

MINNESOTA LAND TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For The Years Ended
June 30, 2020 and 2019

MINNESOTA LAND TRUST
TABLE OF CONTENTS

		<u>Page Number</u>
Independent Auditor's Report		1
FINANCIAL STATEMENTS		
Statements of Financial Position	Statement 1	2
Statements of Activities	Statement 2	3
Statements of Functional Expenses	Statement 3	4
Statements of Cash Flows	Statement 4	6
Notes to Financial Statements		7
SUPPLEMENTAL INFORMATION		
Schedules of Financial Position by Fund	Schedule 1	24
Schedules of Activities by Fund	Schedule 2	26



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Minnesota Land Trust
Saint Paul, Minnesota

We have audited the accompanying financial statements of Minnesota Land Trust (a not-for-profit corporation), 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 Minnesota Land Trust 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Redpath and Company Ltd." in a cursive, flowing script.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

March 19, 2021

FINANCIAL STATEMENTS

MINNESOTA LAND TRUST
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

Statement 1

	2020	2019
Assets:		
Cash and cash equivalents	\$911,507	\$1,747,707
Capital campaign - promises to give, net	569,792	674,436
Contributions and grants receivable	2,308,989	1,321,057
Deposits and other	27,186	36,262
Furniture and equipment, net	38,257	43,393
Investments	8,219,639	5,592,784
Land held for resale	164,000	-
Land held for resale - conservation	29,260	29,260
Land held for conservation	134,000	134,000
Beneficial interest in real property	788,400	752,500
Total assets	<u>\$13,191,030</u>	<u>\$10,331,399</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable	\$64,468	\$103,831
Accrued expenses	155,524	97,288
Note payable - PPP loan	354,400	-
Total liabilities	<u>574,392</u>	<u>201,119</u>
Net assets:		
Without donor restrictions	3,278,841	2,269,722
With donor restrictions	9,337,797	7,860,558
Total net assets	<u>12,616,638</u>	<u>10,130,280</u>
Total liabilities and net assets	<u>\$13,191,030</u>	<u>\$10,331,399</u>

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

MINNESOTA LAND TRUST
STATEMENTS OF ACTIVITIES
For The Years Ended June 30, 2020 and 2019

Statement 2

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions and grants:						
Capital campaign	\$ -	\$1,080,527	\$1,080,527	\$ -	\$1,116,308	\$1,116,308
All other	1,687,526	318,078	2,005,604	714,927	382,860	1,097,787
Government grant and contract revenue:						
ENRTF	43,710	-	43,710	1,018,688	-	1,018,688
OHF	5,738,301	443,000	6,181,301	5,352,109	312,000	5,664,109
All other	384,577	24,000	408,577	174,722	-	174,722
Special events:						
Contribution	142,655	-	142,655	167,331	-	167,331
Other	31,100	-	31,100	48,660	-	48,660
Less: direct expenses	(10,757)	-	(10,757)	(28,434)	-	(28,434)
Fees for service	12,705	-	12,705	100,150	-	100,150
Other revenue	19,963	-	19,963	16,094	-	16,094
Gain (loss) on sale of land	-	-	-	(23,491)	-	(23,491)
Interest and dividends	159,163	10,565	169,728	213,936	22,037	235,973
Change in fair value of investments	205,526	14,219	219,745	91,672	6,823	98,495
Net assets released from restrictions:						
Satisfaction of program restrictions	413,150	(413,150)	-	604,122	(604,122)	-
Total support and revenue	<u>8,827,619</u>	<u>1,477,239</u>	<u>10,304,858</u>	<u>8,450,486</u>	<u>1,235,906</u>	<u>9,686,392</u>
Expenses:						
Program services	7,035,541	-	7,035,541	7,340,960	-	7,340,960
Management and general	406,513	-	406,513	367,957	-	367,957
Fund development	376,446	-	376,446	421,963	-	421,963
Total expenses	<u>7,818,500</u>	<u>0</u>	<u>7,818,500</u>	<u>8,130,880</u>	<u>0</u>	<u>8,130,880</u>
Change in net assets	1,009,119	1,477,239	2,486,358	319,606	1,235,906	1,555,512
Net assets - beginning of year	<u>2,269,722</u>	<u>7,860,558</u>	<u>10,130,280</u>	<u>1,950,116</u>	<u>6,624,652</u>	<u>8,574,768</u>
Net assets - end of year	<u>\$3,278,841</u>	<u>\$9,337,797</u>	<u>\$12,616,638</u>	<u>\$2,269,722</u>	<u>\$7,860,558</u>	<u>\$10,130,280</u>

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

MINNESOTA LAND TRUST
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended June 30, 2020 and 2019

Statement 3
Page 1 of 2

	2020				
	Supporting Services				
	Program Services	Management and General	Fund Development	Total Supporting Services	Total
Expenses:					
Salaries	\$1,202,969	\$197,768	\$204,078	\$401,846	\$1,604,815
Payroll taxes and benefits	245,423	62,491	36,253	98,744	344,167
Other staff expenses	5,648	3,253	523	3,776	9,424
Total personnel costs	1,454,040	263,512	240,854	504,366	1,958,406
Travel	70,622	1,506	3,692	5,198	75,820
Memberships, dues, licenses	17,447	2,588	4,273	6,861	24,308
Meeting expense	1,729	4,283	1,095	5,378	7,107
Board expense	-	1,333	-	1,333	1,333
Rent and building maintenance	111,343	17,130	14,275	31,405	142,748
Office expense	103,024	15,315	16,638	31,953	134,977
Depreciation	14,743	2,268	1,890	4,158	18,901
Postage and delivery	13,428	1,829	45,004	46,833	60,261
Printing and photocopying	19,001	2,868	5,673	8,541	27,542
Insurance	-	39,058	-	39,058	39,058
Project expenses	2,339,679	-	-	-	2,339,679
Project expenses - conservation easement and land acquisition	2,831,000	-	-	-	2,831,000
Contracted services	25,381	33,905	42,454	76,359	101,740
Audit and accounting	-	20,350	-	20,350	20,350
External grants	15,000	-	-	-	15,000
Special events	-	-	10,757	10,757	10,757
Miscellaneous expense	19,104	568	598	1,166	20,270
Total expenses	7,035,541	406,513	387,203	793,716	7,829,257
Less: expenses included with revenues on the statement of activities:					
Special event direct expenses	-	-	(10,757)	-	(10,757)
Total expenses included in the expense section on the statement of activities	\$7,035,541	\$406,513	\$376,446	\$793,716	\$7,818,500
Percentage	90%	5%	5%	10%	100%

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

MINNESOTA LAND TRUST
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended June 30, 2020 and 2019

Statement 3
Page 2 of 2

	2019				Total
	Supporting Services			Total Supporting Services	
	Program Services	Management and General	Fund Development		
Expenses:					
Salaries	\$964,811	\$199,380	\$190,765	\$390,145	\$1,354,956
Payroll taxes and benefits	173,574	57,868	33,223	91,091	264,665
Other staff expenses	4,732	3,158	993	4,151	8,883
Total personnel costs	1,143,117	260,406	224,981	485,387	1,628,504
Travel	75,146	1,154	8,118	9,272	84,418
Memberships, dues, licenses	6,825	715	2,351	3,066	9,891
Meeting expense	2,323	3,520	474	3,994	6,317
Board expense	-	2,131	-	2,131	2,131
Rent and building maintenance	94,479	10,078	21,415	31,493	125,972
Office expense	80,187	7,293	19,227	26,520	106,707
Depreciation	9,654	1,030	2,188	3,218	12,872
Postage and delivery	11,367	1,157	55,873	57,030	68,397
Printing and photocopying	18,042	1,903	5,703	7,606	25,648
Insurance	-	35,252	-	35,252	35,252
Project expenses	981,037	-	-	-	981,037
Project expenses - conservation easement and land acquisition	4,891,344	-	-	-	4,891,344
Contracted services	9,213	15,940	79,998	95,938	105,151
Audit and accounting	-	19,125	-	19,125	19,125
External grants	10,500	-	-	-	10,500
Special events	-	-	28,434	28,434	28,434
Miscellaneous expense	7,726	8,253	1,635	9,888	17,614
Total expenses	7,340,960	367,957	450,397	818,354	8,159,314
Less: expenses included with revenues on the statement of activities:					
Special event direct expenses	-	-	(28,434)	-	(28,434)
Total expenses included in the expense section on the statement of activities	<u>\$7,340,960</u>	<u>\$367,957</u>	<u>\$421,963</u>	<u>\$818,354</u>	<u>\$8,130,880</u>
Percentage	90%	5%	5%	10%	100%

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

MINNESOTA LAND TRUST**STATEMENTS OF CASH FLOWS**

For The Years Ended June 30, 2020 and 2019

Statement 4

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$2,486,358	\$1,555,512
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,901	12,872
Realized and unrealized gain on investments	(219,745)	(98,495)
(Increase) decrease in assets:		
Capital campaign - promises to give, net	104,644	(279,336)
Contributions and grants receivables	(987,932)	(377,798)
Land held for resale	(164,000)	-
Land held for resale - conservation	-	36,390
Deposits and other	9,076	(7,420)
Beneficial interest in real property	(35,900)	(8,300)
Increase (decrease) in liabilities:		
Accounts payable	(39,363)	36,430
Accrued expenses	58,236	(12,893)
Net cash provided by operating activities	<u>1,230,275</u>	<u>856,962</u>
Cash flows from investing activities:		
Purchase of furniture and equipment	(13,765)	(40,700)
Purchase of investments, including re-invested income	(2,775,110)	(933,641)
Proceeds from sale of investments	368,000	295,658
Net cash used by investing activities	<u>(2,420,875)</u>	<u>(678,683)</u>
Cash flows from financing activities:		
Net change on line of credit	-	(120,000)
Proceeds from note payable - PPP loan	354,400	-
Net cash provided by financing activities	<u>354,400</u>	<u>(120,000)</u>
Net increase (decrease) in cash and cash equivalents	(836,200)	58,279
Cash and cash equivalents - beginning of year	<u>1,747,707</u>	<u>1,689,428</u>
Cash and cash equivalents - end of year	<u><u>\$911,507</u></u>	<u><u>\$1,747,707</u></u>

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

Note 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION

Minnesota Land Trust (Land Trust) is a Minnesota nonprofit corporation and a 501(c)(3) public charity with a mission to protect and restore Minnesota's most vital natural lands in order to provide wildlife habitat, clean water, outdoor experiences and scenic beauty for generations to come. The Land Trust accomplishes this mission through the following three strategies.

PROTECTION: Since 1991, the Land Trust has been working with landowners and local communities to protect and restore Minnesota's cherished but increasingly threatened lands and waters primarily through establishing, creating, and monitoring perpetual conservation easements – recorded legal agreements that protect the land's natural and scenic features by restricting its use and development. Although the landowner retains ownership of the land and is responsible for its ongoing maintenance, the Land Trust holds the conservation easement and accepts responsibility for monitoring compliance with the terms of the easement and for defending the easement should the terms be threatened or violated.

As of June 30, 2020, the Land Trust has completed 600 land protection projects, permanently protecting 62,211 acres and 1,930,062 feet of shoreline since its founding in 1991

RESTORATION: The Land Trust's restoration work continued to expand in this fiscal year. The Land Trust continued work on the St. Louis River Restoration Initiative; developing the Interstate Island Restoration Project and continuing to work on Perch Lake and Grassy Point revegetation. The Land Trust's Private Lands Restoration Program Manager continues to expand the partnership with USFWS, restoring hundreds of acres of prairie and wetlands across western and southern Minnesota. Finally, the Land Trust helped lead a conversation regarding the future restoration and management of the St. Louis River through its Landscape Conservation Design process, which included multiple local, state, federal, and tribal entities.

ENGAGEMENT: The Land Trust's engagement work with the City of Duluth largely concluded in this fiscal year. The outdoor recreation projects the City has invested in with the Land Trust's help are nearing completion: The Grand Avenue Nordic Center opened in November 2018 with expansions in the following years; the St. Louis River National Water Trail was finally adopted; the mini-master plan for Quarry Park was passed; and several new segments on the Duluth Traverse multi-use trail were completed. The Land Trust has been participating in state-wide discussions on the Governor's Task Force for an Outdoor Recreation Office as well as a task force on the future of the Spirit Mountain Recreation Area in Duluth.

M.L. 2011, First Special Session, Chapter 2, Article 3, Subdivision 19 and M.L. 2011, First Special Session, Chapter 6, Article 1, Section 2, Subdivision 15, and subsequent appropriations funded by the Environment and Natural Resources Trust Fund (ENRTF) and the Outdoor Heritage Fund (OHF) contain language governing conservation easement stewardship and reporting requirements. This language mandates that money appropriated under these sections for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the work program (for ENRTF) or accomplishment plan (for OHF). Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and dedicated to monitoring and enforcing conservation easements within Minnesota. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide annual financial reports to the Legislative-Citizens Commission on Minnesota Resources and to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund. Money appropriated under these sections for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if: (1) the easement transfers to the state; (2) the holder of the easement fails to file an annual

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

report and then fails to cure that default within 30 days of notification of the default by the state; or (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

B. NET ASSETS

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Land Trust reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the 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.

C. PROMISES TO GIVE

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in subsequent years are reported at the present value of estimated future cash flows, determined using approximate interest rates applicable to long-term government securities as of June 30 of the year in which the promises are received.

The Land Trust uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on 5% of the pledged amount. Promises to give are presented net of allowance for doubtful accounts of \$31,041 and \$35,497 for the years ended June 30, 2020 and 2019, respectively.

At June 30, 2020 and 2019 the present value discount on long-term pledges was considered immaterial and therefore was not recorded.

D. REVENUE AND REVENUE RECOGNITION

The Land Trust recognizes contributions and support revenue when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been met. Verbal promises to give are considered to be conditional, and are not recorded unless confirmed in writing.

The Land Trust receives various government grants that are generally cost-reimbursable agreements, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Revenue is recognized as qualifying expenditures are incurred, or other contractual

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

conditions are met. Cash received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. No refundable advances were recorded as of June 30, 2020 and 2019. At June 30, 2020 and 2019, conditional contributions (including capital campaign and stewardship pledges as described in Note 5) approximating \$642,500 and \$921,000, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements. Expenditures under government contracts are subject to review by the granting authority.

Fees for service are recognized at a point in time when the underlying service has been provided. Other revenue consists of funds from annual assessments of homeowner associates and an easement release, and are recognized at a point in time, when the assessments took place or the easement release was received.

Special event revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Land Trust recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place and the contribution element of the special event revenue immediately, unless there is a right of return if the special event does not take place.

E. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Land Trust considers cash on hand and on deposit in banks, money market mutual funds and investments purchased with maturity of three months or less to be cash equivalents.

At times, bank balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) limit. The Land Trust has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk on cash and cash equivalents.

F. INVESTMENTS

Investments are presented at their fair values based on quoted values in published sources. As it is the Land Trust's policy to sell all donated securities upon receipt, donated securities are reported in the statements of activities at the gross proceeds resulting from sales, which approximates the fair value at the date of contribution. Realized and unrealized gains and losses from investments are reflected in the statements of activities.

G. RECEIVABLES

Receivables are stated at the amount management expects to collect from balances outstanding at year end. Accounts receivable are evaluated on a case-by-case basis to determine if they are delinquent. Based on management's assessment of the outstanding balances, it has concluded that losses on balances outstanding at year end, if any, will not be material. No allowance for uncollectible amounts is provided since all amounts were deemed collectible.

H. FURNITURE AND EQUIPMENT

Furniture and equipment is stated at cost or, if donated, at the estimated fair value at the date of the gift. The Land Trust uses a capitalization threshold of \$1,500. Depreciation is computed using the straight-line method over the estimated useful life of the furniture and equipment – three to seven years. Depreciation expense was \$18,901 and \$12,872 for the years ended June 30, 2020 and 2019, respectively.

I. CONSERVATION EASEMENTS

Conservation easements accepted or purchased by the Land Trust are not recognized as assets or revenues in the accompanying financial statements because the Land Trust does not have fee title to the properties and there are no expected future economic benefits. If purchased, the costs of conservation easements are expensed when the easements are acquired.

J. BENEFICIAL INTEREST IN REAL PROPERTY

The Land Trust is the remainder beneficiary of a grantor-retained life estate. Under the terms of the Retained Life Estate agreement dated December 20, 2017, the donors executed a deed giving the Land Trust a remainder interest in their 31.41-acre homestead, while retaining the right to occupy and maintain the property during their lifetime. The life estate will terminate automatically one year after the husband's death. The beneficial interest in real property is recorded at an estimated fair value of \$788,400 and \$752,500 at June 30, 2020 and 2019, respectively.

K. DONATED SERVICES, MATERIAL, FACILITIES AND EQUIPMENT

The value of contributed services is recognized in the financial statements if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Land Trust receives donated services from a large number of volunteers assisting it in providing management and programmatic services, including approximately 2,404 and 2,349 hours of time contributed for easement monitoring and land protection work for the years ended June 30, 2020 and 2019, respectively. Since the value of the services did not meet the criteria for financial statement recognition, no amounts have been recognized in the accompanying statement of activities for these services for either 2020 or 2019.

Contributions of materials and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the use of the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

L. INCOME TAXES

The Land Trust has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation. The Land Trust has not had any material unrelated business income.

A tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Land Trust has no uncertain income tax positions that would result in an accrual, expense or benefit under the more likely than not standard.

M. ALLOCATION OF FUNCTIONAL EXPENSES

Costs of providing programs and supporting service activities have been summarized on a functional basis in the statements of functional expenses. Salaries and related costs are allocated between the program and supporting service categories based upon the estimated time expended by the employees in those categories. Other costs are allocated according to management's estimates or on a direct basis.

N. LAND

The Land Trust categorizes land that it owns in fee title in one of three categories:

- Land held for resale: Land without conservation value that has been given to the Land Trust to sell with proceeds going to support Land Trust conservation programs.
- Land held for resale - conservation: Land with conservation value that the Land Trust holds with the intent of selling or conveying the land to another conservation entity or with appropriate conservation restrictions.
- Land held for conservation: Land with conservation value, also known as nature preserves, which the Land Trust has no current plans to sell or transfer.
- As described in Note 7, the Land Trust is a remainder beneficiary of a grantor-retained life estate.

Donated land is recorded at estimated fair value at the time of donation using property tax assessments or appraisals and other information.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 2 LIQUIDITY AND AVAILABILITY

The Land Trust's financial assets available within one year of the balance sheet date for general expenditures are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Financial assets	\$12,009,927	\$9,335,984
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions *	(8,062,930)	(6,621,591)
Restricted by donor in perpetuity	(323,207)	(323,207)
Board designations:		
Acquisition **	(435,394)	(279,024)
Stewardship and Enforcement	(1,388,074)	(584,313)
Endowment	<u>(50,000)</u>	<u>-</u>
Total	<u>\$1,750,322</u>	<u>\$1,527,849</u>

* Excludes nonfinancial assets with purpose restrictions of \$951,660 and \$915,760 at June 30, 2020 and 2019, respectively.

** Excludes nonfinancial assets with board designations of \$164,000 and \$0 at June 30, 2020 and 2019, respectively.

The Land Trust structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Land trust maintains a line of credit as disclosed in Note 10.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 3 INVESTMENTS

Investment detail at June 30 is as follows:

	2020			
	Acquisition	Stewardship and Enforcement	Endowment	Total
Fixed income mutual funds	\$528,214	\$2,526,878	\$158,179	\$3,213,271
Equity mutual funds	-	4,668,352	338,016	5,006,368
Total	<u>\$528,214</u>	<u>\$7,195,230</u>	<u>\$496,195</u>	<u>\$8,219,639</u>
	2019			
	Acquisition	Stewardship and Enforcement	Endowment	Total
Fixed income mutual funds	\$274,031	\$1,368,655	\$ -	\$1,642,686
Equity mutual funds	-	3,025,328	400,682	3,426,010
Balanced mutual funds	-	482,788	41,300	524,088
Total	<u>\$274,031</u>	<u>\$4,876,771</u>	<u>\$441,982</u>	<u>\$5,592,784</u>

Note 4 PROMISES TO GIVE RECEIVABLE

A. UNCONDITIONAL

Unconditional promises to give are expected to be collected as follows at June 30:

	2020	2019
Due in one year	\$310,833	\$267,433
Due in two to five years	290,000	442,500
Total	600,833	709,933
Less: allowance	(31,041)	(35,497)
Total	<u>\$569,792</u>	<u>\$674,436</u>

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

B. CONDITIONAL

When the pledge correspondence clearly indicates the pledge is conditional, it is not reflected as contribution revenue in the statement of activities until the related contribution is collected. Upon acquisition of conservation easements, occasionally the Land Trust asks the individual landowners to make voluntary contributions for the future stewardship and enforcement of the easements. Stewardship conditional promises to give that are likely to be collectible at June 30, 2020 and 2019 were \$3,500 and \$3,500, respectively. Capital Campaign conditional promises to give that are likely to be collected at June 30, 2020 and 2019 were \$639,000 and \$917,500, respectively.

Note 5 FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$75,466	\$73,867
Office equipment	36,721	30,915
Furniture and fixtures	<u>7,986</u>	<u>1,626</u>
Total	120,173	106,408
Less: accumulated depreciation	<u>(81,916)</u>	<u>(63,015)</u>
Net furniture and equipment	<u><u>\$38,257</u></u>	<u><u>\$43,393</u></u>

Note 6 NET ASSETS

A. WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Net assets without donor restrictions are as follows at June 30:

	<u>2020</u>	<u>2019</u>
Undesignated	\$92,962	\$50,488
Board designated:		
Operations	1,165,000	1,355,897
Land and easement acquisition	599,394	279,024
Stewardship and enforcement	1,371,485	584,313
Endowment	<u>50,000</u>	<u>-</u>
Total	<u><u>\$3,278,841</u></u>	<u><u>\$2,269,722</u></u>

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

B. WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at June 30:

	2020		
	Purpose Restricted	Permanent in Nature	Total
Capital campaign	\$2,461,880	\$ -	\$2,461,880
General conservation	284,584	-	284,584
Land and easement acquisitions	1,086,030	-	1,086,030
Endowment	98,188	323,207	421,395
Stewardship and enforcement	5,083,908	-	5,083,908
Total	<u>\$9,014,590</u>	<u>\$323,207</u>	<u>\$9,337,797</u>

	2019		
	Purpose Restricted	Permanent in Nature	Total
Capital campaign	\$1,583,230	\$ -	\$1,583,230
General conservation	267,845	-	267,845
Land and easement acquisitions	1,050,128	-	1,050,128
Endowment	98,204	323,207	421,411
Stewardship and enforcement	4,537,944	-	4,537,944
Total	<u>\$7,537,351</u>	<u>\$323,207</u>	<u>\$7,860,558</u>

Note 7 ENDOWMENT FUND

A. GENERAL

The endowment fund consists of two funds with donor restrictions created to provide long-term operating support of the Land Trust. Additionally, the endowment fund contains assets that have been designed by the board as a “quasi-endowment”.

B. INTERPRETATION OF RELEVANT LAW AND ACCOUNTING PRESENTATION

The Board of Directors of the Land Trust has interpreted the State of Minnesota’s enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Land Trust to consider the following factors in making a determination to appropriate or accumulate endowment funds with donor restrictions unless there are explicit donor stipulations to the contrary:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the endowment fund.
3. General economic conditions.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

4. The possible effect of inflation or deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policy of the Organization.

For accounting purposes only, the Land Trust retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) any 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 Land Trust in a manner consistent with the standard of prudence prescribed by UPMIFA.

C. FINANCIAL INFORMATION

Endowment net asset composition by type of fund for 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Endowment:		
Board designated	\$50,000	\$ -
Available for appropriation	95,318	95,773
Permanent in nature	216,207	216,207
Judd Lake:		
Available for appropriation	2,870	2,431
Permanent in nature	<u>107,000</u>	<u>107,000</u>
Total	<u><u>\$471,395</u></u>	<u><u>\$421,411</u></u>

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Endowment fund activity for 2020 and 2019 is as follows:

	Board Designated	With Donor Restrictions		Total
		Purpose Restricted	Permanent in Nature	
Net assets - June 30, 2018	\$ -	\$90,344	\$323,207	\$413,551
Investment return:				
Interest and dividends	-	22,037	-	22,037
Change in fair value	-	6,823	-	6,823
Total investment return	0	28,860	0	28,860
Contributions	-	-	-	-
Appropriation for expenditure	-	(21,000)	-	(21,000)
Net assets - June 30, 2019	-	98,204	323,207	421,411
Investment return:				
Interest and dividends	-	10,561	-	10,561
Change in fair value	-	14,219	-	14,219
Total investment return	0	24,780	0	24,780
Contributions and transfers	50,000	-	-	50,000
Appropriation for expenditure	-	(24,796)	-	(24,796)
Net assets - June 30, 2020	\$50,000	\$98,188	\$323,207	\$471,395

D. INVESTMENT RETURN OBJECTIVES AND RISK PARAMETERS

The Land Trust has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Land Trust must hold in perpetuity or for a donor-specified period(s).

E. ENDOWMENT DISTRIBUTION POLICY

The Land Trust's policy is that distributions are determined based on the value of the Endowment Fund as of the end of the prior fiscal year. Distributions of up to 5% of the fund value may be made annually for support of operating expenses.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

F. FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Land Trust to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. For fiscal years ending June 30, 2020 and 2019, there were no funds with deficiencies.

Note 8 STEWARDSHIP AND ENFORCEMENT FUND

A. GENERAL

The stewardship and enforcement fund operates as a quasi-endowment and consists of funds without donor restrictions and funds with donor restrictions.

The stewardship and enforcement fund has been created to meet two needs: to provide a long-term, ongoing source of income to cover the annual costs associated with monitoring and managing the portfolio of conservation easements and protected areas, and to be available to cover extraordinary expenses associated with managing, upholding or defending an easement should its terms or validity be at risk.

B. FINANCIAL INFORMATION

Stewardship and enforcement net asset composition by type of fund for 2020 and 2019 is as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$1,371,485	\$ -	\$1,371,485
Donor restricted:			
General conservation	-	5,083,908	5,083,908
Capital campaign	-	1,036,956	1,036,956
Total	<u>\$1,371,485</u>	<u>\$6,120,864</u>	<u>\$7,492,349</u>
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$584,313	\$ -	\$584,313
Donor restricted:			
General conservation	-	4,537,944	4,537,944
Capital campaign	-	236,952	236,952
Total	<u>\$584,313</u>	<u>\$4,774,896</u>	<u>\$5,359,209</u>

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Stewardship and enforcement fund activity for 2020 and 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - June 30, 2018	\$481,041	\$4,402,596	\$4,883,637
Investment return:			
Interest and dividends	201,614	-	201,614
Change in fair value	86,658	-	86,658
Total investment return	288,272	0	288,272
Contributions/grants/fees for service	60,000	372,300	432,300
Appropriation for expenditure	(245,000)	-	(245,000)
Net assets - June 30, 2019	584,313	4,774,896	5,359,209
Investment return:			
Interest and dividends	145,200	-	145,200
Change in fair value	196,680	-	196,680
Total investment return	341,880	0	341,880
Contributions/grants/fees for service	-	494,593	494,593
Capital campaign transfer in	-	800,000	800,000
Contributions/grants transfer in	792,292	51,375	843,667
Appropriation for expenditure	(347,000)	-	(347,000)
Net assets - June 30, 2020	\$1,371,485	\$6,120,864	\$7,492,349

C. INVESTMENT AND DISTRIBUTION POLICY

The Land Trust has adopted investment and spending policies for the stewardship and enforcement fund assets that attempt to provide a predictable stream of funding to programs supported by the fund while seeking to maintain the purchasing power of the fund assets.

The Land Trust's policy is that up to 5% of the value of the stewardship and enforcement fund at the end of the prior fiscal year can be spent annually to meet ongoing conservation easement stewardship needs and obligations. With the approval of the Board of Directors, additional funds can be used to meet expenses associated with managing, upholding or defending an easement or other interest in land held by the Land Trust.

For accounting purposes, the Land Trust's policy for amounts appropriated for expenditure is to first use amounts without donor restrictions until depleted and then funds with donor restrictions. Investment income and losses are fully allocated to without donor restrictions.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 9 LEASE AGREEMENTS

The Land Trust leases office space in St. Paul, Minnesota under a lease agreement that was set to expire January 31, 2020. In August 2018, the Land Trust renewed this lease agreement through September 30, 2025. Minimum monthly lease payments start October 1, 2018 at \$8,233 and will increase 2.5% annually for the remainder of the lease period.

On June 17, 2019 the Land Trust entered into a lease agreement for office space in Duluth, Minnesota through April 30, 2024. Minimum monthly lease payments start September 1, 2019 at \$2,855 increasing \$70 annually for the remainder of the lease period.

Future minimum payments for noncancellable operating leases, including the renewed lease, is as follows:

Years Ending June 30,	Amount
2021	\$138,403
2022	141,823
2023	145,306
2024	142,446
2025	113,873
Thereafter	<u>28,643</u>
Total	<u>\$710,494</u>

Rent expense, including operating expenses, for the years ended June 30, 2020 and 2019, for all operating leases, was \$142,748 and \$125,972, respectively.

Note 10 LINE OF CREDIT

The Land Trust has a revolving line of credit agreement with a commercial bank that matures on July 11, 2021. The agreement provides for borrowings up to \$700,000, subject to a borrowing base maximum as determined by the bank. Interest on the line of credit is set at the Prime rate +1% (4.25% at June 30, 2020). The line of credit is secured by all assets of the Land Trust and is subject to financial and nonfinancial covenants. At June 30, 2020 and 2019, there was \$0 outstanding on the line of credit.

Note 11 RETIREMENT PLAN

Employees of the Land Trust meeting certain eligibility requirements are eligible to participate in a contributory 401(k) retirement plan whereby the Land Trust contributes up to 2% of the participants' compensation on a matching basis. Contributions to the Plan were \$31,648 and \$22,800 during the years ended June 30, 2020 and 2019, respectively.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 12 FAIR VALUE MEASUREMENTS

Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy categorized into three levels based on the inputs used. Generally, the three levels are as follows:

- Level 1 – Quoted prices in active markets for identical assets.
- Level 2 – Significant other observable inputs.
- Level 3 – Significant unobservable inputs.

Assets and liabilities that are measured at fair value on a recurring basis are as follows at June 30:

	June 30, 2020		
	Level 1	Level 2	Total
Investments:			
Fixed income mutual funds	\$3,213,271	\$ -	\$3,213,271
Equity mutual funds	5,006,368	-	5,006,368
Beneficial interest in real property	-	788,400	788,400
Total	<u>\$8,219,639</u>	<u>\$788,400</u>	<u>\$9,008,039</u>
	June 30, 2019		
	Level 1	Level 2	Total
Investments:			
Fixed income mutual funds	\$1,642,686	\$ -	\$1,642,686
Equity mutual funds	3,426,010	-	3,426,010
Balanced mutual funds	524,088	-	524,088
Beneficial interest in real property	-	752,500	752,500
Total	<u>\$5,592,784</u>	<u>\$752,500</u>	<u>\$6,345,284</u>

Mutual funds are valued using quoted prices in active markets and the beneficial interest in real property is valued using significant other observable inputs.

MINNESOTA LAND TRUST
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Note 13 NOTE PAYABLE - PPP LOAN

On April 16, 2020, the Land Trust received a \$354,400 forgivable loan from the US Small Business Administration (SBA) under the Paycheck Protection Program created by Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Loan proceeds are to be used exclusively for payroll costs and other expenses as permitted by the CARES Act. The loans are subject to the forgiveness provisions of Section 1106 of the CARES Act and the SBA Interim Final Rule dated April 2, 2020. The amount of loan forgiveness is determined by and is subject to the approval of the SBA. While the Land Trust anticipates most of the loan amounts to be forgiven under these terms, the loans are recorded as an outstanding liability until the SBA has granted approval for forgiveness.

The Paycheck Protection Flexibility Act of 2020, P.L. 116-142, extended the deferral period for loan payments to either (1) the date that SBA remits the borrower's loan forgiveness amount to the lender or (2) if the borrower does not apply for forgiveness, 10 months after the end of the borrower's loan forgiveness covered period. Loans will mature two years from the date of the loan and bear interest at 1.0%.

Note 14 CHANGES IN ACCOUNTING PRINCIPLE

The Land Trust implemented the provisions of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The intent of the new standards is to improve the usefulness and understandability of the Land Trust's financial reporting.

ASU 2014-09 provides new revenue recognition standards, eliminating the transaction- and industry-specific revenue recognition guidance and replaces it with a principle-based approach for determining revenue recognition. ASU 2018-08 clarifies and improves existing guidance related to contributions received and contributions made. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

Analysis of the various provisions of these two ASU's resulted in no significant changes in the way the Land Trust recognizes revenue, and therefore no changes to the Land Trust's 2019 Financial Statements were required on a retrospective basis.

Note 15 SUBSEQUENT EVENTS AND UNCERTAINTIES

Management has evaluated subsequent events through March 19, 2021, the date that the financial statements were available to be issued.

The COVID-19 pandemic continues to cause disruptions worldwide. Management has evaluated these conditions and believes that it is not possible to reasonably estimate the impact of COVID-19, if any, on the Land Trust's future operations.

SUPPLEMENTAL INFORMATION

MINNESOTA LAND TRUST
SCHEDULES OF FINANCIAL POSITION BY FUND
June 30, 2020 and 2019

Schedule 1
Page 1 of 2

	2020				
	Operating	Acquisition	Stewardship and Enforcement	Endowment	Total
Assets:					
Cash and cash equivalents	\$911,507	\$ -	\$ -	\$ -	\$911,507
Interfund transfers in transit	(15,547)	40,347	-	(24,800)	-
Capital campaign - promises to give, net	551,792	-	18,000	-	569,792
Contributions, grants and other receivables	2,027,786	1,203	280,000	-	2,308,989
Deposits and other	27,186	-	-	-	27,186
Furniture and equipment, net	38,257	-	-	-	38,257
Investments	-	528,214	7,195,230	496,195	8,219,639
Land held for resale	-	164,000	-	-	164,000
Land held for resale - conservation	-	29,260	-	-	29,260
Land held for conservation	-	134,000	-	-	134,000
Beneficial interest in real property	-	788,400	-	-	788,400
Total assets	\$3,540,981	\$1,685,424	\$7,493,230	\$471,395	\$13,191,030
Liabilities and net assets:					
Liabilities:					
Accounts payable	\$63,587	\$ -	\$881	\$ -	\$64,468
Accrued expenses	155,524	-	-	-	155,524
Note payable - PPP loan	354,400	-	-	-	354,400
Total liabilities	573,511	0	881	0	574,392
Net assets:					
Without donor restrictions	1,257,962	599,394	1,371,485	50,000	3,278,841
With donor restrictions	1,709,508	1,086,030	6,120,864	421,395	9,337,797
Total net assets	2,967,470	1,685,424	7,492,349	471,395	12,616,638
Total liabilities and net assets	\$3,540,981	\$1,685,424	\$7,493,230	\$471,395	\$13,191,030

MINNESOTA LAND TRUST
SCHEDULES OF FINANCIAL POSITION BY FUND
June 30, 2020 and 2019

Schedule 1
Page 2 of 2

	2019				
	Operating	Acquisition	Stewardship and Enforcement	Endowment	Total
Assets:					
Cash and cash equivalents	\$1,521,766	\$117,074	\$108,438	\$429	\$1,747,707
Interfund transfers in transit	13	20,987	-	(21,000)	-
Capital campaign - promises to give, net	636,436	-	38,000	-	674,436
Contributions and grants receivable	983,757	1,300	336,000	-	1,321,057
Deposits and other	36,262	-	-	-	36,262
Furniture and equipment, net	43,393	-	-	-	43,393
Investments	-	274,031	4,876,771	441,982	5,592,784
Land held for resale - conservation	-	29,260	-	-	29,260
Land held for conservation	-	134,000	-	-	134,000
Beneficial interest in real property	-	752,500	-	-	752,500
Total assets	<u>\$3,221,627</u>	<u>\$1,329,152</u>	<u>\$5,359,209</u>	<u>\$421,411</u>	<u>\$10,331,399</u>
Liabilities and net assets:					
Liabilities:					
Accounts payable	\$103,831	\$ -	\$ -	\$ -	\$103,831
Accrued expenses	97,288	-	-	-	97,288
Total liabilities	<u>201,119</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>201,119</u>
Net assets:					
Without donor restrictions	1,406,385	279,024	584,313	-	2,269,722
With donor restrictions	1,614,123	1,050,128	4,774,896	421,411	7,860,558
Total net assets	<u>3,020,508</u>	<u>1,329,152</u>	<u>5,359,209</u>	<u>421,411</u>	<u>10,130,280</u>
Total liabilities and net assets	<u>\$3,221,627</u>	<u>\$1,329,152</u>	<u>\$5,359,209</u>	<u>\$421,411</u>	<u>\$10,331,399</u>

MINNESOTA LAND TRUST
SCHEDULES OF ACTIVITIES BY FUND
For The Years Ended June 30, 2020 and 2019

Schedule 2
Page 1 of 2

	2020				
	Operating	Acquisition	Stewardship and Enforcement	Endowment	Total
Support and revenue:					
Contributions and grants:					
Capital campaign	\$1,080,527	\$ -	\$ -	\$ -	\$1,080,527
All other	1,778,111	199,900	27,593	-	2,005,604
Government grants:					
ENRTF	43,710	-	-	-	43,710
OHF	2,907,201	2,831,100	443,000	-	6,181,301
All other	384,577	-	24,000	-	408,577
Special events:					
Contribution	142,655	-	-	-	142,655
Other	31,100	-	-	-	31,100
Less: direct expenses	(10,757)	-	-	-	(10,757)
Fees for service	12,705	-	-	-	12,705
Other revenue	19,963	-	-	-	19,963
Interest and dividends	3,684	10,279	145,200	10,565	169,728
Change in fair value of investments	520	8,326	196,680	14,219	219,745
Interfund transfers in (out), net	(1,459,534)	137,667	1,296,667	25,200	-
Total support and revenue	<u>4,934,462</u>	<u>3,187,272</u>	<u>2,133,140</u>	<u>49,984</u>	<u>10,304,858</u>
Expenses:					
Program services	4,204,541	2,831,000	-	-	7,035,541
Management and general	406,513	-	-	-	406,513
Fund development	376,446	-	-	-	376,446
Total expenses	<u>4,987,500</u>	<u>2,831,000</u>	<u>0</u>	<u>0</u>	<u>7,818,500</u>
Change in net assets	(53,038)	356,272	2,133,140	49,984	2,486,358
Net assets - beginning of year	<u>3,020,508</u>	<u>1,329,152</u>	<u>5,359,209</u>	<u>421,411</u>	<u>10,130,280</u>
Net assets - end of year	<u><u>\$2,967,470</u></u>	<u><u>\$1,685,424</u></u>	<u><u>\$7,492,349</u></u>	<u><u>\$471,395</u></u>	<u><u>\$12,616,638</u></u>

MINNESOTA LAND TRUST
SCHEDULES OF ACTIVITIES BY FUND
For The Years Ended June 30, 2020 and 2019

Schedule 2
Page 2 of 2

	2019				
	Operating	Acquisition	Stewardship and Enforcement	Endowment	Total
Support and revenue:					
Contributions and grants:					
Capital campaign	\$1,097,808	\$ -	\$13,500	\$ -	\$1,111,308
All other	1,007,687	48,300	46,800	-	1,102,787
Government grants:					
ENRTF	28,988	989,700	-	-	1,018,688
OHF	1,490,465	3,861,644	312,000	-	5,664,109
All other	174,722	-	-	-	174,722
Special events:					
Contribution	167,331	-	-	-	167,331
Other	48,660	-	-	-	48,660
Less: direct expenses	(28,434)	-	-	-	(28,434)
Fees for service	40,150	-	60,000	-	100,150
Other revenue	16,094	-	-	-	16,094
Gain (loss) on sale of land	-	(23,491)	-	-	(23,491)
Interest and dividends	4,399	7,923	201,614	22,037	235,973
Change in fair value of investments	(1,050)	6,064	86,658	6,823	98,495
Interfund transfers in (out), net	216,475	49,525	(245,000)	(21,000)	-
Total support and revenue	<u>4,263,295</u>	<u>4,939,665</u>	<u>475,572</u>	<u>7,860</u>	<u>9,686,392</u>
Expenses:					
Program services	2,449,616	4,891,344	-	-	7,340,960
Management and general	367,957	-	-	-	367,957
Fund development	421,963	-	-	-	421,963
Total expenses	<u>3,239,536</u>	<u>4,891,344</u>	<u>0</u>	<u>0</u>	<u>8,130,880</u>
Change in net assets	1,023,759	48,321	475,572	7,860	1,555,512
Net assets - beginning of year	1,996,749	1,280,831	4,883,637	413,551	8,574,768
Net assets - end of year	<u>\$3,020,508</u>	<u>\$1,329,152</u>	<u>\$5,359,209</u>	<u>\$421,411</u>	<u>\$10,130,280</u>