Contributions
All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as restricted support. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Cash and Cash Equivalents
For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited by restriction. As of December 31, 2018 and 2017 the Organization had cash equivalents of $189,737 and $1,036, respectively.

Property and Depreciation
Property and equipment are recorded at cost or, if contributed, at estimated fair value at the date of contribution, with the exception of conservation easements discussed elsewhere in Note 2. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Equipment</td>
<td>3 – 7 years</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>5 – 10 years</td>
</tr>
</tbody>
</table>

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized.Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Depreciation expense totaled $2,566 and $2,322 for the years ended December 31, 2018 and 2017, respectively.

Advertising
The Organization expenses advertising costs as incurred.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a summary of the program services:

Land Protection: This program includes the permanent protection of new property and associated natural resources through the donation or purchase of conservation easements and land, as well as stewardship and management of those lands and easements once acquired. These activities are conducted by staff, volunteers and contracted professionals and include the evaluation, negotiation and completion of new land acquisition projects; and conducting natural resource inventories, boundary maintenance, habitat management, and easement monitoring site visits on lands and easements already acquired.

Outreach: This program is focused on educating members of the Upper Saco Valley Land Trust, the general public, and community
leaders on land conservation options and natural resources through field trips, seminars, presentations and special events.

**Conservation Easements**

In conformity with the practice followed by many land trusts, conservation easements purchased or donated are recorded as assets on the statement of financial position at the nominal value of $1. All easements acquired by purchase are recorded as conservation activities expenses in the statement of activities and changes in net assets. In addition, costs incurred in obtaining the easements are recorded as current period expenses.

**Income Taxes**

The Organization is exempt from federal 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.

Management has evaluated the Organization’s tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2015.

**Donations of Long-Lived Assets**

The Organization records donations of services and materials which increase long-lived assets at their fair values and recognizes these revenues as increases in unrestricted net assets.

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The 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. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**NOTE 3**

**AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets as of December 31, 2018 and 2017:

Financial assets at year-end:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$645,456</td>
<td>$470,562</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>-</td>
<td>402,500</td>
</tr>
<tr>
<td>Beneficial interest</td>
<td>189,165</td>
<td>197,536</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>$834,621</strong></td>
<td><strong>$1,070,598</strong></td>
</tr>
</tbody>
</table>

Less amounts not available to be used within one year:
Net assets with donor restrictions $ 2,050,095 $ 1,874,383
Less net assets with purpose and time restrictions to be met in less than a year (168,936) (45,377)
Less restricted conservation easements (51) (50)
Less restricted land conservation (1,628,286) (1,135,812)
Beneficial interest 189,165 197,536

Amounts not available within one year 441,987 890,680

Financial assets available to meet general expenditures over the next twelve months $ 392,634 $ 179,918

NOTE 4  UNCONDITIONAL PROMISES TO GIVE
Unconditional promises to give represent promises to give, which have been made by donors but have not yet been received by the Organization. Pledges, which will not be received in the subsequent year, have been discounted using an estimated rate of return, which could be earned if such contributions had been made in the current year. The Organization considers unconditional promises to give fully collectible; accordingly, no allowance for uncollectible promises to give have been recorded. Promises to give that are due in more than one year are discounted at 3%. The Organization expects to collect all promises to give within one year and therefore has provided for no discount for each of the years ended December 31, 2018 and 2017.

The Organization believes all contributions to be collectable, and therefore, has recorded no allowance for uncollectable amounts as of December 31, 2018 and 2017.

NOTE 5  CONCENTRATION OF CREDIT RISK
The Organization maintains cash balances that, at times, may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 for the years ended December 31, 2018 and 2017. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts. At December 31, 2018 and 2017, cash balances in excess of FDIC coverage aggregated $205,719 and $219,776, respectively.

NOTE 6  BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (MAINE COMMUNITY FOUNDATION)
The Organization transfers certain gifts and grants to the Maine Community Foundation (MCF) in an irrevocable designated fund of MCF, the income of which will be provided to the Organization to use in programs and operations.

MCF maintains investments in a pooled investment account and, using a unitary allocation system, allocates a distribution of income to the Organization each calendar year based on a percentage of the average balance of the fund principle over a specified period. Activity in the account was as follows for the years ended December 31, 2018 and 2017:
Balance at January 1  
2018  197,536  2017  176,703  
Contribution  4,610  3,890  
Distribution (6,820) (6,460)  
Fees (2,885) (2,639)  
Net investment gain (loss) (3,276) 26,042  
Balance at December 31  189,165  197,536  

NOTE 7  CONTINGENCIES
The Organization holds 51 conservation easements covering 7,858 acres of land. There may be future costs associated with maintaining these properties in accordance with the conservation commitment the easements and properties were acquired to uphold. Because there is no reasonable basis for estimating the potential future cost of defending these easements and properties no liability has been recognized in these financial reports.

NOTE 8  SPECIAL PROJECTS, EASEMENT ACQUISITIONS
Special project expenses consisted of the following during the year ended December 31, 2018:

Easements Acquired by donation:  
Easement, Proctor, 12 acres $ 1  
Total easements acquired by donation $ 1  

Other Project expenses:  
Easement, Bald Hill Road, 91 acres $ 24,729  
Other expenses related to current year projects: 2,084  
Total special project expense $ 26,813  

Special project expenses consisted of the following during the year ended December 31, 2017:

Easements Acquired by donation:  
Easement, Hatches Orchards, 50 acres $ 1  
Easement, Dannies III, 77 acres $ 1  
Total easements acquired by donation $ 2  

Other Project expenses:  
Easement, Bald Hill Road, 91 acres $ 274,999  
Other expenses related to current year projects: 85,050  
Expenses related to future year projects: 44,301  
Total special project expense $ 404,350
NOTE 9  NON-CASH CONTRIBUTIONS, LAND AND EASEMENTS
During the years ended December 31, 2018 and 2017, the Organization received the following non-cash contributions:

Noncash contributions 2018:
   Easement, Proctor, 12 acres  $ 1

Total noncash contributions  $ 1

Noncash contributions 2017:
   Easement, Hatches Orchard, 50 acres  $ 1
   Easement, Dannies III, 77 acres

Total noncash contributions  $ 2

NOTE 10  LEASE COMMITMENT
The Organization was a tenant under a two year lease from April 2015 to April 2017. In April 2017 the Organization signed a new one year lease expiring April 2018. In 2018 there was no lease renewal and tenant is at will. The lease includes an escalation clause matched to the consumer price index. Monthly rent payments were $539 for the years ended December 31, 2018 and 2017, respectively. The annual rent expense for 2018 and 2017 was $6,464 and $6,424, respectively.

NOTE 11  LINE OF CREDIT
The Organization maintains a $100,000 line of credit with an area bank. The interest rate is variable with a 2.0% margin over the Index, which is the Prime rate as published in the Wall Street Journal. The interest rate as of December 31, 2018 and 2017 was 7.50% and 6.5%, respectively. Interest payments are required monthly. The line of credit expired on August 21, 2017 and was renewed through September 2022. The Organization did not draw on the line of credit and there were no outstanding balances as of December 31, 2018 and 2017.

NOTE 12  BOARD DESIGNATED FUNDS
Certain unrestricted funds have been set aside by the board of directors for particular purposes based on a formula that accounts for expected staff time and probability of legal action, which is determined by the complexity of the document and other factors. As of December 31, 2018 and 2017 the board designated funds consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal reserve</td>
<td>$94,960</td>
<td>$98,982</td>
</tr>
<tr>
<td>Operating reserve</td>
<td>90,149</td>
<td>79,657</td>
</tr>
<tr>
<td>Fee owned stewardship</td>
<td>99,939</td>
<td>29,507</td>
</tr>
<tr>
<td>Thorne Memorial</td>
<td>5,121</td>
<td>5,111</td>
</tr>
<tr>
<td>Total board designated funds</td>
<td>$290,169</td>
<td>$213,257</td>
</tr>
</tbody>
</table>

11
NOTE 13  NET ASSETS
Net assets with donor restrictions were as follows for the years ended December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Purpose Restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easement support</td>
<td>$137,236</td>
<td>$494,660</td>
</tr>
<tr>
<td>Summer intern</td>
<td>-</td>
<td>2,026</td>
</tr>
<tr>
<td>Land action</td>
<td>27,631</td>
<td>27,579</td>
</tr>
<tr>
<td>General and other</td>
<td>11,726</td>
<td>15,110</td>
</tr>
<tr>
<td>MCF Fund</td>
<td>189,165</td>
<td>199,146</td>
</tr>
<tr>
<td>Restricted in Perpetuity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land conservation</td>
<td>1,684,286</td>
<td>1,135,812</td>
</tr>
<tr>
<td>Easement conservation</td>
<td>51</td>
<td>50</td>
</tr>
<tr>
<td>Total net assets with donor restrictions</td>
<td>$2,050,095</td>
<td>$1,874,383</td>
</tr>
</tbody>
</table>

Net assets without donor restrictions for the years ended December 31, 2018 and 2017 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undesignated</td>
<td>$113,974</td>
<td>$110,214</td>
</tr>
<tr>
<td>Board designated</td>
<td>290,169</td>
<td>213,257</td>
</tr>
<tr>
<td>Total net assets without donor restrictions</td>
<td>$404,143</td>
<td>$323,471</td>
</tr>
</tbody>
</table>

NOTE 14  RECLASSIFICATIONS
Certain reclassifications have been made to the prior year’s financial statements to conform to the current year presentation. These reclassifications had no effect on the previously reported changes in net income, or net assets.

NOTE 15  SUBSEQUENT EVENTS
Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through August 14, 2019, the date the December 31, 2018 financial statements were available for issuance.