

# **High Line Canal Conservancy**

(a nonprofit Colorado corporation)

## **Financial Statements**

December 31, 2021 and 2020

# High Line Canal Conservancy

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## **Independent Accountant's Review Report**

To the Board of Directors  
High Line Canal Conservancy  
Centennial, Colorado

We have reviewed the accompanying financial statements of High Line Canal Conservancy (a Colorado nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Brock and Company, CPAs, P.C.*

Certified Public Accountants

Longmont, Colorado  
September 8, 2022

# High Line Canal Conservancy

## Statements of Financial Position

December 31	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,443,111	\$ 2,083,880
Investments	-	5,155
Pledges receivable, current portion	909,388	96,238
Pledges receivable from related party, current portion	164,500	8,250
Inventory	11,052	750
Prepaid expenses and other current assets	20,238	82,473
Total current assets	<u>3,548,289</u>	<u>2,276,746</u>
<b>Property and Equipment, net</b>	<u>162,700</u>	<u>19,808</u>
<b>Other Assets</b>		
Pledges receivable, net	1,457,933	72,490
Pledges receivable from related party, net	480,340	8,990
Deposit	-	3,115
Total other assets	<u>1,938,273</u>	<u>84,595</u>
Total assets	<u>\$ 5,649,262</u>	<u>\$ 2,381,149</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 60,025	\$ 22,044
Accrued compensation and benefits	32,751	28,954
Current maturities on capital lease obligation	3,220	-
Total current liabilities	<u>95,996</u>	<u>50,998</u>
<b>Long-Term Liabilities</b>		
Capital lease obligation, net of current maturities	3,674	-
Total liabilities	<u>99,670</u>	<u>50,998</u>
<b>Net Assets</b>		
Without donor restrictions	1,008,053	968,491
With donor restrictions	4,541,539	1,361,660
Total net assets	<u>5,549,592</u>	<u>2,330,151</u>
Total liabilities and net assets	<u>\$ 5,649,262</u>	<u>\$ 2,381,149</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Page 1 should be read with these financial statements

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# High Line Canal Conservancy

## Statement of Activities

Year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Support and Revenue</b>			
Grants and contributions	\$ 358,441	\$ 4,249,800	\$ 4,608,241
In-kind contributions	59,727	-	59,727
Special event income	216,802	-	216,802
Special event expenses	(48,476)	-	(48,476)
Merchandise sales, net	3,994	-	3,994
Net assets released from restrictions			-
Satisfaction of purpose restrictions	991,548	(991,548)	-
Expiration of time restrictions	78,373	(78,373)	-
Total operating support and revenue	<u>1,660,409</u>	<u>3,179,879</u>	<u>4,840,288</u>
<b>Operating Expenses</b>			
Program services	1,079,039	-	1,079,039
Supporting services			
General and administrative	171,079	-	171,079
Fundraising	<u>371,497</u>	<u>-</u>	<u>371,497</u>
Total operating expenses	<u>1,621,615</u>	<u>-</u>	<u>1,621,615</u>
 Total operating support and revenue in excess of operating expenses	 38,794	 3,179,879	 3,218,673
<b>Other Changes</b>			
Interest income	<u>768</u>	<u>-</u>	<u>768</u>
<b>Change in Net Assets</b>	<b>39,562</b>	<b>3,179,879</b>	<b>3,219,441</b>
<b>Net Assets, Beginning of Year</b>	<u>968,491</u>	<u>1,361,660</u>	<u>2,330,151</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,008,053</u>	<u>\$ 4,541,539</u>	<u>\$ 5,549,592</u>

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# High Line Canal Conservancy

## Statement of Activities

Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
Grants and contributions	\$ 477,485	\$ 1,207,922	\$ 1,685,407
In-kind contributions	28,008	-	28,008
Special event income	278,577	-	278,577
Special event expenses	(39,973)	-	(39,973)
Merchandise sales, net	9,671	-	9,671
Net assets released from restrictions			-
Satisfaction of purpose restrictions	332,079	(332,079)	-
Expiration of time restrictions	127,250	(127,250)	-
Total operating support and revenue	<u>1,213,097</u>	<u>748,593</u>	<u>1,961,690</u>
<b>Operating Expenses</b>			
Program services	608,707	-	608,707
Supporting services			
General and administrative	156,859	-	156,859
Fundraising	340,271	-	340,271
Total operating expenses	<u>1,105,837</u>	<u>-</u>	<u>1,105,837</u>
Total operating support and revenue in excess of operating expenses	107,260	748,593	855,853
<b>Other Changes</b>			
Paycheck Protection Program grant	120,300	-	120,300
Interest income	2,613	-	2,613
Total other changes	<u>122,913</u>	<u>-</u>	<u>122,913</u>
<b>Change in Net Assets</b>	230,173	748,593	978,766
<b>Net Assets, Beginning of Year</b>	<u>738,318</u>	<u>613,067</u>	<u>1,351,385</u>
<b>Net Assets, End of Year</b>	<u>\$ 968,491</u>	<u>\$ 1,361,660</u>	<u>\$ 2,330,151</u>

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# High Line Canal Conservancy

## Statement of Functional Expenses

Year ended December 31, 2021

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 451,455	\$ 73,393	\$ 228,865	\$ 753,713
Payroll taxes	34,098	5,544	17,286	56,928
Employee benefits	37,503	6,097	19,012	62,612
Total personnel costs	<u>523,056</u>	<u>85,034</u>	<u>265,163</u>	<u>873,253</u>
Contract labor	191,726	364	14,502	206,592
Canal improvement projects	177,655	-	-	177,655
Advertising and marketing	47,971	-	25,794	73,765
Occupancy	47,969	10,279	10,279	68,527
Amortization expense	30,735	6,586	6,586	43,907
Printing and postage	19,571	849	22,266	42,686
Office expense	2,394	25,679	3,400	31,473
Technology and communication	4,917	7,793	17,776	30,486
Legal and professional	7,140	20,951	506	28,597
Conferences and events	9,152	2,635	535	12,322
Other program expenses	10,668	-	-	10,668
Dues and fees	2,708	2,324	612	5,644
Bank and credit card fees	421	821	3,045	4,287
Training and education	287	3,725	-	4,012
Travel	2,669	189	242	3,100
Insurance	-	2,887	-	2,887
Miscellaneous	-	576	791	1,367
Interest expense	-	387	-	387
Total operating expenses	<u>\$ 1,079,039</u>	<u>\$ 171,079</u>	<u>\$ 371,497</u>	<u>\$ 1,621,615</u>

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# High Line Canal Conservancy

## Statement of Functional Expenses

Year ended December 31, 2020

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 360,264	\$ 64,857	\$ 235,414	\$ 660,535
Payroll taxes	26,597	4,769	18,135	49,501
Employee benefits	35,165	19,173	17,485	71,823
Total personnel costs	<u>422,026</u>	<u>88,799</u>	<u>271,034</u>	<u>781,859</u>
Contract labor	99,332	1,800	18,688	119,820
Printing and postage	33,658	1,594	14,960	50,212
Advertising and marketing	18,930	-	21,489	40,419
Legal and professional	22,218	9,136	1,350	32,704
Occupancy	-	29,400	-	29,400
Technology and communication	4,616	11,151	5,363	21,130
Office expense	625	4,892	39	5,556
Bank and credit card fees	876	254	3,370	4,500
Dues and fees	860	2,337	913	4,110
Miscellaneous	1,146	336	2,267	3,749
Training and education	-	3,119	75	3,194
Insurance	-	3,076	-	3,076
Travel	1,571	116	593	2,280
Conferences and events	939	849	130	1,918
Other program expenses	1,910	-	-	1,910
Total operating expenses	<u>\$ 608,707</u>	<u>\$ 156,859</u>	<u>\$ 340,271</u>	<u>\$ 1,105,837</u>

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# High Line Canal Conservancy

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2021	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 3,219,441	\$ 978,766
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization	43,907	-
Net present value allowance	95,210	(7,000)
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	(2,921,403)	63,262
Inventory	(10,302)	19,887
Prepaid expenses and other current assets	62,235	(75,381)
Deposit	3,115	-
Accounts payable	37,981	16,078
Accrued compensation and benefits	3,797	18,461
Net cash provided by operating activities	<u>533,981</u>	<u>1,014,073</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	5,155	-
Purchases of investments	-	(5,155)
Purchases of property and equipment	(177,092)	(19,808)
Net cash used by investing activities	<u>(171,937)</u>	<u>(24,963)</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on capital lease	(2,813)	-
Net cash used by financing activities	<u>(2,813)</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>359,231</b>	<b>989,110</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>2,083,880</b>	<b>1,094,770</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,443,111</b>	<b>\$ 2,083,880</b>
<b>Supplemental Information</b>		
Cash paid for interest	\$ 387	\$ -
Equipment acquired under a capital lease	\$ 9,707	\$ -

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Page 1 should be read with these financial statements

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# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies

*Nature of Organization.* High Line Canal Conservancy ("the Organization") was established in November 2016 as a Colorado nonprofit corporation dedicated to providing leadership and harness the region's commitment to protecting the future of the High Line Canal. The mission of the Organization is to preserve, protect and enhance the 71-mile legacy canal with support from each jurisdiction and in partnership with Denver Water. Funding for the Organization is obtained primarily through grants and charitable contributions from interested parties.

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

*Basis of Presentation.* 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.* Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions.* Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

*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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents.* Cash consists of checking and savings accounts held at a financial institution. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

*Investments.* The Organization's investments are stated at fair value. Fair value is 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. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Fair Value Measurements.* The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization values mutual funds with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2021 and 2020.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Pledges Receivable.* Unconditional promises to give are recognized as revenue in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges. The allowance for uncollectible pledges is estimated based on management's review of specific contributions outstanding. As of December 31, 2021 and 2020, management believes all pledges receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Inventory.* Inventory consists of promotional merchandise, and is stated at the lower of cost (first-in, first-out method) or net realizable value.

*Revenue Recognition.* The Organization's revenues from contracts with customers is comprised of merchandise sales. Merchandise sales consist of sales of promotional merchandise and are recognized as revenue when the merchandise is picked up or delivered to the customer and the performance obligation is satisfied. Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to customers at a single point in time and the Organization does not believe it is required to provide additional goods or services related to that sale. All revenue from contracts with customers is recognized from goods transferred to the customer at a point in time.

*Contributions.* Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*Property and Equipment.* It is the Organization's policy to capitalize property and equipment at cost for purchases over \$2,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment is amortized using straight-line methods over the estimated useful lives of the assets, which is generally four years for leasehold improvements and five years for leased office equipment.

*Contributed Services and Materials.* Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Advertising.* The Organization expenses advertising costs, including donated advertising, as incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$8,669 and \$7,612, respectively.

*Functional Allocation of Expenses.* The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

*Income Taxes.* The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Subsequent Events.* The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 8, 2022, the date at which the financial statements were available for release.

### Note 2 – Liquidity and Availability

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,443,111	\$ 2,083,880
Investments	-	5,155
Pledges receivable	<u>3,012,161</u>	<u>185,968</u>
	<u>5,455,272</u>	<u>2,275,003</u>
Less amounts not available to be used within one year:		
Pledges receivable due after one year, net	<u>(1,938,273)</u>	<u>(81,480)</u>
Financial assets available for general expenditures within one year	<u>\$ 3,516,999</u>	<u>\$ 2,193,523</u>

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 2 – Liquidity and Availability (continued)

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2021 and 2020, the level of liquidity and reserves was managed within the guiding principles.

### Note 3 – Fair Value Measurements

The Organization assets measured on a recurring basis by fair value hierarchy as of December 31, 2020 consisted of \$5,155 in mutual funds. The mutual funds are valued at level 1 of the fair value hierarchy. There were no assets measured on a recurring basis by fair value hierarchy as of December 31, 2021.

### Note 4 – Promises to Give and Related Party Transactions

The following summarizes expected collections of unconditional promises to give as of December 31, 2021:

	<b>Unrelated Parties</b>	<b>Related Party</b>	<b>Total</b>
Due within one year	\$ 909,388	\$ 164,500	\$ 1,073,888
Due within one to five years	1,528,403	509,000	2,037,403
	<u>2,437,791</u>	<u>673,500</u>	<u>3,111,291</u>
Less present value allowance	(70,470)	(28,660)	(99,130)
	<u>\$ 2,367,321</u>	<u>\$ 644,840</u>	<u>\$ 3,012,161</u>

The following summarizes expected collections of unconditional promises to give as of December 31, 2020:

	<b>Unrelated Parties</b>	<b>Related Party</b>	<b>Total</b>
Due within one year	\$ 96,238	\$ 8,250	\$ 104,488
Due within one to five years	76,000	9,400	85,400
	<u>172,238</u>	<u>17,650</u>	<u>189,888</u>
Less present value allowance	(3,510)	(410)	(3,920)
	<u>\$ 168,728</u>	<u>\$ 17,240</u>	<u>\$ 185,968</u>

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 4 – Promises to Give and Related Party Transactions (continued)

Unconditional promises to give are measured in the aggregate using present value techniques that consider historical trends of collection similar to these fund raising activities, the type of donor, general economic conditions, and market interest rate assumptions. The present value discount rate used at December 31, 2021 and 2020 was 3.5%. The interest element resulting from amortization of the discount for the time value of money is reported as contribution revenue.

*Conditional Promise to Give.* During 2020, the Organization was awarded grants totaling \$10,000,000. The agreement requires matching contributions to be raised by December 2025 prior to receiving payment. The conditional promise to give will be recognized as revenue upon completion of the condition.

### Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	2021	2020
Leasehold improvements	\$ 196,900	\$ -
Office equipment	9,707	-
Construction in progress	-	19,808
	<u>206,607</u>	<u>19,808</u>
Less accumulated amortization	(43,907)	-
Net property and equipment	<u>\$ 162,700</u>	<u>\$ 19,808</u>

Amortization expense totaled \$43,907 for the year ended December 31, 2021.

### Note 6 – Lease Commitments

*Capital Lease.* The Organization leases equipment under a noncancelable capital lease. The lease expires January 2024. The leased equipment has a cost of \$9,707 and accumulated depreciation of \$1,618 at December 31, 2021.

Future annual minimum lease payments required under the noncancelable capital lease are as follows at December 31, 2021:

Year	Amount
2022	\$ 3,491
2023	3,491
2024	291
	<u>7,273</u>
Less amount representing interest	(379)
	<u>\$ 6,894</u>

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 6 – Lease Commitments (continued)

*Operating Lease.* In February 2021, the Organization received in-kind facilities and property use located in Centennial, Colorado under an operating lease with the City and County of Denver. Either party can cancel the lease with six-month written notice. The lease expires in January 2025. In exchange for no rent, the lease requires the Organization to maintain the property among other stipulations. In-kind rent expense under the lease totaled \$57,795 for the year ended December 31, 2021.

### Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2021 and 2020:

	Purpose Restrictions			Total
	Enhancement and Education	Capital Campaigns	Time Restrictions	
Balance, January 1, 2020	\$ 190,711	\$ 180,126	\$ 242,230	\$ 613,067
Additions	393,423	777,036	37,463	1,207,922
Releases	(292,707)	(39,372)	(127,250)	(459,329)
Balance, December 31, 2020	291,427	917,790	152,443	1,361,660
Additions	<b>499,015</b>	<b>3,714,050</b>	<b>36,735</b>	<b>4,249,800</b>
Releases	<b>(415,131)</b>	<b>(576,417)</b>	<b>(78,373)</b>	<b>(1,069,921)</b>
Balance, December 31, 2021	<b>\$ 375,311</b>	<b>\$ 4,055,423</b>	<b>\$ 110,805</b>	<b>\$ 4,541,539</b>

### Note 8 – In-kind Contributions

In-kind contributions are as follows for the year ended December 31, 2021:

	Program Services	General and Administrative	Fundraising	Total
Facilities and land use	\$ 40,457	\$ 8,669	\$ 8,669	\$ 57,795
Services				
Legal	1,932	-	-	1,932
	<b>\$ 42,389</b>	<b>\$ 8,669</b>	<b>\$ 8,669</b>	<b>\$ 59,727</b>

In-kind contributions are as follows for the year ended December 31, 2020:

	Program Services	General and Administrative	Fundraising	Total
Services				
Legal	\$ 22,218	\$ -	\$ -	\$ 22,218
Advertising and marketing	5,790	-	-	5,790
	<b>\$ 28,008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,008</b>

# High Line Canal Conservancy

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 9 – Special Event

The Organization derived net revenue from the Walk special fundraising event during the years ended December 31:

	<u>2021</u>	<u>2020</u>
Event contributions, cash and in-kind	\$ 216,802	\$ 277,227
Event sales	-	1,350
	<u>216,802</u>	<u>278,577</u>
Direct costs	<u>(48,476)</u>	<u>(39,973)</u>
Net revenue	<u>\$ 168,326</u>	<u>\$ 238,604</u>

### Note 10 – Paycheck Protection Program

During April 2020, the Organization received proceeds from the Paycheck Protection Program administered by the U.S. Small Business Administration of \$120,300. Proceeds from the program were considered a government grant if at least 60% of the proceeds were spent on eligible payroll, with the remaining 40% on other narrowly specified expenses. The Organization fulfilled the requirements of the program in 2020. Accordingly, the Organization recognized grant revenue totaling \$120,300 in the accompanying statements of activities.

### Note 11 – Retirement Plan

The Organization provides for a deferred compensation plan under Internal Revenue Code Section 408(p) which allows an employee to contribute up to \$13,500 of their annual compensation. Employees who earned at least \$5,000 per year for the preceding two years and who are expected to earn at least \$5,000 in the current year are eligible to participate in the plan. The Organization provides a matching contribution to the plan of up to 3% of the employee's annual compensation. The Organization contributed \$15,216 and \$14,541 to the plan for the years ended December 31, 2021 and 2020, respectively.

### Note 12 – Concentrations

*Major Grantors.* The Organization had four grantors that comprised 70% of total support and revenue for the year ended December 31, 2021. The Organization had a grantor that comprised 31% of total support and revenue for the year ended December 31, 2020.

*Bank Deposits.* The Organization routinely maintains cash balances in excess of federally insured limits.

*Geographical.* The Organization receives predominantly all of its revenue and support from Denver, Colorado and the surrounding counties.

# High Line Canal Conservancy

## Notes to Financial Statements

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### Note 13 – Risks and Uncertainty

A global pandemic has continued into 2022, although with diminished impacts. The effects of the pandemic have negatively impacted the economy with labor and supply chain shortages and high inflation. Uncertainties may arise with respect to potential government mandates should the status of the pandemic change in the future.

### Note 14 – New Accounting Pronouncement Not Yet Adopted

The Financial Accounting Standards Board issued Accounting Standard Update (ASU) No. 2016-02, *Leases (Topic 842)*, for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard will be effective for annual reporting periods beginning after December 15, 2021, and must be applied using a modified retrospective approach. The Organization is currently evaluating the impact of adopting this standard on its financial statements.