

LAND FOR GOOD, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017
AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Land For Good, Inc.

We have reviewed the accompanying financial statements of Land for Good, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Summarized Comparative Information

We previously reviewed Land for Good, Inc.'s 2017 financial statements and in our conclusion dated October 8, 2018, stated that based on our review, we were not aware of any material modifications that should be made to the 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2017, for it to be consistent with the reviewed financial statements from which it has been derived.

Swanzey, NH
August 20, 2019

LAND FOR GOOD, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash & cash equivalents	\$ 111,846	\$ 72,788
Accounts receivable	47,160	58,388
Total current assets	<u>159,006</u>	<u>131,176</u>
Note receivable	86,516	85,229
Grants receivable	10,000	-
Equipment, at cost, net of accumulated depreciation	123	285
Security deposit	400	400
TOTAL ASSETS	<u><u>\$ 256,045</u></u>	<u><u>\$ 217,090</u></u>
 LIABILITIES		
Accounts payable	\$ 6,747	\$ 17,590
Accrued payroll liabilities	871	596
Accrued payroll	14,918	9,115
Total current liabilities	<u>22,536</u>	<u>27,301</u>
TOTAL LIABILITIES	<u><u>22,536</u></u>	<u><u>27,301</u></u>
 NET ASSETS		
Without donor restrictions	221,509	189,789
With donor restrictions	12,000	-
TOTAL NET ASSETS	<u><u>233,509</u></u>	<u><u>189,789</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 256,045</u></u>	<u><u>\$ 217,090</u></u>

See notes to financial statements and independent accountant's review report.

LAND FOR GOOD, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants	\$ 391,890	\$ 17,000	\$ 408,890	\$ 308,619
Donations	78,021	-	78,021	123,929
Program revenue	80,906	-	80,906	103,121
Consulting	1,300	-	1,300	450
National Conference	-	-	-	30,710
Miscellaneous	3,080	-	3,080	13,095
Interest	1,322	-	1,322	1,305
Total support and revenue	<u>556,519</u>	<u>17,000</u>	<u>573,519</u>	<u>581,229</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>561,519</u>	<u>12,000</u>	<u>573,519</u>	<u>581,229</u>
EXPENSES				
Program	495,628	-	495,628	550,874
Management and general	15,732	-	15,732	24,853
Fundraising	18,439	-	18,439	22,089
Total expenses	<u>529,799</u>	<u>-</u>	<u>529,799</u>	<u>597,816</u>
CHANGE IN NET ASSETS	31,720	12,000	43,720	(16,587)
NET ASSETS, beginning of year	<u>189,789</u>	<u>-</u>	<u>189,789</u>	<u>206,376</u>
NET ASSETS, end of year	<u>\$ 221,509</u>	<u>\$ 12,000</u>	<u>\$ 233,509</u>	<u>\$ 189,789</u>

See notes to financial statements and independent accountant's review report.

LAND FOR GOOD, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017	
	Program	Management and General	Fundraising	Total	Total
Bad debt	\$ 623	\$ -	\$ -	\$ 623	\$ -
Bank and miscellaneous fees	758	41	25	824	1,913
Communications	6,580	358	215	7,153	6,816
Contract services	70,651	-	-	70,651	74,374
Depreciation	-	162	-	162	340
Dues and memberships	1,326	-	-	1,326	1,102
Insurance	3,460	188	113	3,761	2,102
Legal fees	-	-	-	-	-
Marketing	8,596	468	280	9,344	13,792
Meetings and conferences	2,568	-	-	2,568	2,329
National conference	-	-	-	-	59,546
Occupancy	10,207	-	-	10,207	13,195
Office expenses	14,780	803	482	16,065	19,734
Other expenses	495	-	-	495	68
Payroll taxes	20,502	1,114	669	22,285	21,066
Professional fees	46,119	2,506	1,504	50,129	65,348
Program fees	5,532	-	-	5,532	6,156
Repairs and maintenance	79	-	-	79	557
Salaries and wages	261,509	8,527	14,212	284,248	265,929
Stipends	13,050	-	-	13,050	200
Travel	28,793	1,565	939	31,297	43,249
	<u>\$ 495,628</u>	<u>\$ 15,732</u>	<u>\$ 18,439</u>	<u>\$ 529,799</u>	<u>\$ 597,816</u>

See notes to financial statements and independent accountant's review report.

LAND FOR GOOD, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 43,720	\$ (16,587)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	162	340
Accounts receivable	11,228	(56,441)
Pledges receivable	-	100
Grants receivable	(10,000)	-
Accounts payable	(10,843)	(2,099)
Accrued payroll liabilities	275	110
Accrued payroll	5,803	(315)
Direct deposit liabilities	-	(2,505)
	<u>40,345</u>	<u>(77,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Note receivable	(1,287)	(1,269)
Net cash used for investing activities	<u>(1,287)</u>	<u>(1,269)</u>
NET INCREASE (DECREASE) IN CASH	39,058	(78,666)
CASH & CASH EQUIVALENTS, beginning of year	<u>72,788</u>	<u>151,454</u>
CASH & CASH EQUIVALENTS, end of year	<u>\$ 111,846</u>	<u>\$ 72,788</u>

See notes to financial statements and independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of **Land For Good, Inc.** (the Organization) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities

Land For Good, Inc. is a New Hampshire non-for-profit corporation whose purpose is to keep New England's farmers and agricultural land working and to help people get into, care for, and pass on farms and other agricultural properties. The Organization's primary sources of revenue are grants, program fees, and contributions.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and are prepared under the guidance of the Financial Accounting Standards Board *Accounting Standards Codification* ("*FASB ASC*").

FASB ASC 958-605 requires the Organization to distinguish between contributions that increase net assets without donor restrictions and net assets with donor restrictions. It also requires recognition of contributed services that meet certain criteria at fair values. Additionally, under the guidance of FASB ASC 958-905, unconditional promises to give that are expected to be paid in less than one year are measured at net realizable value (settlement value). Conditional promises to give, which depend on the occurrence of a specific future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met.

FASB ASC 958-205 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a Statement of Financial Position, a Statement of Activities, a Statement of Cash Flows, and Changes in Net Assets.

The two classes of net assets, based on the absence or existence of donor-imposed restrictions, are defined as follows:

Net assets without donor restrictions - not subject to donor-imposed restrictions, or the donor-imposed restrictions have expired.

Net assets with donor restrictions - subject to donor-imposed stipulations that may be fulfilled by actions of the Organization, become unrestricted by the passage of time or must be retained and invested permanently by the Organization.

See independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenses

Revenues are reported as increases in net assets without donor restriction unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization classifies donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Functional Allocation of Expenses

The costs of providing program, management and general, and fundraising activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and the Statements of Functional Expenses. The Organization allocates its expenses on a functional basis amount its various programs. Expenses that can be identified within a specific program are recorded directly to their natural expense classification. Other expenses that are common to several functions are allocated using the Full Time Employee (FTE) method to allocate costs among program, management and general, and fundraising activities. Accordingly, certain costs have been allocated among the functional expenses based on a percentage of direct labor. These allocations are reviewed quarterly.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and cash in checking accounts. The Organization maintains a bank account at People's United Bank and the Federal Deposit Insurance Corporation (FDIC), which insures the Organization's account up to a maximum of \$250,000. The Organization's cash and cash equivalents were \$111,846 and \$72,788 for the years ended December 31, 2018 and 2017, respectively.

Income Tax Status

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no income tax liability has been recorded in the financial statements. All information returns of the Organization are open to examination by taxing authorities, subject to the statute of limitations rules. Management does not believe the results of examinations, if any, will significantly affect the amounts previously reported.

See independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Expenditures for acquisitions, renewals and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When equipment is retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resulting gain or loss is recognized. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost.

The Organization charges to expense annual amounts of depreciation, which allocate the cost of fixed assets over their estimated useful lives using straight-line method.

Contributions

The Organization accounts for contributions and grants in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions and grants received are recorded as increases in net assets with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions, including unconditional promises to give, are recognized in the period the contribution or promise is made. Unconditional promises expected to be collected in future years are recorded at the present value. At December 30, 2018 and 2017, the allowance for doubtful accounts was \$0.

All donor restricted support is reported as an increase in net assets with donor restriction depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization to fulfill its charitable mission.

Marketing

The Organization expenses marketing costs the first time the advertising occurs. Marketing was \$9,344 and \$13,792 for the years ended December 31, 2018 and 2017, respectively.

See independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications have been made to prior year amounts to conform with the current presentation of the current financial statements. The reclassifications have no effect on the classes of net assets or the change in net assets for the prior year.

Recently Issued Accounting Standards

In 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The organization adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (NOTE 6). In addition, disclosures related to functional allocation of expenses were expanded.

2. NOTE RECEIVABLE

The Organization has a note receivable from Cooperative Fund of New England for the Organization investing in furthering the Cooperative Fund's charitable and educational activities in support of non-profit cooperative organizations. The note bears interest on the principal sum of \$100,000 at the rate of 1.5% yearly and will be repaid upon notification of the investor.

Note receivable consisted of the following at December 31:

	2018	2017
Long-term note receivable	\$ 86,516	\$ 85,229
	\$ 86,516	\$ 85,229

Interest income from notes receivable was \$1,322 and \$1,305 for the years ended December 31, 2018 and 2017, respectively.

3. PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at December 31:

	2018	2017
Equipment	\$ 3,473	\$ 3,473
Less: accumulated depreciation	3,350	3,188
	\$ 123	\$ 285

Depreciation expense was \$162 and \$340 for the years ended December 31, 2018 and 2017, respectively.

See independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

4. FUNDRAISING EXPENSE

Total fundraising expense was \$18,439 for the year ended December 31, 2018 and \$22,089 for the year ended December 31, 2017.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose, or must be maintained by the Organization in perpetuity and income used for operating purposes. Net assets with donor restrictions consisted of the following as of December 31, 2018:

	2018	2017
Subject to expenditure for specified purpose:		
Lap Link Clinic Scholarship	\$ 2,000	\$ -
Subject to passage of time:		
Marshall Family Foundation	10,000	-
	\$ 12,000	\$ -

The Organization received \$2,000 with donor-imposed restriction of use for Lap Link Clinic scholarships in 2018. In addition, the Marshall Family Foundation pledged annual grants of \$5,000 annually for *Land for New England's Beginning Farmers, Phase Three* project's three years starting September 2018 through August 2021. Management has deemed all amounts fully collectible, and has not established an allowance.

6. LIQUIDITY AND AVAILABILITY OF FINANCIAL STATEMENTS

The Organization's primary sources of support are grants, contributions and program fees. The Organization monitors liquidity so that it is able to meet its operating needs and commitments.

The following reflects the Organization's financial assets as of the Statement of Financial Position date, reduced by amounts not available for general use within one year of the Statement of Financial Position date because of donor-imposed restrictions or internal designations, if any.

	2018	2017
Cash and cash equivalents	\$ 111,846	\$ 72,788
Accounts receivable, net collected in less than one year	47,160	58,388
Total financial assets, excluding non-current receivables	159,006	131,176
Less amounts with donor restrictions or designations	12,000	-
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 147,006	\$ 131,176

See independent accountant's review report.

LAND FOR GOOD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

7. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 20, 2019, which is the date the financial statements were available to be issued. As of August 20, 2019, no subsequent events have occurred since December 31, 2018.

See independent accountant's review report.