



Financial Statements

For the Year Ended December 31, 2021

(With Summarized Financial Information for the Year Ended December 31, 2020)



and Report Thereon



Reports Required in Accordance with the Uniform Guidance

For the Year Ended December 31, 2021



CONSERVATION LEGACY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Conservation Legacy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Conservation Legacy (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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*, starting on page 25 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 28, 2022, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
September 28, 2022

CONSERVATION LEGACY
STATEMENT OF FINANCIAL POSITION
December 31, 2021
(With Summarized Financial Information as of December 31, 2020)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,110,493	\$ 4,695,236
Accounts receivable	972,249	866,333
Grants and contributions receivable	4,237,342	2,803,974
Prepaid expenses	178,347	190,164
Total Current Assets	8,498,431	8,555,707
Other assets	228,388	84,961
Investment in SIEC	1,245,502	1,283,386
Property and equipment, net	5,523,033	5,071,043
TOTAL ASSETS	\$ 15,495,354	\$ 14,995,097
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 605,895	\$ 344,027
Accrued payroll expenses	695,713	563,811
Contract liabilities	81,901	57,860
Refundable advances	381,901	560,554
Capital lease obligations, current portion	592,757	748,276
Notes payable, current portion	87,831	83,296
Paycheck Protection Program (PPP) loan payable, current portion	268,076	1,519,340
Total Current Liabilities	2,714,074	3,877,164
Capital lease obligations, net of current portion	1,424,332	1,174,245
Notes payable, net of current portion	836,354	924,180
PPP loan payable, net of current portion	22,537	396,460
TOTAL LIABILITIES	4,997,297	6,372,049
Net Assets		
Without donor restrictions		
Undesignated	9,379,217	7,797,648
Board-designated	100,000	100,000
Total Without Donor Restrictions	9,479,217	7,897,648
With donor restrictions	1,018,840	725,400
TOTAL NET ASSETS	10,498,057	8,623,048
TOTAL LIABILITIES AND NET ASSETS	\$ 15,495,354	\$ 14,995,097

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

CONSERVATION LEGACY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021
(With Summarized Financial Information for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
OPERATING REVENUE AND SUPPORT				
Revenue:				
Contract services	\$ 3,798,118	\$ -	\$ 3,798,118	\$ 2,973,774
SIEC building management fees	55,418	-	55,418	54,010
Other income	105,359	-	105,359	56,127
Rental income	39,412	-	39,412	38,141
Gain on the sale of property and equipment	213,182	-	213,182	63,548
Support:				
Grants and contributions	27,540,765	1,944,528	29,485,293	23,193,443
Net assets released from purpose restrictions	1,651,088	(1,651,088)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>33,403,342</u>	<u>293,440</u>	<u>33,696,782</u>	<u>26,379,043</u>
OPERATING EXPENSES				
Program Services	30,155,262	-	30,155,262	24,090,142
Supporting Services:				
Management and general	2,896,498	-	2,896,498	2,628,922
Fundraising	269,826	-	269,826	192,165
Total Supporting Services	<u>3,166,324</u>	<u>-</u>	<u>3,166,324</u>	<u>2,821,087</u>
TOTAL OPERATING EXPENSES	<u>33,321,586</u>	<u>-</u>	<u>33,321,586</u>	<u>26,911,229</u>
Change in net assets from operations	81,756	293,440	375,196	(532,186)
NONOPERATING ACTIVITIES				
Forgiveness of PPP loan and accrued interest	1,537,697	-	1,537,697	-
Equity loss on investment	(37,884)	-	(37,884)	(29,158)
CHANGE IN NET ASSETS	<u>1,581,569</u>	<u>293,440</u>	<u>1,875,009</u>	<u>(561,344)</u>
NET ASSETS, BEGINNING OF YEAR	<u>7,897,648</u>	<u>725,400</u>	<u>8,623,048</u>	<u>9,184,392</u>
NET ASSETS, END OF YEAR	<u>\$ 9,479,217</u>	<u>\$ 1,018,840</u>	<u>\$ 10,498,057</u>	<u>\$ 8,623,048</u>

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

CONSERVATION LEGACY

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

(With Summarized Financial Information for the Year Ended December 31, 2020)

	Program Services									Supporting Services			2021 Total	2020 Total	
	Arizona Conservation Corps	New Mexico Conservation Corps	Southwest Conservation Corps	Ancestral Lands	Southeast Conservation Corps	Appalachian Conservation Corps	North Carolina Conservation Corps	Stewards Individual Placements	Preserve America Youth Summit	Total Program Services	Management and General	Fundraising			Total Supporting Services
Stipends corps members	\$ 1,394,971	\$ 944,635	\$ 2,309,477	\$ 716,917	\$ 426,729	\$ 620,688	\$ 288,003	\$ 6,183,190	\$ -	\$ 12,884,610	\$ -	\$ -	\$ -	\$ 12,884,610	\$ 10,810,909
Staff wages	1,454,844	387,350	2,460,096	1,296,244	422,175	466,147	421,820	1,251,723	-	8,160,399	1,572,822	61,223	1,634,045	9,794,444	8,211,090
Payroll taxes and benefits	460,207	247,925	733,985	315,214	131,376	168,664	124,205	1,170,278	-	3,351,854	357,212	14,772	371,984	3,723,838	2,804,867
Program equipment & supplies	181,573	40,253	367,811	200,546	92,767	71,314	148,487	267,704	1,571	1,372,026	-	-	-	1,372,026	1,269,206
Contracted Services	35,914	5,551	359,852	102,149	2,055	2,298	2,010	386,405	36,283	932,517	140,777	57,801	198,578	1,131,095	443,158
Vehicle expense	203,931	65,169	337,588	175,372	41,636	51,423	114,754	10,485	-	1,000,358	15,627	608	16,235	1,016,593	957,295
Corps member development & incentives	94,522	18,415	203,774	42,580	28,618	30,330	50,227	232,388	-	700,854	-	-	-	700,854	150,049
Depreciation and amortization	173,410	28,264	161,356	50,191	18,983	32,069	18,367	23,273	-	505,913	37,844	1,473	39,317	545,230	492,738
Occupancy	84,932	36,206	101,301	84,568	24,092	35,446	15,456	72,798	-	454,799	34,021	1,324	35,345	490,144	463,065
Professional services	1,590	724	17,588	1,132	481	538	471	3,638	-	26,162	184,348	109,304	293,652	319,814	116,741
Office and computer supplies	46,795	22,450	64,607	39,168	12,698	11,869	14,568	76,480	1,266	289,901	21,686	844	22,530	312,431	221,035
Staff development & incentives	22,261	9,700	42,787	15,517	7,421	7,242	9,087	49,836	-	163,851	50,977	1,984	52,961	216,812	120,061
Insurance	5,157	140	1,640	825	129	89	45	495	-	8,520	195,299	25	195,324	203,844	184,002
Miscellaneous	4,493	2,564	16,477	4,095	1,409	2,327	7,003	17,275	-	55,643	116,606	18,583	135,189	190,832	133,859
Travel and meetings	18,697	7,814	17,224	12,007	3,003	5,434	6,087	24,821	16,092	111,179	34,590	1,346	35,936	147,115	294,873
Interest Expense	-	-	-	-	-	-	-	-	-	-	120,829	-	120,829	120,829	114,348
Background searches	9,053	4,164	17,977	4,949	6,415	5,073	2,501	33,648	-	83,780	9,903	385	10,288	94,068	67,744
Recruitment	8,215	3,174	11,831	4,412	4,102	2,381	3,084	15,697	-	52,896	3,957	154	4,111	57,007	56,189
TOTAL EXPENSES	\$ 4,200,565	\$ 1,824,498	\$ 7,225,371	\$ 3,065,886	\$ 1,224,089	\$ 1,513,332	\$ 1,226,175	\$ 9,820,134	\$ 55,212	\$ 30,155,262	\$ 2,896,498	\$ 269,826	\$ 3,166,324	\$ 33,321,586	\$ 26,911,229

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

CONSERVATION LEGACY

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

(With Summarized Financial Information for the Year Ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,875,009	\$ (561,344)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	545,230	492,738
Gain on the sale of property and equipment	(213,182)	(63,548)
Equity loss on investment	37,884	29,158
Paycheck Protection Program loan forgiveness	(1,537,697)	-
Changes in assets and liabilities:		
Accounts receivable	(105,916)	385,008
Grants and contributions receivable	(1,433,368)	(444,320)
Prepaid expenses	11,817	(42,987)
Other assets	(143,427)	15
Accounts payable and accrued expenses	261,868	63,493
Accrued payroll expenses	131,902	(149,374)
Contract liabilities	24,041	(5,473)
Refundable advances	(178,653)	334,188
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(724,492)	37,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Collections on note receivable	-	93,900
Purchases of property and equipment	(148,458)	(105,287)
Proceeds from the sale of property and equipment	630,928	244,695
NET CASH PROVIDED BY INVESTING ACTIVITIES	482,470	233,308
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan payable	-	1,915,800
Principal payments on Paycheck Protection Program loan payable	(87,491)	-
Principal payments on capital leases	(1,171,940)	(851,652)
Repayments of notes payable	(83,290)	(78,859)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(1,342,721)	985,289
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,584,743)	1,256,151
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,695,236	3,439,085
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,110,493	\$ 4,695,236
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 120,829	\$ 107,315
NONCASH FINANCING AND INVESTING ACTIVITIES		
Equipment acquired under a capital lease	1,266,508	1,463,851
Obligation of equipment acquired under a capital lease	(1,266,508)	(1,463,851)
	\$ -	\$ -
Paycheck Protection Program loan forgiveness	\$ 1,537,697	\$ -

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

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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 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, 2021

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, 2021

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, 2021.

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, 2021, 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, 2021

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 over 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. Accounts receivable associated with these contracts are expected to be collected within one year and contract liabilities associated with these contracts are expected to be recognized as revenue within one year.

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, 2021

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, 2021, Conservation Legacy recognized approximately \$25,000,000 related to these conditional grants and contributions. As of December 31, 2021, Conservation Legacy had approximately \$37,000,000 in committed conditional grants from various donors, in varying amounts, which are not reflected in the accompanying statement of activities. 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, 2021, Conservation Legacy's net share of SIEC's loss was \$37,884. For the year ended December 31, 2021, there were no distributions received from SIEC. SIEC owns the building in Durango, Colorado, where Conservation Legacy is headquartered. In 2021, Conservation Legacy paid \$106,946 in office rent and \$18,698 in utilities to SIEC. Conservation Legacy managed the building and provided bookkeeping services to SIEC and was paid management fees of \$54,000, and was reimbursed for costs incurred of \$1,418 for the year ended December 31, 2021.

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, 2021.

Condensed income statement:	
Revenues	\$ 477,900
Expenses	<u>(534,531)</u>
Net Loss	<u>\$ (56,631)</u>
Condensed balance sheet:	
Current assets	\$ 362,003
Noncurrent assets	<u>6,168,867</u>
Total Assets	<u>\$ 6,530,870</u>
Current liabilities	\$ 122,864
Noncurrent liabilities	3,917,001
Stockholders' equity	<u>2,491,005</u>
Total Liabilities and Stockholders' Equity	<u>\$ 6,530,870</u>

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

4. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment consisted of the following as of December 31, 2021:

Vehicles and equipment	\$ 5,678,676
Building and improvements	1,716,939
Land	263,758
Software & other intangibles	<u>168,012</u>
Total Property and Equipment	7,827,385
Less: Accumulated Depreciation and Amortization	<u>(2,304,352)</u>
Property and Equipment, Net	<u>\$ 5,523,033</u>

Depreciation and amortization expense for the year ended December 31, 2021, was \$545,230.

5. Capital Leases

Conservation Legacy is the lessee of vehicles under capital leases expiring in various years through 2026. 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 \$4,689,409, with accumulated amortization of \$995,116 as of December 31, 2021. Amortization of assets under capital leases of \$332,421 is included in depreciation and amortization expense for the year ended December 31, 2021.

The future scheduled minimum payments for the capital leases were as follows at December 31, 2021:

For the Year Ending <u>December 31,</u>	
2022	\$ 637,543
2023	982,274
2024	392,790
2025	63,246
2026	<u>11,793</u>
Total Payments	2,087,646
Amount Representing Interest	<u>(70,557)</u>
Capital Lease Obligations (Present Value of Minimum Lease Payments)	2,017,089
Less: Current Portion	<u>(592,757)</u>
Capital Lease Obligations, Net of Current Portion	<u>\$ 1,424,332</u>

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

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 \$51,844 for the year ended December 31, 2021. 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, 2021, 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.	\$ 634,480
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.	155,930
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>133,775</u>
Total Notes Payable	924,185
Less: Current Portion	<u>(87,831)</u>
Notes Payable, Noncurrent Portion	<u>\$ 836,354</u>

The future scheduled maturities as of December 31, 2021, were:

<u>For the Year Ending December 31,</u>	<u>Flagstaff Office</u>	<u>Salida Office</u>	<u>Tucson Property</u>	<u>Total</u>
2022	\$ 52,979	\$ 15,756	\$ 19,096	\$ 87,831
2023	55,814	16,644	20,159	92,617
2024	58,722	17,583	21,266	97,571
2025	61,939	18,575	22,463	102,977
2026	405,026	19,623	23,712	448,361
Thereafter	<u>-</u>	<u>67,749</u>	<u>27,079</u>	<u>94,828</u>
Total	<u>\$ 634,480</u>	<u>\$ 155,930</u>	<u>\$ 133,775</u>	<u>\$ 924,185</u>

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

6. Debt (continued)

Notes Payable (continued)

Interest expense for the year ended December 31, 2021, was \$51,381.

Paycheck 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 bears interest at a fixed rate of 1% per annum. In June 2021, a portion of the loan principal amounting to \$1,519,340, plus associated accrued interest, 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 \$22,480, with first payment due on August 9, 2021, and loan maturing on January 9, 2023. Interest expense on the loan for the year ended December 31, 2021, was \$17,604.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2021, were available for the following projects or programs:

Southwest Conservation Corps	\$ 289,137
Ancestral Lands Conservation Corps	156,496
Arizona Conservation Corps	116,696
Conservation Corps New Mexico	82,500
Southeast Conservation Corps	82,376
Conservation Corps North Carolina	74,400
Stewards Individual Placements	38,822
Preserve America Youth Summit	18,070
Other program initiatives	<u>160,343</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,018,840</u>

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 extends through February 28, 2023 with a monthly lease payment of \$7,148, plus utilities. The rent and utilities expenses on this lease were \$106,946 and \$18,698, respectively, for the year ended December 31, 2021. The lease may be canceled by either party with three months' notice.

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

8. Commitments, Risks and Contingencies (continued)

Office and Property Leases (continued)

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 2023. Future minimum lease payments related to these leases as of December 31, 2021, are as follows:

For the Year Ending December 31,	
2022	\$ 84,511
2023	<u>18,071</u>
Total	<u>\$ 102,582</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, 2022. Subsequent to year-end, the lease term was renewed for an additional year for a term of March 1, 2022, through February 28, 2023. 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 \$27,488 for fiscal year 2021.

Rent expense for operating leases for the year ended December 31, 2021, was \$300,875 and is included in occupancy expense in the accompanying statement of functional expenses.

Line of Credit

Conservation Legacy has a line of credit of \$500,000 with Alpine Bank which matures on April 10, 2022. The interest rate is a fixed interest rate of 4.50%. 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, 2021. Subsequent to year-end, Conservation Legacy, negotiated the terms of the line of credit to an increased limit of \$2,000,000, with a variable interest rate based on the JP Morgan Chase Bank prime rate, plus 1%, with a minimum of 4% and maximum of 24% per annum, and extended the line of credit for an additional year, to mature on April 10, 2023.

Concentration of Revenue

Conservation Legacy received 51% of its operating revenue and support from the Department of the Interior (DOI), 18% from Department of Agriculture (USDA) and 9% from Corporation for National and Community Service (CNCS). The DOI and USDA funding includes multiple 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.

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

8. Commitments, Risks and Contingencies (continued)

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, 2021, 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, 2021, were approximately \$2,640,000. Conservation Legacy monitors the creditworthiness of these financial institutions and has not experienced any losses on its cash.

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, 2021, were as follows:

Cash and cash equivalents	\$ 3,110,493
Accounts receivable	972,249
Grants and contributions receivable	<u>4,237,342</u>
Total Financial Assets Available Within One Year	8,320,084
Less: Amounts unavailable for general expenditures within one year due to donors' purpose restriction	(1,018,840)
Less: Amount unavailable due to board designated restriction	<u>(100,000)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 7,201,244</u>

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

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

9. Availability and Liquidity (continued)

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, of \$500,000. As of December 31, 2021, the total balance of \$500,000 was unused and available to draw upon in the event of an unanticipated liquidity level.

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 2021 was \$132,949.

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, 2021.

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, 2021, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2021, 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, 2020, from which the summarized information was derived.

CONSERVATION LEGACY

NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2021

13. Reclassification

Certain amounts in the 2020 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 28, 2022, the date the financial statements were available to be issued. Except as disclosed above in Note 8 regarding the renewals of the office lease and line of credit, 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 (the Organization), which comprise the statement of financial position as of December 31, 2021, 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 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization'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 the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Washington, DC
September 28, 2022

**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 the
Conservation Legacy

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Conservation Legacy's (the Organization's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, DC
September 28, 2022

CONSERVATION LEGACY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF THE INTERIOR				
National Park Service				
Rivers, Trails and Conservation Assistance	15.921	N/A	\$ -	\$ 155,651
Youth and Veteran Organizations Conservation Activities	15.931	N/A	72,488	10,906,035
<i>Pass-Through from NCHAA</i> Heritage Partnership	15.939	2021-NCH-24	-	25,000
Natural Resource Stewardship	15.944	N/A	-	118,152
Cultural Resources Management	15.946	N/A	-	16,200
National Park Service Conservation, Protection, Outreach, and Education	15.954	N/A	-	163,753
<i>Pass-Through from National Park Foundation</i> National Park Service Conservation, Protection, Outreach, and Education	15.954	AZCC 20 NPF	-	158,246
Total for Assistance Listing Number 15.954			-	321,999
Bureau of Land Management				
Recreation and Visitor Services	15.225	N/A	-	8,580
<i>Pass-Through from RiversEdge West</i> Invasive and Noxious Plant Management	15.230	L16AC00069 L20AC00359-02	-	60,968
Fish, Wildlife and Plant Conservation Resource Management	15.231	N/A	-	6,079
Youth Conservation Opportunities on Public Lands	15.243	N/A	289,936	3,935,176
<i>Pass-Through from CYCA</i> Youth Conservation Opportunities on Public Lands	15.243	CYCA-SUB-SCCLV/ CYCA-SUB-SCCFC	-	502,669
Total for Assistance Listing Number 15.243			289,936	4,437,845
Bureau of Indian Affairs				
Cultural Resources Management	15.159	N/A	-	215,665
Office of Surface Mining				
Abandoned Mine Land Reclamation	15.252	N/A	-	13,000
OSM/VISTA AmeriCorps	15.254	N/A	-	332,383
Bureau of Reclamation				
Youth Conservation	15.546	N/A	-	88,007
United States Fish and Wildlife Service				
<i>Pass-Through from RiversEdge West</i> NFWF-USFWS Conservation Partnership	15.663	2506.21.071024	-	20,000
Adaptive Science	15.670	N/A	-	50,323
Youth Engagement, Education, and Employment	15.676	N/A	-	232,995
Total U.S. Department of the Interior			362,424	17,008,882
U.S. DEPARTMENT OF DEFENSE				
Legacy Resource Management Program	12.632	N/A	-	27,897
Total U.S. Department of Defense			-	27,897

See accompanying notes to this schedule.

CONSERVATION LEGACY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2021**

(continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE				
<i>Pass-through from National Forest Foundation</i> National Forest Foundation	10.682	UM-308, CM-219, CL-301, CL-219, CM-217	\$ -	\$ 45,333
Soil and Water Conservation	10.902	N/A	-	398,102
Environmental Quality Incentives Program	10.912	N/A	-	50,000
Total U.S. Department of Agriculture			-	493,435
U.S. DEPARTMENT OF TREASURY				
<i>Pass-Through from The Hopi Tribe</i> COVID 19 – Coronavirus Relief Fund	21.019	7700-43001-7250	-	7,057
Total U.S. Department of Treasury			-	7,057
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Pass-Through from Serve Colorado</i> COVID 19 – Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	18AFHCO001	-	576,171
477 Cluster				
<i>Pass-Through from Conejos County</i> Temporary Assistance for Needy Families	93.558	LV.21	-	71,920
Total for 477 Cluster			-	71,920
<i>Pass-Through from Rocky Mountain Youth Corps</i> Block Grants for Prevention and Treatment of Substance Abuse	93.959	B08TI010006	-	24,000
Total U.S. Department of Health and Human Services			-	672,091
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
AmeriCorps				
<i>Pass-Through from The Corps Network – OYSI</i> AmeriCorps	94.006	19EDHDC0030011	-	579,674
<i>Pass-Through from The Corps Network – TIP</i> AmeriCorps	94.006	18NDHDC0020001	-	272,322
<i>Pass-Through from Conservation Trust for North Carolina</i> AmeriCorps	94.006	15AFHNC0010013	-	61,837
<i>Pass-Through from Conservation Serve Kentucky</i> AmeriCorps	94.006	20AFHKY001	-	22,687
Total for Assistance Listing Number 94.006			-	936,520
Volunteers in Service to America (VISTA) Volunteers in Service to America	94.013	N/A	-	347,913
Disaster Preparedness CNCS Disaster Response Cooperative Agreement	94.020	N/A	-	392,615
Total Corporation for National and Community Service			-	1,677,048
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 362,424	\$ 19,886,410

See accompanying notes to this schedule.

CONSERVATION LEGACY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2021

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, 2021. 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, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

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

Unmodified

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

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

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

Unmodified

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

_____ Yes X No

Identification of major federal programs:

Name of Federal Program or Cluster	Assistance Listing Numbers
Conservation Activities by Youth Service Organizations	15.931
AmeriCorps	94.006

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, 2021**

(continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

Financial Statement Audit Findings

None reported.

Major Federal Award Programs Audit Findings and Questioned Costs

None reported.