

LOON PRESERVATION COMMITTEE

FINANCIAL STATEMENTS

Years ended March 31, 2020 and 2019

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ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

46 NORTH STATE STREET
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Loon Preservation Committee
Moultonborough, New Hampshire

We have audited the accompanying financial statements of Loon Preservation Committee (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020 and the related statement of activities and changes in net assets and cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Loon Preservation Committee as of March 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.

Report on summarized Comparative Information

We have previously audited Loon Preservation Committee's March 31, 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rowley & Associates, PC

Rowley & Associates, P.C.
Concord, New Hampshire
May 26, 2020

LOON PRESERVATION COMMITTEE
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020 WITH COMPARATIVE TOTALS FOR 2019
See Independent Auditors' Report

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 376,374	\$ 1,261,573	\$ 1,637,947	\$ 701,240
Investments	48,671	-	48,671	45,369
Accounts receivable	6,704	-	6,704	6,704
Pledges receivable	-	651,250	651,250	10,000
Prepaid expenses	5,014	-	5,014	-
Inventory	56,225	-	56,225	58,667
Total Current Assets	<u>492,988</u>	<u>1,912,823</u>	<u>2,405,811</u>	<u>821,980</u>
PROPERTY AND EQUIPMENT				
Boats	67,671	-	67,671	46,654
Furniture and fixtures	43,285	-	43,285	43,285
Computer equipment	18,337	-	18,337	18,337
Leasehold improvements	29,291	-	29,291	29,291
Vehicle	24,398	-	24,398	24,398
	<u>182,982</u>	<u>-</u>	<u>182,982</u>	<u>161,965</u>
Less accumulated depreciation	<u>(117,321)</u>	<u>-</u>	<u>(117,321)</u>	<u>(107,612)</u>
	<u>65,661</u>	<u>-</u>	<u>65,661</u>	<u>54,353</u>
OTHER ASSETS				
Construction in progress	17,072	-	17,072	-
Investments - Endowment	-	48,187	48,187	54,477
Artwork - Loon Decoy	7,500	-	7,500	7,500
Total Other Assets	<u>24,572</u>	<u>48,187</u>	<u>72,759</u>	<u>61,977</u>
Total Assets	<u>583,221</u>	<u>1,961,010</u>	<u>2,544,231</u>	<u>938,310</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	<u>38,521</u>	<u>-</u>	<u>38,521</u>	<u>41,293</u>
Total Current Liabilities	<u>38,521</u>	<u>-</u>	<u>38,521</u>	<u>41,293</u>
NET ASSETS				
Without donor restrictions	544,700	-	544,700	486,791
With donor restrictions	<u>-</u>	<u>1,961,010</u>	<u>1,961,010</u>	<u>410,226</u>
	<u>544,700</u>	<u>1,961,010</u>	<u>2,505,710</u>	<u>897,017</u>
Total Liabilities and Net Assets	<u>\$ 583,221</u>	<u>\$ 1,961,010</u>	<u>\$ 2,544,231</u>	<u>\$ 938,310</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2020
WITH COMPARATIVE TOTALS FOR 2019
See Independent Auditors' Report

	2020			2019
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	
Revenues, gains and other support:				
Contributions	\$ 54,295	\$ -	\$ 54,295	\$ 93,816
Grants	190,370	-	190,370	372,959
Annual fund	172,250	-	172,250	180,541
Capital campaign contributions	-	1,725,662	1,725,662	6,087
Memorial gifts and bequests	21,395	-	21,395	153,616
Membership income	162,853	-	162,853	152,361
Store sales net of cost of goods of				
2020: \$49,116 and 2019: \$47,100	37,952	-	37,952	38,894
Income from Markus Trust	17,735	-	17,735	16,850
Fees	525	-	525	700
Gain on sale of property and equipment	1,500	-	1,500	-
Interest and dividend income	14,021	-	14,021	740
Unrealized gain (loss) on investments	-	(2,988)	(2,988)	2,067
Total revenues, gains and other support	<u>672,896</u>	<u>1,722,674</u>	<u>2,395,570</u>	<u>1,018,631</u>
Net assets released from donor imposed restrictions	<u>171,890</u>	<u>(171,890)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services	636,374	-	636,374	627,733
General and administrative expenses	104,337	-	104,337	103,132
Fundraising	46,166	-	46,166	48,182
Total expenses	<u>786,877</u>	<u>-</u>	<u>786,877</u>	<u>779,047</u>
Net Increase in net assets	57,909	1,550,784	1,608,693	239,584
Net assets, beginning of year	<u>486,791</u>	<u>410,226</u>	<u>897,017</u>	<u>657,433</u>
Net assets, end of year	<u>\$ 544,700</u>	<u>\$ 1,961,010</u>	<u>\$ 2,505,710</u>	<u>\$ 897,017</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2020 and 2019
See Independent Auditors' Report

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 1,608,693	\$ 239,584
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	13,209	11,083
Unrealized (gain) loss on investments	2,988	(2,067)
(Increase) decrease in operating assets:		
Accounts receivable	-	1,973
Pledges receivable	(641,250)	10,000
Inventory	2,442	(4,429)
Prepaid expenses	(5,014)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(2,772)	7,661
	<u>978,296</u>	<u>263,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost of construction	(17,072)	-
Purchase of property and equipment	(24,517)	(3,250)
	<u>(41,589)</u>	<u>(3,250)</u>
Net cash used by investing activities	<u>(41,589)</u>	<u>(3,250)</u>
Net increase in cash and cash equivalents	936,707	260,555
Cash and cash equivalents, beginning of year	<u>701,240</u>	<u>440,685</u>
Cash and cash equivalents, end of year	<u>\$ 1,637,947</u>	<u>\$ 701,240</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2020 WITH COMPARATIVE TOTALS FOR 2019
See Independent Auditors' Report

	2020				2019
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and related expenses					
Salaries and wages	\$ 342,981	\$ 60,022	\$ 25,723	\$ 428,726	\$ 425,733
Employee benefits:					
Retirement plan	11,170	1,955	837	13,962	13,652
Health Insurance	39,534	6,918	2,965	49,417	48,433
Other benefits	2,895	506	217	3,618	3,641
Payroll taxes	24,956	4,367	1,872	31,195	32,449
Total Salaries and related expenses	421,536	73,768	31,614	526,918	523,908
Program events and expenses	125,000	812	420	126,232	99,083
Depreciation	13,209	-	-	13,209	11,083
Advertising	11,139	1,949	835	13,923	13,548
Printing	10,580	2,539	3,809	16,928	17,761
Travel reimbursement	10,052	310	132	10,494	10,383
Utilities	3,775	1,257	-	5,032	7,968
Rent	3,890	-	-	3,890	3,740
Building maintenance	6,120	1,519	-	7,639	9,744
Allowance for Replacement	-	-	-	-	3,991
Insurance	10,196	2,447	102	12,745	11,032
Vehicle expenses	3,818	-	-	3,818	5,849
General supplies	6,068	1,062	455	7,585	11,160
Postage	2,456	1,228	8,594	12,278	11,949
Telephone	2,366	414	177	2,957	2,827
Credit card fees	-	7,026	-	7,026	6,600
Professional fees	1,450	7,379	-	8,829	13,804
Computer expenses	368	64	28	460	3,444
Dues and subscriptions	-	2,453	-	2,453	2,657
Miscellaneous expenses	659	-	-	659	1,855
Office expenses	3,692	110	-	3,802	6,661
	<u>\$ 636,374</u>	<u>\$ 104,337</u>	<u>\$ 46,166</u>	<u>\$ 786,877</u>	<u>\$ 779,047</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
See Independent Auditors' Report

Note 1. Nature of Organization and activities

The Loon Preservation Committee (LPC) (the Organization) was established in 1975 as a self-funded project of the Audubon Society of New Hampshire (ASNH) to restore and maintain a healthy population of loons throughout New Hampshire; to monitor the health and productivity of loon populations as sentinels of environmental quality; and to promote greater understanding of loons and the natural world. In 2006 the organization was incorporated and recognized as a tax-exempt organization under the Internal Revenue Code section 501(c)(3). The Organization is supported primarily through donor memberships, contributions and grants.

Note 2. Significant Accounting Policies

The significant accounting policies followed by the Organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting: The financial statements of LPC have been prepared on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred. The organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without Donor Restrictions - These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services raising contributions, and performing administrative functions.

Net assets with Donor Restrictions - These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Inventory is stated at the lower of cost or market as determined by the retail method. It is comprised of books and assorted other merchandise related to the Organization's programs

Property and Equipment is carried at cost. Depreciation expense related to equipment is calculated using the straight-line method over 5 – 15 years. Depreciation expense related to leasehold improvements is calculated using the straight-line method over 40 years. For the years ended March 31, 2020 and 2019 depreciation expense was \$13,209 and \$11,083, respectively.

LOON PRESERVATION COMMITTEE
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Note 2. Significant Accounting Policies (Continued)

Investments: Investments are stated at fair-market value. The net realized and unrealized gains (losses) on investments are reflected in the statement of activities.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited by restriction. At years ended March 31, 2020 and 2019 the Organization had no cash equivalents.

Capitalization policy: Expenditures for additions, renewals and betterments of property and equipment, unless of relatively minor amount, are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or sale, the cost of the assets disposed of and the related accumulated depreciation are removed from the accounts and any gain or loss is included in other income in the period in which the asset is disposed.

Gifts and donations: Gifts and donations received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Restricted and Unrestricted Revenue: All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or restriction purpose is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts and donations of investments or equipment are recorded at fair-market value on the date of the gift.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
See Independent Auditors' Report

Note 2. Significant Accounting Policies (Continued)

Promises to Give: Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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 net assets.

Donated Services: The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, campaign solicitations and various Board and Committee assignments. No amounts have been reflected in the financial statements for these services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills and would otherwise be purchased by the Organization.

Income taxes: The Organization has been notified by the Internal Revenue Service that it is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). The Organization follows guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Comparative Financial Information: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2019, from which the summarized information was derived.

**LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
See Independent Auditors' Report**

Note 2. Significant Accounting Policies (Continued)

Cost Allocation: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates that are based on their relationship to those activities, consistently applied. Those expenses include payroll and payroll related expenses and occupancy costs. Occupancy costs are allocated based on square footage. Payroll and payroll related expenses are based on estimates of time and effort. Other cost allocations are based on the relationship between the expenditure and the activities benefited.

Financial Instruments: The carrying value of cash and cash equivalents, accounts receivable, pledges receivable, inventory, prepaid expenses, accounts payable and accrued expenses are stated at carrying cost at March 31, 2020 and 2019, which approximates fair value due to the relatively short maturity of these instruments. Other financial instruments held at year-end are investments, which are stated at fair value.

New Accounting Pronouncement – During the year ended March 31, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14—Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016- 14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

Note 3. Concentration of Risk

The Organization maintains a cash balances in a local bank. This account is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization also maintains an insured cash sweep account. At March 31, 2020 and 2019 the Organization had no uninsured cash balances.

Note 4. Employee retirement plan

The Organization has a tax deferred Annuity Retirement Plan that provides for employees to make voluntary contributions on a pre-tax basis through salary reduction. The Organization makes a matching contribution for participating employees up to 6% of the participant's compensation. Matching contributions made by the Organization to this plan for the Years ended March 31, 2020 and 2019 were \$13,962 and \$13,652 respectively.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
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Note 5. Investments

Investments are presented in the financial statements at fair-market value and consist of an equity mutual fund and a Government Money Market fund. Investments consisted of the following as of March 31, 2020:

	<u>Cost</u>	<u>Market</u>
Money Market	\$ 31,208	\$ 31,208
Balanced Mutual Fund	<u>58,946</u>	<u>65,650</u>
	<u>\$ 90,154</u>	<u>\$ 96,858</u>

FASB Accounting Standards Codification Topic 820-10 *Fair Value Measurements* defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined 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. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement).

Under Topic 820-10, the three levels of the fair value hierarchy are as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.
- Level 3: inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All investments are measured at Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets. None of the investments are Level 2 or Level 3 investments.

Note 6. Compensated Absences

Employees of the Organization are entitled to paid vacation depending on job classification, length of service, and other factors. The statement of financial position reflects accrued vacation earned, but unpaid as of March 31, 2020 and 2019 in the amounts of \$14,289 and \$15,295 respectively.

LOON PRESERVATION COMMITTEE
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Note 7. Lease Commitment

The Organization leases its facility under an operating lease agreement with New Hampshire Audubon effective April 2018 expiring March 31, 2038 at \$1 per year. Future lease payments are \$1 per year throughout the lease term.

Note 8. Net Assets

Board Designated Net Assets

As of March 31, 2020 and 2019 net assets without donor restrictions totaled \$544,700 and \$486,791 respectively. Included in these amounts were net assets that the Board of Trustees designated for various purposes as of March 31:

	<u>2020</u>	<u>2019</u>
Kittie Wilson Capital	\$ 14,705	\$ 14,705
Investment account	<u>48,671</u>	<u>45,369</u>
Total unrestricted, designated net assets	<u>\$ 63,376</u>	<u>\$ 60,074</u>

Designated net assets are comprised of the following as of March 31, 2020:

Cash	\$ 14,705
Investments	<u>48,671</u>
Total Board Designated Net Assets	<u>\$ 63,376</u>

Net assets with Donor Restrictions:

Net assets subject to restriction for specific purposes:

Cash and cash equivalents	\$1,261,573	\$ 355,749
Pledges receivable	<u>651,250</u>	<u>-</u>
	1,912,823	355,749

Net assets subject to restriction in perpetuity:

Endowment Fund:	<u>48,187</u>	<u>54,477</u>
Total net assets with donor restrictions	<u>\$1,961,010</u>	<u>\$ 410,226</u>

Net Assets Subject to Restriction in Perpetuity – Endowment Fund:

Spending Policy

LPC complies with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The State of New Hampshire adopted UPMIFA effective July 1, 2009. Implementation of the provisions of UPMIFA have no impact on the existence or adherence to any related restrictions on the funds. The provisions of UPMIFA that are of most relevance to LPC are those relating to calculation of release of restrictions on net assets. Permanently restricted net assets consist of endowment funds held by Fidelity Investments in mutual funds. Calculation of amounts released from restriction applies a rate of 4% of the trailing average value over the preceding 48 months. Amounts released from restriction related to this endowment fund amounted to \$3,292 and \$3,174 during the years ended March 31, 2020 and 2019 respectively.

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Note 8. Net Assets (continued)

Spending Policy (continued)

To achieve the spending policy objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in well diversified asset mix which includes equity and money market securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while growing the fund if possible. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return of at least 4 percent annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund, Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Total investment return on investments and endowment funds is summarized as follows:

	Without Donor Restriction <u>Designated</u>	With Donor Restriction <u>In Perpetuity</u>	<u>Total</u>
Balance at March 31, 2018	\$ 42,205	\$ 55,574	\$ 97,779
Net investment gain	-	2,067	2,067
Current year contributions	-	-	-
Withdrawals in accordance with spending policy	<u>3,164</u>	<u>(3,164)</u>	<u>-</u>
Balance at March 31, 2019	<u>45,369</u>	<u>54,477</u>	<u>99,846</u>
Net investment gain	-	<u>53,380</u>	53,380
Current year contributions	-	<u>104,693</u>	104,693
Withdrawals in accordance with spending policy	<u>3,302</u>	<u>(3,302)</u>	<u>-</u>
Balance at March 31, 2020	<u>\$ 48,671</u>	<u>\$ 209,248</u>	<u>\$ 257,919</u>

Note 9. Fair Value Measurements

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions. The fair market value of accounts and pledges receivable are estimated at the present value of expected future cash flows. Artwork – Loon Decoy value was recorded at the estimated value at the time it was donated to LPC.

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Note 9. Fair Value Measurements (continued)

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Organization is required to disclose certain information about its financial assets and liabilities. Fair values of assets measured on a recurring basis at March 31 were as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)
<u>2020</u>			
Accounts receivable	\$ 6,704	\$ -	\$ 6,704
Pledges receivable	651,250	-	651,250
Investments	96,858	96,858	-
Artwork – Loon Decoy	<u>7,500</u>	<u>-</u>	<u>7,500</u>
	<u>\$762,312</u>	<u>\$ 96,858</u>	<u>\$665,454</u>
 <u>2019</u>			
Accounts receivable	\$ 6,704	\$ -	\$ 6,704
Pledges receivable	10,000	-	10,000
Investments	99,846	99,846	-
Artwork – Loon Decoy	<u>7,500</u>	<u>-</u>	<u>7,500</u>
	<u>\$ 124,050</u>	<u>\$ 99,846</u>	<u>\$ 24,204</u>

Note 10. Liquidity and Availability of Financial Assets

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's primary sources of support are grants, contributions and memberships. Most of that support is held for the purpose of supporting the Organization's budget. The Organization had the following financial assets that could be readily available within one year to fund expenses without limitations:

Cash and cash equivalents	\$1,637,947
Accounts receivable	6,740
Pledges receivable	651,250
Investments	48,671
 Less amounts subject to donor imposed restriction	 <u>(1,912,823)</u>
	<u>\$ 431,785</u>

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
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Note 11. Line of Credit

The Organization has a \$25,000 line of credit with a local bank with an interest rate of 8.00%. The line of credit was renewed in May 2019 for a one-year term. There was no outstanding balance as of March 31, 2020 and 2019, respectively.

Note 12. Subsequent Event

Management has evaluated subsequent events through May 26, 2020, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure.

On April 18, 2020 the Organization received approval of a loan from The U.S. Small Business Administration as part of the Paycheck Protection Program in the amount of \$79,200. This amount was increased as of May 1, 2020 by \$20,000 bringing the total to \$99,200. This loan calls for interest fixed at 1%. No payments are required for six months from the date of the loan. This note will mature two years from the date of first disbursement of the loan. It is likely that this loan will be forgiven under the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136).

There were no other events matching the subsequent event disclosure criterion during this period.