

LOON PRESERVATION COMMITTEE

FINANCIAL STATEMENTS

Years ended March 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Loon Preservation Committee (a nonprofit organization), which comprise the statements of financial position as of March 31, 2022 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022 and the statements of activities and changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Loon Preservation Committee and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 Loon Preservation Committee's internal control. Accordingly, no such opinion is expressed.

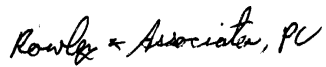
Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Loon Preservation Committee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Prior Year Financial Statement and Summarized Comparative Information

We previously audited Loon Preservation Committee's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rowley & Associates, P.C.
Concord, New Hampshire
May 20, 2022

LOON PRESERVATION COMMITTEE
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022 WITH COMPARATIVE TOTALS FOR 2021
See Independent Auditors' Report

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 660,187	\$ 250,326	\$ 910,513	\$ 804,217
Investments	55,919	-	55,919	52,423
Accounts receivable	43,789	-	43,789	6,025
Pledges receivable	-	39,750	39,750	201,658
Prepaid expenses	251	-	251	-
Inventory	44,122	-	44,122	52,421
Total Current Assets	<u>804,268</u>	<u>290,076</u>	<u>1,094,344</u>	<u>1,116,744</u>
PROPERTY AND EQUIPMENT				
Boats	76,671	-	76,671	67,671
Furniture and fixtures	48,950	-	48,950	43,285
Computer equipment	40,364	-	40,364	18,337
Leasehold improvements	2,138,246	-	2,138,246	29,291
Vehicle	24,398	-	24,398	24,398
	<u>2,328,629</u>	<u>-</u>	<u>2,328,629</u>	<u>182,982</u>
Less accumulated depreciation	<u>(184,500)</u>	<u>-</u>	<u>(184,500)</u>	<u>(131,348)</u>
	<u>2,144,129</u>	<u>-</u>	<u>2,144,129</u>	<u>51,634</u>
OTHER ASSETS				
Construction in progress	-	-	-	1,895,237
Investments - Endowment	-	68,959	68,959	69,372
Artwork - Loon Decoy	7,500	-	7,500	7,500
Total Other Assets	<u>7,500</u>	<u>68,959</u>	<u>76,459</u>	<u>1,972,109</u>
Total Assets	<u>2,955,897</u>	<u>359,035</u>	<u>3,314,932</u>	<u>3,140,487</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	<u>36,249</u>	<u>-</u>	<u>36,249</u>	<u>61,729</u>
Total Current Liabilities	<u>36,249</u>	<u>-</u>	<u>36,249</u>	<u>61,729</u>
Note payable, SBA	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,208</u>
NET ASSETS				
Without donor restrictions	2,919,648	-	2,919,648	2,523,593
With donor restrictions	<u>-</u>	<u>359,035</u>	<u>359,035</u>	<u>454,957</u>
	<u>2,919,648</u>	<u>359,035</u>	<u>3,278,683</u>	<u>2,978,550</u>
Total Liabilities and Net Assets	<u>\$ 2,955,897</u>	<u>\$ 359,035</u>	<u>\$ 3,314,932</u>	<u>\$ 3,140,487</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR 2021
See Independent Auditors' Report

	2022			2021 Total
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	
Revenues, gains and other support:				
Contributions	\$ 78,812	\$ -	\$ 78,812	\$ 49,544
Grants	399,538	-	399,538	274,792
Annual fund	325,430	-	325,430	197,074
Capital campaign contributions	-	55,279	55,279	385,677
Memorial gifts and bequests	54,758	-	54,758	8,547
Membership income	168,845	-	168,845	182,531
Store sales net of cost of goods of				
2022: \$65,468 and 2021: \$19,433	45,600	-	45,600	22,385
Income from Markus Trust	14,403	-	14,403	15,700
Paycheck Protection Program loan forgiveness	100,208	-	100,208	99,200
Energy Rebates	11,148	-	11,148	44,866
Interest and dividend income	1,858	-	1,858	13,850
Unrealized gain on investments	-	3,083	3,083	24,937
Fees	325	-	325	-
Contributions - non-cash	9,000	-	9,000	-
Total revenues, gains and other support	<u>1,209,925</u>	<u>58,362</u>	<u>1,268,287</u>	<u>1,319,103</u>
Net assets released from donor imposed restrictions	<u>154,284</u>	<u>(154,284)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services	800,597	-	800,597	688,111
General and administrative expenses	117,219	-	117,219	101,826
Fundraising	50,338	-	50,338	56,326
Total expenses	<u>968,154</u>	<u>-</u>	<u>968,154</u>	<u>846,263</u>
Net increase (decrease) in net assets	396,055	(95,922)	300,133	472,840
Net assets, beginning of year	<u>2,523,593</u>	<u>454,957</u>	<u>2,978,550</u>	<u>2,505,710</u>
Net assets, end of year	<u>\$ 2,919,648</u>	<u>\$ 359,035</u>	<u>\$ 3,278,683</u>	<u>\$ 2,978,550</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2022 WITH COMPARATIVE TOTALS FOR 2021
See Independent Auditors' Report

	2022				2021
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and related expenses					
Salaries and wages	\$ 381,037	\$ 66,681	\$ 28,578	\$ 476,296	\$ 476,367
Employee benefits:					
Retirement plan	14,427	2,525	1,082	18,034	16,263
Health Insurance	46,058	8,060	3,454	57,572	55,790
Other benefits	3,194	560	240	3,994	3,933
Payroll taxes	28,713	5,025	2,153	35,891	32,864
Total Salaries and related expenses	473,429	82,851	35,507	591,787	585,217
Program events and expenses	120,468	-	2,905	123,373	116,327
Depreciation	56,604	-	-	56,604	14,027
Advertising	8,577	505	1,009	10,091	6,281
Printing	14,826	3,558	5,338	23,722	13,863
Travel reimbursement	6,627	125	54	6,806	8,420
Utilities	3,293	1,097	-	4,390	6,711
Rent	880	-	-	880	2,235
Building maintenance	14,632	2,400	-	17,032	5,965
Insurance	11,591	2,809	88	14,488	13,101
Vehicle expenses	7,888	-	-	7,888	4,795
General supplies	11,052	1,934	829	13,815	10,179
Postage	12,862	1,622	4,056	18,540	12,209
Telephone	2,016	354	151	2,521	2,754
Credit card fees	-	10,359	-	10,359	6,846
Professional fees	32,124	8,114	-	40,238	31,290
Computer expenses	5,335	933	401	6,669	1,674
Dues and subscriptions	4,882	-	-	4,882	2,570
Miscellaneous expenses	5,937	-	-	5,937	374
Office expenses	7,574	558	-	8,132	1,425
	<u>\$ 800,597</u>	<u>\$ 117,219</u>	<u>\$ 50,338</u>	<u>\$ 968,154</u>	<u>\$ 846,263</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2022 and 2021
See Independent Auditors' Report

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 300,133	\$ 472,840
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	56,604	14,027
Forgiveness of SBA Paycheck Protection Program loan	(100,208)	-
Unrealized (gain) on investments	(3,083)	(24,937)
(Increase) decrease in operating assets:		
Accounts receivable	(37,764)	679
Pledges receivable	161,908	449,592
Inventory	8,299	3,804
Prepaid expenses	(251)	5,014
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(25,480)	23,208
	<u>360,158</u>	<u>944,227</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from SBA loan	<u>-</u>	<u>100,208</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cost of construction	1,895,237	(1,878,165)
Purchase of property and equipment	<u>(2,149,099)</u>	<u>-</u>
	<u>(253,862)</u>	<u>(1,878,165)</u>
	106,296	(833,730)
Cash and cash equivalents, beginning of year	<u>804,217</u>	<u>1,637,947</u>
Cash and cash equivalents, end of year	<u>\$ 910,513</u>	<u>\$ 804,217</u>
SUPPLEMENTAL INFORMATION		
Non-cash contributions	<u>\$ 9,000</u>	<u>\$ -</u>

See Notes to Financial Statements

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
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, 2022 and 2021 depreciation expense was \$56,604 and \$14,027, respectively.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
See Independent Auditors' Report

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, 2022 and 2021 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. Gifts and donations of investments or equipment are recorded at fair-market value on the date of the gift.

Donor Restricted Revenue: All donor-restricted support is reported as an increase in donor 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), donor restricted net assets are reclassified to net assets without restriction and reported in the statement of activities as net assets released from restrictions.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
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, 2021, from which the summarized information was derived.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
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, 2022 and 2021, 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.

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, 2022 and 2021 the Organization had \$95,902 and \$0 uninsured cash balances respectively.

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, 2022 and 2021 were \$18,034 and \$16,263 respectively.

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, 2022:

	<u>Cost</u>	<u>Market</u>
Money Market	\$ 31,215	\$ 31,215
Balanced Mutual Fund	<u>63,031</u>	<u>93,663</u>
	<u>\$ 94,246</u>	<u>\$124,878</u>

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
See Independent Auditors' Report

Note 5. Investments (continued)

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, 2022 and 2021 in the amounts of \$19,384 and \$21,281 respectively.

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.

**LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and 2020
See Independent Auditors' Report**

Note 8. Net Assets

Board Designated Net Assets

As of March 31, 2022 and 2021 net assets without donor restrictions totaled \$2,919,648 and \$2,523,593 respectively. Included in these amounts were net assets that the Board of Trustees designated for various purposes as of March 31:

	<u>2022</u>	<u>2021</u>
Capital Campaign	\$ 0	\$ 14,705
Investment account	<u>55,919</u>	<u>52,423</u>
Total unrestricted, designated net assets	<u>\$ 55,919</u>	<u>\$ 67,128</u>

Designated net assets are comprised of the following as of March 31, 2022:

Investments	<u>\$ 55,919</u>
Total Board Designated Net Assets	<u>\$ 55,919</u>

Net assets with Donor Restrictions:

Net assets subject to restriction for specific purposes:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 250,326	\$ 183,927
Pledges receivable	<u>39,750</u>	<u>201,658</u>
	290,076	385,585
Net assets subject to restriction in perpetuity:		
Endowment Fund:	<u>68,959</u>	<u>69,372</u>
Total net assets with donor restrictions	<u>\$ 359,035</u>	<u>\$ 454,957</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 \$3,496 and \$3,752 during the years ended March 31, 2022 and 2021 respectively.

LOON PRESERVATION COMMITTEE
NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and 2021
See Independent Auditors' Report

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 Board <u>Designated</u>	With Donor Restriction <u>In Perpetuity</u>	<u>Total</u>
Balance at March 31, 2020	\$ 48,671	\$ 48,187	\$ 96,858
Net investment (loss)	-	24,937	24,937
Current year contributions	-	-	-
Withdrawals in accordance with spending policy	<u>3,752</u>	<u>(3,752)</u>	<u>-</u>
Balance at March 31, 2021	<u>52,423</u>	<u>69,372</u>	<u>121,795</u>
Net investment gain	-	3,083	3,083
Current year contributions	-	-	-
Withdrawals in accordance with spending policy	<u>3,496</u>	<u>(3,496)</u>	<u>-</u>
Balance at March 31, 2022	<u>\$ 55,919</u>	<u>\$ 68,959</u>	<u>\$ 124,878</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>2022</u>	<u>Fair Value</u>	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)
Accounts receivable	\$ 43,789	\$ -	\$ 43,789
Pledges receivable	39,750	-	39,750
Investments	124,878	124,878	-
Artwork – Loon Decoy	7,500	-	7,500
	<u>\$215,917</u>	<u>\$ 124,878</u>	<u>\$ 91,039</u>
<u>2021</u>			
Accounts receivable	\$ 6,025	\$ -	\$ 6,025
Pledges receivable	201,658	-	201,658
Investments	121,795	121,795	-
Artwork – Loon Decoy	7,500	-	7,500
	<u>\$ 336,978</u>	<u>\$ 121,795</u>	<u>\$ 215,183</u>

Fair values for investments were determined by reference to quoted market prices and to the relevant information generated by market transactions. The fair market value of accounts and pledges receivable and Loon Decoy are estimated to the present value of expected future cash flows.

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	\$ 910,513
Accounts receivable	43,789
Pledges receivable	39,750
Investments	124,878
Less amounts subject to donor imposed restriction	<u>(359,035)</u>
	<u>\$759,895</u>

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Note 11. Line of Credit

The Organization has a \$100,000 line of credit with a local bank with an interest rate of 4.25%. The line of credit loan date was in August 2020 and matures in August 2025. There was no outstanding balance as of March 31, 2022 and 2021, respectively.

Note 12. Small Business Administration Paycheck Protection Program

On March 1, 2021 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 \$100,208. This loan calls for interest fixed at 1%. No payments are required if the Organization applies for loan forgiveness within ten months from the date of the loan. This note will mature five years from the date of first disbursement of the loan. Under the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136), the entire balance of \$100,208 was forgiven during the year ended March 31, 2022 and is reported as income.

Note 13. Risks and Uncertainties – COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact future financial performance. The potential impact of these uncertainties is unknown and cannot be estimated at the present time.

Note 14. Subsequent Event

Management has evaluated subsequent events through May 20, 2022, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure. There were no events matching the subsequent event disclosure criterion during this period.