

**MISSISSIPPI VALLEY
CONSERVANCY, INC.**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

JUNE 30, 2025 AND 2024

MISSISSIPPI VALLEY CONSERVANCY, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Mississippi Valley Conservancy, Inc. (“the Organization”) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, 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 (U.S. GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
March 4, 2026

MISSISSIPPI VALLEY CONSERVANCY, INC.

FINANCIAL STATEMENTS

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	JUNE 30,	
	2025	2024
Cash and cash equivalents	\$ 114,100	\$ 115,614
Unconditional promises to give, net	153,666	180,664
Prepaid expenses	20,743	20,308
Investments	11,629,418	10,135,827
Beneficial interest in foundation	71,635	67,139
Land held for conservation	17,333,714	15,496,860
Property and equipment, net	79,962	105,641
Land acquisition in process	6,200	167,634
Operating lease right-of-use asset	77,922	105,337
Other assets	680,393	590,424
TOTAL ASSETS	\$ 30,167,753	\$ 26,985,448
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 8,189	\$ 29,252
Accrued expenses	51,439	44,775
Operating lease liability	81,864	109,484
TOTAL LIABILITIES	141,492	183,511
NET ASSETS		
Without donor restrictions	4,973,745	4,403,456
With donor restrictions	25,052,516	22,398,481
TOTAL NET ASSETS	30,026,261	26,801,937
TOTAL LIABILITIES AND NET ASSETS	\$ 30,167,753	\$ 26,985,448

The accompanying notes are an integral part of these statements.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES

	YEAR ENDED JUNE 30,					
	2025			2024		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 1,075,988	\$ 348,926	\$ 1,424,914	\$ 539,292	\$ 210,610	\$ 749,902
In-kind contributions	17,998	1,584,815	1,602,813	18,880	-	18,880
Grant revenue	-	167,150	167,150	-	119,200	119,200
Rental income	74,668	-	74,668	47,185	-	47,185
Fundraising	95,755	-	95,755	87,070	-	87,070
Investment return, net	373,593	949,418	1,323,011	351,141	1,090,630	1,441,771
Miscellaneous	11,931	-	11,931	3,083	-	3,083
Net assets released from restrictions	396,274	(396,274)	-	269,694	(269,694)	-
TOTAL PUBLIC SUPPORT AND REVENUE	<u>2,046,207</u>	<u>2,654,035</u>	<u>4,700,242</u>	<u>1,316,345</u>	<u>1,150,746</u>	<u>2,467,091</u>
EXPENSES						
Program services						
Land management services	623,509	-	623,509	387,948	-	387,948
Land protection services	396,917	-	396,917	344,396	-	344,396
Outreach and education	163,725	-	163,725	173,796	-	173,796
Supporting activities						
Management and general	120,920	-	120,920	156,356	-	156,356
Fundraising and development	170,847	-	170,847	160,143	-	160,143
TOTAL EXPENSES	<u>1,475,918</u>	<u>-</u>	<u>1,475,918</u>	<u>1,222,639</u>	<u>-</u>	<u>1,222,639</u>
CHANGE IN NET ASSETS	570,289	2,654,035	3,224,324	93,706	1,150,746	1,244,452
NET ASSETS, BEGINNING OF YEAR	<u>4,403,456</u>	<u>22,398,481</u>	<u>26,801,937</u>	<u>4,309,750</u>	<u>21,247,735</u>	<u>25,557,485</u>
NET ASSETS, END OF YEAR	<u>\$ 4,973,745</u>	<u>\$ 25,052,516</u>	<u>\$ 30,026,261</u>	<u>\$ 4,403,456</u>	<u>\$ 22,398,481</u>	<u>\$ 26,801,937</u>

The accompanying notes are an integral part of these statements.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	PROGRAM SERVICES			SUPPORTING ACTIVITIES		TOTAL
	LAND MANAGEMENT SERVICES	LAND PROTECTION SERVICES	OUTREACH AND EDUCATION	MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries, payroll taxes, and benefits	\$ 301,031	\$ 309,981	\$ 124,073	\$ 100,949	\$ 129,082	\$ 965,116
Professional services	22,162	16,305	7,772	5,483	6,160	57,882
Land donation	65,719	-	-	-	-	65,719
Staff travel and meals	7,622	6,754	1,384	813	2,146	18,719
Supplies	3,470	2,553	1,217	859	965	9,064
Occupancy	13,885	6,459	3,079	2,172	2,440	28,035
Insurance	9,702	7,138	3,402	2,400	2,697	25,339
Telephone	2,505	1,843	878	620	696	6,542
Printing and postage	3,704	2,725	7,740	917	8,416	23,502
Dues and memberships	4,281	1,898	1,485	638	1,477	9,779
Advertising and promotion	1,436	1,056	504	355	399	3,750
Repairs and maintenance	383	282	134	95	106	1,000
Land and easement acquisition	-	15,445	-	-	-	15,445
Land stewardship	162,130	-	-	-	-	162,130
Special events	-	-	-	-	7,789	7,789
Information technology	5,328	3,920	1,868	1,318	1,481	13,915
Professional development	3,381	3,218	4,309	152	2,331	13,391
Miscellaneous	2,733	7,013	958	676	760	12,140
TOTAL EXPENSES BEFORE DEPRECIATION	609,472	386,590	158,803	117,447	166,945	1,439,257
Depreciation expense	14,037	10,327	4,922	3,473	3,902	36,661
TOTAL EXPENSES	\$ 623,509	\$ 396,917	\$ 163,725	\$ 120,920	\$ 170,847	\$ 1,475,918

The accompanying notes are an integral part of these statements.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES			SUPPORTING ACTIVITIES		TOTAL
	LAND MANAGEMENT SERVICES	LAND PROTECTION SERVICES	OUTREACH AND EDUCATION	MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries, payroll taxes, and benefits	\$ 259,053	\$ 236,821	\$ 140,770	\$ 135,348	\$ 128,767	\$ 900,759
Professional services	9,666	32,277	5,638	4,190	4,217	55,988
Land donation	-	-	-	-	-	-
Staff travel and meals	5,498	5,458	2,979	1,822	2,228	17,985
Supplies	3,254	3,231	1,763	1,079	1,319	10,646
Occupancy	9,261	8,137	4,440	2,718	3,323	27,879
Insurance	7,199	7,148	3,900	2,388	2,918	23,553
Telephone	1,883	1,870	1,020	626	763	6,162
Printing and postage	5,754	5,712	3,117	1,913	2,332	18,828
Dues and memberships	1,687	1,675	914	560	684	5,520
Advertising and promotion	149	148	81	49	60	487
Repairs and maintenance	557	622	339	278	254	2,050
Land and easement acquisition	-	26,166	-	-	-	26,166
Land stewardship	69,080	-	-	-	-	69,080
Special events	-	-	508	-	7,102	7,610
Information technology	2,295	2,279	1,243	761	930	7,508
Professional development	1,420	1,409	840	469	575	4,713
Miscellaneous	431	759	414	586	310	2,500
TOTAL EXPENSES BEFORE DEPRECIATION	377,187	333,712	167,966	152,787	155,782	1,187,434
Depreciation expense	10,761	10,684	5,830	3,569	4,361	35,205
TOTAL EXPENSES	\$ 387,948	\$ 344,396	\$ 173,796	\$ 156,356	\$ 160,143	\$ 1,222,639

The accompanying notes are an integral part of these statements.

MISSISSIPPI VALLEY CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS

	YEAR ENDED	
	JUNE 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,224,324	\$ 1,244,452
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	36,661	35,205
Realized loss (gain) on investments	(34,329)	369,356
Unrealized loss (gain) on investments	(962,332)	(1,608,822)
Discount on unconditional promises to give	(2,400)	(4,900)
Change in allowance for doubtful accounts	-	(4,120)
Contributions restricted for long-term purposes	50,943	54,700
Donated securities	(117,191)	(61,780)
Donation of land held for conservation	(1,584,815)	-
Donation of land to other organization	65,719	-
Decrease (increase) in assets		
Unconditional promises to give	29,398	30,741
Operating lease right-of-use asset	27,415	27,221
Prepaid expenses	(435)	(2,409)
Other assets	(89,969)	(92,121)
Increase (decrease) increase in liabilities		
Accounts payable	(21,063)	25,886
Accrued expenses	6,664	7,767
Operating lease liability	(27,620)	(26,890)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	600,970	(5,714)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land held for conservation	(156,324)	(73,235)
Purchase of equipment	(10,982)	(8,685)
Proceeds from sale of land held for conservation	-	130,000
Proceeds from sale of property and equipment	-	1,200
Proceeds from sale of investments	134,228	61,296
Purchases of investments	(518,463)	(84,484)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(551,541)	26,092
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes	(50,943)	(54,700)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,514)	(34,322)
BEGINNING CASH AND CASH EQUIVALENTS	115,614	149,936
ENDING CASH AND CASH EQUIVALENTS	\$ 114,100	\$ 115,614
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Donation of land held for conservation	\$ (1,584,815)	\$ -

The accompanying notes are an integral part of these statements.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization:

Mississippi Valley Conservancy, Inc. (the "Organization") 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. The Conservancy is primarily supported by contributions.

Summary of Significant Accounting Policies:

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - The accompanying financial statements are presented in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various purposes that support the Organization's mission.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents - The Organization's cash and cash equivalents consists of cash on deposit with banks. For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. However, the Organization does not consider cash, money market accounts, or certificates of deposits included as investments to be cash equivalents for the statements of cash flows. The Organization does not have any cash equivalents as of June 30, 2025 and 2024.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a nominal interest rate applicable to the year in which the promise is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management provides for uncollectible amounts through a provision for uncollectible pledge expense from outstanding balances and an adjustment to a valuation allowance based on its assessment of the current status of individual pledges. Balances that are still outstanding after management used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises to give.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Investments - Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position.

The aggregate of (a) the unrealized appreciation (depreciation) in the fair value of investments during the year (b) the realized gains (losses) on sales of investments during the year (c) dividend income (d) interest income, and (e) investment fees are reflected in investment return on the statements of activities. Investment return restricted by donors is reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized.

Purchases and sales of securities are recorded on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Dividends are recorded on the ex-dividend date.

Property and Equipment - All acquisitions of property and equipment in excess of \$1,000 with useful lives greater than one year are capitalized. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method based on the estimated useful lives:

<u>Asset</u>	<u>Life</u>
Equipment	3 - 7 years
Vehicles	5 years

Land Held for Conservation - The carrying value of land owned by the Land Trust is calculated or estimated at the time of acquisition using the purchase price of the property for lands purchased at fair value and using either an appraisal, property tax assessed value, or other information for donated lands or lands purchased through a known bargain sale. Many of these lands were purchased with public funds that impose land use restrictions. Established values have not been adjusted to reflect any of these grant restrictions nor have values been adjusted to reflect any increase in value over time.

Valuation of Long-Lived Assets - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at June 30, 2025 and 2024.

Conservation Easements - Conservation easements accepted or purchased by the Conservancy are not recognized as assets or revenue 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.

Other Assets - Other assets consists of an annuity the Organization has been named as beneficiary that will be payable upon death of the donors. The asset is measured at fair market value as of June 30, 2025 and 2024.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

Contribution Recognition - Contributions are recognized when received or unconditionally pledged. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions restricted by donors are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Contributions that are not restricted by the donor are reported as an increase in net assets without donor restrictions. When a restriction expires net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grant Recognition - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant awards that are contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a deferred revenue liability.

Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

In-Kind Contributions - The Organization records the value of donated goods when there is an objective basis to measure the value. Donated goods are reflected as in-kind contribution revenue in the accompanying statements of activities at their estimated fair value upon the date of receipt.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are performed by people with those skills, and would otherwise be purchased by the Organization.

A substantial number of volunteers have made significant contributions of their time to the Organization's program and supporting services. The value of this contributed time is not reflected in these financial statements because the criteria for recognition have not been satisfied. Contributed services from professionals are recorded when utilized and reflected in the financial statements at their estimated fair value.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Those expenses are allocated based on an analysis of employees' time spent performing each of these functions.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 1 - Nature of Organization and Summary of Significant Accounting Policies - Continued

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.

Advertising - Advertising costs are charged to the expense as incurred and totaled \$3,750 and \$487 for the years ended June 30, 2025 and 2024, respectively.

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

Tax Status - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization other than a private foundation under Section 509(a). The Organization is also exempt from State taxation.

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognizes a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

Subsequent Events - The Organization evaluated subsequent events through March 4, 2026, the date which the financial statements were available to be issued.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 2 - Concentration of Cash and Credit Risk

The Organization may have deposits with a financial institution that exceed the FDIC insurance amount of \$250,000 throughout the year. The Organization's deposits at June 30, 2025 and 2024 did not exceed the FDIC insurance threshold. The Organization does not require collateral or other security to support deposits subject to the credit risk.

NOTE 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	JUNE 30,	
	2025	2024
Cash and cash equivalents	\$ 114,100	\$ 115,614
Investments	11,629,418	10,135,827
Beneficial interest in foundation	71,635	67,139
Unconditional promises to give receivable in less than one year	98,870	107,345
TOTAL FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR	11,914,023	10,425,925
Less amounts not available for general expenditure within one year:		
Board restricted net assets	(827,504)	(796,957)
Net assets with donor restrictions	(9,350,809)	(8,252,051)
TOTAL FINANCIAL ASSETS AVAILABLE TO MANAGEMENT FOR GENERAL EXPENDITURE WITHIN ONE YEAR	\$ 1,735,710	\$ 1,376,917

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization anticipates collecting sufficient revenue to cover general expenditures and typically generates positive cash flows from operations as evidenced by the statements of cash flows for the years ended June 30, 2025 and 2024.

NOTE 4 - Investments

The following is a summary of investments:

	JUNE 30,	
	2025	2024
Cash and cash equivalents	\$ 2,866,471	\$ 2,635,070
Mutual funds	8,762,947	7,500,757
TOTAL INVESTMENTS	\$ 11,629,418	\$ 10,135,827

NOTE 5 - Unconditional Promises to Give

The aggregate collections of promises to give are as follows:

	JUNE 30,	
	2025	2024
Receivable in less than one year	\$ 98,870	\$ 107,345
Receivables in one to five years	57,426	72,849
Receivables in more than five years	9,650	15,150
Total unconditional promise to give	165,946	195,344
Less: Allowance for unconditional promise to give	(5,880)	(5,880)
Less: Discount to net present value	(6,400)	(8,800)
NET UNCONDITIONAL PROMISES TO GIVE	\$ 153,666	\$ 180,664

A discount rate of 2.50 percent was used at June 30, 2025 and 2024 on unconditional promises to give.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 6 - Property and Equipment

The Organization's interest in the property and equipment is as follows:

	JUNE 30,	
	2025	2024
Vehicles	\$ 107,621	\$ 107,621
Equipment	117,384	106,402
TOTAL PROPERTY AND EQUIPMENT	225,005	214,023
Less accumulated depreciation	(145,043)	(108,382)
NET PROPERTY AND EQUIPMENT	\$ 79,962	\$ 105,641

NOTE 7 - Beneficial Interest in Foundation

The Organization is a beneficiary in a fund held with the Natural Resources Fund of Wisconsin. The statements of financial position include an asset for the Organization's fair market value of the fund at June 30, 2025 and 2024. Distributions received from the fund are recorded as investment income. The beneficial interest in foundation is composed of the Organization's share of the following charitable funds:

	JUNE 30,	
	2025	2024
Czajkowski Trust	\$ 71,635	\$ 67,139

NOTE 8 - Land Held for Conservation

Land held for conservation consists of the following:

	JUNE 30,	
	2025	2024
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
Plum Creek CA - Kickapoo Canyon	3,102,720	3,102,720
Sugar Creek Bluff State Natural Area:		
Sampson III	527,073	527,073
B&T Properties	435,000	435,000
Vaughn I & II	274,253	274,253
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
Devils Backbone State Natural Area - Lindell	58,214	58,214
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
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

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 8 - Land Held for Conservation - Continued

	JUNE 30,	
	2025	2024
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
Kaplan	238,854	238,854
French Valley - Elmwood Ptr II	330,000	330,000
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	174,000
Limery Road	356,850	356,850
Red Apple Hollow - Berlin	-	65,719
Boston Estate	1,208,349	-
Woodman Floodplains	302,870	-
Wandering Rock State Natural Area	391,354	-
TOTAL LAND HELD FOR CONSERVATION	<u>\$ 17,333,714</u>	<u>\$ 15,496,860</u>

NOTE 9 - Fair Value Measurements

The Organization has determined the fair value of certain assets and liabilities in accordance with the provision of U.S. GAAP, which provides a framework for measuring fair value under generally accepted accounting principles.

U.S. GAAP defines fair value as the exchange price that would be received for an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. U.S. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets that the reporting organization has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset. Level 3 inputs are unobservable inputs related to the asset.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 9 - Fair Value Measurements - Continued

Beneficial Interest in Foundation - Investments held with a foundation are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or asking price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market. The custodian of the investments in the foundation also has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter market based on available information.

The asset's fair value measurement within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. There have been no changes in the methodologies used at June 30, 2025 and 2024.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value on a recurring basis as of June 30, 2025 and 2024:

	<u>JUNE 30, 2025</u>	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Mutual funds	\$ 8,762,947	\$ 8,762,947	\$ -	\$ -
Beneficial interest in foundation	71,635	-	-	71,635
TOTALS	<u>\$ 8,834,582</u>	<u>\$ 8,762,947</u>	<u>\$ -</u>	<u>\$ 71,635</u>
	<u>JUNE 30, 2024</u>	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
Mutual funds	\$ 7,500,757	\$ 7,500,757	\$ -	\$ -
Beneficial interest in foundation	67,139	-	-	67,139
TOTALS	<u>\$ 7,567,896</u>	<u>\$ 7,500,757</u>	<u>\$ -</u>	<u>\$ 67,139</u>

Beneficial Interest in Foundation

	<u>JUNE 30,</u>	
	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 67,139	\$ 63,132
Change in value	4,496	4,007
BALANCE, END OF YEAR	<u>\$ 71,635</u>	<u>\$ 67,139</u>

NOTE 10 - Leases

The Organization leases a building and a copier under long-term, non-cancelable operating lease agreements. The building lease expires June 30, 2025, with an option for one three-year renewal. The copier lease expired April 30, 2025. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The lease provides for increases in future minimum annual rental payments based on a defined schedule or index.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 10 - Leases - Continued

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

Total lease expense is as follows:

	YEAR ENDED JUNE 30,	
	2025	2024
Operating lease expense	<u>\$ 30,125</u>	<u>\$ 30,721</u>

Other lease information is as follows:

	YEAR ENDED JUNE 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 30,330	\$ 30,390
Weighted-average remaining lease term in years		
Operating leases	3.00	3.92
Weighted-average discount rate		
Operating leases	2.88%	2.88%

The future minimum lease payments under operating leases are as follows as of June 30, 2025:

2026	\$ 27,897
2027	28,455
2028	<u>29,025</u>
Total minimum lease payments	83,377
Less amounts representing interest	<u>(3,513)</u>
TOTAL LEASE LIABILITIES	<u>\$ 81,864</u>

NOTE 11 - Net Assets

Net assets with donor restrictions are restricted for the following purpose:

	JUNE 30,	
	2025	2024
Subject to expenditure for specified purpose:		
Conservation easement stewardship	\$ 1,116,354	\$ 948,867
Land acquisition fund	866,144	775,003
Transfer fee fund	252,910	224,374
Owned land monitoring and defense	56,984	50,648
Stry	43,642	45,231
Plum Creek restoration	335,568	363,023
Zeller Land Acquisition	759,546	625,396
Other	76,620	58,076

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 11 - Net Assets - Continued

	JUNE 30,	
	2025	2024
Endowment:		
Land held for conservation	\$15,698,204	\$14,023,836
Amount required to be held in perpetuity	4,199,403	4,123,562
Earnings awaiting appropriation	1,493,475	979,801
Subject to the passage of time:		
Unconditional promises to give	153,666	180,664
TOTAL	<u>\$25,052,516</u>	<u>\$22,398,481</u>

The Organization's Board of Directors has designated net assets without donor restrictions for the following purposes:

	JUNE 30,	
	2025	2024
Fee land stewardship	\$ 334,563	\$ 299,920
CE Intern Field Crew	114,337	102,498
CE Stewardship Assist	72,208	64,731
CE Stewardship	198,239	228,220
Plum Creek restoration	108,157	101,587
Land held for conservation	1,636,984	1,636,121
TOTAL	<u>\$ 2,464,488</u>	<u>\$ 2,433,077</u>

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 is as follows:

	JUNE 30,	
	2025	2024
Donor-restricted:		
Conservation easement stewardship	\$ 1,199,724	\$ 1,034,337
Owned land monitoring and defense	56,984	50,648
Transfer fee	252,910	224,374
Board-designated:		
Fee land stewardship	334,563	299,920
CE Stewardship	198,239	228,220
TOTAL	<u>\$ 2,042,420</u>	<u>\$ 1,837,499</u>

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 11 - Net Assets - Continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	JUNE 30,	
	2025	2024
Conservation easement stewardship	\$ -	\$ 47,075
Land acquisition fund	-	8,200
Owned land monitoring and defense	-	14,561
Stry	1,589	837
Plum creek restoration	227,538	19,106
Other	29,706	98,673
Land held for conservation	65,719	-
Principal Portion	68,979	13,420
Endowment earnings appropriated	2,743	67,822
TOTAL	<u>\$ 396,274</u>	<u>\$ 269,694</u>

NOTE 12 - Endowment Funds

The Organization's endowment fund consists of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence of or absence of donor-imposed restrictions.

Interpretation of the Law - The Board of Directors of the Organization has interpreted the Wisconsin 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 Organization 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 Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization 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 Organization 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 Organization.
7. The investment policies of the Organization.

Investing 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 Organization'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 70 percent equities and 30 percent 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.

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 12 - Endowment Funds - Continued

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 4.0 percent 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 an endowment fund until it has accumulated earnings sufficient to maintain its purchasing power and to support such withdrawals.

Endowment Net Asset Composition by Type of Fund as of June 30, 2025:

	<u>WITHOUT DONOR RESTRICTION</u>	<u>WITH DONOR RESTRICTION</u>	<u>TOTAL</u>
Donor-restricted endowment funds	\$ <u> -</u>	\$ <u>5,763,174</u>	\$ <u>5,763,174</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2024:

	<u>WITHOUT DONOR RESTRICTION</u>	<u>WITH DONOR RESTRICTION</u>	<u>TOTAL</u>
Donor-restricted endowment funds	\$ <u> -</u>	\$ <u>5,198,557</u>	\$ <u>5,198,557</u>

Funds With Deficiencies - From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration (underwater endowments). In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. The deficiencies may result from unfavorable market fluctuations that have occurred. The Organization did not have any such deficiency as of June 30, 2025 and 2024.

Changes in Endowment Net Assets for the Year Ended June 30, 2025:

	<u>WITHOUT DONOR RESTRICTION</u>	<u>WITH DONOR RESTRICTION</u>	<u>TOTAL</u>
Endowment net assets, beginning of year	\$ -	\$ 5,198,557	\$ 5,198,557
Investment return, net	-	585,396	585,396
Contributions	-	50,943	50,943
Releases	-	(71,722)	(71,722)
Endowment net assets, end of year	\$ <u> -</u>	\$ <u>5,763,174</u>	\$ <u>5,763,174</u>

Changes in Endowment Net Assets for the Year Ended June 30, 2024:

	<u>WITHOUT DONOR RESTRICTION</u>	<u>WITH DONOR RESTRICTION</u>	<u>TOTAL</u>
Endowment net assets, beginning of year	\$ -	\$ 4,488,645	\$ 4,488,645
Investment return, net	-	702,060	702,060
Contributions	-	89,095	89,095
Releases	-	(81,243)	(81,243)
Endowment net assets, end of year	\$ <u> -</u>	\$ <u>5,198,557</u>	\$ <u>5,198,557</u>

MISSISSIPPI VALLEY CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2025 AND 2024

NOTE 13 - Defined Contribution Retirement Plan

The Organization sponsors a defined contribution retirement plan covering participating employees who work more than 1,000 hours in a calendar year. The Organization made matching contributions of 3.0 percent of employees' annual compensation through December 31, 2022. Effective January 1, 2023 the matching contributions were increased to 4.0 percent of employees' annual compensation. During 2025 and 2024, employer contributions were \$24,379 and \$25,379, respectively.

NOTE 14 - In-Kind Contributions

The value of donated goods and services included as in-kind contributions in the financial statements and the corresponding expenses or assets are as follows:

	JUNE 30,	
	2025	2024
Land	\$ 1,584,815	\$ -
Other services	1,248	880
Legal services	16,750	18,000
TOTAL	<u>\$ 1,602,813</u>	<u>\$ 18,880</u>

The Organization receives contributed professional services that are reported using current rates for similar types of services.

Donated land is valued at the approximate fair market value on the date of donation as determined by an independent appraisal that was obtained.

Contributed equipment, tools, and a vehicle received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to expense or assets, as applicable. These donated items are valued at a fair market value based on current market rates for similar items.

NOTE 15 - Contingency

The Organization holds 140 conservation easements that may require expenditures to monitor and defend the provisions of the easements.

NOTE 16 - Risks and Uncertainties

The Organization's investments are exposed to various risks, such as interest rate, and market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of financial position and the statements of activities.