

**MISSISSIPPI VALLEY CONSERVANCY, INC.**

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

June 30, 2020 and 2019

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position.....	3
Statements of Activities .....	5
Statements of Functional Expenses .....	7
Statements of Cash Flows .....	9
Notes to Financial Statements .....	10
Schedule of Sources and Uses of Funds for Fee Title Land Acquisitions by Property .....	20

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Mississippi Valley Conservancy, Inc.  
La Crosse, Wisconsin

We have audited the accompanying financial statements of Mississippi Valley Conservancy, Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

### ***Opinion***

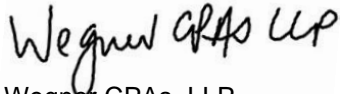
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mississippi Valley Conservancy, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, Mississippi Valley Conservancy, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*; and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019. Our opinion is not modified with respect to this matter.

**Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of sources and uses of funds for fee title land acquisitions by property, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Wegner CPAs, LLP  
Madison, Wisconsin  
November 11, 2020

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 119,933	\$ 113,712	\$ 233,645
Unconditional promises to give	-	154,733	154,733
Prepaid expenses	11,002	-	11,002
Total current assets	130,935	268,445	399,380
<b>OTHER ASSETS</b>			
Investments	1,243,860	3,266,658	4,510,518
Unconditional promises to give, net	-	605,722	605,722
Equipment, net	19,026	-	19,026
Land held for conservation	1,475,487	9,928,443	11,403,930
Total other assets	2,738,373	13,800,823	16,539,196
<b>Total assets</b>	<b>\$ 2,869,308</b>	<b>\$ 14,069,268</b>	<b>\$ 16,938,576</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 1,908	\$ -	\$ 1,908
Accrued expenses	34,901	-	34,901
Paycheck Protection Program loan	94,100	-	94,100
Total liabilities	130,909	-	130,909
<b>NET ASSETS</b>			
Without donor restrictions	2,738,399	-	2,738,399
With donor restrictions	-	14,069,268	14,069,268
Total net assets	2,738,399	14,069,268	16,807,667
<b>Total liabilities and net assets</b>	<b>\$ 2,869,308</b>	<b>\$ 14,069,268</b>	<b>\$ 16,938,576</b>

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 47,822	\$ 175,893	\$ 223,715
Unconditional promises to give	-	182,925	182,925
Prepaid expenses	13,479	-	13,479
Total current assets	61,301	358,818	420,119
<b>OTHER ASSETS</b>			
Investments	1,031,364	2,404,219	3,435,583
Unconditional promises to give, net	-	678,974	678,974
Equipment, net	15,772	-	15,772
Land held for conservation	1,475,487	9,927,143	11,402,630
Total other assets	2,522,623	13,010,336	15,532,959
<b>Total assets</b>	<b><u>\$ 2,583,924</u></b>	<b><u>\$ 13,369,154</u></b>	<b><u>\$ 15,953,078</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 3,980	\$ -	\$ 3,980
Accrued expenses	27,598	-	27,598
Total liabilities	31,578	-	31,578
<b>NET ASSETS</b>			
Without donor restrictions	2,552,346	-	2,552,346
With donor restrictions	-	13,369,154	13,369,154
Total net assets	2,552,346	13,369,154	15,921,500
<b>Total liabilities and net assets</b>	<b><u>\$ 2,583,924</u></b>	<b><u>\$ 13,369,154</u></b>	<b><u>\$ 15,953,078</u></b>

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions	\$ 629,826	\$ 625,229	\$ 1,255,055
Grants	-	84,250	84,250
Fundraising	89,021	-	89,021
Return on investments	108,217	78,500	186,717
Miscellaneous	3,068	-	3,068
Net assets released from restrictions			
Satisfaction of purpose restrictions	87,865	(87,865)	-
	<u>917,997</u>	<u>700,114</u>	<u>1,618,111</u>
Total revenues			
<b>EXPENSES</b>			
Program services			
Land management services	187,090	-	187,090
Land protection services	307,553	-	307,553
Outreach and education	144,170	-	144,170
Supporting activities			
Management and general	53,277	-	53,277
Fundraising	39,854	-	39,854
	<u>731,944</u>	<u>-</u>	<u>731,944</u>
Total expenses			
<b>Change in net assets</b>	186,053	700,114	886,167
Net assets at beginning of year	<u>2,552,346</u>	<u>13,369,154</u>	<u>15,921,500</u>
<b>Net assets at end of year</b>	<u><u>\$ 2,738,399</u></u>	<u><u>\$ 14,069,268</u></u>	<u><u>\$ 16,807,667</u></u>

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions	\$ 531,304	\$ 498,468	\$ 1,029,772
Grants	96,550	-	96,550
Fundraising	71,380	-	71,380
Return on investments	118,383	93,478	211,861
Miscellaneous	5,872	-	5,872
Net assets released from restrictions			
Satisfaction of purpose restrictions	200,988	(200,988)	-
	<u>1,024,477</u>	<u>390,958</u>	<u>1,415,435</u>
Total revenues			
	1,024,477	390,958	1,415,435
<b>EXPENSES</b>			
Program services			
Land management services	159,488	-	159,488
Land protection services	239,282	-	239,282
Outreach and education	154,116	-	154,116
Supporting activities			
Management and general	45,717	-	45,717
Fundraising	41,990	-	41,990
	<u>640,593</u>	<u>-</u>	<u>640,593</u>
Total expenses			
	640,593	-	640,593
<b>Change in net assets</b>	383,884	390,958	774,842
Net assets at beginning of year	<u>2,168,462</u>	<u>12,978,196</u>	<u>15,146,658</u>
<b>Net assets at end of year</b>	<u>\$ 2,552,346</u>	<u>\$ 13,369,154</u>	<u>\$ 15,921,500</u>

See accompanying notes.



**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2020

	Program Services			Supporting Activities		Total Expenses
	Land Management Services	Land Protection Services	Outreach and Education	Management and General	Fundraising	
Personnel	\$ 110,244	\$ 232,999	\$ 119,181	\$ 35,438	\$ 25,213	\$ 523,075
Professional services	5,220	8,460	2,160	10,914	3,463	30,217
Supplies	2,509	1,221	1,928	563	1,078	7,299
Occupancy	8,307	8,058	3,789	1,131	798	22,083
Postage and printing	819	1,786	5,806	642	2,501	11,554
Communications	874	1,785	620	334	130	3,743
Professional development	274	2,488	869	1,184	-	4,815
Depreciation	5,769	-	-	-	-	5,769
Land and easement acquisition	-	29,145	-	-	-	29,145
Land management	40,779	11	-	-	-	40,790
Special events	-	33	648	300	6,161	7,142
Miscellaneous	325	123	1,315	66	99	1,928
Travel	3,091	3,757	1,278	1,253	52	9,431
Dues and subscriptions	-	3,898	3,182	143	-	7,223
Information technology	1,577	5,251	1,904	507	359	9,598
Publicity	73	100	352	-	-	525
Repairs and maintenance	2,250	41	-	-	-	2,291
Insurance	4,979	8,397	1,138	802	-	15,316
<b>Total expenses</b>	<b><u>\$ 187,090</u></b>	<b><u>\$ 307,553</u></b>	<b><u>\$ 144,170</u></b>	<b><u>\$ 53,277</u></b>	<b><u>\$ 39,854</u></b>	<b><u>\$ 731,944</u></b>

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2019

	Program Services			Supporting Activities		Total Expenses
	Land Management Services	Land Protection Services	Outreach and Education	Management and General	Fundraising	
Personnel	\$ 88,979	\$ 191,405	\$ 122,573	\$ 30,118	\$ 26,126	\$ 459,201
Professional services	1,521	10	-	9,058	-	10,589
Supplies	1,100	2,497	1,548	266	960	6,371
Occupancy	8,942	7,140	4,142	831	997	22,052
Postage and printing	1,009	3,239	7,284	524	2,636	14,692
Communications	844	1,323	619	426	147	3,359
Professional development	-	2,460	565	1,640	-	4,665
Depreciation	4,684	-	-	-	-	4,684
Land and easement acquisition	800	11,333	-	-	-	12,133
Land management	37,401	90	-	-	-	37,491
Special events	-	-	520	-	5,467	5,987
Miscellaneous	326	2,671	8,024	316	73	11,410
Travel	2,238	3,828	1,425	679	201	8,371
Dues and subscriptions	772	1,579	4,488	243	176	7,258
Information technology	2,230	5,349	2,215	1,390	465	11,649
Publicity	-	131	660	-	-	791
Repairs and maintenance	4,599	137	53	11	13	4,813
Insurance	4,043	6,090	-	215	4,729	15,077
<b>Total expenses</b>	<b>\$ 159,488</b>	<b>\$ 239,282</b>	<b>\$ 154,116</b>	<b>\$ 45,717</b>	<b>\$ 41,990</b>	<b>\$ 640,593</b>

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 886,167	\$ 774,842
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions restricted for long-term purposes	-	(635,646)
Depreciation	5,769	4,684
Net realized and unrealized (gains) losses on investments	(81,563)	(86,223)
Amortization of discount on unconditional promises to give	(10,000)	(6,000)
Increase in allowance on unconditional promises to give	10,000	-
Donation of land held for conservation	(1,300)	(288,085)
Decrease in assets		
Unconditional promises to give	101,444	46,721
Prepaid expenses	2,477	2,012
Increase (decrease) in liabilities		
Accounts payable	(2,072)	296
Accrued expenses	7,303	5,114
Net cash flows from operating activities	<u>918,225</u>	<u>(182,285)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(993,372)	(449,973)
Purchases of equipment	(9,023)	(12,699)
Net cash flows from investing activities	<u>(1,002,395)</u>	<u>(462,672)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for		
Conservation easement monitoring and defense	-	45,996
Investment in permanent endowment	-	589,650
Proceeds from Paycheck Protection Program loan	94,100	-
Net cash flows from financing activities	<u>94,100</u>	<u>635,646</u>
<b>Net change in cash and restricted cash</b>	<u>9,930</u>	<u>(9,311)</u>
Cash and restricted cash at beginning of year	<u>223,715</u>	<u>233,026</u>
<b>Cash and restricted cash at end of year</b>	<u><u>\$ 233,645</u></u>	<u><u>\$ 223,715</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash investing transactions		
Donation of land held for conservation	\$ 1,300	\$ 288,085

See accompanying notes.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

Mississippi Valley Conservancy, Inc. (“Conservancy”) is a nonprofit conservancy dedicated to the conservation of environmentally significant land in the Coulee Region of western Wisconsin. In addition, the Conservancy promotes its mission through seminars and general conservation outreach programs.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Investments**

Investments in marketable equity securities with readily determinable fair values are stated at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Equipment**

All acquisitions of equipment in excess of \$1,000 are capitalized. Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

**Conservation Easements**

Conservation easements accepted or purchased by the Conservancy are not recognized as assets or revenues in the accompanying financial statements because the Conservancy does not hold fee title to these properties and there are no expected future economic benefits associated with the easements. In addition, conservation easements carry significant obligations to monitor and defend their terms. If purchased, the costs of conservation easements are expensed when the easements are acquired.

**Land Held for Conservation**

Purchased land held for conservation is carried at cost. Donated land held for conservation is carried at fair value at the date of donation. Such donations are reported as net assets with donor restrictions if the donor restricted the use of the land to a particular purpose, as are donations of cash restricted to the purchase of land. Otherwise, donor restrictions on donations of land or assets restricted for the purchase of land are considered to expire when the assets are placed in service.

**Date of Management’s Review**

Management has evaluated subsequent events through November 11, 2020, the date which the financial statements were available to be issued.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions received are recorded as increases in net assets without donor restriction and net assets with donor restrictions depending on the existence of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Adoption of New Accounting Guidance**

On June 21, 2018, the Financial Accounting Standards Board 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 ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions or contributions. The ASU also assists entities in determining whether a contribution is conditional. The Conservancy adopted the requirements of the ASU as of July 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of July 1, 2019 or entered into after that date. As a result, most government grants accounted for as exchange transactions under previous guidance are now accounted for as conditional contributions.

Also, on November 17, 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*. The ASU requires amounts generally described as restricted cash and restricted cash equivalents to 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. Previously, transfers between cash and restricted cash were classified as operating, investing, or financing activities, or as a combination of those activities, in the statement of cash flows.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, supplies, occupancy, postage and printing, communications, and information technology, which are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

*Land management and protection services*—Using voluntary tools such as conservation easements, land purchases, land donations, and cooperative acquisitions to protect lands for their ecology, scenic beauty, outdoor recreation potential, and prime agricultural soils. The conservancy also works hard to restore native natural communities by removing invasive species and conducting prescribed burns.

*Outreach and education*—Provides educational materials to over 1,000 people and creates online videos to promote appreciation of nature and protection of the habitat. The conservancy also leads more than 1,000 young people outdoors to learn about nature and ecological restoration.

*Management and general*—Includes accounting and production of financial reports, development and oversight of the annual budget, maintenance of personnel records, personnel evaluations, and Conservancy governance.

*Fundraising*—Includes the cultivation of new donors, the administration of fundraising events, membership solicitations, direct mailings, and planned giving activities.

**Income Tax Status**

The Conservancy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Conservancy qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

NOTE 2—EQUIPMENT

Equipment consists of the following:

	2020	2019
Equipment and fixtures	\$ 70,593	\$ 61,571
Vehicle	23,960	23,960
Accumulated depreciation	(75,527)	(69,759)
Equipment, net	\$ 19,026	\$ 15,772

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

NOTE 3—LAND HELD FOR CONSERVATION

Land held for conservation consists of the following:

	2020	2019
Tunnelville Cliffs State Natural Area:		
Kings Point Farms	\$ 2,366,243	\$ 2,366,243
Lee	306,000	306,000
Kings Point Farm - North	117,757	117,757
New Amsterdam Grasslands	2,025,000	2,025,000
Sugar Creek Bluff State Natural Area:		
Sampson III	527,072	527,072
B&T Properties	435,000	435,000
Vaughn I & II	274,252	274,252
Sampson I & II	266,562	266,562
Bureau of Aeronautics	115,400	115,400
Harris	75,400	75,400
Boscobel Bluffs State Natural Area - McNamee	900,742	900,742
Devils Backbone State Natural Area - Future Farms	662,700	662,700
Waters Edge Woods - Homstad	403,000	403,000
Cassville Bluffs State Natural Area - Roe	382,000	382,000
Onalaska Natural Lands Protection Program:		
French Valley, LLC	300,000	300,000
Greens Coulee-Savannah Oaks	233,429	233,429
Apple Valley Bluff - T&D Real Estate Investments	180,000	180,000
Apple Valley Bluff - T&D II Real Estate Investments	128,000	128,000
Kickapoo Bottoms - Royal Bank	135,708	135,708
Devils Backbone State Natural Area - Stout	125,000	125,000
La Crosse River Conservancy:		
Lee	51,300	51,300
Gundersen	42,000	42,000
Western Technical College	10,500	10,500
Johnson	7,231	7,231
Coulee Region Humane Society	2,400	2,400
Fish Creek - Meridian Marketplace	100,000	100,000
Trempealeau Lakes-River Lake Estates	99,561	99,561
Angel Bluff - Ledebuhr	98,750	98,750
Romance Woods- Anderson/Jackson	96,250	96,250
La Crosse Bluffland Protection Property:		
Gilbertson Property	20,498	20,498
Gerrard Corporation	18,630	18,630
La Crosse Floral	10,000	10,000
Hoeschler	10,000	10,000
Frank	8,000	8,000
Cardinal Bluff - McDowell	44,000	44,000
Kickapoo Caverns - Porter	379,160	379,160
Wilton Hemlock	285,000	285,000
Elkins	160,085	160,085
Black River Bottoms - Miller	1,300	-
Total land held for conservation	<u>\$ 11,403,930</u>	<u>\$ 11,402,630</u>

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

**NOTE 4—PAYCHECK PROTECTION PROGRAM LOAN**

On April 21, 2020, the Conservancy received a \$94,100 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred until a determination of the amount of forgiveness is made. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Conservancy during the covered period. Eligible expenses include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years.

**NOTE 5—NET ASSETS**

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

	<u>2020</u>	<u>2019</u>
Subject to the passage of time	\$ 4,000	\$ 12,000
Subject to expenditures for specified purpose		
Land held for conservation	9,928,443	9,927,143
Endowment fund	2,484,240	2,396,553
Conservation easement stewardship	749,501	704,819
Land acquisition and transfer fee funds	537,887	-
Owned land monitoring and defense	62,931	67,698
Stry	20,114	40,295
Onalaska Natural Land Protection Program	15,818	15,420
National Wildlife Turkey	-	15,000
Kickapoo Indian Cavern	30,979	29,389
CRP - Cassville	19,321	28,802
Other	216,034	132,035
	<u>216,034</u>	<u>132,035</u>
Total net assets with donor restrictions	<u>\$ 14,069,268</u>	<u>\$ 13,369,154</u>

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

	<u>2020</u>	<u>2019</u>
Fee Land Stewardship	\$ 177,029	\$ 172,573
CE Intern Field Crew	80,127	78,110
CE Stewardship Assist	50,604	49,330
CE Stewardship	60,937	32,891
CE Transfer Fee	-	103,833
Land held for conservation	1,475,487	1,475,487
Operating reserve	640,122	549,412
Undesignated	254,093	90,710
	<u>254,093</u>	<u>90,710</u>
	<u>\$ 2,738,399</u>	<u>\$ 2,552,346</u>



**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

NOTE 5—NET ASSETS (continued)

*Easement Stewardship* provides for baseline development, monitoring and enforcement, with a view to prompt identification and enforcement of violations of the terms of conservation easements granted to the Conservancy.

*Easement Legal Defense* provides for expenses incurred in the enforcement, by litigation or otherwise, of the terms of any easement granted to the Conservancy. The Land Trust Alliance has established guidance for funds reserved for the purposes described above that is based on the number of easements held.

The composition of these funds as of June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Donor-restricted	\$ 62,931	\$ 772,517
Board-designated	<u>368,697</u>	<u>436,736</u>
Total stewardship and legal defense funds	<u>\$ 431,628</u>	<u>\$ 1,209,253</u>

NOTE 6—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 154,733	\$ 182,925
Receivable in one to five years	211,850	322,591
Receivable in more than five years	25,325	24,375
Receivable from donor annuity	<u>400,547</u>	<u>364,008</u>
Total unconditional promises to give	792,455	893,899
Less discounts to net present value	22,000	32,000
Less allowance on unconditional promises to give	<u>10,000</u>	<u>-</u>
Unconditional promises to give, net	<u>\$ 760,455</u>	<u>\$ 861,899</u>

Unconditional promises to give receivable in more than one year are discounted at 2.5%

NOTE 7—RETIREMENT PLAN

The Conservancy sponsors a defined contribution retirement plan for participating employees who earn \$5,000 or more in a calendar year. Employer contributions to the plan were 3% of participating employees' annual compensation. Contributions are fully vested when made. Plan expenses for the years ended June 30, 2020 and 2019, was \$10,616 and \$9,641, respectively.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

NOTE 8—INVESTMENTS

Investments consists of the following:

	2020	2019
Money market funds	\$ 154,077	\$ 4
Mutual funds	4,356,441	3,435,579
Total investments	\$ 4,510,518	\$ 3,435,583

NOTE 9—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of June 30, 2020				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 4,356,441	\$ 4,356,441	\$ -	\$ -
Assets at Fair Value as of June 30, 2019				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 3,435,579	\$ 3,435,579	\$ -	\$ -

NOTE 10—ENDOWMENT

The Conservancy’s endowment is intended to be an investment fund with investment earnings used to help accomplish the Conservancy’s mission. Primary uses of investment earnings include supporting general operations, perpetual monitoring and legal defense of conservation easements, management of Conservancy-owned properties, assisting with ecological management of conservation easement properties, and land protection projects. Donors and/or the board of directors may specify endowment funds be used for other purposes related to the mission. It is the Conservancy’s goal to grow the fund by limiting spending to allow the principal to grow at or above the rate of inflation, plus growth from new contributions.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

---

NOTE 10—ENDOWMENT (continued)

*Interpretation of Relevant Law*

The board of directors of the Conservancy has interpreted Wisconsin's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Conservancy classifies as net assets without donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Conservancy in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purpose of the Conservancy and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Conservancy; (7) the investment policies of the Conservancy.

*Investment Policy*

The board of directors has established an investment policy to ensure compliance with investment practices that preserve principal, ensure liquidity sufficient to meet the Conservancy's needs, and maintain the purchasing power of the investment assets. Currently, the board of directors has directed its investment advisor to invest in a composition 60% equities and 40% fixed income. Risk is present in all types of securities and investment styles, and the board of directors recognizes some risk is necessary to produce long-term investment results. However, reasonable effort is made to control risk.

*Spending Policy*

In general, expenditures of endowment funds are expected to be incorporated into the Conservancy's annual budgeting and strategic planning processes. Spending from endowment funds shall on average not exceed a level that would prevent the fund balance from increasing at the rate of inflation. As a guideline, the annual spending amount is targeted at 5% of the average fund balance at the end of the calendar quarter prior to the end of the fiscal year for the most recent three years. This is intended to provide a known amount to use in budget preparation.

When deemed appropriate, the board of directors may elect to delay initiating withdrawals from a newly established endowment fund until it has accumulated earnings sufficient to support such withdrawals.

To maintain maximum flexibility while building an endowment fund, the board of directors may withdraw restricted earnings from a fund to pay for appropriate documented expenses, and then designate a similar amount of board-designated funds to be placed into that endowment fund. Those board-designated funds could be re-designated for another purpose in the future if circumstances make such a re-designation appropriate.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

NOTE 10—ENDOWMENT (continued)

Endowment net asset composition by type of fund as of June 30, 2020 and 2019, is as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,484,243	\$ 2,484,243
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,396,553	\$ 2,396,553

Changes in endowment net assets for the years ended June 30, 2020 and 2019, are as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ -	\$ 2,396,553	\$ 2,396,553
Contributions	-	36,500	36,500
Investment return, net	-	53,142	53,142
Amounts appropriated for expenditure	-	(1,952)	(1,952)
Endowment net assets at end of year	\$ -	\$ 2,484,243	\$ 2,484,243
	2019		
	Without Donor Restrictions	With Donor Restrictions	2018 Total
Endowment net assets at beginning of year	\$ -	\$ 2,115,724	\$ 2,115,724
Contributions	-	190,337	190,337
Investment income	-	90,492	90,492
Endowment net assets at end of year	\$ -	\$ 2,396,553	\$ 2,396,553

NOTE 11—CONTINGENCY

The Conservancy holds 116 conservation easements that may require expenditures to monitor and defend the provisions of the easements.

**MISSISSIPPI VALLEY CONSERVANCY, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

NOTE 12—OPERATING LEASES

The Conservancy leases office space under an operating lease that expires in June 2022 and requires monthly payments of \$1,785. The Conservancy leased a copier under an operating lease that expired in June 2020 and required monthly payments of \$118. In the year ended June 30, 2020, the Conservancy entered into a new copier lease agreement that will expire in June 2025 and requires monthly payments of \$298. Rental expenses for those leases for the years ended June 30, 2020 and 2019, were \$22,715 and \$22,833, respectively.

Future minimum lease payments for the years ending June 30, 2021, 2022, 2023, 2024 and 2025 are \$24,996, \$24,996, \$3,576, \$3,576 and \$3,576.

NOTE 13—LIQUIDITY AND AVAILABILITY

The Conservancy strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets at the end of year consist of cash, promises to give, and investments. The following table reflects the Conservancy's financial assets as of the dates of the statements of financial position reduced by amounts not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of donor-imposed restrictions or internal board designations.

	<u>2020</u>	<u>2019</u>
Financial assets at end of year:		
Cash	\$ 233,645	\$ 223,715
Promises to give	760,455	861,899
Investments	<u>4,510,518</u>	<u>3,435,583</u>
Total financial assets at end of year	5,504,618	4,521,197
Less those unavailable for general expenditures with one year:		
Board designations	(368,697)	(436,736)
Restricted by donor with purpose restrictions	<u>(4,140,825)</u>	<u>(3,266,118)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 995,096</u>	<u>\$ 818,343</u>

Mississippi Valley Conservancy

UNAUDITED

Schedule of Sources and Uses of Funds for Conservation Easement Acquisitions, by property

Fiscal Year Ending 6/30/2020

PROJECT	Hein Farm, LLC	Canniff	Amsrud	Little Bluff	Kuennen	Brenneke	Totals
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<b>Date of Purchase</b>							
<b>Sources of funds and other support</b>							
CE pledge - Transactional cost donation	-	-		-	-	-	-
Stry Grant	-	-		-	-	2,000.00	2,000.00
Misc Funds	1,300.00	2,000.00	2,000.00	27,505.00	2,000.00	-	47,443.00
	2,000.00	-					3,218.14
Costs to MVC							-
<b>Total sources of funds and other support</b>	<b>3,300.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>27,505.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>52,661.14</b>
<b>Uses of funds and other support</b>							
Land and easement acquisition costs							
Purchase price of Conservation Easement	-	-	-	10,500.00	-	-	-
							-
Total Acquisition Costs	-	-	-	10,500.00	-	-	-
Land Transaction costs							-
Title Fees	500.00	425.00	425.00	425.00	425.00	425.00	6,725.00
Appraisal Fees	-	-	-	1,500.00	-	-	1,500.00
Legal Description	-	-	-	2,391.00	-	-	2,404.03
Register of Deed Fees	60.00	60.00	60.00	60.00	60.00	60.00	450.00
Personnel & Operating Expense	2,728.56	1,503.56	1,503.56	5,087.50	1,503.56	1,503.56	13,830.30
Misc transaction costs	-	-	-	7,500.00	-	-	7,520.00
MVC Signs	11.44	11.44	11.44	45.76	11.44	11.44	122.96
Total Transaction Costs	3,300.00	2,000.00	2,000.00	17,009.26	2,000.00	2,000.00	32,552.29
Land Expense costs							-
Total land Expense costs	-					-	-
<b>Total uses of funds and other support</b>	<b>3,300.00</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>27,509.26</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>32,552.29</b>
<b>Amount unexpended</b>	-	-	-	(4.26)	-	-	20,108.85