



## **Financial Statements**

*For the Year Ended December 31, 2020*

*(With Summarized Financial Information for the Year Ended December 31, 2019)*



**and  
Report Thereon**



**Reports Required in Accordance with the  
Uniform Guidance**

*For the Year Ended December 31, 2020*



# CONSERVATION LEGACY

## TABLE OF CONTENTS For the Year Ended December 31, 2020

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	<i>Page</i>
Independent Auditors' Report.....	1-2
Financial Statements	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-18
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	19-20
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	21-22
Schedule of Expenditures of Federal Awards.....	23-24
Notes to Schedule of Expenditures of Federal Awards .....	25
Schedule of Findings and Questioned Costs .....	26-27

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Conservation Legacy

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Conservation Legacy, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

- 1 -

## **Opinion**

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

## **Other Matters**

### *Report on the Summarized Comparative Financial Statements*

We have previously audited Conservation Legacy's 2019 financial statements, and in our report dated October 5, 2020, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2021, on our consideration of Conservation Legacy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Conservation Legacy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Conservation Legacy's internal control over financial reporting and compliance.

*Marcum LLP*

Washington, DC  
September 20, 2021

**CONSERVATION LEGACY**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**  
**(With Summarized Financial Information as of December 31, 2019)**

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,695,236	\$ 3,439,085
Accounts receivable	866,333	1,251,341
Grants and contributions receivable	2,803,974	2,359,654
Prepaid expenses	190,164	147,177
Note receivable, current portion	-	13,829
Total Current Assets	8,555,707	7,211,086
Note receivable, net of current portion	-	80,071
Other assets	84,961	84,976
Investment in SIEC	1,283,386	1,312,544
Property and equipment, net	5,071,043	4,175,790
<b>TOTAL ASSETS</b>	<b>\$ 14,995,097</b>	<b>\$ 12,864,467</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 344,027	\$ 280,534
Accrued payroll expenses	563,811	713,185
Contract liabilities	57,860	63,333
Refundable advances	560,554	226,366
Capital lease obligations, current portion	748,276	478,980
Notes payable, current portion	83,296	78,867
Payroll Protection Program loan payable, current portion	1,519,340	-
Total Current Liabilities	3,877,164	1,841,265
Capital lease obligations, net of current portion	1,174,245	831,342
Notes payable, net of current portion	924,180	1,007,468
Payroll Protection Program loan payable, net of current portion	396,460	-
<b>TOTAL LIABILITIES</b>	<b>6,372,049</b>	<b>3,680,075</b>
Net Assets		
Without donor restrictions		
Undesignated	7,797,648	8,223,798
Board-designated	100,000	-
Total Without Donor Restrictions	7,897,648	8,223,798
With donor restrictions	725,400	960,594
<b>TOTAL NET ASSETS</b>	<b>8,623,048</b>	<b>9,184,392</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,995,097</b>	<b>\$ 12,864,467</b>

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

**CONSERVATION LEGACY**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2020**

**(With Summarized Financial Information for the Year Ended December 31, 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>OPERATING REVENUE AND SUPPORT</b>				
Revenue:				
Contract services	\$ 2,973,774	\$ -	\$ 2,973,774	\$ 4,383,053
SIEC building management fees	54,010	-	54,010	62,752
Other income	56,127	-	56,127	44,475
Rental income	38,141	-	38,141	42,267
Gain on the sale of property and equipment	63,548	-	63,548	12,100
Support:				
Grants and contributions	22,266,040	927,403	23,193,443	23,590,179
Net assets released from purpose restrictions	1,162,597	(1,162,597)	-	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>26,614,237</b>	<b>(235,194)</b>	<b>26,379,043</b>	<b>28,134,826</b>
<b>OPERATING EXPENSES</b>				
Program Services	24,090,142	-	24,090,142	25,508,840
Supporting Services:				
Management and general	2,628,922	-	2,628,922	2,207,047
Fundraising	192,165	-	192,165	20,131
Total Supporting Services	2,821,087	-	2,821,087	2,227,178
<b>TOTAL OPERATING EXPENSES</b>	<b>26,911,229</b>	<b>-</b>	<b>26,911,229</b>	<b>27,736,018</b>
Change in net assets from operations	(296,992)	(235,194)	(532,186)	398,808
<b>NONOPERATING ACTIVITIES</b>				
Equity loss on investment	(29,158)	-	(29,158)	(45,891)
<b>CHANGE IN NET ASSETS</b>	<b>(326,150)</b>	<b>(235,194)</b>	<b>(561,344)</b>	<b>352,917</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>8,223,798</b>	<b>960,594</b>	<b>9,184,392</b>	<b>8,831,475</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 7,897,648</b>	<b>\$ 725,400</b>	<b>\$ 8,623,048</b>	<b>\$ 9,184,392</b>

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

**CONSERVATION LEGACY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2020  
(With Summarized Financial Information for the Year Ended December 31, 2019)

	Program Services						Supporting Services			2020 Total	2019 Total	
	Stewards Individual Placements	Southwest Conservation Corps	Arizona Conservation Corps	Appalachian Conservation Corps	Southeast Conservation Corps	Preserve America Youth Summit	Total Program Services	Management and General	Fundraising			Total Supporting Services
Stipends of corps members	\$ 6,057,980	\$ 1,941,807	\$ 1,975,815	\$ 520,422	\$ 314,885	\$ -	\$ 10,810,909	\$ -	\$ -	\$ -	\$ 10,810,909	\$ 11,494,380
Staff wages	1,207,835	2,607,582	1,785,713	502,276	321,654	-	6,425,060	1,660,067	125,963	1,786,030	8,211,090	7,208,514
Payroll taxes and benefits	1,027,378	695,186	574,790	136,262	98,655	-	2,532,271	255,429	17,167	272,596	2,804,867	3,122,079
Program equipment and supplies	180,402	584,696	299,473	130,994	73,641	-	1,269,206	-	-	-	1,269,206	1,114,135
Vehicle expense	9,463	453,137	246,563	161,022	51,193	-	921,378	33,384	2,533	35,917	957,295	725,290
Depreciation and amortization	20,092	163,686	209,800	28,861	23,939	-	446,378	43,090	3,270	46,360	492,738	622,250
Occupancy	71,834	164,870	118,004	42,059	22,730	-	419,497	40,495	3,073	43,568	463,065	463,332
Contracted services	74,174	278,859	13,046	405	5,534	13,200	385,218	51,198	6,742	57,940	443,158	856,941
Travel and meetings	184,493	47,245	19,519	15,342	1,129	9,338	277,066	16,551	1,256	17,807	294,873	751,337
Office and computer supplies	63,636	66,566	47,295	13,803	8,938	-	200,238	19,330	1,467	20,797	221,035	211,518
Insurance	488	2,113	4,641	93	131	-	7,466	176,484	52	176,536	184,002	137,216
Corps member development and incentives	16,526	71,014	44,122	6,628	10,498	1,261	150,049	-	-	-	150,049	344,883
Miscellaneous	13,925	25,407	5,595	3,525	1,253	3,580	53,285	53,591	26,983	80,574	133,859	202,131
Staff development and incentives	26,285	29,648	13,824	7,624	5,959	-	83,340	34,131	2,590	36,721	120,061	125,477
Professional services	-	-	-	-	-	-	-	116,741	-	116,741	116,741	130,933
Interest	-	-	-	-	-	-	-	114,348	-	114,348	114,348	93,798
Background searches	30,177	10,233	8,886	4,223	4,360	-	57,879	9,169	696	9,865	67,744	78,052
Recruitment	14,165	14,492	11,309	8,328	2,608	-	50,902	4,914	373	5,287	56,189	53,752
<b>TOTAL EXPENSES</b>	<b>\$ 8,998,853</b>	<b>\$ 7,156,541</b>	<b>\$ 5,378,395</b>	<b>\$ 1,581,867</b>	<b>\$ 947,107</b>	<b>\$ 27,379</b>	<b>\$ 24,090,142</b>	<b>\$ 2,628,922</b>	<b>\$ 192,165</b>	<b>\$ 2,821,087</b>	<b>\$ 26,911,229</b>	<b>\$ 27,736,018</b>

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

**CONSERVATION LEGACY**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2020**

**(With Summarized Financial Information for the Year Ended December 31, 2019)**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (561,344)	\$ 352,917
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	492,738	622,250
Gain on the sale of property and equipment	(63,548)	(12,100)
Equity loss on investment	29,158	45,891
Changes in assets and liabilities:		
Accounts receivable	385,008	(212,217)
Grants and contributions receivable	(444,320)	1,161,379
Prepaid expenses	(42,987)	(24,112)
Other assets	15	(28,153)
Accounts payable and accrued expenses	63,493	(187,736)
Accrued payroll expenses	(149,374)	182,807
Contract liabilities	(5,473)	(56,442)
Refundable advances	334,188	226,366
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>37,554</b>	<b>2,070,850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Collections on note receivable	93,900	15,448
Purchases of property and equipment	(105,287)	(59,613)
Proceeds from the sale of property and equipment	244,695	15,017
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>233,308</b>	<b>(29,148)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Payroll Protection Program loan payable	1,915,800	-
Principal payments on capital leases	(851,652)	(681,950)
Repayments of notes payable	(78,859)	(74,914)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>985,289</b>	<b>(756,864)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,256,151</b>	<b>1,284,838</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,439,085</b>	<b>2,154,247</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 4,695,236</b>	<b>\$ 3,439,085</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest paid	<b>\$ 107,315</b>	<b>\$ 93,798</b>
<b>NONCASH FINANCING AND INVESTING ACTIVITIES</b>		
Equipment acquired under a capital lease	1,463,851	1,139,941
Obligation of equipment acquired under a capital lease	(1,463,851)	(1,139,941)
	<b>\$ -</b>	<b>\$ -</b>

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



## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 1. Organization and Summary of Significant Accounting Policies

##### **Organization**

Conservation Legacy (the Organization), formerly Southwest Conservation Corps, is a national nonprofit organization, incorporated in Colorado in 1998. Conservation Legacy operates conservation service programs across the country to produce enduring impact through local action. Conservation Legacy programs engage participants on diverse service projects that provide opportunities for personal and professional development and improve our public lands, waters and communities. Program service is delivered through team based or individual experiences where young people complete critical projects including: trail work, fence construction and maintenance, fire fuels reduction/mitigation/rehab, habitat and watershed restoration, historic preservation, invasive species management, inventory and mapping, mining reclamation/restoration, parks/campground maintenance, tree planting and seeding, education/interpretation, volunteer management, capacity building and communications. Conservation Legacy also operates signature program models that respond to disasters, engage specific cohorts of individuals including veterans or populations under-represented in the field of conservation and support specific science and historic preservation projects.

Conservation Legacy's impact is accomplished through locally operated Corps programs including:

- Appalachian Valley Conservation Corps based in Harrisonburg, Virginia;
- Arizona Conservation Corps with offices in Flagstaff, Pinetop and Tucson, Arizona;
- Conservation Corps New Mexico with an office in Las Cruces, New Mexico;
- Conservation Corps North Carolina with an office in Raleigh, North Carolina;
- Stewards Individual Placement Program with offices in Durango, Colorado, and Beckley, West Virginia;
- Preserve America Youth Summits based in Durango, Colorado;
- Southeast Conservation Corps based in Chattanooga, Tennessee;
- Southwest Conservation Corps with offices in Durango and Salida, Colorado;
- Ancestral Lands Conservation Corps with offices in Acoma Pueblo, Navajo Nation, Zuni Pueblo, , Hopi-Kykotsmovi, and Albuquerque

Conservation signature program models include:

- Conservation crew programming is a team-based experience where a cohort of peers work on conservation service projects.
- Individual Placement programming places participants in communities for up to a year-long term of service with government agencies and community-based non profits.
- Affinity programs offer unique program models for under-represented groups to find unity and community in their common identity. An Affinity Crew is a group of people that share a specific identity, typically under-represented in the field of conservation.

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Organization (continued)**

AmeriCorps Disaster Response Teams (A-DRT) are crews that assist communities in disaster relief and recovery. Crews are deployed as response teams on an as-needed basis across the country.

- Veterans Fire Corps (VFC) is a collaborative initiative of Conservation Legacy and state and federal agencies. The VFC engages recent-era Veterans on priority hazardous fuels projects while developing the next generation of wildland firefighters.
- Youth and High School Conservation Crews empower teens aged 14-18 to engage with summer conservation projects in local communities.

##### **Basis of Accounting**

Conservation Legacy reports on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

##### **Cash and Cash Equivalents**

Conservation Legacy considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### **Grants and Contributions Receivable**

Grants and contributions receivable are stated at their net realizable value, and are due under various federal and nonfederal awards and agreements. Conservation Legacy does not maintain an allowance for doubtful accounts, as all amounts are deemed to be collectible. All amounts are due within one year.

##### **Investment in SIEC**

Conservation Legacy owns a 50% interest in Southwest Institute for Education and Conservation (SIEC) and accounts for this investment using the equity method of accounting. Conservation Legacy's share of the net income of SIEC is recognized as investment income (loss) in Conservation Legacy's statement of activities and included in the investment in SIEC on the statement of financial position. Distributions received from SIEC are treated as a reduction of the investment account.

##### **Property and Equipment and Related Depreciation and Amortization**

Property and equipment are recorded at cost. Conservation Legacy follows a practice of capitalizing all expenditures for property and equipment in excess of \$5,000 and have an economic life in excess of one year. The estimated fair value of long lived donated assets is similarly capitalized. Depreciation on buildings and improvements is recognized on a straight-line basis over the estimated useful life of 30 years. Depreciation and amortization on vehicles and equipment are recognized on a straight-line basis over the estimated useful lives of 3 to 10 years. The cost of property and equipment that is retired or disposed of is removed

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Property and Equipment and Related Depreciation and Amortization (continued)**

from the accounts along with the related accumulated depreciation or amortization. Any gain or loss is determined as the difference between the disposal proceeds, if any, and the carrying amount of the asset and is recognized within revenue and support or expenses within the accompanying statement of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

##### **Impairment of Long-Lived Assets**

Conservation Legacy reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. There were no impairment losses recognized for the year ended December 31, 2020.

##### **Net Assets**

The net assets of Conservation Legacy are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of Conservation Legacy's operations at the discretion of management and the Board of Directors (the Board). The Board has designated a portion of net assets without donor restrictions to serve as an operating reserve.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for specific periods of time. These donor restrictions can be temporary in nature in that they will be met by actions of Conservation Legacy or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2020, Conservation Legacy had no assets with donor restrictions that are required to be maintained in perpetuity.

##### **Revenue Recognition**

Conservation Legacy has grants with U.S. government agencies and other organizations. Support from government grants are conditioned upon certain conditions and are recognized as contributions when the conditions are met. The expenditures under these grants are subject to review by the granting authority. Revenue recognized on unconditional grants for which payments have not been received is reflected as grants and contributions receivable in the accompanying statement of financial position. Grant awards received in advance, but not yet expended, are reflected as refundable advances in the accompanying statement of financial position.

Conservation Legacy recognizes all unconditional contributed support in the period in which the unconditional commitment is made. Grants and contributions are considered revenue and support without donor restrictions and available for general operations unless specifically restricted by the donor.

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Revenue Recognition (continued)**

Conservation Legacy reports grants of cash and other assets as revenue and support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to particular purposes or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions.

Conservation Legacy also has service contracts with the U.S. federal government, state government agencies and private companies in exchange for services. These contracts contain a single performance obligation, and revenue under these contracts is recognized over time as the customer receives the benefit from the services at the time services are provided, and there is an enforceable right to payment. Revenue recognized on fixed-price contracts for which payments have not been received is reflected as accounts receivable in the accompanying statement of financial position. Contract payments received but not yet expended for the purpose of the contract are reflected as contract liabilities in the accompanying statement of financial position.

##### **Functional Allocation of Expenses**

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefits on the basis of personnel costs. Conservation Legacy allocates all direct costs directly to programs. Costs that can be allocated to more than one program such as transportation, supplies, communications and equipment (tools and gear) are prorated individually as direct costs using the level of program impact as measured by crew work weeks. The crew work weeks are based on a standard eight-person crew work week for most programs and an individual work week for individual placement programs. Conservation Legacy calculates the cost of a program or project by summing up the expenses by categories for each calendar year and dividing it by total weeks of conservation crew work completed in recent years to obtain the weekly cost by category. The weekly cost by category is then applied to number of weeks to determine the cost to be allocated to the respective program.

##### **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Measure of Operations**

Operating revenue and expenses generally reflect those revenues and expenses that management can influence. Nonoperating activities include investment income or loss.

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 2. Conditional Contributions

Conservation Legacy considers grants and contributions from government and certain private foundation sources to be conditional contributions. During the year ended December 31, 2020, Conservation Legacy recognized approximately \$22,000,000 related to these conditional grants and contributions. As of December 31, 2020, Conservation Legacy had approximately \$34,000,000 in committed conditional grants from various donors, in varying amounts, which are not reflected in the accompanying statement of financial position. These conditional project grants require Conservation Legacy to meet certain conditions and as such, Conservation Legacy has not recognized any revenue from the conditional portions of these grants.

#### 3. Investment in SIEC

During 2007, Conservation Legacy and Durango Education Center formed SIEC, a 501(c)(25) *Title-Holding Corporation for Multiple Parents*, to provide office space and facilities to educational agencies and nonprofit organizations. Conservation Legacy and Durango Education Center have guaranteed the debt of SIEC. SIEC purchased a building at 701 Camino Del Rio, Durango, Colorado, in February 2007 for \$4,875,000. The investment in SIEC is accounted for using the equity method, and accordingly, Conservation Legacy records its share of SIEC's income or loss. For the year ended December 31, 2020, Conservation Legacy's net share of SIEC's loss was \$29,158. For the year ended December 31, 2020, there were no distributions received from SIEC. SIEC owns the building in Durango, Colorado, where Conservation Legacy is headquartered. In 2020, Conservation Legacy paid \$102,729 in office rent and \$17,462 in utilities to SIEC. Conservation Legacy managed the building and provided bookkeeping services to SIEC and was paid management fees of \$54,000 for the year ended December 31, 2020.

The table below contains the summarized financial information of this unconsolidated affiliate based on unaudited estimates as of and for the year ended December 31, 2020.

Condensed income statement:	
Revenues	\$ 463,002
Expenses	<u>(521,317)</u>
Net Loss	<u>\$ (58,315)</u>
Condensed balance sheet:	
Current assets	\$ 414,576
Noncurrent assets	<u>6,284,165</u>
Total Assets	<u>\$ 6,698,741</u>
Current liabilities	\$ 126,809
Noncurrent liabilities	4,005,160
Stockholders' equity	<u>2,566,772</u>
Total Liabilities and Stockholders' Equity	<u>\$ 6,698,741</u>

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

#### 4. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2020:

Vehicles and equipment	\$ 5,343,250
Building and improvements	1,703,577
Land	263,758
Software & other intangibles	63,642
Construction in progress	<u>7,375</u>
Total Property and Equipment	7,381,602
Less: Accumulated Depreciation and Amortization	<u>(2,310,559)</u>
Property and Equipment, Net	<u>\$ 5,071,043</u>

Depreciation and amortization expense for the year ended December 31, 2020, was \$492,738.

#### 5. Capital Leases

Conservation Legacy is the lessee of vehicles under capital leases expiring in various years through 2023. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over the estimated productive lives. The leased vehicles are included in property and equipment in the accompanying statement of financial position at a cost of \$4,128,532, with accumulated amortization of \$924,846 as of December 31, 2020. Amortization of assets under capital leases of \$312,030 is included in depreciation and amortization expense for the year ended December 31, 2020.

The future scheduled minimum payments for the capital leases were as follows at December 31, 2020:

For the Year Ending December 31,	
2021	\$ 825,855
2022	499,012
2023	<u>666,710</u>
Total Payments	1,991,577
Amount Representing Interest	<u>(69,056)</u>
Capital Lease Obligations (Present Value of Minimum Lease Payments)	1,922,521
Less: Current Portion	<u>(748,276)</u>
Capital Lease Obligations, Net of Current Portion	<u>\$ 1,174,245</u>

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

#### 5. Capital Leases (continued)

Interest rates on capitalized leases vary and are imputed based on the lower of the Conservation Legacy's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return. Interest expense on the capital leases totaled \$51,504 for the year ended December 31, 2020.

Certain capital leases provide renewal or purchase options. Generally, purchase options are prices representing the expected fair value of the property at the expiration of the lease term.

#### 6. Debt

##### **Notes Payable**

As of December 31, 2020, Conservation Legacy was obligated under the following notes payable to Wells Fargo and the Colorado Housing Finance Authority:

Wells Fargo Bank: Original amount \$881,000; dated May 31, 2016, with a maturity date of June 1, 2026, monthly payments of \$7,071 with interest at 5.15%, secured by first deed of trust on real property located on Rose Street, Flagstaff, Arizona.	\$ 684,766
Colorado Housing Finance Authority: Original amount \$290,000; dated December 30, 2009, with a maturity date of January 1, 2030; monthly principal and interest payments of \$1,995 with interest at 5.5%, secured by first deed of trust on real property located in Salida, Colorado.	170,845
Wells Fargo Bank: Original amount \$265,200; dated January 15, 2013, with a maturity date of January 15, 2028; monthly principal and interest payments of \$2,157 with interest at 5.35% secured by first deed of trust on real property located on Prince Road, Tucson, Arizona.	<u>151,865</u>
Total Notes Payable	1,007,476
Less: Current Portion	<u>(83,296)</u>
Notes Payable, Noncurrent Portion	<u>\$ 924,180</u>

Interest expense for the year ended December 31, 2020, was \$55,811.

The future scheduled maturities as of December 31, 2020, were:

<u>For the Year Ending December 31,</u>	<u>Flagstaff Office</u>	<u>Salida Office</u>	<u>Tucson Property</u>	<u>Total</u>
2021	\$ 50,290	\$ 14,914	\$ 18,092	\$ 83,296
2022	52,980	15,756	19,097	87,833
2023	55,814	16,644	20,159	92,617

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

6. Debt (continued)

**Notes Payable (continued)**

For the Year Ending December 31,	Flagstaff Office	Salida Office	Tucson Property	Total
<i>(continued)</i>				
2024	\$ 58,722	\$ 17,583	\$ 21,266	\$ 97,571
2025	61,939	18,575	22,463	102,977
Thereafter	405,021	87,373	50,788	543,182
Total	\$ 684,766	\$ 170,845	\$ 151,865	\$ 1,007,476

**Payroll Protection Program Loan Payable**

On April 8, 2020, Conservation Legacy entered into a Small Business Administration loan with its financial institution under the Paycheck Protection Program (PPP) for the amount of \$1,915,800. The loan was to mature on April 8, 2022, with a fixed interest rate of 1% per annum. Subsequent to year-end in June 2021, a portion of the loan principal amounting to \$1,519,340, was forgiven pursuant to the provisions of the PPP. The remainder of the loan will be paid through 18 monthly payments of principal and interest of \$22,209, with first payment due on August 9, 2021 and loan maturing on January 9, 2023. Interest accrued on the loan for the year ended December 31, 2020, was \$7,033.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2020, were available for the following projects or programs:

Southwest Conservation Corps	\$ 428,391
Appalachian Conservations Corps	83,062
Ancestral Lands Conservation Corps	63,600
Preserve America Youth Summit	56,940
Southeast Conservation Corps	52,571
Arizona Conservation Corps	12,515
Stewards Individual Placements	9,779
Other program initiatives	18,542
Total Net Assets With Donor Restrictions	\$ 725,400

8. Commitments, Risks and Contingencies

**Office and Property Leases**

Conservation Legacy leases office space for its Headquarters and other program activity in Durango, Colorado, from SIEC, a related party. The lease term is from July 1, 2018, through June 30, 2023. The lease was amended effective January 1, 2020 for a total monthly lease payment of \$8,561, plus utilities. Subsequent to year-end a new lease was entered into on



## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

#### 8. Commitments, Risks and Contingencies (continued)

##### **Office and Property Leases (continued)**

May 10, 2021, for a lease term from June 1, 2021 through June 30, 2023, for a total monthly lease payment of \$9,259, plus utilities. The rent and utilities expenses on this lease were \$102,729 and \$17,462, respectively, for the year ended December 31, 2020. The lease may be canceled by either party with three months' notice.

Conservation Legacy is obligated under the terms of various noncancelable operating leases for office facilities, other than for its Headquarters, the last of which expires in 2022. Future minimum lease payments related to these leases as of December 31, 2020, are as follows:

<u>For the Year Ending December 31,</u>	
2021	\$ 87,598
2022	35,706
2023	<u>11,400</u>
Total	<u>\$ 134,704</u>

Conservation Legacy rents a portion of the building located in Flagstaff, Arizona, to an unrelated organization. The lease term was for a term of March 1, 2019, through February 28, 2021. Subsequent to year-end, the lease term was renewed for an additional year for a term of March 1, 2021, through February 28, 2022. The tenant may renew the lease for one additional year. Either party to the lease may cancel with written notice of at least six months. On each anniversary of the lease, the rent will increase by no more than 3%. Total rents received under this rental agreement were \$26,451 for fiscal year 2020.

Rent expense for operating leases for the year ended December 31, 2020, was \$269,382 and is included in occupancy expense in the accompanying statement of functional expenses.

##### **Line of Credit**

Conservation Legacy has a line of credit of \$2,225,000 with Alpine Bank which matures on April 10, 2021. The interest rate is based on 1.375 percentage points over the JP Morgan Chase Bank prime rate with a minimum of 5.0% and maximum of 24% per annum. The line of credit is collateralized by the assets of Conservation Legacy, excluding real estate. The line of credit had no balance outstanding at December 31, 2020. Subsequent to year-end, Conservation Legacy, negotiated the terms of the line of credit to a new reduced limit of \$500,000 with a fixed interest rate of 4.5% and extended it for an additional year to mature on April 10, 2022.

##### **Concentration of Revenue**

Conservation Legacy received 50% of its operating revenue and support from the Department of the Interior (DOI), 18% from Department of Agriculture (USDA) and 13% from Corporation for National and Community Service (CNCS). The DOI and USDA funding includes multiple

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 8. Commitments, Risks and Contingencies (continued)

##### **Concentration of Revenue (continued)**

small funding amounts from individual public land management units (e.g. National Park Service, Bureau of Land Management etc.) across the country. If these partnerships with DOI and USDA or the agreements with CNCS were terminated, it would have a substantial effect on Conservation Legacy's operations.

##### **Compliance Audit**

Conservation Legacy has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures which may be disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time, although Conservation Legacy expects such amounts, if any, to be insignificant.

##### **Concentration of Credit Risk**

As of December 31, 2020, Conservation Legacy maintained cash balances in excess of the federally insured limit. Accounts per depositor per institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts held in excess of FDIC insurance coverage as of December 31, 2020, were approximately \$4,447,000. Conservation Legacy monitors the creditworthiness of these financial institutions and has not experienced any losses on its cash.

##### **Risks and Uncertainties**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. Conservation Legacy has been able to continue most of its operations in a remote environment; however, at this point, the extent to which COVID-19 may impact Conservation Legacy's financial condition or results of operations is uncertain.

#### 9. Availability and Liquidity

Conservation Legacy regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. Conservation Legacy's financial assets available within one year of the statement of financial position date for general expenditures at December 31, 2020, were as follows:

Cash and cash equivalents	\$ 4,695,236
Accounts receivable	866,333
Grants and contributions receivable	<u>2,803,974</u>
Total Financial Assets Available Within One Year	8,365,543

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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#### 9. Availability and Liquidity (continued)

*(continued)*

Less:

Amounts unavailable for general expenditures within one  
year due to donors' restriction with purpose restriction \$ (725,400)

Amount unavailable due to board designated restriction (100,000)

Financial Assets Available to Meet  
General Expenditures Within One Year \$ 7,540,143

Conservation Legacy has various sources of liquidity at its disposal, including cash and cash equivalents, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of Conservation Legacy throughout the year. This is done through monitoring and reviewing Conservation Legacy's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of Conservation Legacy's cash flow related to Conservation Legacy's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. To help manage unanticipated liquidity needs, Conservation Legacy also has a committed line of credit, more fully described in Note 8, to draw upon.

#### 10. Pension Plan

Conservation Legacy has established a defined contribution plan (the Plan) under section 403(b) of the Internal Revenue Code (the IRC). Employees are eligible to participate in the Plan immediately upon hire. Under the terms of the Plan, participants may voluntarily elect to have a portion of their compensation deferred and contributed to the Plan. Conservation Legacy matches up to 3% of annual gross wages for all eligible employees who elect to participate. Participants are fully vested in all plan benefits. Retirement plan expense for 2020 was \$113,674.

#### 11. Income Taxes

Conservation Legacy qualifies as a tax-exempt organization under Section 501(c)(3) of the IRC and is classified as a publicly supported organization under Section 509(a)(1) of the IRC. There is no accrual for income tax expense, as Conservation Legacy had no unrelated business income for the year ended December 31, 2020.

Conservation Legacy has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. Conservation Legacy has evaluated its uncertainty in income taxes for the year ended December 31, 2020, and determined that there were no matters that would

## CONSERVATION LEGACY

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2020

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11. Income Taxes (continued)

require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2020, the statute of limitations for certain tax years remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which Conservation Legacy files tax returns. There are currently no examinations pending or in progress. It is Conservation Legacy's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense.

12. Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Conservation Legacy's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

13. Reclassification

Certain amounts in the 2019 financial statements have been reclassified for comparative purposes to conform to the presentation of the current year financial statements.

14. Subsequent Events

In preparing these financial statements, Conservation Legacy has evaluated events and transactions for potential recognition or disclosure through September 20, 2021, the date the financial statements were available to be issued. Except as disclosed above in Notes 6 and 8 regarding the PPP loan forgiveness and renewals of the office leases as well as the line of credit, respectively, there were no events that required recognition or disclosure in these financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Conservation Legacy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Conservation Legacy, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Conservation Legacy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Conservation Legacy's internal control. Accordingly, we do not express an opinion on the effectiveness of Conservation Legacy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Conservation Legacy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Conservation Legacy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Washington, D.C.  
September 20, 2021

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of  
Conservation Legacy

**Report on Compliance for Each Major Federal Program**

We have audited Conservation Legacy's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Conservation Legacy's major federal programs for the year ended December 31, 2020. Conservation Legacy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Conservation Legacy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Conservation Legacy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Conservation Legacy's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Conservation Legacy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of Conservation Legacy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Conservation Legacy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Conservation Legacy's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Marcum LLP*

Washington, D.C.  
September 20, 2021



CONSERVATION LEGACY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF THE INTERIOR</b>				
<b>National Park Service</b>				
Rivers, Trails and Conservation Assistance	15.921	N/A	\$ -	\$ 363,462
Conservation Activities by Youth Service Organizations	15.931	N/A	57,963	8,526,642
Natural Resource Stewardship	15.944	N/A	-	87,089
National Park Service Conservation, Protection, Outreach, and Education	15.954	N/A	-	545,523
<b>Bureau of Land Management</b>				
Recreation Resource Management	15.225	N/A	-	21,350
<i>Pass-Through from CYCA</i>		CYCA-SUB-SCCLV/ CYCA-SUB-SCCFC		
Recreation Resource Management	15.225		-	15,392
Total for CFDA 15.225			-	36,742
<i>Pass-Through from RiversEdge West</i>				
Invasive and Noxious Plant Management	15.230	L16AC00069-CL	-	9,732
Fish, Wildlife and Plant Conservation Resource Management	15.231	N/A	-	105,315
Youth Conservation Opportunities on Public Lands	15.243	N/A	173,804	2,656,219
<i>Pass-Through from CYCA</i>		CYCA-SUB-SCCLV/ CYCA-SUB-SCCFC		
Youth Conservation Opportunities on Public Lands	15.243		-	343,349
Total for CFDA 15.243			173,804	2,999,568
<b>Bureau of Indian Affairs</b>				
Water Resources on Indian Lands	15.037	N/A	-	2,252
Cultural Resources Management	15.159	N/A	-	148,240
<b>Office of Surface Mining</b>				
OSM/VISTA AmeriCorps Program	15.254	N/A	-	169,502
<b>Bureau of Reclamation</b>				
Youth Conservation Program	15.546	N/A	-	105,585
<b>United States Fish and Wildlife Service</b>				
Youth Engagement, Education, and Employment Programs	15.676	N/A	-	146,083
<b>Total U.S. Department of the Interior</b>			<b>231,767</b>	<b>13,245,735</b>

See accompanying notes to this schedule.

**CONSERVATION LEGACY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020**

(continued)

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Pass-through from National Forest Foundation</i> National Forest Foundation	10.682	UM-308, CM-219, CL-301, CL-219, CM-217	\$ -	\$ 86,434
Soil and Water Conservation	10.902	N/A	-	21,250
<b>Total U.S. Department of Agriculture</b>			-	107,684
<b>U.S. DEPARTMENT OF TREASURY</b>				
<i>Pass-Through from The Hopi Tribe</i> COVID 19 – Coronavirus Relief Fund	21.019	7700-43001-7250	-	183,368
<b>Total U.S. Department of Treasury</b>			-	183,368
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Pass-Through from Serve Colorado</i> COVID 19 – Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	18AFHCO001	-	42,459
<b>Total U.S. Department of Health and Human Services</b>			-	42,459
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				
<b>AmeriCorps</b>				
<i>Pass-Through from The Corps Network – OYSI</i> AmeriCorps	94.006	19EDHDC0030011	-	916,311
<i>Pass-Through from The Corps Network – TIP</i> AmeriCorps	94.006	18NDHDC0020001	-	260,590
<i>Pass-Through from Conservation Trust for North Carolina</i> AmeriCorps	94.006	15AFHNC0010013	-	83,791
Total for CFDA 94.006			-	1,260,692
<b>Volunteers in Service to America (VISTA)</b>				
Volunteers in Service to America	94.013	N/A	-	1,148,112
<b>Total Corporation for National and Community Service</b>			-	2,408,804
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 231,767</b>	<b>\$ 15,988,050</b>

See accompanying notes to this schedule.

## CONSERVATION LEGACY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2020

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1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of Conservation Legacy under programs of the federal government for the year ended December 31, 2020. The information on the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of Conservation Legacy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Conservation Legacy.

2. Basis of Accounting

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Conservation Legacy has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

CONSERVATION LEGACY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

**Financial Statements**

Type of auditors’ report issued on whether financial statements audited were prepared in accordance with GAAP:

X  Unmodified         Qualified  
     Adverse             Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified?             Yes     X  No
- Significant deficiency(ies) identified?         Yes     X  None Reported

Noncompliance material to financial statements noted?

    Yes     X  No

**Federal Awards**

Type of auditors’ report issued on compliance for major programs:

X  Unmodified         Qualified  
     Adverse             Disclaimer

Internal control over major programs:

- Material weakness(es) identified?             Yes     X  No
- Significant deficiency(ies) identified?         Yes     X  None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)?

    Yes     X  No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Program Titles</u>
15.243	Youth Conservation Opportunities on Public Lands
15.954	National Park Service Conservation, Protection, Outreach, and Education

Dollar threshold used to distinguish between Type A and Type B programs:    \$  750,000

Auditee qualified as a low-risk auditee?         X  Yes         No

**CONSERVATION LEGACY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2020**

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(continued)

**SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT**

None required to be reported.

**SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None required to be reported.

**SECTION IV – STATUS OF PRIOR AUDIT FINDINGS**

**Financial Statement Audit Findings**

None reported.

**Major Federal Award Programs Audit Findings and Questioned Costs**

None reported.