American Battlefield Trust and Affiliates

Consolidated Financial Statements
Year Ended March 31, 2020
(with Comparative Totals for 2019)

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Contents

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Independent Auditor's Report

To the Board of Trustees
American Battlefield Trust
Hagerstown, Maryland

We have audited the accompanying consolidated financial statements of **American Battlefield Trust and Affiliates** (the Trust), which comprise the consolidated statement of financial position as of March 31, 2020, and the related consolidated 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 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 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 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 American Battlefield Trust and Affiliates as of March 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

2019 Financial Statements

The 2019 consolidated financial statements of the Trust were audited by other auditors, whose report dated June 27, 2019, expressed an unmodified opinion on those consolidated financial statements. The summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent in all material respects, with the audited consolidated financial statements from which it has been derived.

BDO USA, LLP

December 4, 2020

Consolidated Financial Statements

American Battlefield Trust and Affiliates

Consolidated Statements of Financial Position

March 31,		**2020**		2019
Assets				
Cash and cash equivalents	$	**6,526,161**	$	3,882,542
Grants receivable		**223,563**		226,487
Accounts receivable		**19,050**		13,765
Land deposits		**1,009,226**		860,840
Inventory		**108,224**		103,152
Prepaid expenses and other		**176,709**		172,649
Deferred compensation investments		**876,834**		779,218
Fair value of interest rate swap		**204,017**		39
Property and equipment, net		**9,503,420**		10,084,998
Cash designated for land acquisitions		**3,503,950**		2,457,957
Restricted land		**146,345,444**		128,643,640
Total assets	**$**	**168,496,598**	$	147,225,287
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$	**576,813**	$	987,288
Deferred revenue		**120,700**		126,250
Refundable advances		**599,052**		300,459
Deferred rent		**413,760**		413,214
Deferred compensation payable		**876,834**		779,218
Debt		**5,475,059**		5,288,372
Total liabilities		**8,062,218**		7,894,801
Commitments and contingencies				
Net assets				
Without donor restrictions		**9,285,746**		8,810,370
With donor restrictions				
Programs		**4,803,190**		1,727,157
Time		**-**		149,319
Preserved battlefield land		**146,345,444**		128,643,640
		151,148,634		130,520,116
Total net assets		**160,434,380**		139,330,486
Total liabilities and net assets	**$**	**168,496,598**	$	147,225,287

See accompanying notes to consolidated financial statements.

American Battlefield Trust and Affiliates

Consolidated Statement of Activities
(With Comparative Totals for 2019)

March 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Support and revenue				
Contributions	**$ 4,598,664**	**$ 6,296,422**	**$ 10,895,086**	$ 10,721,049
Grants and awards	**2,151,675**	**3,242,641**	**5,394,316**	15,776,532
Member contributions	**3,665,111**	**-**	**3,665,111**	3,582,684
Donated land	**-**	**16,360,000**	**16,360,000**	3,418,500
Conference registration fees	**160,578**	**-**	**160,578**	159,854
Rental income	**345,822**	**-**	**345,822**	304,503
Other income (loss)	**104,093**	**-**	**104,093**	(22,327)
Interest income	**55,677**	**-**	**55,677**	24,678
Royalty income	**19,148**	**-**	**19,148**	44,342
Donated services	**4,420**	**-**	**4,420**	36,396
Net assets released from restriction	**5,270,545**	**(5,270,545)**	**-**	-
Total support and revenue	**16,375,733**	**20,628,518**	**37,004,251**	34,046,211
Expenses				
Program services				
Preservation	**7,764,232**	**-**	**7,764,232**	13,589,795
Membership	**3,443,363**	**-**	**3,443,363**	3,230,098
Education	**2,228,615**	**-**	**2,228,615**	2,293,101
Total program services	**13,436,210**	**-**	**13,436,210**	19,112,994
Supporting services				
Management and general	**453,173**	**-**	**453,173**	908,378
Fundraising	**2,214,952**	**-**	**2,214,952**	2,570,839
Total supporting services	**2,668,125**	**-**	**2,668,125**	3,479,217
Total expenses	**16,104,335**	**-**	**16,104,335**	22,592,211
Change in net assets before other activities	**271,398**	**20,628,518**	**20,899,916**	11,454,000
Other activities				
Unrealized gain on fair value of interest rate swap	**203,978**	**-**	**203,978**	3,256
Loss on disposal of property and equipment	**-**	**-**	**-**	(777)
Change in net assets	**475,376**	**20,628,518**	**21,103,894**	11,456,479
Net assets, beginning of year	**8,810,370**	**130,520,116**	**139,330,486**	127,874,007
Net assets, end of year	**$ 9,285,746**	**$ 151,148,634**	**$ 160,434,380**	$ 139,330,486

See accompanying notes to consolidated financial statements.

American Battlefield Trust and Affiliates

Consolidated Statement of Functional Expenses
(With Comparative Totals for 2019)

	Program Services				Supporting Services				
March 31, 2020	Preservation	Membership	Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	2019 Total
Payroll and benefits	**$ 1,891,454**	**$ 789,969**	**$ 1,059,722**	**$ 3,741,145**	**$ 322,775**	**$ 919,065**	**$ 1,241,840**	**$ 4,982,985**	$ 4,730,047
Donated land to other entities	**2,323,559**	**-**	**-**	**2,323,559**	**-**	**-**	**-**	**2,323,559**	8,533,589
Postage, printing and production	**33,744**	**914,938**	**44,623**	**993,305**	**8,241**	**673,822**	**682,063**	**1,675,368**	1,753,358
Professional fees	**591,531**	**141,314**	**604,262**	**1,337,107**	**15,969**	**129,220**	**145,189**	**1,482,296**	1,879,185
Land maintenance	**1,265,863**	**-**	**25**	**1,265,888**	**60**	**-**	**60**	**1,265,948**	1,356,590
Membership fulfillment	**32,700**	**972,897**	**94**	**1,005,691**	**-**	**87,675**	**87,675**	**1,093,366**	1,102,076
Rent	**206,510**	**79,432**	**117,166**	**403,108**	**33,477**	**98,173**	**131,650**	**534,758**	552,206
Depreciation and amortization	**405,706**	**17,899**	**26,849**	**450,454**	**8,950**	**8,950**	**17,900**	**468,354**	458,279
Office	**178,755**	**115,585**	**61,592**	**355,932**	**33,146**	**73,706**	**106,852**	**462,784**	475,270
Grants	**424,582**	**-**	**-**	**424,582**	**-**	**-**	**-**	**424,582**	276,523
Meetings	**23,817**	**275,088**	**9,031**	**307,936**	**6,680**	**11,322**	**18,002**	**325,938**	373,984
Travel and entertainment	**130,342**	**62,373**	**40,645**	**233,360**	**641**	**41,637**	**42,278**	**275,638**	305,485
Advertising	**13,233**	**5,905**	**17,842**	**36,980**	**-**	**162,716**	**162,716**	**199,696**	115,172
Educational programs	**17,730**	**2,390**	**171,685**	**191,805**	**-**	**-**	**-**	**191,805**	220,741
Interest	**188,173**	**640**	**-**	**188,813**	**-**	**-**	**-**	**188,813**	143,928
Utilities	**21,727**	**14,450**	**74,607**	**110,784**	**4,117**	**8,613**	**12,730**	**123,514**	117,503
Other	**14,806**	**50,483**	**472**	**65,761**	**5,352**	**53**	**5,405**	**71,166**	155,018
Bad debt	**-**	**-**	**-**	**-**	**13,765**	**-**	**13,765**	**13,765**	42,487
Contributions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	770
Total expenses	**$ 7,764,232**	**$ 3,443,363**	**$ 2,228,615**	**$ 13,436,210**	**$ 453,173**	**$ 2,214,952**	**$ 2,668,125**	**$ 16,104,335**	$ 22,592,211

See accompanying notes to consolidated financial statements.

American Battlefield Trust and Affiliates

Consolidated Statements of Cash Flows

March 31,	**2020**	2019
Cash flows from operating activities:		
Change in net assets	**$ 21,103,894**	$ 11,456,479
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**468,354**	458,279
Amortization of debt issuance costs	**(5,965)**	3,960
Donated land to Trust	**(16,360,000)**	(3,418,500)
Donated land from Trust	**2,323,559**	8,545,440
Change from implied interest discount, net	**45,752**	(149,320)
Loss on disposal of property and equipment	**-**	777
Unrealized gain on fair value of interest rate swap	**(203,978)**	(3,256)
Bad debt provision	**13,765**	42,487
Donated collections from Trust	**-**	43,722
Changes in assets and liabilities		
(Increase) decrease in:		
Grants receivable	**2,924**	(6,416)
Accounts receivable	**(19,050)**	(13,765)
Promises to give	**-**	47,513
Inventory	**(5,072)**	(100,186)
Prepaid expenses and other	**(4,060)**	41,091
Increase (decrease) in:		
Accounts payable and accrued expenses	**(410,475)**	610,994
Deferred revenue	**(5,550)**	8,441
Refundable advance	**298,593**	300,459
Deferred rent	**546**	254,932
Deferred compensation payable	**97,616**	43,500
Net cash provided by operating activities	**7,340,853**	18,166,631
Cash flows from investing activities:		
Acquisition of restricted land and easements	**(3,521,209)**	(19,836,718)
Purchases of property and equipment	**(176,068)**	(3,149,241)
Proceeds from sale of land, easements and buildings	**1,512,638**	993,920
Land deposits, net	**(148,386)**	288,006
Purchase of deferred compensation investments	**(97,616)**	(43,500)
Additions to designated cash	**(154,166)**	(783,099)
Withdrawals from designated cash for land acquisitions	**1,063,199**	2,351,573
Repayments of designated cash	**(1,955,026)**	(2,277,111)
Net cash used in investing activities	**(3,476,634)**	(22,456,170)
Cash flows from financing activity:		
Payments on debt	**(1,220,600)**	(335,600)
Net cash used in financing activity	**(1,220,600)**	(335,600)
Net increase (decrease) in cash and cash equivalents	**2,643,619**	(4,625,139)
Cash and cash equivalents at the beginning of the year	**3,882,542**	8,507,681
Cash and cash equivalents at the end of the year	**$ 6,526,161**	$ 3,882,542
Supplemental disclosures of cash flow information:		
Interest paid	**$ 96,539**	$ 121,151
Supplemental schedule of noncash investing and financing activities:		
Acquisition of restricted land and easements through seller financed notes payable	**$ 1,367,500**	$ 2,206,000

See accompanying notes to consolidated financial statements.

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities

American Battlefield Trust and Affiliates (collectively, the Trust) consists of three entities: American Battlefield Trust (ABT), Americans for Battlefield Preservation (AFBP) and Endangered Battlefield Defense Fund (EBDF). ABT, AFBP and EBDF are affiliated through control, common support, activities and/or certain members of the Board of Trustees.

As of March 14, 2018, ABT legally changed its name from Civil War Trust to American Battlefield Trust, to more accurately reflect its mission to protect the battlefields of the Revolutionary War, War of 1812 and Civil War. ABT is an international nonprofit corporation chartered in Virginia.

Programs and supporting activities: The programs and supporting activities of the Trust consist of the following:

Preservation

The Preservation program represents the personnel available to continue ABT's purpose of preserving American battlefield sites by purchasing sites or obtaining easements. The program also incurs the expenses of maintaining the sites, paying the real estate taxes and other related costs. The Preservation program of the Trust assists other governmental and nonprofit entities in preserving battlefield sites.

Membership

The Membership program of ABT consists of services provided to its members, which include but are not limited to personnel that maintain the list of members, preparation and mailing of membership fulfillment, and communication of events, activities and developments of the Trust. The membership consists of approximately 48,000 members throughout the world.

Education

The purpose is to educate the public and its members related to the events, history and battlefields of the American Revolution, the War of 1812, and the American Civil War. ABT provides this service so that future generations can study and reflect on the important events of these wars.

Management and general

The management and general function of ABT consists of expenses incurred in the administrative offices, travel expenses, finance and committees. The base used to allocate these expenditures is direct salaries, fringe benefits, overhead assessed and other direct costs.

Fundraising

The purpose is to promote ABT and raise support in the form of pledges, grants, contributions, activities and events to be used for operating, membership and preservation purposes. Expenses include costs for membership development.

AFBP is an international nonprofit corporation chartered in the District of Columbia in November 2005. It was established to advance, foster and promote Civil War battlefield preservation through education, advocacy and research for the benefit of the general public. AFBP seeks to raise awareness among the public of the need to preserve and protect Civil War battlefields, to educate the public on battlefield preservation, to maintain and increase the level of Civil War battlefield preservation through local grassroots networks of Civil War battlefield preservation activists, to assist in the interpretation of battlefield sites, to conduct and disseminate research and to train local preservation activists.

EBDF is a nonprofit corporation chartered in the Commonwealth of Virginia in September 2009. It was established to assist ABT in the exercise and enforcement of ABT's legal rights and duties, including but not limited to the protection and preservation of all historic property owned by ABT. It also assists in the enforcement of easement rights granted to ABT or to any other charitable or historic entity, including the National Park Service, in its or their efforts to maintain and preserve historical properties related to the United States Civil War. It also assists in the enforcement of ABT's contractual rights and court decrees or judgments in favor of ABT or any other charitable, historic or public entity charged with the preservation of historical property related to the American Revolutionary War, the War of 1812, and the American Civil War.

A summary of the Trust's significant accounting policies follows:

Principles of consolidation

The accompanying consolidated financial statements include all of the accounts of ABT, AFBP and EBDF. All intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Basis of accounting

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting.

Basis of presentation

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class in the consolidated statement of activities. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Trust's audited consolidated financial statements for the year ended March 31, 2019, from which the summarized information was derived.

Net assets without donor restrictions

Are the net assets that are not restricted by donor-imposed stipulations.

Net assets with donor restrictions

Result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Trust pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified purposes. Preserved battlefield land is restricted until transferred to another party for permanent preservation. Net assets with donor restrictions also result from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Trust's actions.

Cash and cash equivalents

The Trust considers all money market accounts and unrestricted short-term, highly liquid investments with an original maturity of three months or less at acquisition to be cash and cash equivalents.

Financial risk

The Trust maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Trust has not experienced any losses in such accounts. The Trust believes it is not exposed to any significant financial risk on cash.

Grants receivable

Grants receivable are comprised mainly of allowable costs in excess of amounts collected on federal grants. Such recoverable costs are billable when expenditures are incurred. The allowance for doubtful accounts is based on management's evaluation of the collectability of receivables. There was no allowance for doubtful accounts at March 31, 2020 and 2019.

Bond issuance costs

Bond issuance costs are being amortized using the straight-line method over the term of the bond, which approximates the effective-interest method. Accumulated amortization as of March 31, 2020 and 2019, was $155,029 and $149,064, respectively. Unamortized bond issuance costs are reported as an offset to long-term debt.

Land deposits

Land deposits are escrow payments to sellers on land where the Trust has an agreement to purchase and a deposit is required to commit to the purchase. Land deposits also consist of payments for appraisals, surveys and environmental reports on land with an executed purchase agreement and on future uncommitted land purchases.

Inventory

Inventory, consisting of books, hats, pins and calendars. The inventory items are stated at the lower of cost or net realizable value. Inventory is valued using the standard cost method of inventory valuation.

Investments

Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value, unrealized gains and losses are reported in the consolidated statement of activities as components of investment income or as an adjustment to deferred compensation payable.

Property and equipment

Property and equipment are stated at cost or, if donated, at the estimated fair value at the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The Trust capitalizes all property and equipment purchased with a cost of $1,000 or more.

Restricted land

Restricted land consists of battlefields purchased for permanent preservation with government funds and contributions received by the Trust specifically designated for such purpose. The intent of the Trust is to maintain the battlefields until they are released to other entities through donation or sale for permanent maintenance as battlefield preserved land. Restricted land was comprised of $93,589,436 and $92,237,631 of purchased land and $52,756,008 and $36,406,009 of donated land and easements at March 31, 2020 and 2019, respectively.

Valuation of long-lived assets

The Trust reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less cost to sell. The Trust had no impairments of long-lived assets during the years ended March 31, 2020 and 2019.

Deferred rent

The Trust's leases office space, which includes escalations of the base rent. Rent expense is recorded on a straight-line basis over the entire lease term. The deferred rent liability recorded in the accompanying consolidated statements of financial position represents the cumulative difference between the monthly rent expense and the rent paid. The Trust's office leases provide for certain incentives in the form of a landlord improvement allowance provided for leasehold improvements. This benefit is also recognized in deferred rent and is being amortized on a straight-line basis over the life of the lease.

Interest rate swap agreement

The fair value of the interest rate swap agreement is the estimated amount that the bank or financial institution would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counter party.

Notes payable

The Trust has certain notes payable for financing purchases of battlefield land from sellers of such land. The Trust records a discount and contribution revenue when the note interest rates are considered below-market and amortizes the discount to interest expense over the term of the related notes.

Grants and awards

The Trust receives a substantial portion of its funding for land acquisitions under various federal and state grants and awards. Generally, the funding under the grants/awards is on a cost-reimbursement basis, as the Trust typically acquires the land prior to receiving the award. The grant/award agreements contain various requirements, including compliance with relevant Office of Management and Budget (OMB) Circulars, matching requirements, as well as reporting and audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Grant support is recognized when the conditions of the grant are substantially met. Any grant funds received in advance are recorded as refundable advances.

Contributions

Unconditional contributions received are recorded as net assets with restrictions or net assets without restrictions, depending on the existence and/or nature of any donor restrictions. However, if a donor-restricted contribution is fulfilled in the same year in which the contribution is received, the Trust reports the support as net assets without donor restrictions. Contributions from the Board of Trustees were $3,787,706 and $2,871,001 during the years ended March 31, 2020 and 2019, respectively.

Member contributions

Membership dues are accounted for as a contribution in the year received.

Noncash donations

Donated securities, land and property and equipment are recorded as support at their estimated fair values at the date of donation. Such donations are reported as net assets without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as net assets with restrictions. Restricted land donated to other organizations for permanent preservation maintenance are released from restriction at the time of donation.

Absent explicit donor stipulations regarding how long those donated assets must be maintained, the Trust reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor, at which time net assets with donor restrictions are reclassified to net assets without restrictions. Donated securities are not held as investments but are sold as soon as practical after donation.

Royalty income

Royalty revenue from publications published by the Trust is recognized as revenue when earned.

Other revenue

Conference registration fees are recognized as revenue when conferences are held. Accordingly, prepaid registration fees are recognized as deferred revenue.

Functional allocation of expenses

Certain costs have been allocated among the programs and supporting services. Allocation of costs by function is based principally on specific identification of costs to either programs, management and general, or fundraising. The allocation of overhead costs including rent, utilities, depreciation, annual report, service charges, board meetings, fees, equipment rental, insurance, internet, office supplies, accounting, and telephone charges are allocated based on personnel time.

Advertising costs

Advertising costs are charged to expense as incurred.

Income tax status

ABT and EBDF are generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. AFBP is generally exempt from federal income taxes under the provisions of Section 501(c)(4) of the Internal Revenue Code. In addition, ABT and EBDF qualify for the charitable contribution deductions and have been classified as organizations that are not private foundations. Contributions to AFBP are not deductible to donors. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. Neither ABT, AFBP nor EBDF had net unrelated business income for the years ended March 31, 2020 and 2019.

Management evaluated ABT, AFBP and EBDF’s tax positions and concluded that they have taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Risks and uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a new strain of coronavirus. As a result of the risks to the international community as the virus has spread globally beyond its point of origin, on March 11, 2020 the WHO declared the novel coronavirus a global pandemic.

The extent of the impact of the COVID-19 outbreak on the operational and financial performance of the Trust will depend on certain developments, including the duration and spread of the outbreak. COVID-19 presents potential material uncertainty and risk with respect to the Trust, its performance, and its financial results.

On March 27, 2020 the President of the United States, signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act” to provide certain relief as a result of the COVID-19 outbreak. On May 7, 2020, the Trust have applied for, and received, funds under the Paycheck Protection

Program (PPP). PPP is an SBA 7(a) loan to cover eligible expenses such as payroll, mortgage interest payments, rent, and utilities. This loan is for entities with fewer than 500 employees, has a 1% interest rate, and has up to 100% loan forgiveness, if certain criteria are met. The Trust submitted a Payment Protection Program (PPP) application to help recover some of the economic damages due to the COVID-19 pandemic. The application for these funds requires the Trust to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Trust. The forgiveness of the loan is dependent on the Trust's future adherence to the forgiveness criteria.

Use of estimates

The preparation of consolidated financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

Reclassifications

Certain items in the 2019 information have been reclassified to conform with the current year presentation. Those reclassifications had no effect on previously reported change in net assets or net assets.

Recently adopted accounting pronouncements

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The adoption of this update did not have a material impact on the Trust's consolidated financial statements. There was no effect on the consolidated changes in net assets reported for the year ended March 31, 2020. The Trust adopted this update, along with all subsequent amendments in 2020 under the modified retrospective method. The initial adoption was applied to all contracts as of March 31, 2020.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments* (Topic 230), which clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments are intended to reduce diversity in practice. This ASU contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. The ASU is was implemented for the Trust's fiscal year 2020. There was no effect on the consolidated statement of activities for the year ended March 31, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash* (Topic 230), to address the classification and presentation of changes in restricted cash on the statement of cash flows. The ASU requires that a statement of cash flows explain the change in the total cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. Thus, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The ASU is effective for the Trust's fiscal year 2020. There was no effect on the consolidated statement of activities for the year ended March 31, 2020.

Accounting pronouncements to be adopted

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This update, along with ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), ASU 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing and ASU 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, establishes a comprehensive revenue recognition standard. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for The Trust's fiscal year 2021. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases*, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for The Trust's fiscal year 2023. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

2. Cash Designated for Land Acquisitions

The Trust has cash designated for land acquisitions (the Fund). The Fund was established to provide a reliable source of funds to save battlefields of the American Revolutionary War, the War of 1812, and the American Civil War. The objective of the Fund is to have a source of funds available to acquire targeted land, which will subsequently, to the greatest extent practical, be reimbursed by undesignated funds. Property to be purchased through the Fund must be significant battlefield land and subject to appropriate permanent historical and/or conservation restrictions.

The activity of the Fund consisted of the following during the years ended:

March 31, 2020		
Cash designated for land acquisition, beginning of the year	**$**	**2,457,957**
Expenditures for acquisition		**(1,063,199)**
Transfers from undesignated cash		**1,955,026**
Contributions		**120,268**
Service charge		**(436)**
Interest income		**34,334**
Cash designated for land acquisition, end of the year	**$**	**3,503,950**

March 31, 2019		
Cash designated for land acquisition, beginning of the year	$	1,749,320
Expenditures for acquisition		(2,351,573)
Transfers from undesignated cash		2,277,111
Contributions		775,758
Interest income		7,341
Cash designated for land acquisition, end of the year	$	2,457,957

3. Liquidity and Availability of Resources

The Trust regularly monitors liquidity to meet its annual operating needs and other contractual commitments. Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

March 31,		**2020**		2019
Cash and cash equivalents	**$**	**6,526,161**	$	3,882,542
Grants receivable		**223,563**		226,487
Accounts receivable		**19,050**		13,765
Total financial assets available within one year		**6,768,774**		4,122,794
Less: Amounts unavailable for general expenditures with one year, due to:				
Net assets with donor restrictions		**(4,803,190)**		(1,727,157)
Financial assets available to meet cash needs for general expenditures within one year	**$**	**1,965,584**	$	2,395,637

The Trust has various sources of liquidity at its disposal, including cash and cash equivalents. The Trust assesses its operating budget and cash flow projections monthly to monitor the availability of resources to support operations.

4. Land Deposits

The Trust has made cash deposits to purchase land on the following properties at March 31, 2020 and 2019:

	March 31, 2020		
Property	Acres	Committed Purchase Price	Deposit
Averasboro, NC	30.2	$ 150,900	$ 18,090
Averasboro, NC	18.6	93,000	12,815
Bentonville, NC	3.2	30,000	7,137
Cedar Creek, VA	15.0	172,000	6,500
Cedar Mountain, VA	86.4	825,000	19,180
Chattanooga / Wauhatchie, TN	9.0	48,000	6,790
Chattanooga / Wauhatchie, TN	0.55	17,145	2,828
Cold Harbor, VA	5.5	325,000	17,359
Cold Harbor, VA	22.0	201,000	7,000
Corinth, MS	88.0	330,000	18,400
Fort Ann, NY	40.8	66,000	23,097
Gettysburg, PA	41.0	400,000	7,000
Gettysburg, PA	0.63	305,000	23,070
Jackson, TN	120.0	675,000	14,619
New Market Heights, VA	21.25	260,000	9,291
Parker’s Crossroads, TN	0.55	275,000	8,990
Perryville, KY	51.4	535,000	6,180
Petersburg, VA	9.8	265,000	9,148
Reams Station, VA	9.4	325,000	58,545
Stones River, TN	6.1	700,000	10,490
Stones River, TN	42.0	4,000,000	39,825
Trevilian, VA	51.2	110,000	16,330
Vicksburg, MS	32.7	750,000	18,250
White Oak Rd., VA	48.4	189,329	15,043
White Oak Rd., VA	12.2	41,000	6,974
Wilderness, VA	36.1	590,000	16,620
Williamsburg, VA	29.0	1,400,000	31,590
Wyse Fork, NC	205.6	305,000	23,350
		$ 13,383,374	454,511
Cash deposits on uncommitted property			554,715
			$ 1,009,226

	March 31, 2019				
Property	Acres		Committed Purchase Price		Deposit
Averasboro, NC	30.2	$	150,900	$	6,190
Averasboro, NC	18.6		93,000		5,815
Bentonville, NC	2.8		73,500		1,900
Champion Hill, MS	58.0		200,000		9,959
Champion Hill, MS	20.9		25,000		4,200
Cold Harbor, VA	55.6		1,000,000		67,163
Cold Harbor, VA	5.5		327,000		16,018
Corinth, MS	88.0		330,000		18,400
Fort Blakely, AL	59.0		561,400		27,450
Jackson, TN	120.0		675,000		7,500
Perryville, KY	128.5		995,000		22,075
Petersburg, VA	2.7		185,000		32,570
Reams Station, VA	9.4		325,000		51,061
Reams Station, VA	101.0		425,000		18,115
Shiloh, TN	53.0		119,500		1,000
White Oak Rd., VA	12.3		41,000		5,974
Wyse Fork, NC	205.6		75,000		23,350
Newtown, NY	68.4		195,000		43,430
		$	5,796,300		362,170
Cash deposits on uncommitted property					498,670
				$	860,840

5. Property and Equipment

Property and equipment, accumulated depreciation and depreciation expense, are as follows at:

March 31, 2020	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Depreciation
Buildings and building improvements	15-40 years	**$ 10,251,336**	**$ 1,535,452**	**$ 8,715,884**	**$ 327,328**
Equipment	5-7 years	**732,343**	**603,884**	**128,459**	**89,495**
Leasehold improvements	7-39 years	**861,907**	**202,830**	**659,077**	**51,531**
		$ 11,845,586	**$ 2,342,166**	**$ 9,503,420**	**$ 468,354**

March 31, 2019	Estimated Useful Lives	Cost	Accumulated Depreciation	Net	Depreciation
Buildings and building improvements	15-40 years	$ 10,415,551	$ 1,254,322	$ 9,161,229	$ 333,626
Equipment	5-7 years	724,867	515,772	209,095	109,232
Leasehold improvements	7-39 years	865,973	151,299	714,674	15,421
		$ 12,006,391	$ 1,921,393	$ 10,084,998	$ 458,279

6. Fair Value Measurements

The Trust follows FASB authoritative guidance regarding accounting for fair value measurements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the guidance as assumptions that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the guidance are described below:

Basis of Fair Value Measurement

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, the type of investments included in Level 1 include mutual funds.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds, government obligations and over-the-counter derivatives. A significant adjustment to a Level 2 input could result in a reclassification to a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with investing in those investments. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Trust's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The following section describes the valuation techniques used by the Trust:

- Investments in mutual funds traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. Fair value of exchange-traded contracts is based upon exchange settlement prices. These financial instruments are classified as Level 1 in the fair value hierarchy.

- The deferred compensation liability is based on the fair market value of the deferred compensation plan assets that are observable inputs, but the liability is not publicly traded, and is therefore classified Level 2.

- The Trust's interest rate swap is observable at commonly quoted intervals for the full term of the swap and, therefore, is classified Level 2. As the interest rate swap is in an asset position, the credit standing of the counter party is analyzed and factored into the fair value measurement of the asset. The fair value measurement of a liability must reflect the nonperformance risk of the entity.

The following tables present the Trust's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of:

March 31, 2020	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation investments:				
Fixed income intermediate term-bond mutual fund	**$ 444,910**	**$ 444,910**	**$ -**	**$ -**
Mutual funds	**39,381**	**39,381**	**-**	**-**
Money market funds	**115,757**	**115,757**	**-**	**-**
Interest rate swap asset	**204,017**	**-**	**204,017**	**-**
	$ 804,065	**$ 600,048**	**$ 204,017**	**$ -**
Liabilities:				
Deferred compensation liability	**$ 600,048**	**$ -**	**$ 600,048**	**$ -**

March 31, 2019	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation investments:				
Fixed income intermediate term-bond mutual fund	$ 464,575	$ 464,575	$ -	$ -
Money market funds	215,468	215,468	-	-
Interest rate swap asset	39	-	39	-
	$ 680,082	$ 680,043	$ 39	$ -
Liabilities:				
Deferred compensation liability	$ 680,043	$ -	$ 680,043	$ -

Cash funds and the associated asset totaling $276,786 and $99,175 at March 31, 2020 and 2019, respectively are not included in the above table because they are recorded at cost.

7. Debt

At March 31, 2020 and 2019, the total amounts outstanding on the bond and notes payable were as follows:

	2020	2019
Bond	$ 3,000,000	$ 3,300,000
Notes payable	2,617,300	2,170,400
Total bond and notes payable	5,617,300	5,470,400
Less amounts representing implied interest discount	(103,568)	(149,320)
Less unamortized bond issuance costs	(38,673)	(32,708)
	$ 5,475,059	$ 5,288,372

Bond payable

In June 2007, the Trust obtained a $6,000,000 loan through a bank as trustee from proceeds of a bond issuance (Series 2007) by the Economic Development Authority of Spotsylvania County, Virginia. The loan was obtained to help refinance the acquisition of a 205-acre parcel of battlefield in Fredericksburg, Virginia. In connection with the loan, the Trust entered into a corresponding letter of credit agreement for the issuance of an irrevocable letter of credit by the Trust's bank in an amount not to exceed $6,080,000 ($6 million plus 40 days interest at 12% per year).

In April 2010, the Trust entered into a bank qualified loan agreement with a bank to refinance the Series 2007 revenue bonds and to replace the outstanding letter of credit. The total remaining principal balance of $5,400,000 was refinanced through Series 2010 revenue refunding bonds issued by the Economic Development Authority of Spotsylvania County, Virginia. The new bonds accrue interest at a variable interest rate calculated as 67% of the sum of the London Interbank Offered Rate (LIBOR) plus 200 basis points. The bond is due on April 1, 2027, and is collateralized by various battlefield land parcels held by ABT. On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act tax reform legislation. The terms of the documents governing the Series 2010 revenue refunding bonds require that the interest rate to the financing be increased as a result of a decrease in the maximum federal corporate income tax rate. With the passage of the Tax Cuts and Jobs Act, the maximum federal corporate income tax rate decreased from 35% to 21%, resulting in an increase in the applicable interest rate by a factor of 1.215, effective January 1, 2018.

The outstanding principal balance at March 31, 2020 and 2019 is $3,000,000 and $3,300,000, respectively. The bond's variable interest rate on March 31, 2020, was 3.66%. The Trust is required to maintain certain financial and non-financial covenants. The bonds shall mature and be subject to prior redemption or the terms and conditions set forth in the indenture agreement. The bonds were subject to mandatory tender for purchase by the owner on April 1, 2018. On April 30, 2015, the bond agreement was modified to move the mandatory tender date to April 1, 2020. On April 1, 2016, the bond agreement was further modified to amend certain financial and non-financial covenants.

On April 10, 2019, the bond agreement was further modified to remove the mandatory tender for purchase by the owner on April 1, 2020 or April 7, 2025. The maturity date of the bond is April 1, 2027.

Notes payable

During the year ended March 31, 2019, the Trust entered into three seller notes payable arrangements for purposes of acquiring battlefields for preservation. During the year ended March 31, 2020, the Trust entered into three additional seller notes payable for same purpose. Each note is secured by a deed of trust, with a stated interest rate of 0% with an implied rate of 3.66%. Maturity dates range from April 2019 to November 2028. The principal due on these notes total $2,617,300 and $2,170,400 less implied interest of $103,568 and $149,320 for years ended March 31, 2020 and 2019, respectively.

Interest expense, including amortization of debt issuance costs of $(5,965) and $3,960, related to the bond and notes payable was $188,813 and $143,928 for the years ended March 31, 2020 and 2019, respectively.

Maturities of debt at March 31, 2020, are due in future years as follows:

Years ending March 31,	
2021	$ 2,238,943
2022	871,797
2023	353,193
2024	350,743
2025	348,252
Thereafter	1,633,510
	$ 5,796,438

8. Interest Rate Swap

The Trust had an interest rate swap agreement to reduce the impact of changes in interest rates on its bond payable. This agreement effectively changed the interest rate exposure on $1,800,000 of its remaining outstanding $3,600,000 of bonds at a variable rate of .67% of LIBOR to a fixed rate of 1.94%. The interest rate swap agreement matured on June 1, 2018.

The Trust has an interest rate swap agreement to reduce the impact of changes in interest rates on its bond payable effective June 1, 2018. At March 31, 2019, the Trust had an outstanding interest swap agreement with a commercial bank, with a notional principal amount of $1,650,000. This agreement effectively changes the interest rate exposure on $1,650,000 of its remaining outstanding $3,000,000 of bonds at a variable rate of .67% of LIBOR to a fixed rate of 1.60%. The interest rate swap agreement maturity is April 1, 2020. At March 31, 2020 and 2019, the fair value of the interest rate swap was an asset of $204,017 and $39, respectively.

For the years ended March 31, 2020 and 2019, the Trust recognized a gain of $203,978 and $3,256, respectively, as a result of these hedging agreements.

9. Net Assets with Donor Restrictions

Changes in net assets with donor restrictions during the year ended March 31, 2020, consist of the following:

	Balance March 31, 2019	Additions	Release	Balance March 31, 2020
Slaughter Pen Farm - Fredericksburg	$ 310,000	$ 815,000	$ (300,000)	$ 825,000
OJ Lightizer Legacy Fund	-	596,346	-	596,346
Cold Harbor	-	573,927	-	573,927
5th NY Zouaves	500,000	-	-	500,000
Brandy Station	303,170	100,000	-	403,170
Liberty Trail	-	582,388	(183,571)	398,817
Antietam	-	298,796	-	298,796
Reams Station	-	236,568	(52,892)	183,676
VA BPF	-	150,000	-	150,000
Education	-	190,650	(69,615)	121,035
Alabama - Civil War	125,000	-	(27,450)	97,550
Stones River	-	94,528	-	94,528
Youth Leadership Team	-	100,000	(22,128)	77,872
Brice's Crossroads	100,000	-	(42,250)	57,750
Campaign 1776 - Other	25,000	31,500	-	56,500
Vicksburg	-	50,000	-	50,000
Cedar Mountain, VA	-	50,000	-	50,000
New Market Heights	-	43,500	-	43,500
Richmond Battlefields	50,000	42,500	(50,000)	42,500
Champion Hill	41,067	41,958	(41,067)	41,958
Wilderness	-	25,220	-	25,220
4 Battlefields	-	23,500	-	23,500
Ware Bottom Church	-	20,000	-	20,000
HTR	34,301	-	(14,689)	19,612
Year-end appeal	-	16,000	-	16,000
Seminary Ridge	-	511,973	(500,000)	11,973
Camp Nelson	11,285	-	-	11,285
Augmented Reality-Gettysburg	-	50,000	(40,150)	9,850
Miscellaneous Tracts	2,825	-	-	2,825
Cold Harbor - Richmond	72,683	1,000	(73,683)	-
1862 Battlefields	68,791	-	(68,791)	-
Bentonville, AR	29,750	-	(29,750)	-
Hanging Rock	15,651	5,000	(20,651)	-
Richmond	12,000	-	(12,000)	-
Manassas, VA	11,000	-	(11,000)	-
Franklin	4,500	-	(4,500)	-
Education Teachers Institute	10,134	-	(10,134)	-
Programs - purpose restricted	1,727,157	4,650,354	(1,574,321)	4,803,190
Time restricted	149,319	-	(149,319)	-
Preserved Battlefield Land	128,643,640	21,248,709	(3,546,905)	146,345,444
	$ 130,520,116	$ 25,899,063	$ (5,270,545)	$ 151,148,634

Changes in net assets with donor restrictions during the year ended March 31, 2019, consist of the following:

	Balance March 31, 2018	Additions	Release	Balance March 31, 2019
5th NY Zouaves	$ 500,000	$ -	$ -	$ 500,000
Slaughter Pen Farm – Fredericksburg	-	310,000	-	310,000
Brandy Station	3,000	303,170	(3,000)	303,170
Alabama – Civil War	100,000	25,000	-	125,000
Brice's Crossroads	-	100,000	-	100,000
Cold Harbor - Richmond	-	175,000	(102,317)	72,683
1862 Battlefields	-	107,700	(38,909)	68,791
Richmond Battlefields	1,225,408	222,000	(1,397,408)	50,000
Champion Hill	-	41,067	-	41,067
HTR	445,835	-	(411,534)	34,301
Bentonville, AR	-	29,750	-	29,750
Campaign 1776 – Other	257,076	-	(232,076)	25,000
Hanging Rock	-	15,651	-	15,651
Richmond	-	12,000	-	12,000
Camp Nelson	-	76,455	(65,170)	11,285
Manassas, VA	11,000	-	-	11,000
Fort Ticonderoga – New York	-	10,000	-	10,000
Franklin	-	4,500	-	4,500
Miscellaneous Tracts	2,825	2,500	(2,500)	2,825
Education Teachers Institute	5,000	80,000	(84,866)	134
Campaign 1776	3,581,180	-	(3,581,180)	-
Deep Bottom - Bowyer	100,000	-	(100,000)	-
Cold Harbor – Vie	98,500	-	(98,500)	-
Programs – purpose restricted	6,329,824	1,514,793	(6,117,460)	1,727,157
Time restricted	-	168,136	(18,817)	149,319
Preserved Battlefield Land	112,457,121	25,461,217	(9,274,698)	128,643,640
	$ 118,786,945	$ 27,144,146	$ (15,410,975)	$ 130,520,116

10. Commitments and Contingencies

Operating Leases

The Trust had an agreement to lease office space for its headquarters in Washington, D.C. under a non-cancelable lease agreement, which was due to expire on March 31, 2020. The lease agreement provided for free rent during a portion of the initial year of the term and escalating payments. During June 2017, the Trust amended its existing lease agreement to extend the lease term for a term due to expire on March 31, 2025. In addition, the Trust received a tenant renovation allowance of $245,950, which was fully used at March 31, 2019. The lease incentive is reported as deferred rent in the accompanying consolidated financial statements. The Trust also leases office space in Hagerstown, Maryland under a non-cancelable lease agreement, expiring on July 31, 2021. The lease has escalating payments with rent expense recognized on a straight-line basis over the term of the lease.

Rent expense is being recognized on a straight-line basis over the term of the lease. The difference between the expense and the cash payments is reported as deferred rent in the accompanying consolidated financial statements.

Rent expense for all office space was $534,758 and $552,206 for the years ended March 31, 2020 and 2019, respectively.

Future minimum lease payments required under all non-cancelable office leases at March 31, 2020, are as follows:

Years ending March 31,	
2021	$ 548,331
2022	522,547
2023	515,817
2024	528,713
2025	541,931
	$ 2,657,339

Employment agreement

The Trust has entered into an employment contract with an officer of the Trust that expires December 31, 2020. The contract provides for severance payments for involuntary termination equal to a minimum of one year's salary and existing benefits, based upon the employee's salary at the date of the termination or at the end of the contract. Under the contract, the Trust is obligated to contribute $43,500 annually to a deferred compensation plan for the officer. A second deferred compensation plan was established during 2011 for the same officer, where the Trust shall credit the maximum allowable amount per law and shall become fully vested immediately (Note 6).

Federal awards

The Trust participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by federal agencies or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

11. Grant Expense

The Trust supports other organizations with the same purpose as that of the Trust. Grants are recognized when made unconditionally to the grantee and notification has taken place. Grants awarded for the years ended March 31, 2020 and 2019, totaled $424,582 and $276,523, respectively.

Rent expense is being recognized on a straight-line basis over the term of the lease. The difference between the expense and the cash payments is reported as deferred rent in the accompanying consolidated financial statements.

Rent expense for all office space was $534,758 and $552,206 for the years ended March 31, 2020 and 2019, respectively.

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The Trust participates in a number of federally assisted grant programs, which are subject to financial and compliance audits by federal agencies or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

11. Grant Expense

The Trust supports other organizations with the same purpose as that of the Trust. Grants are recognized when made unconditionally to the grantee and notification has taken place. Grants awarded for the years ended March 31, 2020 and 2019, totaled $424,582 and $276,523, respectively.

12. Retirement Plans

The Trust sponsors a defined contribution retirement plan covering all employees meeting certain eligibility requirements under Internal Revenue Code Section 403(b). The Trust's annual discretionary contribution to the plan for the years ended March 31, 2020 and 2019, was $182,212 and $166,434, respectively.

The Trust also has established two 457(b) deferred compensation plans (457(b) plans) with an officer of the Trust (see Note 10). Contributions to the 457(b) plans for the years ended March 31, 2020 and 2019, were $97,616 and $43,500, respectively. The deferred compensation plans balances are recorded as deferred compensation investments and a corresponding payable on the consolidated statement of financial position.

13. Subsequent Events

The Trust evaluated subsequent events through December 4, 2020, which is the date the consolidated financial statements were available to be issued. There were no events that required adjustments to or disclosure in the consolidated financial statements other than as described in Note 1 in Risks and Uncertainties to the consolidated financial statements.