recorded in other assets in both years ended April 30, 2021 and 2020.

NOTE 17 – COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The ultimate extent of the impact of any pandemic or other health crisis on the Organization’s operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge. The related financial impact and duration cannot be reasonably quantified at this time.

NOTE 18 – SUBSEQUENT EVENTS

In July 2020, the Organization entered into a purchase offer for a 15-acre property from an unrelated third party at a cost of \$600,000. The property will be purchased using the proceeds of a \$2,200,000 gift received by the Organization in August 2020. Closing occurred on August 4, 2021.

Management has evaluated subsequent events through October 20, 2021, which is the date the financial statements were available to be issued.