



**and Supporting Organization
and Disregarded Entity**

Consolidated Financial Statements

December 31, 2020 and 2019



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Berks Nature and Supporting Organization and Disregarded Entity

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December 31, 2020 and 2019

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Independent Auditor's Report

To the Board of Directors
Berks Nature and Supporting Organization and Disregarded Entity
Reading, Pennsylvania

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Berks Nature and its supporting organization and disregarded entity, which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Berks Nature and its supporting organization and disregarded entity as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

RKL LLP

July 27, 2021
Wyomissing, Pennsylvania

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Financial Position

	December 31,	
	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 619,392	\$ 350,375
Investments	3,091,067	1,710,375
Accounts receivable	89,489	75,875
Contributions receivable, net	170,833	217,133
Inventory	28,533	28,554
Prepaid expenses and other current assets	4,379	10,347
Total Current Assets	4,003,693	2,392,659
Noncurrent Assets		
Construction in progress	97,044	-
Building, leasehold improvements, and equipment, net	3,792,782	3,888,676
Land held for conservation	1,486,310	1,486,310
Conservation easements held	21,682,353	21,115,407
Total Noncurrent Assets	27,058,489	26,490,393
Total Assets	\$ 31,062,182	\$ 28,883,052
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 93,751	\$ 12,343
Accrued expenses	37,705	8,878
Refundable advances	150,842	96,613
Current portion of long-term debt	155,368	14,215
Total Current Liabilities	437,666	132,049
Long-Term Debt	183,550	199,671
Total Liabilities	621,216	331,720
Net Assets		
Without donor restrictions		
Undesignated	5,000,519	4,956,674
Board-designated endowment	353,041	307,818
	5,353,560	5,264,492
With donor restrictions	25,087,406	23,286,840
Total Net Assets	30,440,966	28,551,332
Total Liabilities and Net Assets	\$ 31,062,182	\$ 28,883,052

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Activities

	Years Ended December 31,	
	2020	2019
Changes in Net Assets Without Donor Restrictions		
Revenue and other support		
Contributions	\$ 169,892	\$ 97,442
Membership dues and assessments	56,294	56,921
Tuition and fees	197,600	214,251
Store sales	3,783	7,017
Grants	738,520	252,077
Special events	-	4,673
Rental income	1,534	4,493
Investment income	40,846	51,261
Miscellaneous income	15,201	21,841
Net assets released from restrictions, satisfaction of program restrictions	615,305	998,667
Total revenue and other support	<u>1,838,975</u>	<u>1,708,643</u>
Expenses		
Program services	1,408,393	1,526,904
Fundraising	79,035	49,710
Management and general	262,479	177,151
Total expenses	<u>1,749,907</u>	<u>1,753,765</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>89,068</u>	<u>(45,122)</u>
Changes in Net Assets With Donor Restrictions		
Contributions	1,442,763	1,387,421
Investment income	406,162	219,489
Contributions of easements	566,946	1,213,992
Net assets released from restrictions	(615,305)	(998,667)
Increase in Net Assets With Donor Restrictions	<u>1,800,566</u>	<u>1,822,235</u>
Change in Net Assets	<u>1,889,634</u>	<u>1,777,113</u>
Net Assets at Beginning of Year	<u>28,551,332</u>	<u>26,774,219</u>
Net Assets at End of Year	<u>\$ 30,440,966</u>	<u>\$ 28,551,332</u>

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Cash Flows

	Years Ended December 31,	
	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 1,889,634	\$ 1,777,113
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	132,190	134,531
Restricted contributions	(4,500)	(286,053)
Unrealized gains on investments	(172,592)	(237,677)
Realized gains on sale of investments	(207,962)	(4,229)
Contributions of land and easements	(566,946)	(1,213,992)
(Increase) decrease in assets		
Accounts receivable	(13,614)	(34,130)
Inventory	21	(53)
Prepaid expenses	5,968	(4,649)
Increase (decrease) in liabilities		
Accounts payable	81,408	(27,554)
Accrued expenses	28,827	(8,032)
Refundable advances	54,229	(246,997)
Net Cash Provided by (Used in) Operating Activities	1,226,663	(151,722)
Cash Flows from Investing Activities		
Purchase of leasehold improvements, equipment, land, and easements	(133,340)	-
Proceeds from sale and maturity of investments	1,160,646	378,238
Purchase of investments	(3,110,784)	(669,796)
Net Cash Used in Investing Activities	(2,083,478)	(291,558)
Cash Flows from Financing Activities		
Restricted contributions received	1,000,800	298,686
Proceeds from government grant - Paycheck Protection Program	140,902	-
Principal payments on long-term debt	(15,870)	(81,967)
Net Cash Provided by Financing Activities	1,125,832	216,719
Net Increase (Decrease) in Cash and Cash Equivalents	269,017	(226,561)
Cash and Cash Equivalents at Beginning of Year	350,375	576,936
Cash and Cash Equivalents at End of Year	\$ 619,392	\$ 350,375

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Cash Flows (continued)

	Years Ended December 31,	
	2020	2019
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	<u>\$ 7,278</u>	<u>\$ 12,043</u>
Noncash transactions, contributions of land and easements	<u>\$ 566,946</u>	<u>\$ 1,213,992</u>

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Functional Expenses

	Year Ended December 31, 2020			
	Program Services	Fundraising	Management and General	Total
Salaries and employee benefits	\$ 538,809	\$ 56,058	\$ 193,434	\$ 788,301
Professional fees	30,230	1,440	4,970	36,640
Travel	6,146	37	46	6,229
Meals and related supplies	2,207	37	71	2,315
Postage	2,826	107	368	3,301
Advertising and promotions	12,781	508	133	13,422
Contractor fees	410,362	-	-	410,362
Printing	17,172	206	712	18,090
Registration and licenses	769	48	167	984
Equipment leases	2,935	281	969	4,185
Office supplies	42,466	4,781	10,288	57,535
Online store goods	1,970	-	-	1,970
Repairs and maintenance	7,030	204	702	7,936
Information technology	7,926	803	2,771	11,500
Supplies	66,140	109	374	66,623
Interest expense	4,974	518	1,786	7,278
Meeting expenses	1,631	157	420	2,208
Dues and subscriptions	4,754	504	166	5,424
Insurance	35,352	2,505	8,645	46,502
Utilities/recycle	15,630	618	2,133	18,381
Equipment maintenance	3,290	-	-	3,290
Depreciation expense	90,353	9,400	32,437	132,190
Easement acquisition cost	89,702	321	74	90,097
Property management	2,497	10	35	2,542
Bad debt expense	-	50	-	50
Bank fees	4,128	135	466	4,729
Miscellaneous expense	6,313	198	1,312	7,823
Total Consolidated Functional Expenses	\$ 1,408,393	\$ 79,035	\$ 262,479	\$ 1,749,907

Berks Nature and Supporting Organization and Disregarded Entity

Consolidated Statement of Functional Expenses (continued)

	Year Ended December 31, 2019			
	Program Services	Fundraising	Management and General	Total
Salaries and employee benefits	\$ 569,109	\$ 25,977	\$ 116,922	\$ 712,008
Professional fees	45,495	1,076	4,843	51,414
Travel	13,811	173	70	14,054
Meals and related supplies	6,360	114	140	6,614
Postage	5,874	2,706	543	9,123
Advertising and promotions	26,969	618	-	27,587
Contractor fees	495,394	-	-	495,394
Accounting fees	-	-	10,569	10,569
Receptions	6,091	-	-	6,091
Printing	24,676	98	442	25,216
Registration and licenses	1,158	15	69	1,242
Equipment leases	5,024	169	761	5,954
Office supplies	11,952	709	1,477	14,138
Online store goods	4,186	-	-	4,186
Repairs and maintenance	19,025	319	1,434	20,778
Information technology	18,922	2,699	2,526	24,147
Supplies	54,078	106	299	54,483
Interest expense	9,153	525	2,365	12,043
Meeting expenses	3,568	145	429	4,142
Dues and subscriptions	7,037	685	168	7,890
Insurance	33,299	1,223	5,506	40,028
Utilities/recycle	17,333	193	868	18,394
Equipment maintenance	1,060	-	-	1,060
Depreciation expense	102,245	5,869	26,417	134,531
Easement acquisition cost	31,499	-	-	31,499
Property management	2,101	-	-	2,101
Bad debt expense	-	6,000	-	6,000
Bank fees	7,447	61	274	7,782
Miscellaneous expense	4,038	230	1,029	5,297
Total Consolidated Functional Expenses	\$ 1,526,904	\$ 49,710	\$ 177,151	\$ 1,753,765

See accompanying notes.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 1 - Nature of Activities

Berks Nature and its supporting organization and disregarded entity, Berks County Conservancy Properties, Inc. and Berks Nature Educational Programs LLC, respectively, (collectively Berks Nature or the Organization), is a nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization provides the following program services related to conservation:

Berks Nature believes that nature is essential to our quality of life. *We demonstrate our commitment to nature through Conservation, Protection, Partnerships, Leadership, Relationships, Demonstration, and Education.*

Land Conservation Programs

The Organization works as a land trust to protect valuable undeveloped land in Berks County, Pennsylvania, and surrounding counties. Lands selected for protection are natural spaces for future agricultural, scenic, and recreational uses. Special attention is given to maintaining important greenway corridors to support the biodiversity and natural habitats of our community and forested lands important to the quality and preservation of our drinking water supply. This land conservation is accomplished through the acquisition of conservation easements, restricting future development, or through outright fee simple acquisitions of land.

Watershed Restoration and Protection Programs

The Organization strives to protect water, habitat, and the natural environment by implementing restoration practices on numerous creeks or streams throughout Berks County. The Organization works with many farmers to implement best management practices on agricultural lands and farms throughout the community and works with drinking water companies to implement source water protection plans.

Trails and Greenways

The Organization creates, promotes, and maintains a trail system throughout Greater Reading and works with partners to provide important connections for recreation and transportation.

Urban Revitalization

The Organization supports the revitalization of our cities and older communities through its Berks Urban Greening Community Gardening Program. This program transforms vacant, blighted lots into healthy green community spaces and community gardens. These gardens provide opportunities for local residents to grow their own vegetables, herbs, and flowers which engenders economic self-sufficiency, health and nutritional benefits, resident cooperation, community spirit, and is an attractive green space in urban areas. The Organization supports the principles of smart growth.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 1 - Nature of Activities (continued)

Environmental and Conservation Education

The Organization provides numerous environmental and conservation education programs to children, families, adults, municipal leaders, and partners throughout the community. Through its State of the Environment Program, critical indicators for the health of the community are reported on annually. In addition, the Organization manages The Nature Place at Angelica Park with summer Eco-Camps and programs with school groups throughout the year. Programs for municipal leaders, newsletters, e-news, communications, and programs that connect people with nature round out its offerings.

Nature Preschool and Berks Nature Educational Programs LLC

In 2018, the Organization opened the area's first "Nature Preschool" in response to the growing deficit of time spent outside by young children. This activity is designed to help grow the next generation of conservationists. Our students spend 75% of their time outside. The Nature Preschool activities and Eco-Camp activities sit within the newly created entity, Berks Nature Educational Program LLC.

In response to the COVID-19 pandemic, Berks Nature created a new program titled "Camp for School." Parents were able to drop their children off at The Nature Place where teachers and counselors helped students with their virtual learning and got the kids outside as much as possible. This program was a great relief to essential employees who needed assistance with virtual learning and child care.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

Principles of Consolidation

The consolidated financial statements include the accounts of Berks Nature, its disregarded entity, Berks Nature Educational Programs LLC, and its supporting organization, Berks County Conservancy Properties, Inc. All significant interorganization transactions have been eliminated.

Basis of Presentation

The Organization's consolidated financial statement presentation follows the reporting provisions applicable to not-for-profit entities. Under these provisions, 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 are classified as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for particular purposes by action of the Board of Directors, or may otherwise be limited by contractual agreements with outside parties. At December 31, 2020 and 2019, net assets without donor restrictions include \$353,041 and \$307,818, respectively, of board-designated net assets. These net assets were specifically designated by the Board of Directors to function as an endowment.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Net Assets With Donor 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all unrestricted cash, which is not subject to withdrawal restrictions or penalties, and all highly-liquid debt instruments purchased with a maturity of three months or less, to be cash and cash equivalents on the accompanying consolidated statement of financial position.

Investments

Investments in debt and marketable equity securities are carried at fair market value. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the consolidated statement of activities as an increase or decrease in net assets without donor restrictions, unless the income or loss is restricted by donor or law.

Accounts Receivable

Accounts receivable are stated at outstanding balances. The Organization considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable are stated at outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income. Accounts deemed to be collectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a donor's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective as it requires estimates that may be susceptible to significant change. As of December 31, 2020 and 2019, the balance in allowance for doubtful accounts was \$5,000. Unpaid balances remaining after the stated payment terms are considered past due.

Inventory

Inventory consists of nature supplies held for resale. Inventory is determined by physical count and is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method.

Building, Leasehold Improvements, and Equipment

Expenditures for the acquisition of building, leasehold improvements, and equipment are capitalized at cost. Depreciation is computed using the straight-line method over the following useful lives:

Building and leasehold improvements	40 years
Furniture and fixtures	5 years
Computers and equipment	3 years

Maintenance and repairs of building, leasehold improvements, and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or other disposition of building, leasehold improvements, and equipment, the cost and accumulated depreciation are eliminated from the accounts, and gain or loss is included in operations.

The Organization's policy is to capitalize equipment expenditures of \$2,000 or more.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and the discounted rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during the years ended December 31, 2020 and 2019.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Deferred Revenue/Refundable Advances

Deferred revenue is where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts are measurable, but are not available.

Deferred revenue is recorded as refundable advances in some instances where there are criteria that must be met or funds will be returned to the grantor.

Revenue Recognition

Contributions and Contributions of Easements

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases net asset with donor restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions of land and easements are recorded and reflected in the accompanying consolidated financial statements at their fair values at the dates of receipt.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give, which are expected to be collected within one year, are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows beyond one year. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Conditional promises to give are not included as support until the conditions are substantially met. When collected prior to satisfaction of donor restrictions, amounts are reported as refundable advances.

Grants

The Organization records grants when all conditions stipulated by the grant have been substantially met. Direct service program expenses are recorded as incurred.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Membership Dues

Membership dues, which are nonrefundable, are recognized as income in the period membership commences. Memberships are for an annual basis and benefits vary based on the membership level. Benefits are not significant in cost and are not separately valued from the membership dues as an exchange transaction.

Tuition and Fees

The Organization operates the Berks Nature Preschool from September through May and Eco-Camp from June through August. Tuition and fees are recognized at the time service is provided.

Donated Services and Goods

A substantial number of volunteers have donated significant hours to the Organization's program services and fundraising campaigns during the year; however, these donated services are not reflected in the consolidated financial statements since the services do not require specialized skills.

Functional Allocation of Expenses

The costs of providing program services, fundraising, and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs, management and general, and fundraising activities benefited. Payroll and benefits are allocated based on employee time spent performing program, fundraising, and administrative activities. All other expenses are allocated directly to program services, fundraising, or administrative expenses based on the nature and purpose of the expense.

Advertising

The Organization follows the policy of charging the cost of advertising to expense when incurred. Amounts charged to expense for advertising were \$13,422 and \$27,587 for the years ended December 31, 2020 and 2019, respectively.

Income Taxes

As a not-for-profit organization, the Organization is generally exempt from federal and state income taxes. The Organization is subject to federal and state income taxes on unrelated business income.

The Organization recognizes penalties and interest accrued related to income tax liabilities in the provision (benefit) for income taxes in its consolidated statement of activities. At December 31, 2020 and 2019, there was no accrual for the payment of penalties and interest.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would ultimately be sustained. The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured, as described above, is reflected as a liability for unrecognized tax benefits in the accompanying consolidated statement of financial position, along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

The Organization files informational returns (Internal Revenue Service Form 990) in the U.S. Federal jurisdiction. The Organization's returns are not subject to examination through the year ended December 31, 2017.

Change in Accounting Principles

In August 2018, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Fair Value Measurements (Topic 820)*. The amendments in this ASU removes, modifies, and adds certain disclosure requirements of Accounting Standards Codification (ASC) Topic 820. The Council implemented this standard during the year ended December 31, 2020. The Organization has determined that the adoption of ASU 2018-13 did not have a material effect on the 2020 consolidated financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, and subsequently amended in ASU 2019-10. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases, based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The new standard will be effective for fiscal years beginning after December 15, 2021.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial assets. Also, this ASU will require disclosure of a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets, as well as additional information around valuation and usage of the contributed nonfinancial assets. The amendments in this standard should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.

The Organization is currently evaluating the impact of the pending adoption of the new standards on the consolidated financial statements.

Note 3 - Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at December 31:

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and cash equivalents	\$ 619,392	\$ 350,375
Investments	3,091,067	1,710,375
Accounts receivable	89,489	75,875
Contributions receivable, net	<u>170,833</u>	<u>217,133</u>
Total Financial Assets	3,970,781	2,353,758
Amounts that are internally designated or externally restricted	<u>(3,261,900)</u>	<u>(1,927,508)</u>
Financial Assets Available to Meet Needs for General Expenditures within One Year	<u>\$ 708,881</u>	<u>\$ 426,250</u>

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 3 - Liquidity and Availability of Resources (continued)

The Organization's endowment funds consist of donor-restricted endowments and a board-designated endowment. Income from donor-restricted endowments is expendable to support the Organization's services and; therefore, is available for general expenditure. As described in Note 12, the endowment fund has a target spending rate of 5.0%; with appropriations from the endowment available within the 12 months of December 31, 2020. To help manage unanticipated liquidity needs, the Organization has a board-designated endowment of \$353,041 and \$307,818 as of December 31, 2020 and 2019, respectively. Although the Organization does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary.

Note 4 - Contributions Receivable

Contributions receivable to the Organization consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Restricted for capital campaign	\$ 183,333	\$ 234,133
Unamortized discount	(7,500)	(12,000)
Allowance for doubtful accounts	<u>(5,000)</u>	<u>(5,000)</u>
Net unconditional promises to give	<u>\$ 170,833</u>	<u>\$ 217,133</u>
Amounts due		
Less than one year	\$ 50,000	\$ 50,800
One to five years	<u>125,833</u>	<u>171,333</u>
	175,833	222,133
Allowance for doubtful accounts	<u>(5,000)</u>	<u>(5,000)</u>
	<u>\$ 170,833</u>	<u>\$ 217,133</u>

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 5 - Investments

Investments were as follows at December 31:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 57,673	\$ 57,673	\$ 50,926	\$ 50,926
Mutual funds	1,732,147	2,039,649	502,470	522,763
Corporate and municipal bonds	528,246	567,609	249,804	275,260
U.S. Governmental obligations	282,403	298,672	194,815	203,771
Equity securities	109,381	127,464	495,313	657,655
	<u>\$ 2,709,850</u>	<u>\$ 3,091,067</u>	<u>\$ 1,493,328</u>	<u>\$ 1,710,375</u>

Investment income is comprised of the following for the years ended December 31:

	2020	2019
Dividends and interest, net of fees	\$ 22,578	\$ 21,482
Net realized gains	251,838	11,591
Net unrealized gains	172,592	237,677
	<u>\$ 447,008</u>	<u>\$ 270,750</u>

The Organization had the following investments in debt securities as of December 31:

2020	Fair Value	Less Than One Year	Maturity			Rating as of Year End
			One Through Five Years	Five Through Ten Years	More Than Ten Years	
Corporate bonds	\$ 450,942	\$ -	\$ 150,427	\$ 171,849	\$ 128,666	BBB- to AA+
Municipal bonds	116,667	-	37,601	69,105	9,961	AA to AAA
U.S. Government obligations	298,672	-	179,513	48,730	70,429	N/A
	<u>\$ 866,281</u>	<u>\$ -</u>	<u>\$ 367,541</u>	<u>\$ 289,684</u>	<u>\$ 209,056</u>	
2019						
Corporate bonds	\$ 212,849	\$ -	\$ 87,656	\$ 86,193	\$ 39,000	BBB- to AA+
Municipal bonds	62,411	-	30,757	31,654	-	AA to AAA
U.S. Government obligations	203,771	-	102,251	57,746	43,774	N/A
	<u>\$ 479,031</u>	<u>\$ -</u>	<u>\$ 220,664</u>	<u>\$ 175,593</u>	<u>\$ 82,774</u>	

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 6 - Fair Value of Financial Instruments

The Organization defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. Fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within that hierarchy.

This guidance requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual funds are valued at the net asset value of the shares held by the Organization at year-end.

Equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Corporate and municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Government obligations are valued using pricing models maximizing the use of observable inputs for similar securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 6 - Fair Value of Financial Instruments (continued)

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of December 31:

	Fair Value Measurements at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 2,039,649	\$ -	\$ -	\$ 2,039,649
Corporate and municipal bonds	-	567,609	-	567,609
U.S. Government obligations	-	298,672	-	298,672
Equity securities	127,464	-	-	127,464
	<u>\$ 2,167,113</u>	<u>\$ 866,281</u>	<u>\$ -</u>	<u>\$ 3,033,394</u>

	Fair Value Measurements at December 31, 2019			
Mutual funds	\$ 522,763	\$ -	\$ -	\$ 522,763
Corporate and municipal bonds	-	275,260	-	275,260
U.S. Government obligations	-	203,771	-	203,771
Equity securities	657,655	-	-	657,655
	<u>\$ 1,180,418</u>	<u>\$ 479,031</u>	<u>\$ -</u>	<u>\$ 1,659,449</u>

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and the size of the transfer relative to total investments. There were no transfers in or out of Level 3 for the years ended December 31, 2020 and 2019.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 7 - Construction in Progress, Building, Leasehold Improvements, and Equipment

A summary of construction in progress, building, leasehold improvements, and equipment is as follows at December 31:

	<u>2020</u>	<u>2019</u>
Construction in progress*	\$ 97,044	\$ -
Building and leasehold improvements	4,089,476	4,053,180
Equipment	399,030	399,030
	<u>4,585,550</u>	<u>4,452,210</u>
Accumulated depreciation	<u>(695,724)</u>	<u>(563,534)</u>
	<u>\$ 3,889,826</u>	<u>\$ 3,888,676</u>

* Not a depreciable asset

Note 8 - Refundable Advances

The amounts received in advance comprise of grant money left unexpended as of December 31, 2020 and 2019. This unexpended portion was used subsequent to year end.

Note 9 - Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Note payable, interest only payments at 4.75% through August 22, 2026, with the balance due in full. The note is secured by real estate	\$ 168,944	\$ 169,403
Note payable, monthly payments of \$1,266, including interest at 1.75%, maturing in 2024, secured by real estate	46,758	62,169
Paycheck Protection Program (the PPP) Loan; see Note 10	<u>140,902</u>	<u>-</u>
	<u>356,604</u>	<u>231,572</u>
Debt issuance costs	(17,686)	(17,686)
Current portion	<u>(155,368)</u>	<u>(14,215)</u>
	<u>\$ 183,550</u>	<u>\$ 199,671</u>

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 9 - Long-Term Debt (continued)

Aggregate maturities required on long-term debt at December 31, 2020 are due as follows:

	Principal	Debt Issuance Cost	Net
2021	\$ 155,368	\$ 2,527	\$ 152,841
2022	14,721	2,527	12,194
2023	14,980	2,527	12,453
2024	2,591	10,105	(7,514)
2025	-	-	-
Thereafter	168,944	-	168,944
	\$ 356,604	\$ 17,686	\$ 338,918

Note 10 - Paycheck Protection Program Loan

The Coronavirus Aid, Relief, and Economic Security (CARES) Act created the PPP to provide certain small businesses with liquidity to support their operations during the COVID-19 pandemic. The PPP is a loan program designed to provide a direct incentive for small businesses to keep their employees on payroll.

The loan has a 1% fixed interest rate and is due in two years. However, the loan is eligible for forgiveness (in full or in part, including any accrued interest) under certain conditions and is subject to audit by the U.S. Government. The loan will be forgiven if the loan proceeds were used for eligible purposes, including payroll, benefits, rent, and utilities, and the Organization maintained its payroll levels for 24 weeks.

In April 2020, the Organization received loan proceeds in the amount of \$140,902 under the PPP. The Organization accounted for the PPP loan as a financial liability in accordance with ASC 470, *Debt*, after considering the following aspects: (1) the legal form of a PPP loan is debt, regardless of whether the Organization expects the loan to be forgiven, and (2) given the degree of uncertainty and complexity surrounding the PPP loan forgiveness process, this may impact the Organization's initial assessment.

Under ASC 470, the Organization recognizes a liability for the full amount of PPP proceeds received. No interest was imputed at a market rate because the guidance on imputing interest in ASC 835-30 excludes transactions where interest rates are prescribed by a government agency. If any amount is ultimately forgiven (i.e. the Organization is legally released from being the loan's primary obligor in accordance with ASC 405-20), income from the extinguishment of the liability would be recognized in the consolidated statement of activities as a gain on loan extinguishment. The Organization used the proceeds for purposes consistent with the PPP. Subsequently to December 31, 2020, the Organization obtained forgiveness of the PPP loan in whole (see Note 19). In considering the forgiveness of the loan, the Organization determined that the loan would be presented as current on the consolidated statement of financial position.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose or period		
Land conservation programs	\$ 1,553,103	\$ 1,146,389
Watershed restoration and protection programs	52,366	40,919
Urban revitalization	131,473	121,351
Environmental and conservation education	118,069	114,155
Capital campaign, The Nature Place at Angelica Park	<u>92,473</u>	<u>241,050</u>
	<u>1,947,484</u>	<u>1,663,864</u>
Restricted in perpetuity		
Land and easements	21,909,922	21,342,976
Endowment funds held for environmental/conservation education	<u>1,230,000</u>	<u>280,000</u>
	<u>23,139,922</u>	<u>21,622,976</u>
	<u>\$ 25,087,406</u>	<u>\$ 23,286,840</u>

Net assets with donor restrictions released from purpose restrictions were \$615,305 and \$998,667 for the years ended December 31, 2020 and 2019, respectively.

Note 12 - Net Assets in Endowment Funds

The Organization's endowment consists of funds designated by the Board of Directors and by donors to be held in perpetuity, the income from which is expendable to support the Organization's services. As required by generally accepted accounting principles, net assets associated with the endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 12 - Net Assets in Endowment Funds (continued)

In accordance with donor direction and the provisions of applicable the Pennsylvania statute, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those net assets are time restricted until the Board appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board has interpreted the Pennsylvania statute as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted the Pennsylvania statute to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- A. The duration and preservation of the fund.
- B. The purposes of the Organization and the donor-restricted endowment fund.
- C. General economic conditions.
- D. The possible effect of inflation and deflation.
- E. The expected total return from income and the appreciation of investments.
- F. Other resources of the Organization.
- G. The investment policies of the Organization.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 12 - Net Assets in Endowment Funds (continued)

Changes in endowment net assets composition are as follows as of December 31:

2020	Without Restriction, Board Designated	Restricted for Specified Purpose	Restricted in Perpetuity	Total
Endowment net assets at beginning of year	<u>\$ 307,818</u>	<u>\$ 1,122,557</u>	<u>\$ 280,000</u>	<u>\$ 1,710,375</u>
Investment income				
Investment income, net of fees	2,724	19,854	-	22,578
Net appreciation (realized and unrealized)	<u>38,121</u>	<u>386,309</u>	<u>-</u>	<u>424,430</u>
Total investment gain	<u>40,845</u>	<u>406,163</u>	<u>-</u>	<u>447,008</u>
Contributions	<u>15,169</u>	<u>45,000</u>	<u>950,000</u>	<u>1,010,169</u>
Appropriations of endowment, net assets for expenditures	<u>(10,792)</u>	<u>(65,693)</u>	<u>-</u>	<u>(76,485)</u>
Endowment net assets at end of year	<u>\$ 353,040</u>	<u>\$ 1,508,027</u>	<u>\$ 1,230,000</u>	<u>\$ 3,091,067</u>
2019				
Endowment net assets at beginning of year	<u>\$ 249,900</u>	<u>\$ 847,011</u>	<u>\$ 280,000</u>	<u>\$ 1,376,911</u>
Investment income				
Investment income, net of fees	3,975	17,507	-	21,482
Net depreciation (realized and unrealized)	<u>47,286</u>	<u>201,982</u>	<u>-</u>	<u>249,268</u>
Total investment gain	<u>51,261</u>	<u>219,489</u>	<u>-</u>	<u>270,750</u>
Contributions	<u>17,144</u>	<u>98,123</u>	<u>-</u>	<u>115,267</u>
Appropriations of endowment, net assets for expenditures	<u>(10,487)</u>	<u>(42,066)</u>	<u>-</u>	<u>(52,553)</u>
Endowment net assets at end of year	<u>\$ 307,818</u>	<u>\$ 1,122,557</u>	<u>\$ 280,000</u>	<u>\$ 1,710,375</u>

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 12 - Net Assets in Endowment Funds (continued)

Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable law requires the Organization to retain as a fund of perpetual duration. As of December 31, 2020 and 2019, no deficiencies of this nature exist.

Note 13 - Tax Deferred Annuity Plan

The Organization has a tax deferred annuity plan for employees under Section 403(b) of the IRC. The Organization makes no contributions to the plan.

Note 14 - Commitments and Contingencies

Commitments

Leases

The Organization has entered into two operating leases for office equipment expiring October 2021 and January 2024. The minimum future rental payments required under the operating leases are as follows:

2021	\$	2,499
2022		1,830
2023		1,830
2024		151
		<hr/>
	\$	6,310
		<hr/>

Total rent expense under these leases amounted to \$3,949 and \$5,953 for the years ended December 31, 2020 and 2019, respectively.

Contingencies

Concentrations of Credit Risk

Cash and Cash Equivalents

The Organization has bank deposit accounts which may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

The Organization has investments of \$3,091,067 and \$1,710,375 at December 31, 2020 and 2019, respectively, which are subject to credit risk. The degree of concentration of risk varies by type of investment; however, the Organization does not anticipate any accounting loss. The major classes of investments are summarized in Note 5.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 14 - Commitments and Contingencies (continued)

Contingencies (continued)

Concentrations of Credit Risk (continued)

Contributions Receivable

The Organization has contributions receivable of \$170,833 and \$217,133 at December 31, 2020 and 2019, respectively, from individuals and businesses located primarily in Berks County, Pennsylvania. The Organization has credit risk due to the geographic concentration of its donors; however, the Organization does not anticipate any accounting loss.

Note 15 - Related Party Transactions

Transactions with Board of Directors

The Organization has had and may be expected to have in the future transactions in the ordinary course of business with directors and organizations with which they are associated on substantially the same terms as those prevailing at the time for comparable transactions with others. The aggregate amounts of these transactions are not significant to the consolidated financial statements.

Note 16 - Supporting Organization and Disregarded Entity

During the year ended December 31, 2002, Berks County Conservancy Properties, Inc. (Properties, Inc.) was formed to encourage and motivate the making of gifts and donations by deed, will, or otherwise, for the benefit of Berks Nature. Properties, Inc. is a Pennsylvania nonprofit corporation with 501(c)(3) status for federal income tax purposes. Properties, Inc. and Berks Nature are under common control and Properties, Inc. is considered a Type I supporting organization of Berks Nature under IRC Section 509(a)(3).

In 2019, Berks Nature created a new entity, Berks Nature Educational Programs LLC (BNEP LLC). The purpose of BNEP LLC is to operate a nature preschool and a seasonal nature day camp. BNEP LLC is a single member LLC of which Berks Nature is the sole member and; therefore, is viewed as a disregarded entity for federal tax purposes. BNEP LLC is operated exclusively as a charitable business set forth in article 501(c)(3) of the IRC of 1986 and is managed by a Board of Managers appointed by Berks Nature.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 16 - Supporting Organization and Disregarded Entity (continued)

The components of Berks Nature, its disregarded entity, and its supporting organization are as follows:

	<u>2020</u>	<u>2019</u>
Net Assets		
Without donor restrictions		
Berks Nature	\$ 4,764,530	\$ 4,706,356
Berks Nature Educational Programs, LLC	820	(30,074)
Berks County Conservancy Properties, Inc.	<u>588,210</u>	<u>588,210</u>
	<u>5,353,560</u>	<u>5,264,492</u>
With donor restrictions		
Berks Nature	25,072,858	23,272,292
Berks County Conservancy Properties, Inc.	<u>14,548</u>	<u>14,548</u>
	<u>25,087,406</u>	<u>23,286,840</u>
	<u>\$ 30,440,966</u>	<u>\$ 28,551,332</u>

Note 17 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economy, financial markets, and the geographical area in which the Organization operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Organization.

Additionally, it is reasonably possible that estimates made in the consolidated financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 18 - Reclassification of 2019 Consolidated Financial Statements

Certain items of the 2019 consolidated financial statements have been reclassified to conform to the 2020 consolidated financial statement presentation. These reclassifications had no impact on net income as previously reported.

Berks Nature and Supporting Organization and Disregarded Entity

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

Note 19 - Subsequent Events

The Organization has evaluated subsequent events through July 27, 2021. This date is the date the consolidated financial statements were available to be issued. The following event subsequent to December 31, 2020 was noted:

In March 2021, the Organization received correspondence from the lender of the PPP that the Organization's loan amount had been forgiven.

In June of 2021, the Organization was notified of two gifts made by an anonymous donor. The first was a gift of \$3.5 million directly to the Organization, restricted specifically for the construction of an addition to the Organization's building located in Angelica Park. The second was a gift to Berks County Community Foundation to establish "The Berks Nature Endowment Fund" at the Community Foundation. The purpose of that fund, which is to be held in perpetuity, is to provide annual operating support to the Organization. The initial contribution to that fund was \$25 million.

No other material events subsequent to December 31, 2020 were noted.