Lancaster Farmland Trust

YEAR ENDED
DECEMBER 31, 2020

BROWN SCHULTZ SHERIDAN & FRITZ

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

LANCASTER FARMLAND TRUST

YEAR ENDED DECEMBER 31, 2020

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Independent Auditor's Report

Board of Trustees
Lancaster Farmland Trust
Strasburg, Pennsylvania

We have audited the accompanying financial statements of Lancaster Farmland Trust (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lancaster Farmland Trust as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Brown Schultz Sheridan & Fritz

Lancaster, Pennsylvania
July 15, 2021

LANCASTER FARMLAND TRUST

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents:	
Undesignated	$ 628,882
Designated for land preservation	1,907,235
Total cash and cash equivalents	**2,536,117**
Other assets:	
Accounts receivable	53,080
Grants receivable	316,902
Contributions receivable	567,159
Pledges receivable, net of discounts	337,586
Prepaid expenses	7,840
Investments designated for Stewardship Fund	5,398,601
Total other assets	**6,681,168**
Property and equipment:	
Building and improvements	737,961
Land	60,000
Office equipment	114,114
Furniture and fixtures	44,360
Vehicle	20,167
Accumulated depreciation	(490,503)
Property and equipment, net of accumulated depreciation	**486,099**
Total assets	**$ 9,703,384**

See notes to financial statements.

LANCASTER FARMLAND TRUST

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	$ 291,778
Accrued:	
Payroll and vacation	32,213
Payroll taxes	29,628
Other expenses	3,929
Total liabilities	**357,548**
Net assets:	
Without donor restrictions:	
Undesignated	1,055,758
Board designated	5,704,590
Total without donor restrictions	6,760,348
With donor restrictions	2,585,488
Total net assets	**9,345,836**
Total liabilities and net assets	**$ 9,703,384**

See notes to financial statements.

LANCASTER FARMLAND TRUST

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without donor restrictions	With donor restrictions	Total
Contributions and other support:			
Easements in-kind	$ 2,318,674		$ 2,318,674
Contributions	1,215,919	$ 1,400,080	2,615,999
Grants	1,085,796	125,000	1,210,796
Special events	143,729		143,729
Gifts in-kind	1,224		1,224
Land Trust reimbursement program	60,000		60,000
Total contributions and other support	**4,825,342**	**1,525,080**	**6,350,422**
Other revenue:			
Unrealized gain on investments	511,392		511,392
Dividends, net of investment fees of $16,065	90,638		90,638
Realized gain on investments	146,468		146,468
Fee for service revenue	103,623		103,623
Net assets released from restrictions	125,000	(125,000)	-
Total other revenue	**977,121**	**(125,000)**	**852,121**
Total revenue	**5,802,463**	**1,400,080**	**7,202,543**
Expenses:			
Program	4,676,545		4,676,545
Management and general	129,892		129,892
Fundraising	381,332		381,332
Total expenses	**5,187,769**		**5,187,769**
Change in net assets	614,694	1,400,080	2,014,774
Net assets:			
Beginning of year	6,145,654	1,185,408	7,331,062
End of year	**$ 6,760,348**	**$ 2,585,488**	**$ 9,345,836**

See notes to financial statements.

LANCASTER FARMLAND TRUST

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program	Management and general	Fundraising	Total
Easements in-kind	$ 2,318,674			$ 2,318,674
Easement acquisition	821,516			821,516
Easement appraisal fees	25,200			25,200
Bank fees	697	$ 16	$ 2,512	3,225
Depreciation	24,198	5,655	6,866	36,719
Dues and subscriptions	13,910	1,829	7,487	23,226
Employee benefits	38,377	7,001	13,863	59,241
Event food and beverage	113			113
Insurance	36,525	2,044	2,480	41,049
Meetings and other	4,715	849	1,517	7,081
Miscellaneous	12,948	61	48	13,057
Newsletters and print materials	20,291	738	22,422	43,451
Outside services	806,647	3,349	4,460	814,456
Payroll taxes	26,199	6,260	19,543	52,002
Postage	3,742	122	3,742	7,606
Professional fees	102,793	3,580	10,939	117,312
Repairs and maintenance	24,961	5,833	7,083	37,877
Salaries and wages	366,214	87,510	273,185	726,909
Supplies	8,344	186	379	8,909
Telephone and internet	9,185	2,688	2,602	14,475
Training	2,305	957	761	4,023
Travel	5,221	334	373	5,928
Utilities	3,770	880	1,070	5,720
Total	**$ 4,676,545**	**$ 129,892**	**$ 381,332**	**$ 5,187,769**

See notes to financial statements.

LANCASTER FARMLAND TRUST

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities:	
Change in net assets	$ 2,014,774
Adjustments:	
Depreciation	36,719
Unrealized gain on investments	(511,392)
Realized gain on investments	(146,468)
Paycheck Protection Program loan forgiveness	(145,960)
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(53,080)
Grants receivable	(207,188)
Contributions receivable	(503,751)
Pledges receivable, net of discounts	117,588
Prepaid expenses	2,324
Increase in:	
Account payable	183,307
Accrued:	
Payroll and vacation	9,704
Payroll taxes	29,628
Other accrued expenses	2,601
Net cash provided by operating activities	**828,806**
Cash flows from investing activities:	
Purchase of investments	(467,559)
Proceeds from sales of investments	767,403
Purchase of property and equipment	(4,158)
Net cash provided by investing activities	**295,686**
Cash flows provided by financing activities, proceeds from Paycheck Protection Program loan	**145,960**
Net increase in cash and cash equivalents	**1,270,452**
Cash and cash equivalents:	
Beginning	1,265,665
End	**$ 2,536,117**

Supplemental disclosure of noncash financing activities:
The Trust received forgiveness of its Paycheck Protection Program (PPP) loan balance of $145,960.

See notes to financial statements.

1. Nature of activities and summary of significant accounting policies:

Nature of activities:

Lancaster Farmland Trust (the Trust) is a private nonprofit organization that works to preserve and protect productive agricultural land in Lancaster County, Pennsylvania; to promote and support public policy, laws and actions toward farmland preservation; to protect and improve agriculture and to encourage and sustain an environment of improved cooperation for the protection of Lancaster County's countryside and its natural resource base.

Basis of accounting:

The financial statements are prepared on the accrual basis of accounting with revenue recognized when earned and expenses recognized when incurred.

Basis of presentation:

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

Net assets without donor restrictions - those not restricted by donors or the donor-imposed restrictions have expired. Net assets without donor restrictions, but subject to self-imposed limits by action of the board, are also classified as net assets without donor restrictions. The board may earmark net assets for future programs, purchase of fixed assets or other uses. Some governing boards delegate designation decisions to internal management. Such designations are considered to be included in board-designated net assets.

Net assets with donor restrictions - those subject to donor-imposed stipulations that may or will be met either by actions of the Trust and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained permanently by the Trust. The donors may permit all or part of the income earned on any related investments be used for general or specific purposes. The Trust has no donor-restricted net assets that are to be maintained permanently.

1. Nature of activities and summary of significant accounting policies (continued):

Use of estimates:

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

Cash and cash equivalents:

The Trust considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts, grants and contributions receivable:

Accounts, grants and contributions receivable are stated at the amount the Trust expects to collect from balances outstanding at year end. Based on the Trust's assessment of the credit history with grantors and donors having outstanding balances and current relationships with them, it has concluded that no valuation allowance is required. All accounts, grants and contributions receivable are expected to be collected within one year.

Investments:

The Trust carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their market value in the statement of financial position. Investment income and gains and losses (both realized and unrealized) on investments are reported as increases or decreases in net assets without donor restrictions unless a donor places a restriction on its use.

Property and equipment:

Property and equipment are recorded at cost. Expenditures that significantly add to productive capacity or useful life of an asset are capitalized. Maintenance and repairs are charged to expense as incurred. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation is eliminated from the accounts and the resultant gain or loss is reflected in change in net assets. Depreciation is computed by the straight- line method at rates based on estimated service lives.

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

The Trust's primary sources of revenues are contributions from individuals, foundations and businesses, grants, fees for service and special events.

Contributions are considered non-exchange transactions and are recognized when received. Contributions received are recorded as support without donor restrictions unless they are restricted by donor-imposed stipulations. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. For restricted contributions where the restrictions are satisfied in the same period as receipt of contributions, the Trust reports these contributions as support without donor restrictions. The Trust has started a capital campaign to support its easement acquisition efforts. Unconditional pledges are recognized as donor-restricted revenue when the pledge is made. Conditional pledges are recognized as revenue in the year the condition is met.

The Trust receives grants from various parties. Many of the grants are reimbursement based. The Trust will perform the work outlined in the agreements and then submit for reimbursement for the costs incurred to fulfill the performance obligations outlined in the agreements. The Trust recognizes revenue at the point in time when the performance obligation is met. Other grants are received and specified to be used in a particular time period or for a particular project. This grant revenue is reported as support without donor restrictions, unless the funds are received with grantor stipulations that limit the use of the grant funds. When stipulations of use exist, the grant revenue is reported as support with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Trust also receives fee-for-service revenue for work which is contracted by other organizations or governmental entities, including easement monitoring and farm assessments. The Trust determines revenue recognition on these services through the following steps:

- Identification of the contract, or contracts, with the customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the performance obligations are satisfied

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

To comply with these steps, a contract is signed with each party that outlines the services to be performed. The Trust bills each customer as the work is performed and performance obligations are met and recognizes revenue at that time.

The Trust holds various events throughout the year. Attendees pay a registration fee to attend the event. Sponsorships are also available and often include admission to the event for a certain number of people and acknowledgement in either printed, digital or verbal format at the event. When the event is held, the Trust has fulfilled its performance obligation with both the attendees and the sponsors and revenue is recognized at that time.

Donated materials and services:

Donated materials are reflected as contributions and special event revenues in the accompanying statement of activities, based on the use of the donated items, at their estimated fair market value on the date received. Donated materials amounted to $6,053 for the year ended December 31, 2020.

Donated services are reflected in the financial statements at the fair value of the services received. Donated services are recognized as contributions in accordance with generally accepted accounting principles, if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated services for supporting activities amounted to $1,224 for the year ended December 31, 2020. In addition, the Trust receives a significant amount of donated services from unpaid volunteers who assist in program and fundraising activities. For the year ended December 31, 2020, no amounts for the value of these services have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

The Trust has recorded easements contributed in-kind of $2,318,674 for the year ended December 31, 2020. The amount recorded as in-kind contributions is equal to the fair market value of the easements contributed less acquisition cost.

Functional allocation of expenses:

Natural expenses attributable to more than one functional expense category are allocated using management's estimate of staff time spent on program, management and general and fundraising activities. Costs directly related to a program or supporting service are charged directly to that program or supporting service.

1. Nature of activities and summary of significant accounting policies (continued):

Advertising costs:

The Trust expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2020 totaled $2,820.

Income taxes:

The Trust has been recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements.

Recently issued accounting standards:

Leases:

FASB Accounting Standards Update (ASU) 2016-02, *Leases*, is effective for the Trust's 2022 year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the balance sheet. Recognition of these lease assets and lease liabilities represents a change from previous generally accepted accounting principles (GAAP), which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures, along with specific quantitative disclosures, will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

The Trust will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the Trust may elect to apply. At adoption, the Trust will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The Trust is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

1. Nature of activities and summary of significant accounting policies (continued):

Recently issued accounting standards:

Contributed nonfinancial assets:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Standard will require contributed nonfinancial assets to be a separate line item in the statement of activities and enhanced disclosures. The required disclosures include a disaggregation of the amount of contributed nonfinancial assets recognized in the statement of activities by category that depicts the type of contributed nonfinancial assets and for each category of contributed nonfinancial assets: 1) qualitative information regarding utilization or monetization of the contributed nonfinancial assets, 2) the programs or activities the contributed nonfinancial assets were utilized for, 3) the entity's policy for monetizing rather than utilizing contributed nonfinancial assets (if applicable), 4) a description of any donor-imposed restrictions on the nonfinancial assets, 5) a description of the valuation techniques and inputs used to arrive at the fair market value assigned to the contributed nonfinancial assets and 6) the principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset. The Standard is to be applied retrospectively and will be effective for the Trust beginning January 1, 2022. The Trust is currently evaluating the impacts of adopting this guidance on its financial statements and related disclosures.

2. Adoption of new accounting pronouncements:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (ASC-606), which amends previous guidance. The core principle of ASC 606 is that any entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, the guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958)*: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improved guidance to better distinguish between conditional and unconditional contributions.

Effective January 1, 2020, the Trust adopted ASU 2014-09 and ASU 2018-08 using the full retrospective method. There was no quantitative impact as a result of adopting ASU 2014-09 and ASU 2018-08.

3. Concentrations:

Credit risk:

The Trust maintains accounts with one financial institution where the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times during the year, the bank account balances may exceed $250,000; however, the Trust has not experienced any losses related to uninsured balances. At December 31, 2020, the amount of deposits in cash and cash equivalents exceeded the FDIC limit by approximately $2,364,000.

Receivables:

At December 31, 2020, approximately 94% of outstanding grants receivables were due from three grantors.

At December 31, 2020, approximately 88% of outstanding contributions receivables were due from one contributor.

At December 31, 2020, approximately 41% of outstanding pledges receivables were due from two pledgors.

Revenue:

Approximately 39% of the Trust's contribution revenue in 2020 is derived from one contributor.

Approximately 92% of the Trust's grant revenue in 2020 is derived from grant agreements and contracts from four grantors.

4. Liquidity and availability of financial assets:

As of December 31, 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and capital expenditures not financed with debt, were as follows:

Financial assets:	
Cash and cash equivalents	$ 2,536,117
Grants receivable	316,902
Contributions receivable	567,159
Accounts receivable	53,080
Pledge receivable, current portion	215,601
Investments designated for Stewardship Fund	5,398,601
Total financial assets available within one year	9,087,460
Less those unavailable for general expenditures within one year:	
Contractual or donor-imposed restrictions, restricted by donor with time or purpose restrictions	(2,585,488)
Board designations:	
Amounts designated for:	
Land preservation	(305,989)
Stewardship Fund	(5,398,601)
Add back restricted long-term pledges receivable	123,943
Total financial assets and liquidity resources available within one year	$ 921,325

The Trust's primary sources of cash flows are contributions and grants that are received throughout the year and may or may not contain donor restrictions. As part of the Trust's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

5. Investments and fair value measurements:

The Trust follows FASB ASC 820, *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP) and requires expanded disclosures about fair value measurements. ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for an identical investment

Level 2 – Other significant observable inputs, including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.

Level 3 – Significant unobservable inputs, including the Trust's own assumptions in determining the fair value of investments

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

	Cost	Fair value
Level 1 - Quoted prices:		
Mutual funds:		
Equity securities:		
Domestic	$ 1,383,720	$ 2,413,389
International	1,329,827	1,606,136
Fixed income securities	1,304,208	1,379,076
	$ 4,017,755	$ 5,398,601

The Securities Investor Protection Corporation (SIPC), a federal mandated U.S. nonprofit corporation that protects customer assets from financial loss in the event a broker-dealer becomes insolvent, covers the Trust's securities.

SIPC automatically covers securities (stocks, bonds, notes) up to $500,000 per client capacity (e.g., individual, joint), of which $250,000 may be cash. This means in the unlikely event of a liquidation, a court-appointed trustee of a SIPC member firm and SIPC representative will examine the records of the member firm to verify that all of the securities are accounted for. If sufficient funds are not available in customer accounts to satisfy claims within the above limits, the reserve funds of SIPC are used to supplement the distribution, up to the limits noted above.

6. Pledges receivable:

During the year ended December 31, 2019, the Trust began a multi-year capital campaign to raise additional funds for easement acquisition and stewardship expenses. It is anticipated that the campaign will have an impact on both expenses and revenues through 2024.

The Trust records unconditional promises to give as support at the time the promise is made. At December 31, 2020, the Trust had total pledges receivable of $337,586. The capital campaign pledges represent multi-year pledges, which have been discounted to the estimated present value using a 0.36% rate.

The pledge balances are as follows at December 31, 2020:

Pledges receivable	$ 339,544
Discount for future payments	(1,958)
Pledges receivable, net of discounts	$ 337,586

Amounts due for the capital campaign are as follows:

2021	$ 215,601
2022	59,500
2023	45,443
2024	19,000
	339,544
Discount	(1,958)
Pledges receivable, net of discounts	$ 337,586

7. Paycheck Protection Program:

The Paycheck Protection Program (PPP) was established under the CARES Act on March 27, 2020, and was designed to provide cash flow assistance to small businesses including certain not-for-profit organizations. This program provides relief as a result of the Coronavirus (COVID-19) pandemic with loan funds to pay up to 24 weeks of payroll costs, including fringe benefits, rent and utilities commencing on the date of loan origination. The Paycheck Protection Program is a loan program that is guaranteed in its entirety through the Small Business Administration (SBA) and offers a maturity of two years and an interest rate of 1%. The principal amount of the loan may be partially or fully forgiven if the loan funds are utilized in a manner consistent with the allowable use of loan proceeds.

7. Paycheck Protection Program (continued):

The Trust applied for and received loan proceeds totaling $145,960 in April 2020. As of December 31, 2020, the full amount has been recognized as grant revenue as the SBA notified the Trust of the total forgiveness.

8. Retirement plan:

The Trust offers a SIMPLE Individual Retirement Account (IRA) plan to all employees who make, or are expected to make, at least $5,000 annually. The Trust will match employee contributions up to 3% of the employee's base salary. For the year ended December 31, 2020, retirement plan expense totaled $21,484.

9. Net assets without donor restrictions:

The Trust's Board of Trustees designated a portion of the Land Preservation Fund account to be used toward acquisitions of land easements. The total board-designated balance of the Land Preservation Fund as of December 31, 2020 was $305,989.

The Board of Trustees designated the Amos Funk Stewardship Fund for the perpetual stewardship of the conservation easements held by the Trust. The fund balance as of December 31, 2020 was $5,398,601.

All board-designated funds are included as net assets without donor restrictions.

10. Net assets with donor restrictions:

As of December 31, 2020, net assets with donor restrictions are subject to the following purpose restrictions:

Subject to purpose restrictions:	
Land preservation:	
Caernarvon Township	$ 65,818
Easement acquisition	2,394,670
Project, Municipalities Water Quality Options	125,000
Total net assets with donor restrictions	$ 2,585,488

10. Net assets with donor restrictions (continued):

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of the restrictions specified by donors during the year ended December 31, 2020 as follows:

Subject to purpose restrictions:	
Land preservation,	
Municipalities Water Quality Options project	$ 125,000

11. Conservation interests held:

The Trust acquires conservation interests in land by donation and purchase of conservation easements. The cumulative costs of the conservation interests acquired totaled $17,431,285 as of December 31, 2020. There is no asset on the statement of financial position for purchased or donated easements because conservation easements do not meet the criteria for asset recognition under generally accepted accounting principles. Conservation easements held directly by the Trust totaled 31,948 acres as of December 31, 2020.

12. Impact of COVID-19 pandemic:

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus caused business disruption to the Trust beginning in March 2020, due to state government-imposed shutdowns of businesses and other results of the illness. While the Trust expects this matter may continue to negatively impact its results, the extent of the impact of COVID-19 on the Trust's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Trust's services, all of which are highly uncertain and cannot be predicted.

During the year ended December 31, 2020, the Trust had to cancel or modify events to a virtual format due to government-imposed restrictions on in-person gatherings. This negatively impacted special events revenue but also reduced special events related costs.

13. Subsequent events:

In February 2021, the Trust secured and received a second draw of funding from the Paycheck Protection Program totaling $149,198. Note 7 describes the conditions of the loan program. The Trust expects the loan to be forgiven based on its initial projections.

13. Subsequent events (continued):

The Trust has evaluated subsequent events through July 15, 2021, the date which the financial statements were available to be issued.