buzzards BAY COALITION

AND AFFILIATE

COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Contents
September 30, 2021 and 2020

AAFCPAs
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Independent Auditor's Report

To the Board of Directors of
Buzzards Bay Coalition, Inc. and Affiliate:

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Buzzards Bay Coalition, Inc. (a Massachusetts corporation, not for profit) and the Acushnet River Reserve, Inc. (the Affiliate), which comprise the combined statements of financial position as of September 30, 2021 and 2020, and the related combined statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Buzzards Bay Coalition, Inc. and Affiliate as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

AAFCPAs, Inc.

Westborough, Massachusetts
February 10, 2022

BUZZARDS BAY COALITION, INC. AND AFFILIATE

Combined Statements of Financial Position
September 30, 2021 and 2020

Assets	**2021**	**2020**
Current Assets:		
Cash	$ 1,763,804	$ 1,346,152
Contracts receivable	360,757	590,238
Current portion of pledges receivable	201,417	900,379
Other assets	94,659	74,482
Total current assets	2,420,637	2,911,251
Other Assets:		
Pledges receivable, net	1,428,450	790,752
Investments	8,359,694	3,571,374
Conservation properties	10,519,957	8,913,985
Total other assets	20,308,101	13,276,111
Property and Equipment, net	12,913,905	13,172,165
Construction in Process	65,005	9,613
Total assets	$ 35,707,648	$ 29,369,140
Liabilities and Net Assets		
Current Liabilities:		
Lines of credit	$ -	$ 335,882
Current portion of notes payable	-	466,041
Accounts payable and accrued expenses	268,599	184,257
Conditional advances	423,153	179,042
Total current liabilities	691,752	1,165,222
Notes Payable, net of current portion	150,000	306,377
Total liabilities	841,752	1,471,599
Net Assets:		
Without donor restrictions	23,676,481	20,036,157
With donor restrictions	11,189,415	7,861,384
Total net assets	34,865,896	27,897,541
Total liabilities and net assets	$ 35,707,648	$ 29,369,140

BUZZARDS BAY COALITION, INC. AND AFFILIATE

Combined Statements of Activities and Changes in Net Assets
For the Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Grants and contributions	$ 2,276,573	$ 2,134,713	$ 4,411,286	$ 1,865,233	$ 1,987,697	$ 3,852,930
Bequest	2,000,000	-	2,000,000	-	-	-
Government contracts	1,591,455	-	1,591,455	2,729,130	-	2,729,130
Fundraising events	314,271	-	314,271	286,051	-	286,051
Investment income appropriated for operations	129,450	-	129,450	106,367	-	106,367
Rental income	56,691	-	56,691	41,410	-	41,410
Miscellaneous income	56,436	-	56,436	67,072	-	67,072
In-kind goods and services	14,885	-	14,885	39,972	-	39,972
Net assets released from purpose restrictions	880,088	(880,088)	-	2,750,278	(2,750,278)	-
Net assets released from time restriction	165,500	(165,500)	-	366,500	(366,500)	-
Total support and revenue	7,485,349	1,089,125	8,574,474	8,252,013	(1,129,081)	7,122,932
Expenses:						
Program services	3,334,995	-	3,334,995	6,702,511	-	6,702,511
Fundraising and development	661,674	-	661,674	841,792	-	841,792
General and administrative	449,535	-	449,535	397,114	-	397,114
Total expenses	4,446,204	-	4,446,204	7,941,417	-	7,941,417
Changes in net assets from operations	3,039,145	1,089,125	4,128,270	310,596	(1,129,081)	(818,485)
Other Revenues (Expenses):						
Endowment contributions	-	1,720,000	1,720,000	-	337,500	337,500
Investment return	16,589	648,356	664,945	7,294	270,894	278,188
Donated property	232,905	-	232,905	185,200	-	185,200
Capital grants	-	190,000	190,000	-	1,105,250	1,105,250
Gain on sale of property and equipment	161,685	-	161,685	-	-	-
Net assets released from capital restrictions	190,000	(190,000)	-	1,373,371	(1,373,371)	-
Investment income appropriated for operations	-	(129,450)	(129,450)	-	(106,367)	(106,367)
Total other revenues (expenses)	601,179	2,238,906	2,840,085	1,565,865	233,906	1,799,771
Changes in net assets	3,640,324	3,328,031	6,968,355	1,876,461	(895,175)	981,286
Net Assets:						
Beginning of year	20,036,157	7,861,384	27,897,541	18,159,696	8,756,559	26,916,255
End of year	$ 23,676,481	$ 11,189,415	$ 34,865,896	$ 20,036,157	$ 7,861,384	$ 27,897,541

The accompanying notes are an integral part of these combined statements.

BUZZARDS BAY COALITION, INC. AND AFFILIATE

Combined Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Changes in net assets	$ 6,968,355	$ 981,286
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	461,587	396,952
Change in reserve for uncollectible pledges	(35,418)	(98,027)
Change in discount of pledges receivable	(9,280)	(18,412)
Loss on impairment on conservation properties	-	1,279,530
Donated property	(232,905)	(185,200)
Capital grants	(190,000)	(1,105,250)
Unrealized gain on investments	(556,357)	(213,752)
Gain on sale of properties	(161,685)	-
Endowment contributions	(1,720,000)	(337,500)
Changes in operating assets and liabilities:		
Accounts and contracts receivable	229,481	(383,577)
Pledges receivable	957,962	3,225,561
Other assets	(20,177)	33,137
Accounts payable and accrued expenses	84,342	(13,278)
Conditional advances	244,111	22,320
Net cash provided by operating activities	6,020,016	3,583,790
Cash Flows from Investing Activities:		
Purchase of investments	(4,231,963)	(624,436)
Cash paid for construction in process	(55,392)	(131,229)
Acquisition of property and equipment	(365,572)	(1,791,345)
Proceeds from sale of properties	488,658	1,696,071
Acquisition of conservation properties, net of land protection costs	(1,537,795)	(1,993,835)
Net cash used in investing activities	(5,702,064)	(2,844,774)
Cash Flows from Financing Activities:		
Lines of credit	(335,882)	(1,810,858)
Proceeds from notes payable	-	460,042
Payments on notes payable	(622,418)	(210,621)
Capital grants received	190,000	1,105,250
Endowment contributions	868,000	337,500
Net cash provided by (used in) financing activities	99,700	(118,687)
Net Change in Cash	417,652	620,329
Cash:		
Beginning of year	1,346,152	725,823
End of year	$ 1,763,804	$ 1,346,152
Supplemental Disclosure of Non-Cash Transactions:		
Cash paid for interest	$ 52,252	$ 78,519
Cost basis of properties sold	$ 326,973	$ -
Construction in process transferred to property and equipment	$ -	$ 1,990,909

The accompanying notes are an integral part of these combined statements.

Combined Statements of Functional Expenses
For the Years Ended September 30, 2021 and 2020

	2021				2020			
	Program Services	Fundraising and Develop-ment	General and Adminis-trative	Total Expenses	Program Services	Fundraising and Develop-ment	General and Adminis-trative	Total Expenses
Personnel and Related:								
Salaries	$ 1,170,944	$ 376,644	$ 86,390	$ 1,633,978	$ 1,103,443	$ 447,965	$ 86,611	$ 1,638,019
Employee benefits	157,844	56,460	22,507	236,811	138,591	52,488	18,615	209,694
Payroll taxes	80,320	26,932	36,694	143,946	92,254	37,453	7,241	136,948
Contract labor	-	-	129,408	129,408	-	-	123,703	123,703
Total personnel and related	1,409,108	460,036	274,999	2,144,143	1,334,288	537,906	236,170	2,108,364
Occupancy:								
Depreciation	407,390	27,139	27,058	461,587	298,818	85,548	12,586	396,952
Facility maintenance	77,453	4,807	3,942	86,202	34,442	14,026	1,738	50,206
Utilities	28,208	3,208	3,366	34,782	27,654	11,642	1,720	41,016
Rent	19,060	-	-	19,060	-	-	-	-
Interest expense	-	-	14,386	14,386	87,116	-	533	87,649
Total occupancy	532,111	35,154	48,752	616,017	448,030	111,216	16,577	575,823
Operations:								
Contractual services	631,201	3,983	428	635,612	773,021	16,326	3,500	792,847
Land protection costs	202,327	-	-	202,327	1,451,731	-	-	1,451,731
Program supplies	155,082	-	-	155,082	60,255	7,644	1,783	69,682
Lab analysis	101,984	-	-	101,984	115,093	-	-	115,093
Insurance	27,887	1,121	52,999	82,007	74,534	2,346	6,064	82,944
Legal services	78,245	-	-	78,245	57,711	4,894	-	62,605
Printing and postage	22,886	41,998	7,092	71,976	14,167	52,920	1,807	68,894
Events	30,576	24,344	184	55,104	28,823	28,823	274	57,920
Miscellaneous	21,419	26,495	5,264	53,178	11,050	15,345	15,136	41,531
Office equipment and supplies	38,494	9,935	3,094	51,523	8,201	7,525	41,087	56,813
Accounting and audit	3,372	64	39,564	43,000	1,227	165	32,565	33,957
Software maintenance	-	31,342	10,445	41,787	-	35,020	9,475	44,495
Project interest	37,866	-	-	37,866	-	-	-	-
Meetings and events	1,392	16,293	2,905	20,590	7,758	3,971	6,198	17,927
Telephone	16,530	2,412	971	19,913	5,453	2,998	10,382	18,833
Travel	14,366	2,689	1,861	18,916	20,030	4,475	2,471	26,976
Grant expense	9,267	-	-	9,267	1,011,157	-	-	1,011,157
IT services	882	2,783	977	4,642	452	427	13,625	14,504
Bad debt	-	3,025	-	3,025	-	9,791	-	9,791
Loss on impairment of conservation properties	-	-	-	-	1,279,530	-	-	1,279,530
Total operations	1,393,776	166,484	125,784	1,686,044	4,920,193	192,670	144,367	5,257,230
Total expenses	$ 3,334,995	$ 661,674	$ 449,535	$ 4,446,204	$ 6,702,511	$ 841,792	$ 397,114	$ 7,941,417

1. OPERATIONS AND NONPROFIT STATUS

Buzzards Bay Coalition, Inc.

Buzzards Bay Coalition, Inc. (the Coalition) is a not-for-profit corporation, founded in 1987 as a membership-supported organization dedicated to the protection, restoration and sustainable use and enjoyment of Buzzards Bay and its watershed. The Coalition works to improve the health of the Buzzards Bay and Vineyard Sound ecosystem for all through education, conservation, research, and advocacy. The Coalition is supported primarily through donor contributions and government grants.

The Coalition pursues its mission through specific programs aimed at protecting and improving Bay health and building public awareness. These programs include: a Bay-wide Water Quality Monitoring Program, which utilizes volunteers and scientific partnerships each year to sample coastal water quality in coves, harbors and salt ponds of Buzzards Bay and Vineyard Sound; public engagement programs aimed at creating an informed, active citizenry; a land protection program which supports the conservation of important watershed open space and habitat; and a Baykeeper advocacy program which works through the regulatory and legal process at the local, state and Federal levels to support Bay restoration and protection. In 2014, the Coalition and its Affiliate, Acushnet River Reserve, Inc. (see below), received accreditation by the National Land Trust Accreditation Commission.

The Coalition and its Affiliate, as defined below, are exempt from Federal income taxes as organizations (not private foundations) formed for charitable purposes under Sections 501(c)(3) and 501(a), respectively, of the Internal Revenue Code (IRC). The Coalition and Affiliate are also exempt from state income taxes. Contributions made to the Coalition and Affiliate are deductible by donors within the requirements of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES

The Coalition and its Affiliate prepare their combined financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Principles of Combination

Acushnet River Reserve, Inc. (the Reserve) is a nonprofit organization incorporated in September 2010. The Reserve was formed to acquire and maintain real estate and to restore natural resources within the Acushnet River watershed for conservation, scientific, educational, and recreational purposes. The Coalition is the sole member of the Reserve.

The combined financial statements include the accounts of the Coalition and the Reserve (collectively, the Organization). The Coalition and the Reserve are related through common governance and control. All significant balances between classes of net assets and intercompany balances and transactions have been eliminated in the accompanying combined financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (see below).

Board designated net assets represent funds designated by the Board of Directors for long-term investment and growth to support operational needs. Income earned from these funds is reinvested in the fund. Annual withdrawal from this fund is based on an investment spending policy. Board designated net assets were $135,450 and $118,861 as of September 30, 2021 and 2020, respectively, and are included in net assets without donor restrictions in the accompanying combined statements of financial position.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent amounts received or committed by donors with time or purpose restrictions that have not yet been met. Net assets with donor restrictions were available for the following purposes at September 30:

	2021	2020
Endowments	$ 5,799,675	$ 4,079,675
Generations Campaign	2,592,519	1,479,184
Appreciation on donor-restricted endowments (see Note 4)	1,084,828	565,922
Land Revolving Loan Fund	1,021,777	1,021,777
Watershed Protection Projects	444,783	356,727
Advocacy and Public Education to Reduce Pollution in New Bedford Harbor	148,985	126,188
Other restricted program support	53,348	63,911
Time restricted	43,500	168,000
Total	$ 11,189,415	$ 7,861,384

Endowments

Endowments consist of funds subject to donor-imposed restrictions requiring that the principal (historic dollar value/fund corpus) be invested in perpetuity and that only a prudent portion of the appreciation be appropriated for the support of the Organization's charitable mission (see Note 4).

Generations Campaign

In fiscal year 2016, on the eve of the Organization's 30th anniversary, the Organization launched the new "Generations" capital campaign to raise funds to support the acquisition of new lands for conservation, construction of facilities to support field operations and outdoor engagement programs, and expansion of endowment to sustain the Organization and its programs for a second generation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net Assets With Donor Restrictions (Continued)

Land Revolving Loan Fund

The primary purpose of the Buzzards Bay Land Revolving Loan Fund (the Land Revolving Loan Fund) is to assist the Organization and other nonprofit land conservation organizations in the purchase of land or interests in land in the Buzzards Bay Watershed to be held permanently as open space. The Land Revolving Loan Fund provides bridge loans, short-term options, down payments, and support for other related project and transactional costs necessary to advance land conservation in the Buzzards Bay Watershed.

From time-to-time, the Land Revolving Loan Fund may be used in other financial transactions, including legal defense of conservation restrictions that are closely related to land conservation. There were no such financial transactions for the years ended September 30, 2021 and 2020.

In order to fund the purchase of conservation properties, the Organization may borrow from the Land Revolving Loan Fund with authorization from the Board of Directors. As of September 30, 2021 and 2020, the Organization has borrowed $987,107 and $241,607, respectively, from the Land Revolving Loan Fund.

Appreciation on Donor-Restricted Endowments

These funds are the accumulated unspent realized and unrealized appreciation of the net assets with donor restrictions (see Note 4).

Watershed Protection Projects

These funds are used to support land acquisition, conservation property management and habitat restoration, and monitoring activities associated with Coalition watershed protection projects.

Advocacy and Public Education to Reduce Pollution in New Bedford Harbor

These funds are restricted by the donor to be used specifically to educate the public and advocate for solutions to reduce nitrogen pollution in New Bedford Harbor.

Other Restricted Program Support

The Organization often receives funding restricted to specific program work. This program support will help fund core programs, as well as some new initiatives central to the Organization's mission.

Property and Equipment and Depreciation

The Organization records property and equipment at cost, if purchased, or at fair value on the date received, if donated. Expenditures for maintenance and repairs are charged to operations as incurred. The Organization capitalizes all equipment purchases exceeding $1,500 with useful lives in excess of one year. Land is not depreciated.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	39 years
Furniture, fixtures and equipment	5 - 10 years
Computer software	3 years
Vehicles and boat	5 - 10 years

Contracts Receivable and Allowance for Doubtful Accounts

The Organization carries its accounts and contracts receivable at net realizable value. The Organization evaluates its receivables and establishes an allowance for doubtful accounts based on collections experience and current credit conditions. There was no allowance for doubtful accounts at September 30, 2021 and 2020.

Pledges Receivable and Reserve for Uncollectible Pledges

Pledges consist of written commitments from donors (see Note 5). Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give expected to be collected in future years are recorded at the present value for estimated future cash flows. Conditional pledges are recorded as revenue once the condition has been met. The reserve for uncollectible pledges was $20,168 and $55,586 at September 30, 2021 and 2020, respectively.

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs, except for its conservation properties, which are valued using Level 3 inputs (see Note 7).

Investment Return Allocations and Spending Policy

Investments (see Note 3) are reported at fair value. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred upon sales of securities or based on fair value changes during the period.

Massachusetts follows the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA). Subject to the intent of a donor, the Organization may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Board of Directors of the Organization.

Under the Organization's investment policy, the Board of Directors appropriates for operations 1% of the market value of certain components of the Organization's investment portfolio over each of the preceding four quarters throughout the year. Transfers to the operating net assets, in accordance with this policy, were $129,450 and $106,367 for the years ended September 30, 2021 and 2020, respectively, and are reflected as investment income appropriated for operations in the accompanying combined statements of activities and changes in net assets.

The Organization has an investment policy which, combined with the spending rate, attempts to provide a predictable stream of returns combined with asset protection. Endowment assets include those assets restricted by donors that the Organization must hold in perpetuity. Under the Organization's investment policy and spending rate, both approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Subcommittee is responsible for managing the fund according to the investment policy and closely monitors the investments in order to maximize risk adjusted returns.

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the combined financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the combined financial statements at September 30, 2021 and 2020. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

In accordance with Topic 958, the Organization must determine whether a grant or contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution or grant. A grant or contribution is considered to be a conditional grant/contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met. See Note 12 for disclosure of conditional grants at September 30, 2021.

A portion of the Organization's revenue is attributable to cost-reimbursable and unit-rate government contracts and grants (government contracts revenue), which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Organization has incurred expenditures in compliance with specific contracts or grant provisions. These contracts and grants are considered nonreciprocal transactions because the Organization's community and customers receive the benefit as a result of the assets transferred. All other contract revenue is recorded when services are provided. See Note 12 for disclosure of the Organization's conditional awards at September 30, 2021.

The Organization records revenue from grant and contributions and government contracts without donor restrictions when received or unconditionally committed. Grants and contributions with donor restrictions are recorded as revenue and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as costs are incurred or as time restrictions or program restrictions have lapsed.

Fundraising events revenue is from the Organization's fundraising events and revenues and recognized at the time the event takes place. Fundraising event income consists of both contributions and sales. The contribution portion of the special event income is recognized as revenue when unconditionally committed or received. The sales portion of the special event income is derived from registration fees, in which the transaction price is determined annually. Fees collected in advance of the special events are initially recorded as conditional advances (contract liabilities) and are only recognized in the combined statements of activities and changes in net assets after the special event has occurred and the performance obligation has been met. Conditional advances were $423,153 and $179,042 as of September 30, 2021 and 2020, respectively, as fees were collected in advance and the events were not held until the subsequent period.

All other revenue is recognized when earned.

In-kind Goods and Services and Donated Property

During the years ended September 30, 2021 and 2020, the Organization received donated property and services from various individuals or organizations for use in its programs. The value of the property and services is reflected in the accompanying combined statements of activities and changes in net assets based upon a value assigned by the donor or a reasonable estimate as determined by management.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Goods and Services and Donated Property (Continued)

In-kind goods and services and donated property are as follows for the years ended September 30:

	2021	2020
Donated property - land	$ 232,905	$ 185,200
Legal services	14,885	39,972
	$ 247,790	$ 225,172

During fiscal year 2021, there were two lots of land donated in Rochester, Massachusetts and Westport, Massachusetts. The lots are approximately 220 and 56 acres, and the appraised value of the properties is $153,374 and $79,531, respectively. During fiscal year 2020, a family donated two lots of land in New Bedford, Massachusetts. The lots are approximately 59 and 56 acres, and the appraised value of the properties is $91,000 and $94,200, respectively. The total value of the land donations during fiscal years 2021 and 2020 was $232,905 and $185,200 and is reflected as donated property in the accompanying combined financial statements for the years ended September 30, 2021 and 2020, respectively. Donated legal services are included in in-kind goods and services in the accompanying combined statements of activities and changes in net assets and is included in legal services in the accompanying combined statements of functional expenses.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated based upon management's estimate of the percentage attributable to each function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries, payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort; occupancy costs and depreciation, which are allocated on a square footage basis; and program supplies, printing and postage, insurance, travel, office equipment and supplies and telephone, which are allocated based on usage studies conducted annually.

Conservation Restrictions

The Organization accomplishes its land conservation objectives, in part, by purchasing or accepting donations of interests in real property in the form of conservation restrictions (MGL Ch. 184 ss. 31-33). Conservation restrictions represent numerous perpetual restrictions over the use and development of land between the Organization and private landowners. These restrictions are binding on all future landowners of the affected property. These restrictions generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic, or recreational state. The costs of acquiring and monitoring conservation restrictions are expensed in the year obtained and have no carrying value (see Note 7).

Conservation Properties and Impairment

Conservation properties consist of land that has either been acquired through purchase or has been donated to the Organization for which they hold title to the property in furtherance of its mission. The conservation properties may be available for sale/transfer to local town, state or Federal entities to be held by them for conservation purposes (see Note 7).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Conservation Properties and Impairment (Continued)

The Organization, at times, enters into agreements to purchase land which it then sells or donates to local municipalities to further its conservation mission. With the purchase of these properties, the Organization transfers ownership to the municipality which, in turn, grants a conservation restriction to the Organization.

When conservation restrictions are placed on a property, impairment losses on the property are recognized based on the excess of the assets carrying amount over the fair value of the asset.

Use of Estimates

The preparation of combined financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Combined Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating support and revenue and expenses in the accompanying combined statements of activities and changes in net assets. Non-operating revenues (expenses) consist of capital activity, endowment contributions and investment income.

Subsequent Events

Subsequent events have been evaluated through February 10, 2022, which is the date the combined financial statements were available to be issued. See Note 12 for an event that met the criteria for recognition and disclosure in the combined financial statements.

3. INVESTMENTS

Investments are valued using Level 1 inputs (see Note 2) and are comprised of the following as of September 30:

	2021	2020
Equities:		
Mutual funds:		
Large blend	$ 3,974,419	$ 1,919,420
Short-term bonds	3,000,602	924,823
Foreign large blend	538,481	171,634
Small cap	352,131	-
Other	146,763	410,632
Money market fund	347,298	144,865
	$ 8,359,694	$ 3,571,374

Investments are not insured and are subject to ongoing market fluctuations. The Organization holds its investments for long-term purposes. Since these investments are not intended to be used for current operating costs, they are presented as non-current assets in the accompanying combined financial statements.

4. ENDOWMENTS

Endowments consist of the following funds at September 30:

	2021	2020
General	$ 1,028,959	$ 1,028,959
Bay Science Fund	3,430,716	1,710,716
Building Maintenance Fund	500,000	500,000
Land Stewardship Fund	840,000	840,000
Total Endowments Restricted in Perpetuity (see page 7)	5,799,675	4,079,675
Appreciation on donor-restricted endowments	1,084,828	565,922
Total Endowments with donor restrictions	$ 6,884,503	$ 4,645,597

General - These funds provide the flexibility to support the areas of greatest need at the Organization. The General Endowment is available for the President and the Board of Directors to direct to the most pressing and strategic priorities.

The Organization must pay back the General Fund annually and must also pay quarterly interest at 2.5% on the outstanding principal balance. The Organization paid $50,000 back to the General Endowment during fiscal years 2021 and 2020.

Bay Science Fund - This endowment was funded by donors interested in ensuring the long-term sustainability of the Organization's water quality and habitat monitoring activities.

The Building Maintenance Fund - As part of the capital campaign, the Organization purchased and renovated headquarters in New Bedford, Massachusetts. Funds were earmarked by a donor to be certain the Organization could properly maintain this historic and state-of-the-art green facility.

Land Stewardship Fund - The Organization's Board of Directors initially set aside $105,000 of the General Endowment to be designated as a land stewardship fund, recognizing the responsibility the Organization has to monitor the conservation restrictions and properties for which it has accepted responsibility and ownership. Donors have since earmarked additional funds to the Land Stewardship Fund.

4. ENDOWMENTS (Continued)

A reconciliation of endowment activity is as follows:

	Without Donor Restrictions Board Designated	With Donor Restrictions	Total Endowment
Endowment net assets, September 30, 2019	$ 111,567	$ 4,143,570	$ 4,255,137
Investment return	7,294	270,894	278,188
Contributions	-	337,500	337,500
Investment income appropriated for operations	-	(106,367)	(106,367)
Endowment net assets, September 30, 2020	118,861	4,645,597	4,764,458
Investment return	16,589	648,356	664,945
Contributions	-	1,720,000	1,720,000
Investment income appropriated for operations	-	(129,450)	(129,450)
Endowment net assets, September 30, 2021	$ 135,450	$ 6,884,503	$ 7,019,953

5. PLEDGES RECEIVABLE

Pledges receivable are due as follows at September 30:

	2021	2020
Due within one year	$ 201,417	$ 900,379
Due in two to five years	1,470,500	877,500
	1,671,917	1,777,879
Less - discount	21,882	31,162
Less - allowance	20,168	55,586
Total pledges	1,629,867	1,691,131
Less - current portion	201,417	900,379
Total pledges, net	$ 1,428,450	$ 790,752

The pledges have been discounted using a 2.5% discount rate as of September 30, 2021 and 2020. Pledges received for endowment are excluded from the amounts due within one year due to the long-term nature of the underlying use of the funds.

6. PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROCESS

Property and equipment consist of the following at September 30:

	2021	2020
Buildings and improvements	$ 12,771,355	$ 12,866,637
Furniture, fixtures and equipment	1,005,320	934,580
Land	1,484,317	1,484,317
Vehicles and boat	240,752	187,356
Computer software	195,431	168,653
	15,697,175	15,641,543
Less - accumulated depreciation	2,783,270	2,469,378
	$ 12,913,905	$ 13,172,165

Construction in process at September 30, 2021 and 2020, consists of predevelopment costs related to the construction of an equipment shed at Cuttyhunk Island for the amount of $65,005 and $9,613, respectively.

7. CONSERVATION PROPERTIES, RESTRICTIONS AND IMPAIRMENT

Conservation properties held by the Organization consist of the following as of September 30:

Conservation Properties	Town	Acreage	Acquired/Deposit	2021	2020
Griffith Forest	Carver	32.00	July 29, 2021	$ 248,618	$ -
Doggett Brook Farm	Rochester	54.09	May 19, 2021	911,081	-
Carricorp II	Westport	55.50	December 29, 2020	79,531	-
Cuttyhunk Island	Cuttyhunk	64.00	July 10, 2020	1,280,607	1,280,607
Old Middleboro Road	Rochester	259.00	October 22, 2020	153,374	-
Lyons Brook-Hender	Westport	50.00	July 1, 2020	64,404	64,404
Steidle Property	Rochester	11.80	April 6, 2020	26,849	26,849
Jireh-Hawes	New Bedford	0.31	December 18, 2019	92,600	92,600
Riverside Auto	Acushnet	.70	September 18, 2019	182,047	182,047
Langevin	Acushnet	2.90	July 3, 2019	-	-
Hawes	New Bedford	1.60	January 3, 2019	338,500	338,500
Winship Ave Lot 2	Wareham	1.30	October 26, 2018	-	-
Burgess Point Shores Lot B1	Wareham	1.40	October 26, 2018	-	-
Burgess Point Shores Lot B2	Wareham	1.50	October 26, 2018	-	-
Burgess Point Shores Lot B3	Wareham	2.60	August 17, 2018	-	-
Wheeler Forest	Falmouth	30.00	August 14, 2018	3,571,851	3,571,851
Machado East	Acushnet /Fairhaven	30.71	August 10, 2018	401,532	401,532
GFRLC Lands	Fall River	78.00	July 24, 2018	821,800	821,800
Shattuck	Westport	4.17	June 22, 2018	12,000	12,000
Broad Marsh	Wareham	45.26	May 23, 2018	22,098	22,098
Tucker	Fairhaven	3.50	May 10, 2018	3,500	3,500
Machado West	Acushnet	12.83	August 3, 2017	59,858	59,858
Habitat for Humanity	Rochester	1.50	August 21, 2017	-	-
Carricorp	Westport	32.50	July 20, 2017	18,388	18,388
Carvalho Farm	Fairhaven	61.50	June 14, 2017	260,000	260,000
Sylvia	Acushnet	1.05	May 25, 2017	1,000	1,000
Keating Woods	Acushnet	21.65	March 17, 2017	25,295	25,295
Staples	Wareham	0.67	March 15, 2017	52,647	52,647

7. CONSERVATION PROPERTIES, RESTRICTIONS AND IMPAIRMENT (Continued)

Conservation Properties	Town	Acreage	Acquired/Deposit	2021	2020
Jaros	Acushnet	9.00	December 20, 2016	158,395	158,395
Wood	Westport	8.86	November 9, 2016	167,150	167,150
Burgess Point Shores	Wareham	15.50	August 18, 2016	230,000	230,000
Wickets Island	Wareham	4.61	June 30, 2016	134,969	134,969
Kelly Property	Falmouth	3.00	June 30, 2016	-	-
Tinkham Property (N)	Mattapoisett	7.95	June 27, 2016	-	-
Tinkham Property (S)	Mattapoisett	11.36	June 27, 2016	-	-
Conant Property	Wareham	23.96	October 28, 2015	-	-
Marks Cove Bog	Wareham	16.20	February 12, 2015	25,223	25,223
LaPalme Farm	Acushnet	47.00	July 31, 2012	155,000	155,000
Coelho & Walega	Acushnet	3.80	June 26, 2012	27,960	27,960
Horseshoe Mill	Wareham	10.00	June 20, 2012	90,000	90,000
Town Line	Mattapoisett	63.00	February 29, 2012	22,899	22,899
Decas Bogs	Mattapoisett	125.00	December 22, 2011	-	-
Carreiro Property	Fairhaven	10.70	August 24, 2011	45,077	45,077
Riverside Marsh	Acushnet	4.95	December 30, 2010	-	-
Tripps Mill Brook	Mattapoisett	24.33	May 28, 2010	256,300	256,300
New Boston Road	Acushnet	0.31	May 28, 2010	-	-
Marsh Island	Fairhaven	7.50	December 11, 2009	44,535	44,535
Acushnet Sawmill	Acushnet	19.10	March 12, 2007	179,869	179,869
Miscellaneous deposits	Various	0.00	Various	355,000	29,999
Total		1,289.93		$ 10,519,957	$ 8,913,985

The Organization will utilize the calculated impairment values provided by an independent appraisers' certified report, if one is available to recognize impairment on conservation properties. Otherwise, the Organization recognizes impairment on conservation properties equal to 85% of the original cost, based on industry standards, for a piece of property that includes a conservation restriction. The Organization recognized $1,279,530 of impairment on conservation properties for the year ended September 30, 2020. There was no impairment on conservation properties recognized for the year ended September 30, 2021.

The following is a listing of conservation restrictions held by the Organization as of September 30, 2021:

Property	Town	Acreage	Acquired
Costa-Mello	Fall River	37.50	December 15, 2020
Desmarais	Fall River	15.75	December 15, 2020
Apponagansett Estate	Dartmouth	22.00	September 23, 2020
Church's Beach	Gosnold	2.00	July 10, 2020
Lyons Brook Forest Buffer	Westport	5.00	July 1, 2020
Coffin Family Trust 2	Westport	24.00	June 30, 2020
Eva's Garden	Dartmouth	10.00	May 20, 2020
Apponagansett Farm	Dartmouth	26.00	February 6, 2020
Brandt Island Cove District North	Mattapoisett	39.00	January 13, 2020
Sommaripa Forest	Dartmouth	11.00	December 26, 2019
Wilson	Falmouth	7.00	December 18, 2019
Dike Creek Reserve	Dartmouth	76.50	November 18, 2019
Pine Island Pond	Mattapoisett	120.00	October 3, 2019
Soehring/Coffin Trust	Westport	29.00	June 27, 2019
E&J Powel	Dartmouth	29.00	January 15, 2019
Ocean View Farm North	Dartmouth	55.00	August 10, 2017
Ocean View Farm South	Dartmouth	59.00	August 10, 2017
Roy Hawkes	Rochester/ Mattapoisett	164.00	June 30, 2017

7. CONSERVATION PROPERTIES, RESTRICTIONS AND IMPAIRMENT (Continued)

Property	Town	Acreage	Acquired
Decas-Winship	Wareham	4.40	August 18, 2016
Decas-Lydias Island	Wareham	1.25	August 18, 2016
Tinkhamtown Woodlands	Mattapoisett	115.00	June 30, 2016
Weweantic Ridge	Wareham	22.00	October 28, 2015
Weeden Road	Fairhaven	32.00	December 11, 2014
Shaw Farm	Fairhaven	126.00	December 11, 2014
Nasketucket Fields	Fairhaven	29.00	June 27, 2014
Quahog Hill	Fairhaven	13.50	June 26, 2014
Shearer	Falmouth	7.00	June 24, 2014
Wankinquoah Rod and Gun Club	Middleborough	287.00	November 20, 2013
North Woods	Mattapoisett	35.00	September 27, 2013
Quissett Harbor 1	Falmouth	3.60	September 27, 2013
Quissett Harbor 2	Falmouth	4.93	September 27, 2013
Sanford South	Middleboro	30.00	June 28, 2013
Peter’s Creek Reserve	Dartmouth	29.00	April 22, 2013
Westgate	Wareham	48.54	February 26, 2013
Lloyd Woods	Dartmouth	26.50	November 19, 2012
Old Aucoot	Mattapoisett	315.70	March 2, 2012
Dufficy-Lawrence	Rochester	7.50	December 22, 2011
Old Haskell Farm	Rochester	14.50	December 22, 2011
Rentumis	Rochester	54.20	December 9, 2011
Tripps Mill Brook 2	Mattapoisett	42.67	March 11, 2011
Fitzgerald/New Boston Rd	Fairhaven	67.18	July 16, 2010
Viveiros Dairy (Lot 3)	Fairhaven	36.50	February 26, 2010
Mahoney	Marion	238.00	December 28, 2009
Gurney	Rochester	17.50	December 23, 2009
MacPhail	Rochester	12.50	December 23, 2009
Flume Pond	Falmouth	28.00	December 18, 2008
Shipyard Farm	Fairhaven	53.00	February 22, 2008
Red Barn Farm	Rochester	60.00	December 24, 2007
Gaumont	Rochester	7.00	December 24, 2007
Garfield	Dartmouth	18.00	December 3, 2007
Douglass	Fairhaven	16.45	October 2, 2007
Viveiros Dairy (Lot 2)	Fairhaven	11.00	June 6, 2006
Nulands Neck	Fairhaven	101.00	December 28, 2005
Sperry Farm	Rochester	13.50	December 28, 2005
Field Farm	Mattapoisett	64.00	November 24, 2004
Marsh Island North	Fairhaven	14.25	September 29, 2003
Total acreage		2,738.92	

Upon accepting a conservation restriction, the Organization assumes a perpetual obligation to monitor, normally on an annual basis, the affected property to ensure that the landowners comply with the restrictions. The Organization is obligated to enforce provisions of the restrictions in the event of a violation to the terms of the restriction. The expenses associated with maintaining the above conservation restrictions were approximately $22,400 and $21,600 for the years ended September 30, 2021 and 2020, respectively, which are included in land protection costs in the accompanying combined statements of functional expenses. Although conservation restrictions are real property rights, they possess little or no market value due to the resale market that is limited to the owner of the restricted property. Because of the limited market and due to the obligations inherent in conservation restriction ownership, the Organization's conservation restriction holdings are not reflected in the accompanying combined financial statements as either assets or liabilities.

8. LINES OF CREDIT

Operating Line of Credit

On January 15, 2020, the Organization entered into a line of credit agreement with a bank, which allows for maximum borrowings up to $250,000 through February 28, 2021, which was extended through August 22, 2022. Borrowings under the agreement are due on demand and interest is payable monthly on outstanding borrowings at the bank's base lending rate plus .25% per annum, but under no circumstances to be less than 5% per annum. The interest rate was 5% and there were no borrowings outstanding as of September 30, 2021 and 2020. The line of credit has a first priority security interest on all property and equipment (see Note 6).

Conservation Properties Line of Credit

In July 2019, the Organization entered into a revolving line of credit agreement with a bank, which allows for maximum borrowings up to $3,000,000. Borrowings under this agreement were due on demand and interest is payable monthly on outstanding borrowings at the *Wall Street Journal*'s prime rate plus .25% per annum (5% at September 30, 2021 and 2020), but under no circumstances to be less than 5% per annum. There were no borrowings outstanding at September 30, 2021. There were borrowings of $335,882 at September 30, 2020. The line of credit is secured by specific properties and assets of the Organization. The Organization had certain non-financial covenants as specified in the agreement which it was in compliance with at September 30, 2021 and 2020.

9. NOTES PAYABLE

Notes payable consist of the following at September 30:

	2021	2020
Non-interest bearing note payable to the New Bedford Economic Development Council, Inc. No payments of principal or interest are due before the maturity date of December 11, 2049. In the event of default, interest is payable, compounded at the annual rate of 3%. The note is secured by land located in New Bedford, Massachusetts. The Organization had certain non-financial covenants as specified in the agreement which it was in compliance with at September 30, 2021 and 2020.	$ 150,000	$ 150,000
A 3% note payable to an individual was entered into on June 23, 2020. Principal and interest payments were due and payable on October 21, 2020. Outstanding principal and interest were repaid in December 2020. The note was secured by the first mortgage on the Marion Operations facility.	-	460,042

9. NOTES PAYABLE (Continued)

	2021	2020
4.75% note payable with a bank, with a maturity date of July 2038. Principal and interest were due in monthly payments of approximately $1,129. Outstanding principal and interest were paid off in full in August 2021. The note was secured by the mortgaged property and an assignment of leases and rents.	-	162,376
	150,000	772,418
Less - current portion	-	466,041
	$ 150,000	$ 306,377

10. RETIREMENT PLAN

The Organization maintains a 401(k) profit sharing plan for employees who have reached 21 years of age and worked for the Organization for over one year or completed at least 1,000 hours of service. Under the plan, the Organization may make discretionary contributions to the plan. In addition, the Organization may make matching contributions as a uniform percentage of salary deferrals by participants based on years of service, as defined within the plan document, up to a discretionary amount determined by the Organization. The contributions for the years ended September 30, 2021 and 2020, were $85,088 and $78,426, respectively, which are included in employee benefits in the accompanying combined statements of functional expenses. The Organization’s contributions are vested at a 25% rate per year, becoming fully vested after year four.

11. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one bank in Massachusetts and its balances are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times, cash balances may exceed the insured amounts. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Two and three donors accounted for approximately 74% and 39% of the net pledges receivable balance as of September 30, 2021 and 2020, respectively.

12. CONDITIONAL GRANTS AND GOVERNMENT CONTRACTS

Conditional Grant

During fiscal year 2017, the Organization received a grant commitment from a donor totaling $500,000. The Organization’s receipt of this grant is conditional upon the Organization satisfying a stipulation from the donor. The Organization had met the condition for $400,000 of this grant as of September 30, 2021. The balance of $100,000 has not been reflected in the accompanying combined financial statements and will be recognized when the conditions are met.

12. CONDITIONAL GRANTS AND GOVERNMENT CONTRACTS (Continued)

Conditional Government Contracts

During fiscal years 2021 and 2020, the Organization received government grants and contracts totaling $6,948,827 and $5,697,685, respectively, that contained conditions that represent a barrier that must be overcome, as well as a right of return of assets or release from obligations. The Organization recognizes these government grants and contracts when conditions are met. During the years ended September 30, 2021 and 2020, the Organization recognized $1,591,455 and $2,729,130 of government grants and contracts, respectively. Conditional promises to give at September 30, 2021 and 2020, consist of cost-reimbursable government contracts totaling $5,357,372 and $2,968,555, respectively.

Paycheck Protection Program Loan (PPP)

During fiscal year 2020, the Organization applied for and was awarded a loan of $339,200 from the PPP established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) through a bank. The funds were used to pay certain payroll costs, including benefits during a covered period as defined in the CARES Act. These funds may be forgiven, as defined in the agreement, at the end of the covered period and the remainder of the funds will be due over a two-year period with interest at 1%. Any repayment will be deferred for a period of ten months from the end of the covered period, when the note, plus interest, will be due in equal monthly payments over a two-year period. The forgiveness calculations are subject to review and approval by the lending bank and the Small Business Administration (SBA).

The Organization accounted for it as a conditional grant under ASC Subtopic 958-605. It was determined that this grant was conditional upon certain performance requirements and the incurrence of eligible expenses. The Organization had incurred expenditures in compliance with the loan application and CARES Act requirements as of September 30, 2020, therefore, the Organization recognized $339,200 of grant revenue, the full amount of the PPP funds awarded, which is included in grants and contributions in the accompanying fiscal year 2020 combined statement of activities and changes in net assets. The Organization applied for and received forgiveness from the bank for the full amount in December 2020.

During March 2021, the Organization applied for and was awarded a second draw from the PPP of $339,200. The second PPP loan has the same general terms as the first PPP loan, and therefore, the second PPP loan was accounted for as a conditional grant under ASC Subtopic 958-605. The Organization incurred expenditures in compliance with the loan application and CARES Act requirements as of September 30, 2021, therefore, the Organization recognized $339,200 of grant revenue, the full amount of the second PPP loan awarded, which is included in grants and contributions in the accompanying fiscal year 2021 combined statement of activities and changes in net assets. The Organization applied for and received forgiveness from the bank for the full amount subsequent to year-end.

13. RELATED PARTY TRANSACTIONS

As of September 30, 2021 and 2020, the Organization jointly holds a conservation restriction with the Rochester Land Trust on a property located in Rochester, Massachusetts, which was owned by one of its Board members who also served on the Board of Directors of the Rochester Land Trust.

A Board member of the Organization through July 2020 is also a staff member of the company that the Organization utilizes for laboratory services. Total expenses incurred for the year ended September 30, 2020, was $115,093.

13. RELATED PARTY TRANSACTIONS (Continued)

The Organization contracted with a company owned by a Board member to provide repair services to one of its boats. In addition, this company also provided marine equipment. The total cost of the equipment and repairs was $29,363 for the year ended September 30, 2021. The Organization also purchased a new boat for $163,129 during fiscal year 2021 from the company owned by the Board member.

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the combined statements of financial position date for general operating expenses are as follows as of September 30:

	2021	2020
Cash	$ 1,763,804	$ 1,346,152
Contracts receivable	360,757	590,238
Current portion of pledges receivable	201,417	900,379
Total financial assets	2,325,978	2,836,769
Plus - subsequent year's approved endowment withdrawal	237,728	121,120
Less - donor-imposed restrictions	(1,910,265)	(2,490,842)
Financial assets available to meet cash needs for general expenditures within one year	$ 653,441	$ 467,047

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

15. CONTINGENCY

The COVID-19 pandemic in the United States has caused business disruption and a reduction in economic activity. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. While the Organization expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

16. EMPLOYER RETENTION TAX CREDIT

The Employee Retention Tax Credit (ERTC) was first established by the CARES Act and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first $10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 (2020 ERTC), and 70% of the first $10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021 (2021 ERTC). To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

16. EMPLOYER RETENTION TAX CREDIT (Continued)

The Organization has determined that it qualifies for both a portion of the 2020 ERTC that pertains to October 1, 2020 to December 31, 2020, and the portion of the 2021 ERTC that pertains to January 1, 2021 to June 30, 2021, and therefore, is accounting for them as conditional grants under ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met as of September 30, 2021. The total grant of $372,156 was recorded as grants and contributions in the accompanying combined statement of activities and changes in net assets for the fiscal year ended September 30, 2021. There is $92,037 that the Organization received subsequent to year-end included in contracts receivable in the accompanying combined statement of financial position as of September 30, 2021. Eligibility for the credit and the credit calculations are subject to review and approval by the Federal government.

17. RECLASSIFICATIONS

Certain amounts in the fiscal year 2020 combined financial statements have been reclassified to conform with the fiscal year 2021 presentation.