

CONSERVATION MINNESOTA

FINANCIAL STATEMENTS

For the Years Ended June 30, 2020 and 2019

CONSERVATION MINNESOTA

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Conservation Minnesota
Minneapolis, Minnesota

I have audited the accompanying financial statements of Conservation Minnesota, a nonprofit organization, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activity, functional expenses and cash flows for the years 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's 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, I 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT, continued

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conservation Minnesota as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

I have also audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Conservation Minnesota and its related organization, Conservation Minnesota Voter Center, which comprise the consolidated statements of financial positions as of June 30, 2020 and 2019, and the related consolidated statements of activity, functional expenses and cash flows for the years then ended (none of which is presented herein), and I expressed an unmodified opinion on those financial statements. Such consolidated financial statements are the general-purpose financial statements of Conservation Minnesota and its related organization, and the financial statements of Conservation Minnesota presented herein are not a valid substitute for those consolidated financial statements.


Sherry D. Heffernan, Ltd.

October 27, 2020

CONSERVATION MINNESOTA
Statement of Financial Position
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 220,933	\$ 355,310
Cash - restricted	574,716	22,762
Cash and cash equivalents - board designated	<u>120,534</u>	<u>118,831</u>
	<u>916,183</u>	<u>496,903</u>
Accounts receivable	14,537	-
Promises to give	11,000	49,715
Grants receivable	92,500	315,000
Prepaid expenses	<u>9,228</u>	<u>18,982</u>
	<u>1,043,448</u>	<u>880,600</u>
Fixed assets:		
Website design and software	74,348	22,608
Property and equipment	<u>3,275</u>	<u>3,275</u>
	77,623	25,883
Less accumulated depreciation	<u>(25,883)</u>	<u>(25,883)</u>
	<u>51,740</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,095,188</u>	<u>\$ 880,600</u>
CURRENT LIABILITIES		
Due to related organization	\$ 677	\$ 3,560
Accounts payable	56,895	26,903
Accrued expenses	82,041	75,450
Refundable advance	<u>158,300</u>	<u>-</u>
	<u>297,913</u>	<u>105,913</u>
NET ASSETS		
Net assets without donor restrictions		
Undesignated	19,525	43,094
Board designated	<u>120,534</u>	<u>118,831</u>
	<u>140,059</u>	<u>161,925</u>
Net assets with donor restrictions	<u>657,216</u>	<u>612,762</u>
TOTAL NET ASSETS	<u>797,275</u>	<u>774,687</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,095,188</u>	<u>\$ 880,600</u>

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

CONSERVATION MINNESOTA
Statement of Activities
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT						
SUPPORT:						
Grants	\$ 520,000	\$ 121,250	\$ 641,250	\$ 526,600	\$ 625,000	\$ 1,151,600
Grants (to) from related organization	(60,160)	-	(60,160)	81,000	-	81,000
Contributions	487,072	456,162	943,234	737,601	15,000	752,601
OTHER REVENUE:						
Fees for services	2,280	-	2,280	7,015	-	7,015
Interest income and miscellaneous	12,174	-	12,174	4,415	-	4,415
	<u>961,366</u>	<u>577,412</u>	<u>1,538,778</u>	<u>1,356,631</u>	<u>640,000</u>	<u>1,996,631</u>
Net assets released from restrictions	<u>532,958</u>	<u>(532,958)</u>	<u>-</u>	<u>331,756</u>	<u>(331,756)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,494,324</u>	<u>44,454</u>	<u>1,538,778</u>	<u>1,688,387</u>	<u>308,244</u>	<u>1,996,631</u>
EXPENSES:						
Program services	1,160,382	-	1,160,382	1,426,976	-	1,426,976
Management and general	280,729	-	280,729	238,615	-	238,615
Fundraising	75,079	-	75,079	63,842	-	63,842
TOTAL EXPENSES	<u>1,516,190</u>	<u>-</u>	<u>1,516,190</u>	<u>1,729,433</u>	<u>-</u>	<u>1,729,433</u>
CHANGE IN NET ASSETS	(21,866)	44,454	22,588	(41,046)	308,244	267,198
NET ASSETS AT BEGINNING OF YEAR	<u>161,925</u>	<u>612,762</u>	<u>774,687</u>	<u>202,971</u>	<u>304,518</u>	<u>507,489</u>
NET ASSETS AT END OF YEAR	<u>\$ 140,059</u>	<u>\$ 657,216</u>	<u>\$ 797,275</u>	<u>\$ 161,925</u>	<u>\$ 612,762</u>	<u>\$ 774,687</u>

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

CONSERVATION MINNESOTA
Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 22,588	\$ 267,198
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts receivable	(14,537)	2,675
Promises to give	38,715	(19,715)
Grants receivable	222,500	(210,000)
Prepaid expenses	9,754	1,201
Due to related organization	(2,883)	8,571
Accounts payable	29,992	(4,433)
Accrued expenses	6,591	16,893
NET CASH PROVIDED BY OPERATING	312,720	62,390
Cash flows from financing activities:		
Proceeds from government grant-refundable advance	158,300	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	158,300	-
Cash flows from investing activities:		
Purchase of website design	(51,740)	-
NET CASH (USED) BY INVESTING ACTIVITIES	(51,740)	-
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	419,280	62,390
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	496,903	434,513
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$ 916,183	\$ 496,903

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

CONSERVATION MINNESOTA
Statement of Functional Expenses
For the Years Ended June 30, 2020 and 2019

	2020					2019				
	Supporting Services				Total	Supporting Services				Total
	Program Services	Management and General	Fund Raising	Total Supporting Services		Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries, taxes and benefits	\$ 647,691	\$ 219,813	\$ 47,964	\$ 267,777	\$ 915,468	\$ 618,935	\$ 168,515	\$ 26,757	\$ 195,272	\$ 814,207
Contract services	220,932	14,121	-	14,121	235,053	342,293	21,080	2,722	23,802	366,095
Occupancy	33,045	11,753	-	11,753	44,798	38,253	18,215	-	18,215	56,468
Printing and copying	89,886	1,133	17,166	18,299	108,185	153,045	1,746	21,708	23,454	176,499
Postage and delivery	71,943	374	9,325	9,699	81,642	75,752	541	12,205	12,746	88,498
Digital communication	34,681	-	-	-	34,681	147,189	-	-	-	147,189
Database management	15,771	2,388	-	2,388	18,159	20,334	2,127	-	2,127	22,461
Website maintenance	17,842	-	-	-	17,842	3,151	-	420	420	3,571
Office expenses	2,541	4,368	624	4,992	7,533	3,566	12,889	-	12,889	16,455
Travel	5,611	4,432	-	4,432	10,043	11,572	3,302	30	3,332	14,904
Conferences and meetings	16,214	21,036	-	21,036	37,250	7,262	8,325	-	8,325	15,587
Insurance	4,225	1,311	-	1,311	5,536	5,624	1,875	-	1,875	7,499
Total expenses	\$ 1,160,382	\$ 280,729	\$ 75,079	\$ 355,808	\$ 1,516,190	\$ 1,426,976	\$ 238,615	\$ 63,842	\$ 302,457	\$ 1,729,433
	<u>77%</u>	<u>18%</u>	<u>5%</u>	<u>23%</u>	<u>100%</u>	<u>83%</u>	<u>13%</u>	<u>4%</u>	<u>17%</u>	<u>100%</u>

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

CONSERVATION MINNESOTA
Notes to Financial Statements
June 30, 2020 and 2019

1) Nature of Activities

Conservation Minnesota (hereinafter referred to as CM or the organization) is a Minnesota nonprofit corporation established in 2002 to educate private citizens and organizations concerned with conservation and the basic processes and techniques of effective participation in government and policy development. The organization works to conserve and protect Minnesota's natural resources and its environment, to increase citizen participation in government and the democratic process, and to provide conservation information that is beneficial in decision making by individuals and their communities.

Conservation Minnesota's program focuses include the following:

Public Education

Conservation Minnesota provides credible, non-partisan information about current and emerging issues that affect public health, water quality, and Minnesota's Great Outdoors so that individual Minnesotans can make informed decisions that protect our health and natural resources.

Public Engagement

Conservation Minnesota is guided by the priorities of Minnesotans and engages its statewide network of over 70,000 individuals and local leaders with meaningful opportunities to help solve the conservation issues that they tell us are most important.

Public Policy

Conservation Minnesota develops and advocates for public policies that ensure our cherished Minnesota lakes, lands and way of life are protected for the benefit of current and future generations.

2) Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources over which the Board of Directors has discretionary control. Net assets with donor restrictions are resources which are subject to a donor imposed restriction which generally will be satisfied by organizational actions, the passage of time or they may be restricted permanently.

CONSERVATION MINNESOTA
Notes to Financial Statements

2) Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organizations consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash investments and grants receivable. The organization places its temporary cash investments with financial institutions as noted below. Concentrations of credit risk with respect to grants receivable are limited due to the financial stability of the contributors.

CM grants receivable include amounts from two donors comprising 89% of the balance at June 30, 2020 and one donor comprising 82% of the balance at June 30, 2019.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The organization maintains its deposits in financial institutions located in the Twin Cities. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2020 the organization's uninsured cash balance was approximately \$97,000.

Concentration of Public Support

In 2020 CM received approximately 46% of its total public support from three donors. In 2019 it received approximately 69% of its total public support from three donors.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. There were no significant bad debts in 2020 or 2019.

CONSERVATION MINNESOTA
Notes to Financial Statements

2) Summary of Significant Accounting Policies, continued

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded and measured at the present value of their future cash flows.

Grants Receivable

Grants receivable, which are from foundations or other non-profit organizations, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Fixed Assets

The organization capitalizes all expenditures for property and equipment, website design and software in excess of \$5,000. Purchased fixed assets are recorded at cost. Donated property is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of three years. Depreciation expense was zero in 2020 and 2019, respectively.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Net Assets

Net assets, revenues, gain and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, cash reserve funds to provide an internal source of funds for situations such as one-time unbudgeted expenses, unanticipated loss in funding or uninsured losses.

CONSERVATION MINNESOTA
Notes to Financial Statements

2) Summary of Significant Accounting Policies, continued

Net Assets, continued

Net Assets with Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been substantially met. Federal grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2020, a contribution of \$158,300, which was received in connection with the Paycheck Protection Program (see Note 6), has not been recognized in the accompanying financial statements because the conditions of forgiveness have not been met.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

CM has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and contributions by donors are tax deductible.

Adoption of New Accounting Standards

For the year ended July 31, 2019, CM adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14: *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities.

CONSERVATION MINNESOTA
Notes to Financial Statements

2) Summary of Significant Accounting Policies, continued

Adoption of New Accounting Standards, continued

ASU 2016-14 required that amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Effective July 1, 2019, CM adopted FASB ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic)*. This ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides a framework to determine whether a contribution is conditional or unconditional which will impact the timing of revenue recognition.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

3) Liquidity and Availability

CM considers contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity and reserves following these guiding principles: operating within a prudent range of financial soundness and stability and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

CM considers all expenditures related to its ongoing activities related to its organizational purpose as well as the conduct of services undertaken to support those activities to be general expenditures. Annual operations are defined as activities occurring during the organization's fiscal year.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year at June 30, 2020 and 2019, are as follows:

CONSERVATION MINNESOTA
Notes to Financial Statements

3) Liquidity and Availability, continued

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 220,933	\$ 378,072
Accounts receivable and promises to give	25,537	49,715
Grants receivable	92,500	315,000
Less grant receivable due June 30, 2020	<u>-</u>	<u>-300,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 338,970</u>	<u>\$ 420,025</u>

4) Restricted Cash

CM had restricted cash of \$574,716 and \$22,762 at June 30, 2020 and 2019, respectively. These amounts were included in the cash totals reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows. Amounts included in restricted cash represent amounts required to be used for specific program purposes by the donor.

5) Promises to Give and Grants Receivable

CM's promises to give and grants receivable are collectible in less than one year. The discount to present value amount is not significant and uncollectible promises are expected to be insignificant.

6) Refundable Advance

On April 29, 2020 CM received loan proceeds (considered a refundable advance) in the amount of \$158,300 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying business and nonprofits for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loan and accrued interest are forgivable after an eight week or twenty-four week period, to be chosen by the borrower, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. Borrowers who received loans prior to June 5, 2020 can elect an 8-week covered period or a 24-week period. CM elected the 8-week period and expended all funds as of June 30, 2020. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight week period.

The unforgiven portion of the PPP loan is payable over two years with an interest rate of 1%, with a deferral of payments for the first six months. The organization intends to use the proceeds for purposes consistent with the PPP. CM currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan upon meeting all barriers, including official forgiveness from the bank.

CONSERVATION MINNESOTA
Notes to Financial Statements

7) Operating Lease

CMVC leases office space under an operating lease which expires September 30, 2027. Monthly rent is \$3,439 which includes utilities, real estate taxes and insurance. Rent expense was \$44,109 for 2020 with \$32,900 allocated to CM (see Note 9.) In 2019 rent expense was \$40,406 with \$36,400 allocated to CM.

Future minimum lease payments (excluding additional taxes, maintenance and utilities) under operating leases that have remaining terms in excess of one year as of June 30, 2020 are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 42,504
2022	44,204
2023	45,973
2024	47,811
2025	49,723
Thereafter	<u>119,072</u>
	<u>\$ 349,287</u>

8) Retirement Plan

Conservation Minnesota sponsors a 401(k) retirement plan under CMVC (see Note 9). The Plan states that the board may make discretionary matching or profit sharing contributions. The organization currently matches up to 4% of gross salaries for qualified employees. The Plan requires two years of service before the employee is fully vested on employer contributions. Employees may make additional pre-tax contributions through payroll deductions. Plan expense was \$29,457 and \$26,321 for CM for the years ended June 30, 2020 and 2019, respectively.

9) Related Organization

Conservation Minnesota Voter Center, Inc. (CMVC) is a Minnesota nonprofit corporation established in 1999. It researches public opinion and government actions on conservation issues, providing reliable information to help Minnesotans make decisions that protect the health of our air, water, communities and families. CMVC is exempt from federal income tax under Code Section 501(c)(4) of the Internal Revenue Code and Minnesota Statute 290.05.

CMVC has six Board members, all of whom are also included on CM's Board of 19 members and therefore it is considered a related organization.

CONSERVATION MINNESOTA
Notes to Financial Statements

9) Related Organization, continued

CM has a resource allocation agreement with CMVC. In this agreement, both organizations share certain resources, including office space, maintenance and personnel. Those items are allocated on a pro-rata basis of hours worked in support of each entity. As part of this agreement, in 2020 CMVC was reimbursed approximately \$32,900 from CM for rent and CMVC paid CM approximately \$112,600 for personnel expense. In 2019 CMVC was reimbursed approximately \$36,400 from CM for rent and CMVC paid CM approximately \$89,400 for personnel expenses. They also share and allocate other miscellaneous expenses such as insurance, office expenses, and travel. CM owed CMVC \$677 and \$3,560 at June 30, 2020 and 2019, respectively.

CMVC has a rent lease agreement through September 30, 2027. CM is obligated to pay its share of rent expense based on the same basis as other expenses as noted above.

CM made net grants to CMVC of \$60,160, for the year ended June 30, 2020. CMVC made net grants to CM of \$81,000 for the year ended June 30, 2019.

10) Board Designated Net Assets

Board designated net asset balances are \$120,534 and \$118,831 as of June 30, 2020 and 2019, respectively. These amounts are not available for general operations unless released by the Board of Directors.

11) Net Assets with Donor Restrictions

Net assets with donor restrictions for CM are available for the following purposes at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Time restrictions	\$ 275,000	\$ 590,000
Specific programs	<u>382,216</u>	<u>22,762</u>
	<u>\$ 657,216</u>	<u>\$ 612,762</u>

12) Grantor or Donor Restrictions

Certain contributions or grants from donors are subject to special audit by the donor. Such audits could result in claims against the organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

13) Income Taxes

The organization has evaluated its potential exposure for uncertain tax positions and management has expressed there are no uncertain tax positions as of June 30, 2020. Tax returns for the past three tax years remain open for examination by tax jurisdictions.

CONSERVATION MINNESOTA
Notes to Financial Statements

14) Subsequent Events, Risks and Uncertainties

CM has evaluated subsequent events through October 27, 2020, the date the financial statements were available to be issued. It is not aware of any subsequent events that require recognition or disclosure in the consolidated financial statements, except as noted below.

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a world-wide pandemic. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple service organizations, including our operations beginning mid-March 2020. Specific to the organization, COVID-19 has and will impact various parts of its 2020 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, and/or loss of revenue due to reductions in certain revenue streams.

There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impacts to the organization as of October 27, 2020, management believes this matter may negatively impact its operating results.