



**THE SAND COUNTY  
FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

December 31, 2021 and 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Sand County Foundation, Inc.  
Madison, Wisconsin

### ***Opinion***

We have audited the financial statements of The Sand County Foundation, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Sand County Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Sand County Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Sand County Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Sand County Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
April 14, 2022

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 1,994,101	\$ 416,257
Unconditional promises to give, net	844,594	488,958
Accounts receivable	21,529	97,598
Prepaid expenses	<u>35,848</u>	<u>33,812</u>
Total current assets	2,896,072	1,036,625
OTHER ASSETS		
Furniture and equipment, net	3,143	4,858
Long-term unconditional promises to give, net	-	131,401
Investments	<u>12,583,491</u>	<u>11,090,172</u>
Total other assets	<u>12,586,634</u>	<u>11,226,431</u>
<b>Total assets</b>	<b><u>\$ 15,482,706</u></b>	<b><u>\$ 12,263,056</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 52,270	\$ 63,207
Grants payable	100,000	30,000
Accrued vacation and wages	<u>200,131</u>	<u>139,708</u>
Total liabilities	352,401	232,915
NET ASSETS		
Without donor restrictions	8,745,653	7,900,325
With donor restrictions	<u>6,384,652</u>	<u>4,129,816</u>
Total net assets	<u>15,130,305</u>	<u>12,030,141</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 15,482,706</u></b>	<b><u>\$ 12,263,056</u></b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2021 and 2020

	2021	2020
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
REVENUES		
Contributions		
Contributions	\$ 1,764,083	\$ 1,135,059
Government grants	540,150	125,531
Inkind donations	76,402	64,500
Paycheck Protection Program loan forgiven	-	288,785
Contracts and other revenue		
Program service fees	355,297	400,687
Investment return, net	740,826	1,535,896
Other	6,363	11,848
Total revenues without donor restrictions	3,483,121	3,562,306
EXPENSES		
Program services		
Leopold Conservation Award®	918,169	753,760
Agricultural Conservation	1,154,462	969,701
Conservation Policy and Influence	1,284,826	685,248
Total program services	3,357,457	2,408,709
Supporting activities		
Management and General	331,166	425,625
Fundraising	86,101	182,419
Total expenses	3,774,724	3,016,753
Net assets released from restrictions		
Satisfaction of program and time restrictions	1,136,931	955,184
Change in net assets without donor restrictions	845,328	1,500,737
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	3,197,010	1,164,061
Investment return, net	194,757	220,274
Net assets released from restrictions	(1,136,931)	(955,184)
Change in net assets with donor restrictions	2,254,836	429,151
<b>Change in net assets</b>	3,100,164	1,929,888
Net assets at beginning of year	12,030,141	10,100,253
<b>Net assets at end of year</b>	<b>\$ 15,130,305</b>	<b>\$ 12,030,141</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2021 and 2020

	2021					
	Program Services			Supporting Activities		Total Expenses
	Leopold Conservation Award®	Agricultural Conservation	Conservation Policy and Influence	Management and General	Fundraising	
Personnel	\$ 442,616	\$ 802,394	\$ 867,954	\$ 184,906	\$ 78,877	\$ 2,376,747
Professional and contract services	146,695	154,084	305,158	80,330	1,340	687,607
Travel and vehicle expense	34,226	24,831	6,931	5,320	-	71,308
Operations	31,987	48,404	29,899	6,059	3,362	119,711
Conference, training and meetings	65,767	20,524	870	5,323	-	92,484
Grants to others	182,722	77,423	16,000	-	-	276,145
Occupancy	8,133	15,883	46,203	3,397	1,449	75,065
Other	6,023	10,919	11,811	45,831	1,073	75,657
<b>Total expenses</b>	<b>\$ 918,169</b>	<b>\$ 1,154,462</b>	<b>\$ 1,284,826</b>	<b>\$ 331,166</b>	<b>\$ 86,101</b>	<b>\$ 3,774,724</b>
	2020					
	Program Services			Supporting Activities		Total Expenses
	Leopold Conservation Award®	Agricultural Conservation	Conservation Policy and Influence	Management and General	Fundraising	
Personnel	\$ 376,616	\$ 748,059	\$ 544,113	\$ 292,385	\$ 147,750	\$ 2,108,923
Professional and contract services	128,493	101,897	100,712	72,187	16,000	419,289
Travel and vehicle expense	7,857	22,547	6,665	1,529	620	39,218
Operations	23,352	27,244	12,456	7,031	9,876	79,959
Conference, training and meetings	12,348	473	469	-	-	13,290
Grants to others	163,713	39,382	-	-	-	203,095
Occupancy	33,067	24,052	16,648	5,627	6,531	85,925
Other	8,314	6,047	4,186	46,866	1,642	67,055
<b>Total expenses</b>	<b>\$ 753,760</b>	<b>\$ 969,701</b>	<b>\$ 685,248</b>	<b>\$ 425,625</b>	<b>\$ 182,419</b>	<b>\$ 3,016,753</b>

See accompanying notes.

**THE SAND COUNTY FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,100,164	\$ 1,929,888
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,715	1,715
Amortization of discount on unconditional promises to give	4,599	(1,102)
Net realized and unrealized (gains) losses on investments	(779,435)	(1,666,329)
Paycheck Protection Program loan forgiven	-	(288,785)
Contributions restricted for long-term purposes	(500,000)	-
(Increase) decreases in assets		
Unconditional promises to give	(228,834)	(13,679)
Accounts receivable	76,069	(6,329)
Prepaid expenses	(2,036)	(14,199)
Increase (decrease) in liabilities		
Accounts payable	(10,937)	24,791
Grants payable	70,000	(10,000)
Accrued vacation and wages	60,423	63,391
Net cash flows from operating activities	1,791,728	19,362
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(932,825)	(358,349)
Proceeds from sales of investments	369,141	445,315
Investment income retained in investments	(150,200)	(84,984)
Net cash flows from investing activities	(713,884)	1,982
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in permanent endowments	500,000	-
Proceeds from line of credit	200,000	200,000
Payments on line of credit	(200,000)	(200,000)
Proceeds from Paycheck Protection Program loan	-	288,785
Net cash flows from financing activities	500,000	288,785
<b>Net change in cash</b>	1,577,844	310,129
Cash at beginning of year	416,257	106,128
<b>Cash at end of year</b>	<u>\$ 1,994,101</u>	<u>\$ 416,257</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 2,056	\$ 4,382

See accompanying notes.



**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Sand County Foundation, Inc. (Foundation) is a 501(c)(3) non-profit organization dedicated to working with private landholders across North America on voluntary land management practices that benefit their business and the environment. The Foundation's mission is to inspire and enable a growing number of private landowners to ethically manage natural resources in their care so that future generations have clean and abundant water, healthy soil to support agriculture and forestry, plentiful habitat for wildlife and opportunities for outdoor recreation.

**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.

**Accounts Receivable**

Accounts receivable consist of fees for services provided to various organizations. Accounts receivable are reported at the amount management expects to collect from outstanding balances of customers. As of December 31, 2021 and 2020, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Furniture and Equipment**

The Foundation capitalizes all expenditures for furniture and equipment in excess of \$5,000 while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

**Investments**

The Foundation reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

The Foundation reports its minority investment in a limited partnership without a readily determinable fair value at its estimated fair value in accordance with ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* which disallows using the cost method for this investment. Estimated fair value is measured by the cost of the Foundation's ownership interest in partners' capital to which a proportionate share of net assets is attributed. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Government Grants**

The Foundation receives grants from government agencies and others that are conditioned upon the Foundation incurring qualifying expenses. Revenue from these grants is generally recognized on a reimbursement basis, that is, when qualifying expenses are incurred by the Foundation, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without grantor restrictions.

**Program Service Fees**

Program services revenues include consulting, reporting, and training fees all related to the Foundation's program activities. These services are generally considered to be a single performance obligation that is satisfied at a point in time and revenue is recognized when the services have been provided. It is the policy of the Foundation to not refund these fees.

Accounts receivable from program service contracts were as follows:

	<u>2021</u>	<u>2020</u>
Beginning of year	\$ 97,558	\$ 91,269
End of year	21,500	97,558

**Donated Services**

Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

**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 revenue and expenses. Actual results could differ from those estimates.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, travel and vehicle expense, operations, occupancy, and other expenses, which are allocated on the basis of estimates of time and effort. The following program services and supporting activities are included in the accompanying financial statements:

*Leopold Conservation Award*®—The Leopold Conservation Award ® recognizes farmers, ranchers, and foresters for achievements in conservation on working land. With prominent partners in many states across the U.S., the Foundation presents the annual awards in settings that showcase the landowners' conservation success among their peers.

*Agricultural Conservation*—The Foundation's agricultural conservation program demonstrates land management practices that protect soil and water, utilize them more efficiently, and maximize the environmental benefits and productive capacity of agricultural systems. We strive to ensure that conservation measures enhance the long-term profitability and resilience of farms and ranches.

*Conservation Policy and Influence*—Through its conservation policy initiative, the Foundation uses some of the same principles from its body of work to build and support ecosystem-scale species conservation models, greater access to safe drinking water supplies, and better use of data technology to achieve ecosystem restoration.

*Management and general*—Management and general activities relate to the overall direction of the Foundation and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of the Foundation, and perform other administrative functions.

*Fundraising*—Fundraising activities relate to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to the Foundation.

**Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through April 14, 2022, the date which the financial statements were available to be issued.

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

NOTE 2—CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash balances in one financial institution located in Madison, Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021 and 2020, the Foundation's uninsured cash balances totaled approximately \$1,695,000 and \$165,000.

NOTE 3—PROMISES TO GIVE

Unconditional promises to give are as follows:

	2021	2020
Receivable in less than one year	\$ 844,594	\$ 488,958
Receivable in one to five years	-	136,000
Total unconditional promises to give	844,594	624,958
Less discounts to net present value	-	(4,599)
Unconditional promises to give, net	\$ 844,594	\$ 620,359

Promises to give receivable in more than one year were discounted at 3.5% for 2020.

The Foundation has several grants that are conditioned upon the Foundation incurring qualifying expenses under the grant programs. At December 31, 2021, these conditional grants total approximately \$1,675,000. Conditional support from these government sources support reimbursement for expenses related to the Agricultural Conservation program activities. These conditional grants will be recognized as revenue when the respective conditions are met in future years.

NOTE 4—INVESTMENTS

Investments are comprised of the following:

	2021	2020
Cash	\$ 268,221	\$ 245,834
Exchange traded funds	1,627,604	1,182,830
Mutual funds	6,328,967	5,169,180
Investment in limited partnership	4,288,699	4,422,328
C&H Investment Co., Inc. preferred stock	70,000	70,000
Investments	\$ 12,583,491	\$ 11,090,172

Fair values of exchange traded funds and mutual funds are based on quoted net asset values of the shares as reported by the fund. The exchange traded funds and mutual funds held by the Foundation are open-end exchange traded funds and mutual funds registered with the U.S. Securities and

**THE SAND COUNTY FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

NOTE 4—INVESTMENTS (continued)

Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Foundation are considered to be actively traded. The fair value of the investment in Acacia limited partnership is determined by the cost basis of the investment adjusted for the Foundation's ownership interest in partners' capital to which a proportionate share of net assets is attributed. The fair value of the C&H Investment Co., Inc. preferred stock is determined by calculating the present value of expected future cash flows.

The estimated fair value of investments in the limited partnership and preferred stock does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Investment return is summarized as follows:

	2021	2020
Interest and dividends	\$ 199,225	\$ 126,250
Investment fees	(43,077)	(36,409)
Realized and unrealized gains	779,435	1,666,329
Investment return, net	\$ 935,583	\$ 1,756,170

NOTE 5—FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following:

	2021	2020
Furniture and equipment	\$ 60,569	\$ 105,007
Less accumulated depreciation	57,426	100,149
Furniture and equipment, net	\$ 3,143	\$ 4,858

Depreciation expense for the years ended December 31, 2021 and 2020 was \$1,715 and \$1,715, respectively.

NOTE 6—LINE OF CREDIT

The Foundation had a variable interest margin line of credit with an investment manager. The line of credit had a borrowing limit of \$500,000 and matured on December 31, 2020. Advances on the line of credit carry an interest rate equal to the LIBOR rate plus 2%. The line of credit was secured by the Foundation's investment balances held by the investment manager. The Foundation secured a \$200,000 line of credit with a variable interest rate maturing on February 25, 2023. The interest rate is based on highest prime rate published in the Wall Street Journal's "Money Rates" table. The line of credit is secured by the same investment balances of the prior line of credit. Interest expense for the year ended December 31, 2021 and 2020 was \$2,056 and \$4,382.

**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

**NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN**

On April 21, 2020, the Foundation received a \$288,785 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA).

On November 2, 2020, the SBA preliminarily approved forgiveness of the loan. The Foundation must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review The Foundation's good-faith certification concerning the necessity of its loan request, whether the Foundation calculated the loan amount correctly, whether the Foundation used loan proceeds for the allowable uses specified in the CARES Act, and whether the Foundation is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Foundation was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 8—NET ASSETS**

The Foundation's board of directors has designated net assets without donor restrictions for the following purposes:

	2021	2020
Designated for Good Oak Endowment Fund	\$ 7,704,208	\$ 7,281,505
Coleman Family Fund	629,977	498,020
Haglund Ecology Fund	392,669	120,800
Undesignated	18,799	-
Net asset without donor restrictions	<b>\$ 8,745,653</b>	<b>\$ 7,900,325</b>

Net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020
Endowment for EarthWork	\$ 3,358,153	\$ 2,800,827
Conservation Policy and Influence	2,466,288	793,368
Agricultural Conservation	430,364	196,621
Leopold Conservation Award®	126,847	215,000
LCA Symposium	-	50,000
Subsequent years' activities	3,000	74,000
Net assets with donor restrictions	<b>\$ 6,384,652</b>	<b>\$ 4,129,816</b>

**NOTE 9—DONATED SERVICES**

For the years ended December 31, 2021 and 2020 the fair value of donated video production services of \$76,400 and \$64,700, respectively, were used in the Leopold Conservation Award program.

**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10—LEASES**

The Foundation leased office space in Madison, Wisconsin under an operating lease that was terminated in January 2022. The Foundation paid rent of \$4,613 per month. In March 2022, the Foundation agreed to a new lease for office space in Madison, Wisconsin with monthly payments of \$4,950 that begin three months after completion of a built-out office suite and which increase 2.5% annually. The lease has a 10-year term, with options to terminate the lease, with penalty, in years eight, nine, and ten.

Rent expense for the years ended December 31, 2021 and 2020 totaled \$75,066 and \$85,925, respectively, and is included in occupancy costs in the statements of functional expenses.

**NOTE 11—LIQUIDITY AND AVAILABILITY**

The following reflects the Foundation's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditures within one year because of donor-imposed restrictions or internal board designations:

	2021	2020
Cash	\$ 1,994,101	416,257
Unconditional promises to give, net	844,594	620,359
Accounts receivable	21,529	97,598
Investments	12,583,491	11,090,172
Financial assets, at year-end	15,443,715	12,224,386
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose restrictions	(6,381,652)	(4,090,816)
Board designations:		
Designated for the Good Oak Endowment Fund	(7,704,208)	(7,281,505)
Designated for the Coleman Family Fund	(629,977)	(498,020)
Designated for the Haglund Ecology Fund	(392,669)	(120,800)
Financial assets available to meet cash needs for general expenditures within one year	\$ 335,209	\$ 233,245

The Foundation's board can authorize additional distributions from the remaining balance of the Good Oak Endowment Fund throughout the year. To help manage unanticipated liquidity needs. The Foundation has committed a line of credit in the amount of \$200,000, which it could draw upon. Any board-designated net assets can be made available to meet operating needs if necessary.

**THE SAND COUNTY FOUNDATION, INC.**  
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December 31, 2021 and 2020

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NOTE 12—RETIREMENT PLAN

The Foundation has a 401(K)-plan covering all employees who are at least eighteen years of age and have worked for The Foundation for one month. The Foundation contributes up to 4% of the participating employee's compensation. Employees are 100% vested in all contributions made on their behalf. Retirement expense for the years ended December 31, 2021 and 2020 was \$65,095 and \$58,217, respectively.

NOTE 13—ENDOWMENT

The Foundation's endowment consists of two funds. The endowments include both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with 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.

The Foundation is subject to Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors 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 of directors of the Foundation has interpreted UPMIFA 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 Foundation considers a fund to be underwater when 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 Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. The Foundation works with its investment committee and two independent advisors to achieve positive investment results. These individuals are charged with measurement of investment results and presentation to the Foundation's board of directors.

To satisfy its long-term rate of return objectives, the Foundation relies on its investment committee and independent advisors to implement strategies and evaluate investment performance against appropriate benchmarks where investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).



**THE SAND COUNTY FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021 and 2020

NOTE 13—ENDOWMENT (continued)

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 7,704,208	\$ -	\$ 7,704,208
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	2,500,000	2,500,000
Accumulated investment gains	-	858,153	858,153
<b>Total funds</b>	<b>\$ 7,704,208</b>	<b>\$ 3,358,153</b>	<b>\$ 11,062,361</b>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 7,281,505	\$ -	\$ 7,281,505
Donor-restricted endowment funds			
Original donor-restricted gift amount	-	2,000,000	2,000,000
Accumulated investment gains	-	800,827	800,827
<b>Total funds</b>	<b>\$ 7,281,505</b>	<b>\$ 2,800,827</b>	<b>\$ 10,082,332</b>
Changes in endowment net assets:			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - at December 30, 2019	6,083,516	2,712,831	9,236,167
Investment return, net	1,511,026	220,274	1,731,300
Appropriation for expenditure	(313,037)	(132,278)	(445,315)
Endowment net assets - at December 30, 2020	7,281,505	2,800,827	10,522,152
Additions	-	500,000	500,000
Investment return, net	644,850	194,757	839,607
Appropriation for expenditure	(222,147)	(137,431)	(359,578)
Endowment net assets - at December 30, 2021	<b>7,704,208</b>	<b>3,358,153</b>	<b>11,502,181</b>