

BUR OAK LAND TRUST
Iowa City, Iowa

Financial Statements

December 31, 2018

BUR OAK LAND TRUST

Contents	Page
Independent Auditors' Report	1-2
Financial Statements:	
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statement of Support, Revenues, Expenses and Changes in Net Assets – Modified Cash Basis	4
Statement of Functional Expenses	5
Notes to Financial Statements	6-14



Independent Auditors' Report

To the Board of Directors of
Bur Oak Land Trust
Iowa City, Iowa

We have audited the accompanying financial statements of Bur Oak Land Trust (a nonprofit Organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2018, and the related statements of support, revenues, expenses, and changes in net assets – modified cash basis, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Bur Oak Land Trust as of December 31, 2018, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The summarized comparative information presented in the statement of support, revenues, expenses, and changes in net assets – modified cash basis for the year ended December 31, 2017, was derived from an unaudited financial statement, and has not been audited, reviewed, or compiled and, accordingly, we express no opinion on it.

TDT CPAs and Advisors, P.C.

Cedar Rapids, Iowa
March 26, 2019

BUR OAK LAND TRUST
Statement of Assets, Liabilities and Net Assets -- Modified Cash Basis
December 31, 2018

Assets	
Assets	
Current assets	
Cash and cash equivalents	\$ 13,871
Certificates of deposit	9,066
Investments	591,532
Rent deposit	1,000
Total current assets	615,469
Long-term assets	
Land held for sale	300,000
Investments	38,724
Total long-term assets	338,724
Property and equipment:	
Land	1,989,720
Equipment	74,102
	2,063,822
Less: accumulated depreciation	32,040
Net property and Equipment	2,031,782
Total assets	\$ 2,985,975
Liabilities and Net Assets	
Liabilities	
Current liabilities:	
Current maturities of long-term debt	\$ 72,000
Agency liabilities	1,000
Accrued liabilities	4,596
Total current liabilities	77,596
Total liabilities	77,596
Net Assets:	
Without donor restrictions	
Undesignated	2,021,189
Board designated	578,229
With donor restriction	308,961
Total net assets	2,908,379
Total liabilities and net assets	\$ 2,985,975

See accompanying notes to financial statements.

BUR OAK LAND TRUST
Statement of Support, Revenues, Expenses and
Changes in Net Assets -- Modified Cash Basis
For the Year Ended December 31, 2018

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>(Summarized) 2017</u>
Operating support and revenue:				
Contributions:				
Contributions and grants	\$ 132,143	34,671	166,814	138,221
Capital Campaign	-	52,316	52,316	115,777
Land transaction	9,379	-	9,379	3,289
Other income - deer tag sale, net	8,050	-	8,050	5,000
Miscellaneous income	6,869	-	6,869	5,812
Net assets released from restrictions	110,162	(110,162)	-	-
	<u>266,603</u>	<u>(23,175)</u>	<u>243,428</u>	<u>268,099</u>
Special events				
Special events	58,807	-	58,807	56,420
Less: Costs of direct benefit to donors	15,590	-	15,590	11,715
Net special event revenue	<u>43,217</u>	<u>-</u>	<u>43,217</u>	<u>44,705</u>
Transfer from board designated funds to operations	<u>32,000</u>	<u>-</u>	<u>32,000</u>	<u>19,095</u>
Total operating support and revenue	<u>341,820</u>	<u>(23,175)</u>	<u>318,645</u>	<u>331,899</u>
Operating expenditures:				
Program services:				
Property Stewardship	144,623	-	144,623	121,200
Education and awareness	41,577	-	41,577	45,689
AmeriCorps	13,850	-	13,850	-
Supporting services				
Administrative support	68,950	-	68,950	55,439
Fundraising	62,255	-	62,255	51,565
Total operating expenditures	<u>331,255</u>	<u>-</u>	<u>331,255</u>	<u>273,893</u>
Change in net assets from operating activities	<u>10,565</u>	<u>(23,175)</u>	<u>(12,610)</u>	<u>58,006</u>
Non-operating activities:				
Grants to others	-	-	-	(20,000)
In-kind donations - land	300,000	-	300,000	389,000
Investment income	15,552	716	16,268	13,216
Net realized and unrealized gains	(28,320)	(1,304)	(29,624)	85,990
Transfer from board designated funds to operations	<u>(32,000)</u>	<u>-</u>	<u>(32,000)</u>	<u>(19,095)</u>
Change in net assets from non-operating activities	<u>255,232</u>	<u>(588)</u>	<u>254,644</u>	<u>449,111</u>
Change in net assets	<u>265,797</u>	<u>(23,763)</u>	<u>242,034</u>	<u>507,117</u>
Net assets at beginning of year, restated	<u>2,333,621</u>	<u>332,724</u>	<u>2,666,345</u>	<u>2,159,228</u>
Net assets at end of year	<u>\$ 2,599,418</u>	<u>308,961</u>	<u>2,908,379</u>	<u>2,666,345</u>

See accompanying notes to financial statements.

BUR OAK LAND TRUST
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program Activities				Supporting Activities			Total Expenses
	Property Stewardship	Education and Awareness	AmeriCorps	Total Program Expenses	Management and General	Fundraising		
Salaries and benefits	\$ 71,046	24,934	7,838	103,818	26,093	42,406	172,317	
Professional fees	-	3,820	-	3,820	24,096	8,082	35,998	
Contractor	14,813	-	-	14,813	-	-	14,813	
Property Stewardship supplies	13,360	-	-	13,360	-	-	13,360	
Printing	12,923	-	-	12,923	-	-	12,923	
Rent	5,241	1,837	819	7,897	1,925	3,109	12,931	
Office Supplies	2,133	-	-	2,133	7,820	1,119	11,072	
Insurance	6,533	-	-	6,533	-	-	6,533	
Meals	-	2,437	-	2,437	-	3,456	5,893	
Repairs and maintenance	5,330	-	-	5,330	-	-	5,330	
Advertising	-	-	-	-	-	4,083	4,083	
Dues, licenses, and permits	-	3,905	-	3,905	-	-	3,905	
Mileage	-	3,294	125	3,419	-	-	3,419	
Postage	3,167	-	-	3,167	-	-	3,167	
Utilities	2,697	-	206	2,903	-	-	2,903	
Interest	2,549	-	-	2,549	-	-	2,549	
Telephone	2,245	-	-	2,245	-	-	2,245	
Equipment rental	2,076	-	-	2,076	-	-	2,076	
Training	-	1,350	-	1,350	-	-	1,350	
Awards and sponsorships	510	-	-	510	-	-	510	
Miscellaneous	-	-	4,862	4,862	65	-	4,927	
Expenses before depreciation	144,623	41,577	13,850	200,050	59,999	62,255	322,304	
Depreciation	-	-	-	-	8,951	-	8,951	
Total Expenses	\$ 144,623	41,577	13,850	200,050	68,950	62,255	331,255	

See accompanying notes to financial statements

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Activities - The Trust was organized to protect and conserve natural areas to enrich and engage current and future generations.

Modified Cash Basis - The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that income and expenses are recognized only as cash is received or paid, and receivables and payables are not reflected in the statements except for deposits and accrued taxes. Property and equipment is recognized when cash is disbursed or when donated property is conveyed to the Trust.

New Accounting Pronouncement - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Bur Oak Land Trust has adjusted the presentation of these statements accordingly.

Basis of Presentation - The financial statements of Bur Oak Land Trust have been prepared to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Bur Oak Land Trust's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Bur Oak Land Trust or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of support, revenues, expenses and changes in net assets – modified cash basis.

The Bur Oak Land Trust uses a range of tools to help conserve important natural resources in Iowa. The Trust recognizes the importance of using conservation easements but also recognizes the perpetual responsibilities of being a conservation easement grantee. The Trust has specific policies and takes specific actions as necessary to monitor and enforce the provisions of conservation easements which it holds. To further ensure the integrity of conservation easements held by the Trust, separate board designated accounts (see Note 7) were established to provide for a property stewardship position, property management, and conservation easement legal defense and stewardship.

The Trust established a policy that requires that funds be set aside as part of the acquisition of each conservation easement. It is part of the project funding policy of the Trust that these funds be invested so as to prevent loss of principal when possible. As part of the annual budget process, a portion of the earnings will be included in operating revenues to cover the costs of baseline documentation, annual monitoring, and technical assistance to the landowners.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

The Trust has further established a board designated conservation easement legal defense account. This account is to be used for legal defense, arbitration or litigation costs associated with enforcing the provisions of any conservation easement held by the Trust. It is the policy of the Trust that these funds be invested so as to prevent loss of principal when possible. Any investment income attributed to the conservation easement legal defense account shall remain in the account. The principal and any investment income of the account may be used for legal defense. Any legal actions taken by the Trust or use of the conservation easement legal defense account require approval of the Board.

Operating Measure - The Trust measures operations by including all revenue and expenses related to the mission of the Trust, releases of donor restrictions, and transfers from reserves for operating purposes approved by the Board of Directors.

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period and disclosures in the financial statements. Actual results could differ from those estimates.

Investments - The Trust carries investments at their fair value based on quoted market prices in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. The Trust's investments consist of money market funds, certificates of deposit, and mutual funds.

Functional Expense Allocations - The cost of providing the Trust's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on the estimates made by the Trust's management. The Organization allocates salaries based on employee time and effort to each function. Rent is allocated based on overall allocation of salaries and benefits.

Income Taxes - The Trust, a not-for-profit Trust, is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code, except to the extent of taxes on unrelated business income.

The Trust follows the accounting for uncertainty in income tax requirements of the Income Tax Topic of the FASB *Accounting Standards Codification*. Management has evaluated their material tax positions and determined no income tax effects with respect to the financial statements. The Trust's federal income tax returns open by statute are subject to examination by the tax authorities. The Trust has not been notified of any impending examinations by tax authorities, and no examinations are in process.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues, expenses, and changes in net assets – modified cash basis as net assets released from restrictions.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

Comparative Totals - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended December 31, 2017, from which the summarized information is derived.

Subsequent Events - Management has evaluated all subsequent events and transactions through March 26, 2019, the date the financial statements were available to be issued.

Note 2 - In-Kind Contributions

Land, equipment, and securities contributed to the Trust are valued and recorded at their fair value on the donation date. Donated securities are immediately sold and proceeds are invested according to the Trust's investment policy. Other contributions are not recorded as revenue and expense in the accompanying financial statements. In-kind contributions consist of donated land, space and equipment rental, conservation easements, equipment, auction items for the Under a Cider Moon fundraiser, and services relating to properties maintained by the Trust, and totaled \$332,961 for the year ended December 31, 2018.

Note 3 - Property and Equipment

The properties and equipment recorded at historical cost and related accumulated depreciation held by the Trust as of December 31, 2018 were as follows:

Land		
Belgum Grove	\$	90,000
Big Grove		350,000
Pappy Dickens Preserve		160,000
Hora Woods		4,180
O'Mara-Newport Woods		300,000
Shimek Ravine		64,070
Strub Prairie		25,000
Kessler Prairie		139,000
Muddy Creek Preserve		250,000
Turkey Creek Preserve		247,470
Big Grove Addition		360,000
	\$	<u>1,989,720</u>
Equipment		
Tractor	\$	11,500
2004 Ford Truck		11,000
Other equipment		51,602
		<u>74,102</u>
Less: Accumulated depreciation		<u>(32,040)</u>
Total Equipment		<u>42,062</u>
Total property and equipment	\$	<u>2,031,782</u>

Depreciation expense for the year ended December 31, 2018 was \$8,951.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 4 - Investments

Investments in mutual funds, money market accounts, and real property are stated at fair value for the year ended December 31, 2018 as follows:

Mutual funds		\$	592,223
Money market			38,033
Land held for sale			<u>300,000</u>
Totals		\$	<u><u>930,256</u></u>

The following summarizes the change in fair value for the year ended December 31, 2018:

		<u>Money Market/ Mutual Funds</u>	<u>Land Held for Sale</u>
Fair value at December 31, 2017	\$	704,033	-
Reinvested dividends and interest		15,555	-
Reinvested proceeds from donated investments		16,009	-
Sales of investment securities		(73,000)	-
Fees and other charges		(2,717)	-
Donation of land held for sale		-	300,000
Net realized and unrealized gain on investments		<u>(29,624)</u>	-
Fair value at December 31, 2018	\$	<u><u>630,256</u></u>	<u><u>300,000</u></u>

Note 5 - Fair Value Measurements

The Trust's investments are reported at fair value in the accompanying statement of assets, liabilities, and net assets—modified cash basis. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Trust 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.

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes 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 under the Topic are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 5 - Fair Value Measurements (Continued)

The following tables present by Level, within the fair value hierarchy, the Trust's investment assets at fair value, as of December 31, 2018, As required by the Topic, investment assets are classified in their entirety based upon the lowest Level of input that is significant to the fair value measurement. The Trust had one Level 2 investment and no Level 3 investments at December 31, 2018.

Description	December 31, 2018	Quoted Prices In Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds fixed income	\$ 235,485	235,485	-	-
Mutual funds - equity	356,738	356,738	-	-
Land held for sale	300,000	-	300,000	-
Money market accounts	38,033	38,033	-	-
	<u>\$ 930,256</u>	<u>630,256</u>	<u>300,000</u>	<u>-</u>

Note 6 – Note Payable

The Trust entered into an installment real estate contract to purchase land dated July 27, 2015. The balance remaining on the contract at December 31, 2018, was \$72,000. The agreement calls for annual payments of \$72,000 plus accrued interest at the rate of 1.77% through July 27, 2019. The agreement is collateralized by the land purchased. The final payment of \$72,000 is reflected as a current liability on the Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Note 7 - Net Assets

Net assets without donor restrictions were as follows for the year ended December 31, 2018:

Without donor restrictions:

Undesignated	\$ 2,021,189
Board designated funds:	
Terrafirma endowment	11,215
Easement defense	94,521
Easement stewardship	101,583
Property Stewardship	3,398
Property defense	7,316
Property management	118,410
Land acquisition	100,189
Operating reserve	141,597
Total board designated funds	<u>578,229</u>
Total net assets without donor restrictions	<u>\$ 2,599,418</u>

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 7 - Net Assets (Continued)

Net assets with donor restrictions were as follows for the year ended December 31, 2018:

With donor restrictions:

Specific purpose:		
Dane Property	\$	5,000
Capital Campaign – Big Grove		215,501
Woodland Savannah Restoration		1,750
Purchase of equipment		1,331
Bridge at Turkey Creek Nature Preserve		1,650
Terrafirma endowment – accumulated earnings		1,890
Easement stewardship		38,810
Easement defense		12,411
Property Stewardship		5,000
Total purpose restrictions		<u>283,343</u>
Held in perpetuity:		
Terrafirma endowment (held in perpetuity)	\$	<u>25,618</u>
Total net assets with donor restrictions	\$	<u>308,961</u>

Note 8 - Endowments

The Trust's endowment consists of a fund established to generate income designed to pay premiums for Terrafirma, a national non-profit insurance pool that would provide additional conservation easement defense and fee-owned property defense support. Its endowment consists of donor-restricted and board-designated endowment funds. As required by the modified cash basis of accounting, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Trust has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Trust classifies board designated net assets held in perpetuity as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 8 - Endowments (Continued)

Interpretation of Relevant Law – The donor-restricted fund classified as with donor restriction is classified as such until those amounts are appropriated for expenditure but the Trust’s Board. In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Trust and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Trust
7. The investment policies of the Trust

Return Objectives and Risk Parameters - The Trust has adopted investment and spending policies for endowment assets that attempt to preserve the real value, or purchasing power, of the endowment fund assets and the annual support provided by these assets for an infinite period. The endowment assets are invested in a manner that is based on a broad number of diversified asset classes to produce results with the expectation that the rate of return will be equal to or greater than a predetermined weighted average benchmark of several market indices.

Spending Policy - The Trust has a policy of appropriating funds for distribution to pay Terrafirma insurance premiums once the fund is able to support such payments. As of December 31, 2018, no premiums have yet been paid by the fund.

Strategies Employed for Achieving Objectives - The Trust relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Trust targets a diversified asset allocation that emphasizes growth instruments and equity securities to achieve its long-term objectives within prudent risk constraints. The target allocation for the year ended December 31, 2018, was as follows:

<u>Asset Category</u>	<u>Target Allocation</u>
Equity	60%
Debt	40%
Total	<u>100%</u>

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 8 - Endowments (Continued)

Endowment net asset composition by type of fund as of December 31, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	\$ 11,215	-	11,215
Donor-restricted endowment funds			
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	-	25,618	25,618
Accumulated investment gains	-	1,891	1,891
Total endowment funds	\$ 11,215	27,509	38,724

Changes in endowment net assets for the year ended December 31, 2018:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 11,445	29,320	40,765
Investment return			
Investment Income (loss)	(230)	(588)	(818)
Appropriation of endowment assets for expenditure	-	(1,223)	(1,223)
Endowment net assets, end of year	11,215	27,509	38,724

Note 9 - Lease Commitments

The Trust leases office space under a lease agreement which runs through November 2019. Under the lease, the monthly rent expense is \$1,024 plus utilities. Rent expense included in supporting services expenses was \$12,288 for the year ended December 31, 2018.

The total minimum rental commitment for leases, are as follows:

<u>Years ending December 31:</u>	
2019	\$ 12,288
	\$ 12,288

Note 10 - Related Party Transactions

The Trust received donations from employees and members of the Board of Directors totaling \$24,942 for the year ended December 31, 2018.

BUR OAK LAND TRUST
Notes to the Financial Statements
December 31, 2018

Note 11 - Designated Funds Held by a Community Foundation

Designated funds for the benefit of Bur Oak Land Trust have been established by donors with The Community Foundation of Johnson County (Foundation). In establishing a designated fund, the donor grants variance power to the Foundation, and an asset is not recognized by the Organization. Revenue is recognized upon receipt of distributions. The balances of these funds held for the Organization's benefit totaled \$160,346 at December 31, 2018. The Organization received distributions of \$8,986 from the Foundation for the year ended December 31, 2018.

Note 12 – Availability and Liquidity

The following represents Bur Oak Land Trust's financial assets at December 31, 2018.

Financial assets at year end:	
Cash and cash equivalents	\$ 13,871
Certificates of deposit	9,066
Investments	<u>630,256</u>
Total financial assets	<u>653,193</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	308,961
Less: Net assets with purpose restrictions to be met in less than one year	(81,205)
Board designated endowment funds	<u>11,215</u>
	<u>238,971</u>
Financial assets available to meet general expenditures Over the next twelve months	<u>\$ 414,222</u>

The Organization received a donation of land in 2018 that is reported as land held for sale on the Statement of Assets, Liabilities and Net Assets – Modified Cash Basis. The funds from this sale would provide additional financial assets for operations when sold.

Note 13 – Prior Period Adjustment

During the year ended December 31, 2018, management identified amounts of net assets without donor restriction from prior years that should have been classified as with donor restriction. As a result of the restrictions identified, beginning net assets with donor restrictions increased by \$49,219 and net assets without donor restrictions was reduced by \$49,219. The restated amounts are restricted for the following purposes:

Easement Defense	\$ 11,409
Easement Stewardship	<u>37,810</u>
	<u>\$ 49,219</u>