

MISSISSIPPI VALLEY CONSERVANCY, INC.

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

June 30, 2021 and 2020

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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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Wegner CPAs, LLP
Madison, Wisconsin
November 10, 2021

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 208,775	\$ -	\$ 208,775
Unconditional promises to give	1,000	115,843	116,843
Prepaid expenses	11,125	-	11,125
Total current assets	220,900	115,843	336,743
OTHER ASSETS			
Investments	2,107,415	4,139,551	6,246,966
Unconditional promises to give, net	-	636,125	636,125
Equipment, net	19,517	-	19,517
Land held for conservation	1,475,487	10,459,293	11,934,780
Total other assets	3,602,419	15,234,969	18,837,388
Total assets	\$ 3,823,319	\$ 15,350,812	\$ 19,174,131
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 2,685	\$ -	\$ 2,685
Accrued expenses	42,026	-	42,026
Total liabilities	44,711	-	44,711
NET ASSETS			
Without donor restrictions	3,778,608	-	3,778,608
With donor restrictions	-	15,350,812	15,350,812
Total net assets	3,778,608	15,350,812	19,129,420
Total liabilities and net assets	\$ 3,823,319	\$ 15,350,812	\$ 19,174,131

See accompanying notes.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
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
OTHER ASSETS			
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
Total assets	<u>\$ 2,869,308</u>	<u>\$ 14,069,268</u>	<u>\$ 16,938,576</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
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
NET ASSETS			
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
Total liabilities and net assets	<u>\$ 2,869,308</u>	<u>\$ 14,069,268</u>	<u>\$ 16,938,576</u>

See accompanying notes.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 1,163,090	\$ 759,074	\$ 1,922,164
Grants	-	181,595	181,595
Fundraising	41,165	-	41,165
Return on investments	271,050	663,495	934,545
Miscellaneous	8,904	-	8,904
Net assets released from restrictions			
Satisfaction of purpose restrictions	322,620	(322,620)	-
Total revenues	1,806,829	1,281,544	3,088,373
EXPENSES			
Program services			
Land management services	204,581	-	204,581
Land protection services	342,449	-	342,449
Outreach and education	125,703	-	125,703
Supporting activities			
Management and general	51,469	-	51,469
Fundraising	42,418	-	42,418
Total expenses	766,620	-	766,620
Change in net assets	1,040,209	1,281,544	2,321,753
Net assets at beginning of year	2,738,399	14,069,268	16,807,667
Net assets at end of year	\$ 3,778,608	\$ 15,350,812	\$ 19,129,420

See accompanying notes.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
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			
EXPENSES			
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			
Change in net assets	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>
Net assets at end of year	<u>\$ 2,738,399</u>	<u>\$ 14,069,268</u>	<u>\$ 16,807,667</u>

See accompanying notes.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services			Supporting Activities		Total Expenses
	Land Management Services	Land Protection Services	Outreach and Education	Management and General	Fundraising	
Personnel	\$ 145,076	\$ 293,189	\$ 102,488	\$ 37,307	\$ 32,481	\$ 610,541
Professional services	-	58	-	9,788	1,966	11,812
Supplies	2,332	1,775	1,335	183	879	6,504
Occupancy	16,617	641	2,742	1,130	931	22,061
Postage and printing	1,409	2,892	5,093	368	1,898	11,660
Communications	557	1,193	356	147	121	2,374
Professional development	497	1,124	4,938	115	242	6,916
Depreciation	1,516	2,341	853	351	289	5,350
Land and easement acquisition	-	12,660	-	-	-	12,660
Land management	19,142	19	-	-	-	19,161
Special events	-	-	-	-	1,876	1,876
Miscellaneous	323	6,076	28	138	8	6,573
Travel	6,590	2,776	148	110	185	9,809
Dues and subscriptions	903	2,584	4,724	282	646	9,139
Information technology	2,521	4,514	2,107	622	513	10,277
Publicity	112	115	68	10	383	688
Repairs and maintenance	3,007	487	-	-	-	3,494
Insurance	3,979	10,005	823	918	-	15,725
Total expenses	\$ 204,581	\$ 342,449	\$ 125,703	\$ 51,469	\$ 42,418	\$ 766,620

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
Total expenses	\$ 187,090	\$ 307,553	\$ 144,170	\$ 53,277	\$ 39,854	\$ 731,944

See accompanying notes.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,321,753	\$ 886,167
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions restricted for long-term purposes	20,914	-
Depreciation	5,350	5,769
Forgiveness of Paycheck Protection Program loan	(94,100)	-
Net realized and unrealized (gains) losses on investments	(763,240)	(81,563)
Amortization of discount on unconditional promises to give	-	(10,000)
Increase in allowance on unconditional promises to give	-	10,000
Donation of land held for conservation	(356,850)	(1,300)
Decrease in assets		
Unconditional promises to give	7,487	101,444
Prepaid expenses	(123)	2,477
Increase (decrease) in liabilities		
Accounts payable	777	(2,072)
Accrued expenses	7,125	7,303
	<u>1,149,093</u>	<u>918,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,803,501)	(993,372)
Proceeds from sales of investments	830,293	-
Purchases of land held for conservation	(174,000)	-
Purchases of equipment	(5,841)	(9,023)
	<u>(1,153,049)</u>	<u>(1,002,395)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for		
Investment in permanent endowment	(20,914)	-
Proceeds from Paycheck Protection Program loan	-	94,100
	<u>(20,914)</u>	<u>94,100</u>
Net change in cash and restricted cash	<u>(24,870)</u>	<u>9,930</u>
Cash and restricted cash at beginning of year	<u>233,645</u>	<u>223,715</u>
Cash and restricted cash at end of year	<u>\$ 208,775</u>	<u>\$ 233,645</u>
SUPPLEMENTAL DISCLOSURES		
Noncash investing transactions		
Donation of land held for conservation	\$ 356,850	\$ 1,300

See accompanying notes.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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 10, 2021, the date which the financial statements were available to be issued.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

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.

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.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2021	2020
Receivable in less than one year	\$ 116,843	\$ 154,733
Receivable in one to five years	83,250	211,850
Receivable in more than five years	21,600	25,325
Receivable from donor annuity	563,275	400,547
Total unconditional promises to give	784,968	792,455
Less discounts to net present value	22,000	22,000
Less allowance on unconditional promises to give	10,000	10,000
Unconditional promises to give, net	\$ 752,968	\$ 760,455

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

NOTE 3—EQUIPMENT

Equipment consists of the following:

	2021	2020
Equipment and fixtures	\$ 76,435	\$ 70,593
Vehicle	23,960	23,960
Accumulated depreciation	(80,878)	(75,527)
Equipment, net	\$ 19,517	\$ 19,026

NOTE 4—CONCENTRATION

During the year ending June 30, 2021, the Conservancy received approximately 22% of its revenues from one donor.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 5—LAND HELD FOR CONSERVATION

Land held for conservation consists of the following:

	<u>2021</u>	<u>2020</u>
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-Savanah 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	1,300
Black River Bottoms - Dempsey	174,000	-
Limery Road	356,850	-
	<u>356,850</u>	<u>-</u>
Total land held for conservation	<u>\$ 11,934,780</u>	<u>\$ 11,403,930</u>

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6—INVESTMENTS

Investments consists of the following:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 9,194	\$ 154,077
Mutual funds	<u>6,237,772</u>	<u>4,356,441</u>
Total investments	<u>\$ 6,246,966</u>	<u>\$ 4,510,518</u>

Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded.

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, 2021 and 2020, was \$13,131 and \$10,616, respectively.

NOTE 8—NET ASSETS

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

	<u>2021</u>	<u>2020</u>
Subject to the passage of time	\$ 3,800	\$ 4,000
Subject to expenditures for specified purpose		
Land held for conservation	10,459,293	9,928,443
Endowment fund	3,003,800	2,484,240
Conservation easement stewardship	958,648	749,501
Land acquisition and transfer fee funds	324,065	537,887
Owned land monitoring and defense	73,805	62,931
Stry	63,877	20,114
Onalaska Natural Land Protection Program	19,286	15,818
Kickapoo Indian Cavern	23,959	30,979
CRP - Cassville	13,521	19,321
Other	<u>406,758</u>	<u>216,034</u>
Total net assets with donor restrictions	<u>\$ 15,350,812</u>	<u>\$ 14,069,268</u>

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8—NET ASSETS (continued)

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

	2021	2020
Fee Land Stewardship	\$ 215,828	\$ 177,029
CE Intern Field Crew	97,688	80,127
CE Stewardship Assist	61,695	50,604
CE Stewardship	74,292	60,937
Land held for conservation	1,475,487	1,475,487
Operating reserve	894,216	640,122
Undesignated	959,402	254,093
	\$ 3,778,608	\$ 2,738,399

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, 2021 and 2020 is as follows:

	2021	2020
Donor-restricted	\$ 73,805	\$ 62,931
Board-designated	313,516	257,156
Total stewardship and legal defense funds	\$ 387,321	\$ 320,087

NOTE 9—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, 2021 and 2020

NOTE 9—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 with 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.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 9—ENDOWMENT (continued)

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.

Endowment net asset composition by type of fund as of June 30, 2021 and 2020, is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 3,003,800	\$ 3,003,800
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,484,243	\$ 2,484,243

Changes in endowment net assets for the years ended June 30, 2021 and 2020, are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ -	\$ 2,484,243	\$ 2,484,243
Contributions	-	20,914	20,914
Investment return, net	-	500,716	500,716
Amounts appropriated for expenditure	-	(2,073)	(2,073)
Endowment net assets at end of year	\$ -	\$ 3,003,800	\$ 3,003,800
	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	\$ 2,431,101

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 10—PAYCHECK PROTECTION PROGRAM LOAN

On April 21, 2020, the Conservancy received a \$94,100 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The Conservancy accounts funds received under the PPP as a grant conditioned upon the organization incurring qualifying expenses. Prior to June 30, 2021, the Conservancy incurred \$94,100 of qualifying expenses, recognized the grant assistance, and applied for forgiveness. On January 19, 2021, the SBA preliminarily approved forgiveness of the loan.

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

NOTE 11—CONTINGENCY

The Conservancy holds 126 conservation easements that may require expenditures to monitor and defend the provisions of the easements.

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 also leases a copier under an operating lease that expires in June 2025 and required monthly payments of \$298. Rental expenses for those leases for the years ended June 30, 2021 and 2020, were \$22,715 and \$22,715, respectively.

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

NOTE 13—EFFECTS OF THE COVID-19 PANDEMIC

The Conservancy's operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on the Conservancy is uncertain; however, it may result in a material adverse impact on the Conservancy's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to the Conservancy's donors and revenues, absenteeism in the Conservancy's workforce, unavailability of supplies used in the Conservancy's programs, and a decline in value of assets held by the Conservancy.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 14—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>2021</u>	<u>2020</u>
Financial assets at end of year:		
Cash	\$ 208,775	\$ 233,645
Promises to give	752,968	760,455
Investments	<u>6,246,966</u>	<u>4,510,518</u>
Total financial assets at end of year	7,208,709	5,504,618
Less those unavailable for general expenditures with one year:		
Board designations	(313,516)	(257,156)
Restricted by donor with purpose restrictions	<u>(4,891,519)</u>	<u>(4,027,113)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,003,674</u>	<u>\$ 1,220,349</u>

Mississippi Valley Conservancy

Schedule of Sources and Uses of Funds for Fee Title Land Acquisitions, by property

Fiscal Year Ending 6/30/21

PROJECT	Dempsey Amount	Davis Amount	Meyer Amount	Limery Amount	Kaplan Amount	Lindell Amount	Total Amount
Date of Purchase							
Sources of funds and other support							
Grant Funding							
Paul E. Stry Foundation	-	-	-	-	25,000	25,000	50,000.00
Brookby	-	-	-	-	-	-	-
Total of Other Grants	12,000	-	-	375,000	-	-	387,000.00
Total Land Donation Value							-
Other Sources of Funding	266	1,250	-	1,300	-	-	2,816.27
Total sources of funds and other support	12,266	1,250	-	376,300	25,000	25,000	439,816.27
Uses of funds and other support							
Land acquisition costs							
Total Acquisition Costs	-	-	-	352,000	-	-	352,000.00
Land Transaction costs							
Title Fees	535	-	-	-	-	-	535.00
Appraisal Fees	-	2,500	2,500	1,800	2,000	1,500	10,300.00
Legal Fees	-	-	-	-	-	-	-
Survey Costs	-	-	-	3,016	3,100	-	6,115.50
Register of Deed Fees	-	-	-	34	-	-	34.20
Misc transaction costs	-	-	-	-	-	-	-
Total Transaction Costs	535	2,500	2,500	4,850	5,100	1,500	16,984.70
Total Property Capital Costs	535	2,500	2,500	356,850	5,100	1,500	368,984.70
Personnel & Operating Expenses	3,754	-	-	3,714	-	-	7,468.00
Land Expense costs							
Total Property Taxes	657	-	-	4,515	-	-	5,172.09
Miscellaneous Land Expenses	7,320	-	-	9,303	-	-	16,623.00
Total land expense costs	7,977	-	-	13,818			7,977.09
Total uses of funds and other support	12,266	2,500	2,500	370,668	5,100	1,500	376,961.79
Amount unexpended	0	(1,250)	(2,500)	5,632	19,900	23,500	62,854.48