Roundup River Ranch

Financial Report

October 31, 2020

Roundup River Ranch
(A Colorado Non-Profit Corporation)
October 31, 2020

Table of Contents

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Roundup River Ranch

We have audited the accompanying financial statements of Roundup River Ranch, which comprise the statement of financial position as of October 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 financial statements.

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

Paul J. Backes, CPA, CGMA
Michael N. Jenkins, CA, CPA, CGMA
Daniel R. Cudahy, CPA, CGMA

Avon: (970) 845-8800
Aspen: (970) 544-3996
Frisco: (970) 668-3481

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roundup River Ranch as of October 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Roundup River Ranch October 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 14, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
January 12, 2021

Roundup River Ranch
(A Colorado Non-Profit Corporation)
Statement of Financial Position
October 31, 2020
(With Comparative Totals for 2019)

	2020	2019
Assets:		
Current assets:		
Cash and cash equivalents	2,972,101	2,527,779
Investments	2,209,479	1,532,617
Current portion of pledges receivable (net of allowance for doubtful accounts of $87,500 (2019 - $87,500))	1,358,350	144,854
Prepaid expenses and other current assets	2,305	2,305
Total Current Assets	6,542,235	4,207,555
Non-current assets:		
Restricted cash and cash equivalents	1,575,500	75,500
Pledges receivable, net of current portion	5,713,105	471,499
Capital assets, net	15,363,528	16,018,659
Total Non-current Assets	22,652,133	16,565,658
Total Assets	29,194,368	20,773,213
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued liabilities	90,263	81,836
Accrued payroll and payroll taxes	175,838	131,554
Notes payable	1,205,191	932,335
Total Liabilities	1,471,292	1,145,725
Net Assets:		
Without donor restrictions	18,231,331	18,577,961
With donor restrictions	9,491,745	1,049,527
Total Net Assets	27,723,076	19,627,488
Total Liabilities and Net Assets	29,194,368	20,773,213

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

Roundup River Ranch
(A Colorado Non-Profit Corporation)
Statement of Activities
For the Year Ended October 31, 2020
(With Comparative Totals for 2019)

	2020			2019
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Revenues, gains, and support:				
Contributions	2,185,625	9,156,550	11,342,175	2,793,493
Special event contributions	1,243,715	-	1,243,715	1,550,398
Special events	71,486	-	71,486	96,249
In-kind donations	102,406	-	102,406	690,633
Interest and dividends	43,403	-	43,403	54,747
Unrealized gain (loss) on investments	(14,710)	(8,981)	(23,691)	92,969
Miscellaneous	2,272	-	2,272	7,949
Net assets released from restrictions:				
Satisfaction of program restrictions	421,165	(421,165)	-	-
Expiration of time restrictions	283,676	(283,676)	-	-
Appropriation from donor endowment and subsequent satisfaction of any donor restrictions	510	(510)	-	-
Total net assets released from restrictions	705,351	(705,351)	-	-
Total revenues and support	4,339,548	8,442,218	12,781,766	5,286,438
Expenses:				
Salaries and labor	2,260,153	-	2,260,153	2,223,545
Payroll taxes and benefits	543,724	-	543,724	543,539
Professional services and fees	297,994	-	297,994	379,799
General administrative expenses	58,296	-	58,296	74,655
Camp programs and transportation	95,310	-	95,310	176,024
Advertising and promotion	119,892	-	119,892	109,330
Insurance	95,046	-	95,046	152,180
Medical and activity supplies	1,131	-	1,131	4,071
Food and kitchen supplies	842	-	842	73,185
Repairs and maintenance	135,197	-	135,197	161,276
Utilities and telephone	114,373	-	114,373	141,256
In-kind	102,406	-	102,406	690,633
Events	89,510	-	89,510	277,616
Depreciation	719,992	-	719,992	718,213
Miscellaneous	52,312	-	52,312	54,809
Total Expenses	4,686,178	-	4,686,178	5,780,131
Change in Net Assets	(346,630)	8,442,218	8,095,588	(493,693)
Net Assets - Beginning of Year	18,577,961	1,049,527	19,627,488	20,121,181
Net Assets - End of Year	18,231,331	9,491,745	27,723,076	19,627,488

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

Roundup River Ranch
(A Colorado Non-Profit Corporation)
Statement of Functional Expenses
For the Year Ended October 31, 2020
(With Comparative Totals for 2019)

	2020				2019
		Supporting Services			
	Program Services	Management and General	Fundraising	Total	Total
Salaries and labor	1,495,322	222,679	542,152	2,260,153	2,223,545
Insurance	95,046	-	-	95,046	152,180
Utilities	63,159	14,000	-	77,159	95,656
Payroll taxes and benefits	359,115	53,331	131,278	543,724	543,539
Food and kitchen supplies	842	-	-	842	73,185
Medical and activity supplies	1,131	-	-	1,131	4,071
Medical services	1,718	-	-	1,718	1,331
Professional fees	41,819	26,476	105,147	173,442	241,549
Telephone	27,891	8,246	1,078	37,215	45,600
Advertising and promotion	30,335	2,008	93,205	125,548	109,330
Printing and postage	28,926	4,696	6,362	39,984	24,512
Travel and meetings	9,536	3,259	10,093	22,888	76,895
Office supplies	2,245	3,130	2,444	7,819	16,302
Depreciation	719,992	-	-	719,992	718,213
Grounds maintenance	152,646	-	-	152,646	207,280
Training and recruiting	21,199	1,073	2,813	25,085	34,437
Technology	37,573	4,553	15,387	57,513	52,369
Licenses and permits	6,881	-	-	6,881	12,949
Dues and subscriptions	7,532	2,005	512	10,049	9,631
Bank fees and interest	-	11,571	30,025	41,596	52,732
Uncollected pledges	-	-	14,015	14,015	-
Events	-	-	89,510	89,510	277,616
Other	4,811	-	-	4,811	11,734
Other program expenses	75,005	-	-	75,005	104,842
In-kind	12,718	71,463	18,225	102,406	690,633
Total Expenses	3,195,442	428,490	1,062,246	4,686,178	5,780,131
Percentages	68%	9%	23%	100%	
Percentages without in-kind	69%	8%	23%	100%	

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

Roundup River Ranch
(A Colorado Non-Profit Corporation)
Statement of Cash Flows
For the Year Ended October 31, 2020
(With Comparative Totals for 2019)

	2020	2019
Cash Flows from Operating Activities:		
Cash received from:		
Contributions	$ 4,630,788	$ 4,579,888
Special events	71,486	96,249
Interest	41,047	54,747
Miscellaneous	2,271	7,950
Cash paid for goods and services	(1,051,476)	(1,571,563)
Cash paid for personnel, taxes, and benefits	(2,759,592)	(2,758,229)
Net Cash Provided by Operating Activities	934,524	409,042
Cash Flows from Investing Activities:		
Purchase of fixed assets	(64,861)	(639,170)
Purchase of investments	(689,216)	(71,129)
Net Cash Provided by Investing Activities	(754,077)	(710,299)
Cash Flows from Financing Activities:		
Proceeds from debt issuance	458,562	-
Principal repayments	(185,706)	(322,130)
Contributions restricted for long-term investment	1,500,000	-
Net Cash Provided by Financing Activities	1,772,856	(322,130)
Net Change in Cash	1,953,303	(623,387)
Cash and Cash Equivalents - Beginning of Year	2,603,279	3,226,666
Cash and Cash Equivalents - End of Year	$ 4,556,582	$ 2,603,279
Reconciliation to Total Cash and Cash Equivalents		
Cash and cash equivalents	2,972,101	2,527,779
Restricted cash and cash equivalents	1,575,500	75,500
Cash and Cash Equivalents - End of Year	$ 4,547,601	$ 2,603,279
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in Net Assets	$ 8,095,588	$ (493,693)
Adjustments to increase (decrease) in net assets:		
Depreciation	719,992	718,213
Net (gain) loss on investments	12,354	(92,969)
(Increase) decrease in contributions receivable, net	(7,955,102)	236,000
(Increase) decrease in prepaid expenses	-	64
Increase (decrease) in accounts payable and accrued liabilities	8,427	32,572
Increase (decrease) in accrued payroll and payroll taxes	44,284	8,855
Total Adjustments	(7,170,045)	902,735
Net Cash Provided by Operating Activities	$ 925,543	$ 409,042

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

1. Organization

Roundup River Ranch (the "Ranch") was incorporated in the State of Colorado in 2006 and designated as a 501(c)(3) non-profit corporation. Roundup River Ranch enriches the lives of children with serious illnesses and their families by offering free, medically-supported camp programs that provide unforgettable opportunities to discover joy, friendships, and confidence.

2. Summary of Significant Accounting Principles

A. Financial Statement Presentation

The Ranch reports its financial statements in accordance with FASB Accounting Standards Codification Topic 958, *Not-for-Profit Organizations ("ASC Topic 958"),* formerly Statement of Financial Accounting Standards No. 117. Under ASC Topic 958, the Ranch is required to report information regarding its financial position and activities according to two classifications, without donor restriction and with donor restriction.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

C. Support and Revenue

Contributions of cash and other assets are reported as with donor restriction if they are received with donor stipulations that limit or specify the use of the donated assets, whether by time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the stated purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions. Contributions with donor restriction received and released from restrictions within the same fiscal year are reported as contributions without donor restriction. Certain endowment contributions are perpetual in nature, with investment earnings to be used as needed by the Ranch. Such investment earnings are recorded without donor restriction or with donor restriction, depending on the donor's stipulation.

Non-monetary contributions of goods and services are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period received, provided that such services either create or enhance non-financial assets or the services are considered "professional" services which the Ranch would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets.

D. Cash and Cash Equivalents

The Ranch considers all checking, savings, and money market accounts, as well as all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents for purposes of the Statement of Cash Flows.

2. Summary of Significant Accounting Principles (continued)

E. Allowance for Doubtful Accounts

The Ranch uses the allowance method for recognition of uncollectible receivables, whereby an allowance for possible uncollectibility is established when collection becomes doubtful. An allowance in the amount of $87,500 was recorded at October 31, 2020.

F. Fixed Assets and Depreciation

Assets with original cost in excess of $5,000 and a useful life generally in excess of two years are recorded as fixed assets. These assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

	Estimated Useful Lives
Computers & Software	3 years
Furniture & Fixtures	8 years
Motor Vehicles	3 years
Land Improvements & Infrastructure	20 years
Buildings	10 - 45 years
Machinery & Equipment	5 years

G. Income Tax

The Ranch is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code, pursuant to an Internal Revenue Service determination letter dated June 21, 2006, and is thus exempt from Federal and State income taxes on income which is directly related to its organizational purpose.

Unrelated business income is income derived from a trade or business by the exempt organization that is not substantially related to the performance of the organization's exempt purpose or function. For the year ended October 31, 2020, the Ranch had no unrelated business income.

The Federal information returns of the Ranch are subject to examination by the Internal Revenue Service. The Ranch is no longer subject to examination for tax years prior to October 31, 2016.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Principles (continued)

I. Method used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Ranch. These expenses include depreciation, certain personnel salaries and benefits, information technology, and utilities. Depreciation is allocated based on use of assets and location of assets. Salaries and benefits are allocated based on position or time spent on each function. Information technology is allocated based on time spent and specific technology utilized. Utilities are allocated based on location.

J. Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. 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.

K. Subsequent Events

Management has evaluated subsequent events through January 12, 2021, the date these financial statements were available to be issued. No material events were noted.

3. Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Ranch that is, in substance, unconditional. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at their present value. Pledges are discounted at a rate equal to the three-year Treasury bill issued by the United States of America, currently 0.19%. Unconditional promises to give at October 31, 2020 were:

Receivable in less than one year	$ 1,445,850
Receivable in one to five years	5,713,105
Total unconditional promises to give	7,158,955
Less allowance for doubtful accounts	(87,500)
Net unconditional promises to give at October 31, 2020	$ 7,071,455

4. Conditional Promises to Give

The Ranch has received notification of the intention of two separate donors to bequeath $1,276,296 in total, to the Ranch. The amount of each bequest will be recognized in revenue when the probate court declares the will valid.

5. Fixed Assets

Fixed asset balances at October 31, 2020 were as follows:

	Oct. 31/20
Land	$ 2,957,254
Construction in progress	40,326
Land improvements	4,693,165
Buildings	12,637,985
Furniture and equipment	1,353,844
Total cost	21,682,574
Less: Accumulated depreciation	(6,319,046)
Fixed assets, net	$ 15,363,528

Depreciation for the year ended October 31, 2020 was $719,992.

6. Endowment

In accordance with the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”), the Ranch classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures.

Additionally, in accordance with UPMIFA, the Ranch considers the following factors when investing and managing donor-restricted endowment funds:

- General economic conditions
- Possible effects of inflation or deflation
- The purposes of the Ranch and donor-restricted endowment fund
- The duration and preservation of the fund
- Expected total return from income and the appreciation of investments
- Other resources of the Ranch
- The investment policies of the Ranch

The Ranch’s endowment consists of two funds in the amounts of $75,500 and $1,500,000 which are restricted to investment in perpetuity. The income from the $75,500 fund is expendable for general operations and the income from the $1,500,000 fund is expendable for providing funds for the President and/or CEO of the Ranch in advancing the mission of the Ranch. As required by accounting principles generally accepted in the U.S. (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

As of October 31, 2020, the following long-term endowments were held:

Cash and cash equivalents	$ 868,546
Domestic equities	335,344
Fixed income	362,629
Total	$ 1,566,519

6. Endowment (continued)

The goal of the Ranch's investment policy is to invest its funds that are considered long-term in nature in a well-diversified yet conservative manner so that exposure to any specific class of debt or equity investment is reasonably limited. The principal investment philosophy for long-term funds is the maximization of total return consistent with preservation of capital and prudent risk taking. The overall goal for principal growth is to meet or preferably exceed the rate of inflation as measured by the Consumer Price Index. Long-term funds are considered appropriate for investment in debt and equity instruments, are intended to be diversified in nature, and are expected to benefit significantly from professional management by an Investment Advisor.

The Ranch's spending policy allows a draw of funds from the endowment of no more than 6% of the average market value of the endowment for the prior 12 quarter ends. Annually the Finance Committee will make a recommendation to the board for approval of the annual spending rate. These funds are then spent for their restricted purpose if applicable.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level required by UPMIFA as a fund of perpetual duration. These deficiencies result from unfavorable market conditions that occurred shortly after the receipt of the gift. The Ranch has one such fund as of October 31, 2020 with a current value of $1,491,019 and an original cost of $1,500,000 resulting in a deficiency of $8,981.

At October 31, 2020, endowment net asset composition by type of fund was composed of the following:

Assets with donor restriction:	
Restricted in perpetuity	$ 4,000,000
Underwater endowments	(8,981)

7. Liquidity and Availability of Resources

The Ranch's net assets consist of donor-restricted amounts and amounts without donor restrictions. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. The Ranch's investment policy and liquidity management is structured around short-term investments, to ensure financial assets are available as general expenditures and other obligations become due. The financial assets available within one year from October 31, 2020 for general expenditures are as follows:

Cash and cash equivalents	$ 2,972,101
Accounts and interest receivable	1,358,350
Contributions receivable	1,445,850
Short-term investments	2,209,479
	$ 7,985,780

8. Fair Value Measurements and Disclosures

The Ranch reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

8. Fair Value Measurements and Disclosures (continued)

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Ranch's investment assets are classified within Level 1 because they comprise fixed income funds and domestic equities with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value at October 31, 2020:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	$ 4,547,601	$ 4,547,601	$ -	$ -
Investments:				
Domestic equities	1,169,757	1,169,757	-	-
Fixed income	1,039,722	1,039,722	-	-
	2,209,479	2,209,479	-	-
Total	$ 6,757,080	$ 6,757,080	$ -	$ -

9. Classification of Net Assets and Net Assets Released from Restriction

During the year ended October 31, 2020, the following assets were released from restriction:

Purpose restrictions accomplished:		
Facilities improvements	$	223,127
Farm improvements		25,294
Comprehensive campaign		172,744
Time restrictions expired:		
Passage of specified time		283,676
Release of appropriated endowment returns without purpose restrictions		510
Total restrictions released	$	705,351

At October 31, 2020, the Ranch had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction	
Undesignated	$ 4,072,994
Invested in property and equipment, net of debt	14,158,337
	18,231,331
With donor restriction	
Perpetual in nature	
Ranch programs and operations	75,500
Executive leadership	4,000,000
Purpose restrictions	
Innovation programs	26,666
Farm improvements	18,651
Facilities improvements - solar farm	175,688
Comprehensive campaign	4,536,806
Other	20,538
Time-restricted for future periods	
General future pledges	646,877
Underwater endowments	(8,981)
	9,491,745
Total net assets	27,723,076
Total liabilities and net assets	$ 29,194,368

10. Lease Agreements

On December 21, 2009, the Ranch entered into a lease agreement with Alpine Bank for office space. The lease for the office space was amended during September 2016 to extend the lease term through December 31, 2017 with a base rent of $14,000. The lease was amended again a number of times to extend the lease term through April 30, 2021 with a base rent of $1,167 per month. The estimated annual value of the lease is $49,039, and $35,039 is reflected as an in-kind contribution to the Ranch from Alpine Bank for fiscal year 2020.

On June 26, 2006, the Ranch entered into a lease agreement with Wells Fargo Bank for storage space. The tenancy of this lease is month-to-month and commenced on July 3, 2006. Under current terms of the lease, there is no base rent. The estimated annual value of the lease is $36,424, and is reflected as an in-kind contribution to the Ranch from Wells Fargo Bank.

11. In-Kind Donations

For the fiscal year ending October 31, 2020, non-monetary contributions of goods and services aggregating to $102,406 were recognized as revenue by the Ranch. These contributions, and the offsetting expense or asset, are recorded in the Ranch's financial statements at fair market value at the date of donation. Such "in-kind donations" include occupancy related expenses for the Ranch's central offices, auction items for donor parties, facilities management related services, and various physical items for use in the camp.

12. Restrictions on Land

On November 2, 2009, the Ranch closed on the purchase of an 85-acre site along the banks of the Colorado River in western Eagle County. The land was purchased from Shipley Craghead, LLC (the "Seller") with a purchase price of $2,151,731. In connection with the purchase, the Ranch entered into a Covenant and Option to Repurchase agreement with the Seller whereby the following conditions must be met or the Seller will have the right to exercise its Option to Repurchase the property:

- For twenty (20) years after November 5, 2009, the property shall be used solely as a camp for children with serious or life-threatening illnesses and their families, with medical, recreational and other facilities as well as other activities reasonably related to this purpose. Deviation from this purpose can only be made with the prior written consent of the Seller. The Seller has the sole and absolute discretion to grant or withhold its consent.

- Construction of Phase I of the Camp (defined as construction of facilities necessary to support at least 60 campers) must be substantially complete and the Camp must be open for operations on or before June 30, 2012. Phase I was completed during fiscal 2011.

In the event that the seller exercises its option to repurchase the property, the repurchase price will be at the purchase price that was paid by the Ranch at closing ($2,151,731). This agreement is subordinated to the bank providing the construction financing.

13. Promissory Notes

A. 2017 Promissory Note

On March 31, 2017, the Ranch executed a promissory note ("the Note") in the amount of $1,300,000 with the principal and interest due on December 31, 2024. Unpaid principal accrues interest at 1.45% per annum. Payments under this note are $200,000 annually, beginning on December 31, 2019 and ending on December 31, 2024 with a payment for all remaining unpaid principal and interest.

At October 31, 2020, the balance outstanding under this Note is $754,710. The Ranch has received notification that it is the note holder's intent, although not a legal obligation, to forgive $200,000 per year until the note is retired. $200,000 of principal and interest was forgiven during the fiscal year 2020.

13. Promissory Notes (continued)

B. Payroll Protection Program Loan

In April 2020, the Ranch executed a promissory note with First Western Trust Bank, under the United States Small Business Administration's Payroll Protection Program, in the amount of $458,562 (the "PPP Loan"). The PPP Loan, which is unsecured and bears interest at 1% per annum, matures in April 2022. No payments are due for the first six months of the loan term. The PPP Loan and related interest is forgivable provided the Ranch uses the proceeds for qualified purposes within the timeframe prescribed by the Payroll Protection Program. The balance of the PPP Loan at October 31, 2020 was $458,562.

As described in Note 15, the Ranch has met the conditions for full forgiveness of the PPP Loan. The forgiveness was not awarded until November 2, 2020, and thus the PPP Loan was a liability of the Ranch at October 31, 2020.

C. Schedule of Future Payments

The Ranch's annual debt service is as follows:

Fiscal Year	Interest	Principal	Total
2021	8,593	183,326	191,919
2022	8,332	652,765	661,097
2023	2,961	197,039	200,000
2024	417	172,061	172,478
	20,303	1,205,191	1,225,494

14. Comparative Information

The financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Ranch's financial statements for the year ended October 31, 2019, from which comparative totals were derived.

15. Subsequent Event

On November 2, 2020, the Ranch was notified of the forgiveness of the Payroll Protection Program Loan described on Note 13.B. The full amount of $458,562 of principal was forgiven along with $2,535 of interest.