



FRUITA
COLORADO

City of Fruita
325 E. Aspen,
Fruita, CO 81521
(970) 858-3663
www.fruita.org

OUTSIDE AGENCY FUNDING APPLICATION – FISCAL YEAR 2023

General Application Information:

Applications are due by September 30, 2022. Final decisions on funding requests will be made no later than December 7, 2022, and applicants will be notified of the decision on their funding request.

One copy of the funding applications and attachments are required and should be mailed or emailed to the address below. Completed applications must include all required items and be submitted by the deadline to be considered.

Funding requests will be reviewed and evaluated based on the criteria set forth in the City of Fruita Outside Agency Funding Policy (Exhibit B).

Questions regarding the application may be directed to Shannon Vassen at svassen@fruita.org or (970) 858-3663.

Completed application packets should be submitted to:

City of Fruita
Attn: Shannon Vassen
325 E. Aspen Avenue
Fruita, Co 81521

Or email to svassen@fruita.org

Application Contents:

- I. Application
- II. Organization Certification
- III. List of Required Attachments
- IV. Exhibit A – City Goals
- V. Exhibit B – Outside Agency Funding Policy



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OUTSIDE AGENCY FUNDING APPLICATION – FISCAL YEAR 2023

Organization: Colorado West Land Trust Date: 9/28/22

Contact Person: Ilana Moir Title: Director of Conservation

Mailing Address: 1006 Main Street, Grand Junction, CO 81501

Street Address: 1006 Main Street, Grand Junction, CO 81501

Phone No.: 970-23-5443 Email: ilana@cowestlandtrust.org

FUNDING REQUEST SUMMARY

Project Name: Conservation in Community Separator Area & Surrounding Area

Amount of Request: (\$) 9,000

Summary of Request:

Colorado West Land Trust (CWLT) requests \$9,000 to help fund projects (preliminary appraisal work) and staff costs associated with the acquisition of conservation easements in and around the successful Community Separator areas. Funding from the City of Fruita will enable CWLT staff to secure funding from granting agencies, educate landowners about conservation options, put conservation easement acquisitions together, acquire and steward conservation easements, promote the Community Separator Program, and provide the City documentation regarding completed conservation easement transactions. Over 20 years and through the partnerships with Mesa County, Fruita, Palisade and Grand Junction, CWLT addresses goals described by all of the partners. First, CWLT conservation easement acquisitions and donations address the desire to elevate the community profile as this program works to protect the farms and the scenic lands in the Valley that define this community. The conservation program helps maintain the character of our community and contributes to our enviable quality of life, such as recreation in Fruita and Grand Junction and bucolic farmlands in both end of the valley. The Program also supports the growth of existing businesses as the millions of dollars leveraged by



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local partner funding has directly benefited farmers, ranchers and fruit-growers, farmers, agricultural service providers, banks, restaurants, hotels and more.

At a time when the Grand Valley has been “discovered” and is growing and developing faster than ever, Colorado West Land Trust partners with municipalities, farmers, and ranchers to determine the land in the valley that should stay in farming, ranching, and available for recreation. This allows the valley to grow while at the same time supporting the farming and recreation economies and preserving the landscape that makes the valley so unique and attractive to residents and visitors alike. This program provides a unique benefit to the City of Fruita and the community across the valley.

How does this program/project benefit the citizens/businesses of the City of Fruita?

Conservation work allows landowners to continue farming/ranching and pass the property onto future generations, which contributes to local economy. The community separator allows Fruita to remain a distinct and unique community. Preserving views near and access to public lands encourages tourists to spend time (and funds) in the City and surrounding area, all directly supporting local businesses and residents.

How does this program/project help the City to achieve its goals and priorities (Exhibit A)?

This program helps fulfill all three goals: Quality of Place- conserving the lands that define the character of the community including agricultural lands & views from the popular 18 Road; Economic Health-conserving farmland contributes directly to the stable economy; Lifestyle-preserving the "farm and ranching history" and views.

Describe other funding sources and financial support for this project/program, both internally and from other outside agencies, including in-kind contributions such as donated goods or services.

CWLT seeks \$6,500 from Palisade (\$2,000 for easement preliminary appraisal work & \$4,500 for CWLT staff), and will pursue funding from other granting agencies and foundations for projects. The other funds have most recently come from Colorado Parks and Wildlife, Great Outdoors Colorado, a Farm Bill program through NRCS, and the Gates Family Foundation.

Will the organization be able to continue to deliver service in the future without City funding?

If CWLT does not receive full funding from The City of Fruita, this will diminish CWLT’s ability to work with landowners and secure capital grants to conserve properties and inject funds into the local economy. This will put our local economy at risk of losing hundreds of thousands of dollars of funding from sources such as GOCO, NRCS, or others



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How will the success of this program be measured?

To begin with, this work will be measured by the number of landowners reached (through mailings and events) that express an interest in conservation. Secondly, success is measured over a few years in terms of quality and quantity of lands conserved. Finally, success is measured over the long-term by having viable farming economies, open spaces that define communities, & continued access to public lands.



PROJECT/PROGRAM BUDGET

List itemized expenditures by category for this funding request. Be specific. This information will be used to compile funding agreements for approved requests.

Line Item Description	<u>Expenses</u>	Cost
<u>Operating (City of Fruita)</u>		<u>\$7,000</u>
<u>Preliminary Appraisals (City of Fruita)</u>		<u>\$2,000</u>
<u>Operating (Town of Palisade)</u>		<u>\$4,500</u>
<u>Preliminary Appraisals (Town of Palisade)</u>		<u>\$2,000</u>
<u>TOTAL EXPENSES</u>		<u>\$15,500</u>

Sources of Revenue	<u>Revenues</u>	
	Funding Committed?	Amount
	Y/N	
<u>Operating (City of Fruita)</u>	Requested	<u>\$7,000</u>
<u>Preliminary Appraisals (City of Fruita)</u>	Requested	<u>\$2,000</u>
<u>Operating (Town of Palisade)</u>	Requested	<u>\$4,500</u>
<u>Preliminary Appraisals (Town of Palisade)</u>	Requested	<u>\$2,000</u>
<u>TOTAL EXPENSES</u>		<u>\$15,500</u>



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ORGANIZATION CERTIFICATION:

I certify that Colorado West Land Trust is an eligible agency for receipt of funds pursuant to Section 2 of the City of Fruita Outside Agency Funding Policy (Exhibit B); that all information reported in this application and attached is true, accurate and complete; that I am authorized to make application on behalf of the above organization and have been designated as such by the Board of Directors; and that I will provide written notice of any changes or additions to this information.

I understand the organization may need to make a brief presentation and/or provide additional information during the evaluation process and that a written agreement will be required if funds are awarded.

Signature:

Date: 9/28/22

Title:

Director of Conservation



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ATTACHMENTS REQUIRED

- × IRS Letter of Tax Exempt Status under Section 501 (c) of the Internal Revenue Code unless organization is a governmental or quasi-governmental entity.
- ☐ Statement of support for this funding request from the board of directors or governing body of the organization (TO COME AFTER BOARD MEETING)
- × Copy of budget for the current fiscal year (Note – If an electronic copy is available on your website you may provide the url in lieu of a hard copy)
- × Copy of financial statements for most recent year (Note – If an electronic copy is available on your website you may provide the url in lieu of a hard copy)
- ☐ Letter(s) of support.



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EXHIBIT A CITY GOALS

WHY FRUITA? The City of Fruita focuses on three strategic outcomes built upon a base of providing quality core services.

Quality of Place (QP)

The City of Fruita is a community where residents and visitors love where they are. The City strives to be a bike and pedestrian friendly community by providing a system of sidewalks, trails, and bike lanes that connect our parks, schools, neighborhoods, civic facilities, and commercial areas. We value safe neighborhoods, our geographic natural resources and landscapes, top tier education and healthcare, and we collaborate to provide quality essential infrastructure and services. We are an inclusive community of doers who enjoy active and healthy lifestyles.

Economic Health (EH)

The City of Fruita strives to be financially sustainable by enabling a stable economy and supporting a diversity of businesses that offer well paying jobs that attract educated employees. The City works to



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be fiscally responsible and continuously seeks ways to allocate resources to services and projects that have the highest impact on the City's priorities. We are the innovative leader for economic development in the Grand Valley.

Lifestyle (L)

The City of Fruita fosters a fun and funky ambiance by celebrating the local arts, farm and ranching history, unique leisure opportunities, and family-friendly events and activities. As a city, we encourage a diversity of cultural opportunities, businesses, and recreational activities. We continue to improve and enhance recreational offerings from traditional to outdoor adventure sports and youth to adult activities. We are a family-friendly community with diverse cultural opportunities, businesses and recreational amenities where visitors feel like locals and locals play like visitors.



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EXHIBIT B
OUTSIDE AGENCY FUNDING POLICY
CITY OF FRUITA, COLORADO

SECTION 1: POLICY

It is the policy of the City of Fruita, Colorado to consider funding requests from agencies committed to providing community service programs that fulfill a public purpose in that the services to be performed benefit, promote, serve and enhance the quality of life for the Fruita community at large for a cost or in a manner that the City could not provide more efficiently or for less cost.

This policy promotes the concept that the most efficient use of taxpayer funds for contributions to outside agencies are direct contributions that are used for the intended purpose of providing community service programs. Therefore, the City does not contribute funds for fund raising events in which a portion of the contribution is used to offset the cost of fund raising (e.g. tickets for banquets and similar events).

SECTION 2: ELIGIBLE AGENCIES

An eligible agency must be a not-for-profit (public or private), charitable (public or private), governmental, or quasi-governmental entity organized and existing under Colorado law. The agency must be recognized by and provide proof of tax-exempt status under Section 501 (c) of the Internal Revenue Code of the United States, unless the agency is a governmental or quasi-governmental entity.

An agency complying with this provision, but whose proposed service program or project fails to meet the evaluation criteria presented in Section 3 of this policy, may not receive funds from the City.

An agency complying with this provision, but whose proposed service program or project duplicates services or projects provided by another agency may not receive funds from the City.

SECTION 3 PROCEDURES

The City's process for funding an outside agency request is as follows:



- 3.1 The City of Fruita should receive all funding requests from outside agencies no later than September 30, 2022 for consideration for funding in the following fiscal year.

This allows for consideration of the funding requests as part of the development of the operating budget for the following year.

- 3.2 Funding available for outside agency requests will be reviewed on an annual basis as part of the budget process.
- 3.3 The availability of funds awarded will be subsequent to January 1 for the funding cycle of each year and released accordingly upon receipt of invoice and any required supporting documentation.
- 3.4 City operations and capital expenditures will receive priority over all funding requests from outside agencies. Funding Requests from outside agencies will be treated as the lowest priority in the budget process and will be considered only after meeting the other needs of the City government.
- 3.5 The City of Fruita reserves the right to terminate funding for outside agencies at any time. Approval of funding for one fiscal year does not impose a commitment on the City for funding in future years.
- 3.6 No funding decision shall be considered final until the City Council adopts the budget and all aspects of the agency's responsibilities and the conditions under which payment for the agency's services will be rendered have been met.
- 3.7 City funding shall only be used for the purpose and service for which the funding is requested and approved by the City. Any deviation from the approved funding request may be made only by the City's prior, written approval. If not, funds must be returned immediately to the City.

SECTION 4 EVALUATION CRITERIA

The City Council may utilize the criteria listed below in the evaluation and prioritization of funding requests.

- 4.1 Agency's ability to demonstrate the effectiveness and relevancy of a project or service to the community.



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- 4.2 The ability to meet a specific or relevant need in the community.
- 4.3 Relationship to the City's mission, goals and/or objectives
- 4.4 The likelihood the project will produce successful results.
- 4.5 Service impact or benefit to the businesses and citizens of Fruita and the number of citizens/businesses, geographic areas and specific impact (quantified).
- 4.6 The effectiveness of the services and/or program and the impact on the City of Fruita community based upon measurable performance data.
- 4.7 The agency's history of success.
- 4.8 Effective use of requested funding, including matching contributions, additional sources, and effort of outside search for financial assistance.
- 4.9 The financial need of the agency and its ability to implement the services and/or programs based upon available resources.
- 4.10 The ability of the agency to continue the project or service after the funding cycle without an ongoing operational award from the City to this service.
- 4.11 The amount of previous funding requests and the amount received from the City of Fruita
- 4.12 Budgetary constraints on available funds.

SECTION 5 SUBMITTAL INSTRUCTIONS

Agencies must adhere to the following instructions for submittal of the Funding Requests:

- 5.1 The Funding Request should be submitted to the City of Fruita by October 15.
- 5.2 The appropriate agency authorities must complete, sign and date the Funding Request

SECTION 6 REQUIRED INFORMATION



Funding Requests should contain the following information and/or documentation.

- 6.1 Amount requested from the City of Fruita
- 6.2 A brief narrative of the agency's program(s) and demonstrated benefit to the citizens of Fruita and relationship to helping the City achieve its goals and priorities.
- 6.3 An official statement of support for the Funding Request from the governing body of the agency.
- 6.4 A copy of the budget for the fiscal year the funds are being requested) must accompany the request. In addition, a copy of the budget or financial statements for the previous fiscal year must accompany the request. These documents may also be provided through email or a link to these documents online.
- 6.5 A copy of the Section 501(c) declaration by the Internal Revenue Service must accompany the Funding Request.
- 6.6 Completed Outside Agency Funding Application.
- 6.7 Letters of support.
- 6.8 Additional supporting documents and information that may be requested by the City.

SECTION 7 AGENCY REQUIREMENTS AFTER RECEIPT OF FUNDING

- 7.1 Financial Report. Agencies must provide an annual report of the expenditure of city funds.
- 7.2 Performance Report. Agencies must provide an annual report on the effectiveness of services or projects for which the agency received funding.

	A	J	K	L
1	CWLT MASTER BUDGET FY22-23			
2	APPROVED			
3		FY-22-23	FY21-22	NOTES ON DRAFT BUDGET
4	REVENUE			
5	DONATIONS			
6	General donations/memberships	391,500.00	365,000.00	
7	Campaign donations (individuals)	260,000.00	-	
8	Sponsorships	79,600.00	47,204.00	
9	TOTAL DONATIONS	731,100.00	412,204.00	
10	GRANTS			
11	Business	6,000.00	3,500.00	
12	Foundation	456,100.00	210,800.00	
13	Government	423,900.00	278,225.00	BLM, GOCO, Buffer
14	Other nonprofit	9,300.00	10,400.00	
15	TOTAL GRANTS	895,300.00	502,925.00	
16	CONTRACTS			
17	Business	-	-	
18	Foundation	-	-	
19	Government	-	-	
20	Other nonprofit	-	-	
21	TOTAL CONTRACTS	-	-	
22	EVENT INCOME			
23	Event income: Ticket sales	-	-	
24	TOTAL EVENT INCOME	-	-	
25	INVESTMENT INCOME	360.00	7,500.00	
26	PROJECT INCOME	45,800.00	96,000.00	
27	STEWARDSHIP INCOME	128,612.00	121,086.00	4.5% 20QTR trailing average
28	TOTAL INCOME	1,801,172.00	1,139,715.00	
29	EXPENSES			
30	PERSONNEL COSTS			
31	Salaries and wages	711,710.00	651,081.00	See personnel workbook
32	Payroll taxes	58,851.00	51,374.00	Includes addition of required FAMLI leave program tax in Jan 2023
33	Benefits package	70,531.00	85,251.00	
34	Retirement plan (match)	18,057.00	17,147.00	
35	Benefits administration fees	2,650.00	1,451.00	
36	Workers compensation	1,515.00	1,400.00	
37	Relocation expenses	3,000.00	-	
38	Direct deposit fees	455.00	420.00	
39	TOTAL PERSONNEL COSTS	866,769.00	808,124.00	
40	PROJECT EXPENSES			
41	Recording fees	200.00	-	
42	Payments to partners	3,000.00	61,700.00	
43	Project rentals	7,175.00	-	
44	Project supplies	9,610.00	-	
45	Other project expenses	1,100.00	-	
46	TOTAL PROJECT EXPENSES	21,085.00	61,700.00	
47	EVENT EXPENSES			
48	Catering/food expenses	11,300.00	6,700.00	
49	Equipment rentals	4,300.00	1,500.00	
50	Event supplies and other expenses	850.00	600.00	
51	Venue	440.00	2,550.00	
52	TOTAL EVENT EXPENSES	16,890.00	11,350.00	
53	ADMINISTRATIVE EXPENSES			
54	Advertising	9,800.00	7,550.00	
55	Bank charges	660.00	885.00	Brokerage fees for stock donations, line of credit fees
56	Credit card processing fees	2,800.00	2,500.00	
57	Board/Committee	2,750.00	650.00	
58	Books and subscriptions	415.00	410.00	
59	Business meals	1,200.00	450.00	
60	Conferences and training	7,917.00	2,295.00	
61	Employee travel (non training)	-	300.00	
62	Dues and registrations	18,724.00	11,095.00	This line was mis-budgeted in FY21-22.
63	Insurance:Directors	2,100.00	2,100.00	
64	Insurance:Easement defense	23,000.00	23,000.00	
65	Insurance:Liability	5,555.00	6,715.00	
66	Insurance:Vehicle	4,500.00	5,340.00	
67	Insurance:Fidelity bond	-	-	
68	Insurance:Volunteer	250.00	250.00	
69	Maintenance:Facility	4,621.00	5,215.00	Lawn care, office cleaning, general maintenance
70	Maintenance:Office technology	8,279.00	4,400.00	Managed services, off-site backup, general IT support
71	Maintenance:Vehicle	4,848.00	2,600.00	Reg maintenance plus major repairs contingency
72	Office supplies	4,628.00	2,000.00	
73	IT supplies	320.00	400.00	
74	Postage and shipping	6,918.00	3,630.00	
75	Printing and reproduction	18,362.00	7,525.00	
76	Promotional materials	1,300.00	1,500.00	
77	Software and licensing	16,068.00	7,418.00	QB, ArcGIS, DPO, Office 365, Adobe
78	Vehicles:Fuel	6,060.00	1,651.00	

	A	J	K	L
1	CWLT MASTER BUDGET FY22-23			
2	APPROVED			
		FY-22-23	FY21-22	NOTES ON DRAFT BUDGET
78	Vehicles:Mileage reimbursements	-	250.00	
79	Vehicles:Registration	425.00	410.00	
80	TOTAL ADMINISTRATIVE EXPENSE	151,500.00	100,539.00	
81	OCCUPANCY			
82	Occupancy:Rent	44,534.00	44,818.00	Addition of permanent records storage, Montrose office Jul 2022, co-work space
83	Occupancy:Gas and electric	2,525.00	1,700.00	
84	Occupancy:Telecomm	5,858.00	6,206.00	
85	Occupancy:City utilities	2,626.00	1,600.00	
86	TOTAL OCCUPANCY	55,543.00	54,324.00	
87	PROFESSIONAL SERVICES			
88	Professional services:Accounting/Audit	15,350.00	8,750.00	
89	Professional services:Contractors	515,167.00	35,545.00	
90	Professional services:Legal	8,000.00	5,000.00	
91	Professional services:Photography	24,625.00	1,570.00	
92	TOTAL PROFESSIONAL SERVICES	563,142.00	50,865.00	
93	EQUIPMENT			
94	Equipment:Furniture	2,000.00	800.00	
95	Equipment:Office Technology	5,651.00	7,969.00	Copier, comp rplc
96	TOTAL EQUIPMENT	7,651.00	8,769.00	
97	CONTINGENCY	84,129.00	43,827.00	5% contingency
98	TOTAL EXPENSES	1,766,708.50	1,139,498.00	
99				
100		34,464.00	217.00	

MESA COUNTY LAND CONSERVANCY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

APRIL 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mesa County Land Conservancy, Inc.

Opinion

We have audited the accompanying financial statements of Mesa County Land Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of April 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mesa County Land Conservancy, Inc. as of April 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Mesa County Land Conservancy, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Mesa County Land Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 audit 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 Mesa County Land Conservancy, Inc.'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 Mesa County Land Conservancy, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Anthony D. Raitt, CPA, PLLC

Leadville, Colorado

September 9, 2022

Mesa County Land Conservancy, Inc.
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 84,076
Accounts Receivable	49,392
Contributions Receivable	8,150
Contributions Receivable - Restricted	100,000
Prepaid Expense	18,680
Restricted Cash	200,658
Short-Term Investment	201,706
Short-Term Investment - with Board Designations	41,000
Total Current Assets	703,662

Non-Current Assets

Equipment and Leasehold Improvements	
Equipment	58,373
Less: Accumulated Depreciation	(52,645)
Net Equipment and Leasehold Improvements	5,728
Investment - with Board Designations	258,621
Investment - with Donor Restrictions	3,298,073
1891 Easements	55,000
Total Non-Current Assets	3,617,422
Total Assets	\$ 4,321,084

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	68,064
Accrued Expenses	2,156
Accrued Personnel Expenses	48,910
Total Current Liabilities	119,130

Long-Term Liability

1891 Easements	55,000
Total Liabilities	174,130

Net Assets

Net Assets without Donor Restrictions	
Without Board Designations	147,935
With Board Designations	400,288
Net Assets with Donor Restrictions	3,598,731
Total Net Assets	4,146,954
Total Liabilities and Net Assets	\$ 4,321,084

Mesa County Land Conservancy, Inc.
STATEMENT OF ACTIVITIES
APRIL 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grants and Contracts			
Governmental Agencies	\$ 390,725	\$ 8,000	\$ 398,725
Other	115,058	187,000	302,058
Donations	423,866	88,600	512,466
Project and Contract Income	132,787	0	132,787
Easement and Land Contribution	4,285,790	0	4,285,790
Investment Income	2,035	(96,479)	(94,444)
In-Kind Contributions	44,812	0	44,812
Other Income	51	0	51
Net Assets Released from			
Satisfaction of Program and Time Restrictions	191,018	(191,018)	0
Total Revenue and Support	<u>5,586,142</u>	<u>(3,897)</u>	<u>5,582,245</u>
Expenses			
Program Services			
Land Conservation	5,005,343	0	5,005,343
Community Outreach	103,999	0	103,999
Total Program Expenses	<u>5,109,342</u>	<u>0</u>	<u>5,109,342</u>
Support Services			
Management and General	222,139	0	222,139
Fundraising	171,500	0	171,500
Total Support Services	<u>393,639</u>	<u>0</u>	<u>393,639</u>
Total Expenses	<u>5,502,981</u>	<u>0</u>	<u>5,502,981</u>
Change in Net Assets After Gains and Losses	83,161	(3,897)	79,264
Beginning Net Assets	<u>465,062</u>	<u>3,602,628</u>	<u>4,067,690</u>
Ending Net Assets	<u><u>\$ 548,223</u></u>	<u><u>\$ 3,598,731</u></u>	<u><u>\$ 4,146,954</u></u>

Mesa County Land Conservancy, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
APRIL 30, 2022

	PROGRAM SERVICES		SUPPORTING SERVICES		
	LAND	COMMUNITY	GENERAL &	FUND	
	CONSERVATION	OUTREACH	ADMINISTRATIVE	RAISING	TOTAL
Salaries	\$ 288,483	\$ 62,887	\$ 123,578	\$ 120,428	\$ 595,376
Payroll Taxes	23,844	4,985	10,563	9,701	49,093
Employee Benefit	36,620	8,044	18,370	14,287	77,321
Total Personnel Costs	348,947	75,916	152,511	144,416	721,790
Conservation Easement and Land Acquisition	4,285,790	0	0	0	4,285,790
Conservation Easement and Other Project Expense	64,332	3,580	0	0	67,912
Conservation Easement Stewardship & Enforcement	9,800	0	0	0	9,800
Professional Fees	203,776	6,399	23,614	5,204	238,993
Rent and Utilities	16,945	3,241	10,832	6,681	37,699
Dues and Subscriptions	17,300	0	18,623	415	36,338
Insurance	29,444	1,250	3,574	1,562	35,830
Supplies and Materials	10,824	7,183	5,643	6,383	30,033
Repair and Maintenance	7,623	1,560	1,679	1,951	12,813
Event Costs	761	2,804	1,249	0	4,814
Miscellaneous	940	518	2,509	350	4,317
Vehicle Expense	2,971	289	928	90	4,278
Advertising	275	1,259	775	1,667	3,976
Bank and Brokerage Fees	0	0	202	2,781	2,983
Bad Debt	2,540	0	0	0	2,540
Total Expenses Before Depreciation	5,002,268	103,999	222,139	171,500	5,499,906
Depreciation	3,075	0	0	0	3,075
Total Functional Expenses	<u>\$ 5,005,343</u>	<u>\$ 103,999</u>	<u>\$ 222,139</u>	<u>\$ 171,500</u>	<u>\$ 5,502,981</u>

See accompanying notes

Mesa County Land Conservancy, Inc.
STATEMENT OF CASH FLOWS
APRIL 30, 2022

Cash Flows from Operating Activities

Cash Received	
Grants and Contracts	\$ 700,783
Donations	434,676
Project and Contract Income	205,545
Investment and Other	100,573
Cash Paid	
Payroll and Related Expenses	(712,845)
Other	(533,449)

Net Cash Provided (Used) by Operating Activities	<u>195,283</u>
---	----------------

Cash Flows from Investing Activities

Purchase of Investment	(506,344)
Proceeds from Sale of Investment	423,543

Net Cash Provided (Used) by Investing Activities	<u>(82,801)</u>
---	-----------------

Net Increase (Decrease) in Cash	112,482
---------------------------------	---------

Beginning Cash and Cash Equivalents	<u>172,252</u>
--	----------------

Ending Cash and Cash Equivalents	<u><u>\$ 284,734</u></u>
---	--------------------------

Cash Reported on Statement of Financial Position

Cash and Cash Equivalents	\$ 84,076
Restricted Cash	200,658

Total	<u><u>\$ 284,734</u></u>
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Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose and Organization

Mesa County Land Conservancy, Inc. (MCLC) was incorporated June 12, 1980. MCLC was established for the purpose of acquiring and conserving land in order to preserve, protect and enhance agricultural lands, open space, recreation, and natural habitat attributes in and around Mesa County, Colorado and also for the purpose of educating the public about conservation. MCLC's operational support comes primarily from grants and contributions from individual donors and governmental entities.

Cash and Cash Equivalents

MCLC's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the sum of the corresponding amounts within the statement of cash flows:

Cash and Cash Equivalents	\$84,076
Restricted Cash	<u>200,658</u>
	<u>\$284,734</u>

Restricted cash represents cash reserved for programs with donor restrictions.

Accounts/Grant Receivable

Accounts are stated at the outstanding balances. Management believes all accounts/grants receivable are collectible and thus an allowance for uncollectible accounts is not provided. Management uses the direct write off method to recognize bad debt expense for uncollectible accounts. After reasonable collection efforts are made by management past due accounts are written off. For the year ending April 30, 2022, MCLC wrote off \$2,540 in bad debts. All accounts/grants receivable are due within one year from April 30, 2022 and they are all current. MCLC does not charge interest on accounts receivable.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. As of April 30, 2022, all of MCLC's contribution receivable was collectible within a year and unconditional.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

Property and Equipment

Property and equipment is recorded at cost and donated assets are recorded at estimated value at the time of the gift. Routine repairs and maintenance are expensed as incurred. Depreciation on property and equipment is computed based on the cost of the asset over its estimated useful life using the straight-line method. Equipment acquired with a cost in excess of \$2,500 is capitalized. Equipment life ranges from 5 to 7 years.

Investments

Investment purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are valued at their fair value based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

The financial statements of MCLC have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require MCLC to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of MCLC's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of MCLC or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue and Revenue Recognition

Revenue from project fees are recognized when the conservation easement is closed. Contract income is recognized when the services are rendered. MCLC records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference. All services are transferred at a point in time.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

Contributions

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-imposed restrictions when cash, securities, or other assets, an unconditional promises to give, or notification of a beneficial interest is received. All donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

MCLC was granted \$126,778 the second loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. MCLC initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance of other barrier and right of return of PPP loan no longer existed. MCLC has recognized \$126,778 as contribution for the year ended April 30, 2022 when the loan was forgiven.

MCLC is also eligible for the Employee Retention Credit “ERC”. MCLC received refunds of \$50,400 (on qualified wages of \$100,000) and \$22,972 (on qualified wages of \$32,525) for 4th quarter of 2021 and 1st quarter of 2022, respectively, on Form 941 Employer Quarterly Federal Tax Return payments already made by MCLC. These payments were recognized as conditional contributions during the year ended April 30, 2022.

Donated Services

MCLC records donated services contributed when the services (a) create or enhance non financial assets or (b) would be purchased if they had not been provided by contributions, require specialized skills, and are provided by individuals possessing those skills. MCLC received contributed professional services during the year ended April 30, 2022, with a fair value on the dates of donation of \$25,372. See Note - J for detail.

Advertising Costs

MCLC uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended April 30, 2022 was \$3,976.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

Functional Allocation of Expenses

MCLC allocates and reports functional expenses as Program Services, Management and General, and Fundraising. The general approach to MCLC in allocating costs is to:

Identify if an expense is a direct cost of a program, grant or activity. Direct costs are allocated directly to the program, grant or activity they are associated with. If the expense is not a direct cost, identify if the expense is of shared benefit across multiple or all programs, grants or activities (indirect costs). Indirect costs are allocated using measurement base that results in equitable distribution, most commonly employee time.

All employees of MCLC utilize time tracking and salaries and wages are directly charged to programs, grants and activities based on documented time. Employee time tracking is also used as the basis for allocating employee benefits, facility and technology maintenance, liability insurance, office supplies and occupancy. MCLC feels the use of employee time allocating occupancy is appropriate as all MCLC employees have duties that span program areas.

All use of fleet vehicles is recorded and mileage is attributed to program, grants and activities. Vehicle costs are allocated by the percent of mileage attributed to these cost centers.

Income Tax Status

MCLC is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. MCLC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. MCLC has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Conservation Easements

Conservation easements are tools used to permanently restrict development on property in order to protect scenic, open space, agricultural and natural habitat values. The acquisition of these easements by MCLC promotes these conservation values but does not provide any economic value to MCLC. Therefore, purchased or donated easements are not recorded as assets of MCLC on the Statement of Financial Position. However, MCLC reports the value of purchased and donated easements at the appraised value as both support and program expense in the Statement of Activities.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Concentration of Credit Risk

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days. At year-end and throughout the year, MCLC's cash balances were deposited in various banks. The balances may go over the FDIC limit from time to time during the year. Management believes MCLC is not exposed to any significant credit risk on cash and cash equivalents.

Credit risk for accounts and pledges receivable is concentrated because substantially all of the balances are receivable from individuals and entities located within the same geographic region. In addition, 63% of balances of accounts/grants receivable are from one entity as of April 30, 2022.

NOTE B – AVAILABILITY AND LIQUIDITY

It is MCLC's goal to maintain minimum liquid operating funds of 3-months budgeted operating expenses (approximately \$258,000). These funds consist of assets without donor restrictions: cash and cash equivalents, and short-term investments.

MCLC manages cash flow and liquidity through a defined, scheduled process for managing donor restricted funds, and by maintaining a Board designated Operating Reserve Fund.

Releasing funds from restriction: Expenses are reviewed monthly to determine if time or purpose restrictions have been met for donor restricted monies. Expenses that have met the donor's purpose are released from restriction.

Operating reserve fund: The board has established a reserve that may be drawn upon in the event of financial distress or an immediate need resulting from the seasonal variations in donor giving. Drawing from this reserve requires notification of the Finance Committee. At the time of notification, a plan for replenishment of the reserve is made.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

The following represents MCLC's financial assets at April 30, 2022:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 84,076
Accounts Receivable	49,392
Contributions Receivable	108,150
Restricted Cash	200,658
Short-Term Investments	201,706
Investments	<u>3,556,694</u>
Total Financial Assets	4,200,676
Less Amounts Not Available to be Used within One Year	
Investment not Intended to be Used within One Year	3,396,643
Net Assets with Donor Restrictions	200,658
Less Net Assets with Purpose Restrictions to be Met in Less Than a Year	<u>(200,658)</u>
	<u>3,396,643</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 804,033</u>

NOTE C - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). MCLC groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:
Quoted prices for similar assets/liabilities in active markets;
Quoted prices for identical or similar assets in non-active markets;
Inputs other than quoted prices that are observable for the asset/liability; and,
Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

NOTE D – INVESTMENT SECURITIES

Investment securities (all Level 1) are held at a local community foundation which employs the same investment objectives and asset allocation as MCLC. Please see Note E for details.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

It is restricted for stewardship and carried at fair value based on quoted prices in active markets at April 30, 2022 as followed:

<u>Cost</u>	<u>Fair Value</u>
<u>\$ 108,644</u>	<u>\$ 119,566</u>

MCLC also maintains investment securities (all Level 1) at a financial institution and they are carried at fair value based on quoted prices in active markets. \$3,298,073 is restricted for stewardship and \$299,621 is Board designated. They consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$ 2,208,711	\$2,699,792
Exchange Traded Funds	413,051	458,038
Cash and Cash Equivalent	<u>522,044</u>	<u>522,004</u>
Total	<u>\$ 3,143,806</u>	<u>\$3,679,834</u>

Investment policy allows for MCLC to take out 5.0% of the Funds average market value over the prior 20 quarters to support MCLC's expenses of stewarding, monitoring and defending MCLC's conservation easements. However, for the year ended April 30, 2022 MCLC withdrew 4.5%.

NOTE E – INVESTMENT POLICIES

MCLC's Dedicated Stewardship Fund (the Fund) exists to provide long term funding to monitor and steward MCLC's conservation easement portfolio and as a resource to defend these easements as needed. The entire amount of the Fund is included in the net asset with donor restrictions as of April 30, 2022.

The Board of Directors (the Board) has delegated supervisory authority over its financial affairs to the Finance Committee (the Committee). The Committee is responsible for regularly reporting on investments to the full Board. In carrying out its responsibilities, the Committee and its agent will act in accordance with these Investment Policies (the Policies) and all applicable laws and regulations. The Board reserves to itself the exclusive right to revise the Policies.

The Board and its Committee are authorized but not required to retain one or more Investment Advisors (the Advisor) to assume the investment management of funds and assets owned or administered by MCLC. In discharging this authority, the Committee can act in the place and stead of the Board and may receive reports from, pay compensation to, and enter into agreement with such advisors.

Investment Objectives:

To provide a relatively stable, inflation adjusted annual payout as determined by the Committee or the Board. This payout is to support MCLC's income needs in order to partially cover the expenses of stewarding, monitoring and defending MCLC's conservation easements.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

To achieve a real growth in asset value so that the annual income will grow to keep pace with inflation and fully cover the expenses of stewarding, monitoring and defending MCLC's conservation easements.

Spending Policy:

MCLC may take out 5.0% of the Funds average market value over the prior 20 quarters to support MCLC's expenses of stewarding, monitoring and defending MCLC's conservation easements.

Asset Allocation – The final asset allocation will be:

Safety Assets	1%
Income Assets	22%
Growth Assets	47%
Aggressive Assets	30%

The Committee believes that the Fund's risk and liquidity posture are, in large part, a function of asset class mix. The Advisor has presented to the Committee, summary information about the long-term performance of various asset classes, focusing on balancing the risks and rewards of market behavior. Considering the Fund's investment objectives, time horizon, risk tolerances, performance expectations, and asset class preferences, an appropriate portfolio allocation was identified, as shown in the above table. The targets shown above will not be changed without full Board of Directors' approval.

After the allocation strategy is implemented, the Advisor is responsible for rebalancing the portfolio and applying the methodology approved by the Advisor's Investment Committee. Any change in methodology will be communicated to MCLC in writing contemporaneously.

Changes in the Fund as of April 30, 2022 are as follows:

	<u>With Donor Restriction</u>
Beginning of year	\$ 3,911,047
Contributions	51,500
Investment income	99,161
Net appreciation (depreciation)	(141,282)
Appropriated for expenditure	<u>(121,086)</u>
End of year	<u>\$ 3,799,340</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Office furniture and equipment	24,441
Vehicle	33,932
Less: accumulated depreciation	<u>(52,645)</u>
Net Property and Equipment	<u>\$ 5,728</u>

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE G – NET ASSETS WITHOUT RESTRICTIONS

MCLC has net asset with Board Designations in the amount of \$400,288 as of April 30, 2022. \$41,000 is reserved for stewardship and \$258,621 is reserved for operation. \$100,667 is designated for land protection.

NOTE H – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

Monument Road Project	\$ 26,020
Specific Property and Conservation Easement Acquisition	15,813
Staff Capacity Grants	6,105
Stewardship Projects	128,853
Water Initiative	<u>14,227</u>
Total Net Assets Released from Restriction	<u>\$191,018</u>

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

Stewardship Fund	\$3,298,073
Monument Road Project	40,021
Specific Property and Conservation Easement Acquisition	53,827
Stewardship Projects	41,037
Water Initiative	<u>65,773</u>
Total Net Assets with Donor Restrictions	<u>\$3,498,731</u>

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE J – IN-KIND CONTRIBUTIONS

MCLC received in-kind (non-cash) contributions as follows:

	Program			<u>General and Admin</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Easement Enforcement</u>	<u>Acquisition of CE</u>	<u>Monitoring</u>			
Legal	\$2,932	\$14,033	\$0	\$0	\$255	\$17,220
Photographer	0	0	500	0	2,340	2,840
Grant Writing	0	0	0	4,950	0	4,950
Graphic						
Design	0	0	0	0	250	250
Pilot	<u>0</u>	<u>0</u>	<u>112</u>	<u>0</u>	<u>0</u>	<u>112</u>
Total Service	2,932	14,033	612	4,950	2,845	25,372
Software	<u>0</u>	<u>0</u>	<u>16,800</u>	<u>2,640</u>	<u>0</u>	<u>19,440</u>
Total Service						
& Goods	<u>\$2,932</u>	<u>\$14,033</u>	<u>\$17,412</u>	<u>\$7,590</u>	<u>\$2,845</u>	<u>\$44,812</u>

NOTE K – LEASE

Commencing on November 1, 2018, MCLC entered into a new lease agreement for office space that expires on October 31, 2022 for a gross rental of \$93,035 payable in monthly installments of \$1,957 (for the second year) plus utility, insurance and property tax. The total rental expense for the year ended April 30, 2022 was \$29,342.

Future annual minimum lease payments are as follows:

4/30/2023	<u>15,968</u>
Total	<u>\$ 15,968</u>

NOTE L – PENSION PLAN

MCLC sponsors a defined contribution pension plan (the Plan) under the provision of Section 403(b) of the Internal Revenue Code. Eligible employees may contribute up to \$19,500 to the Plan. MCLC contributes at a 1:1 ratio up to a maximum of 3% of each eligible employee's salary. Total employer contributions to the Plan for the year ended April 30, 2022 were \$13,509.

NOTE M – BENEFICIARY OF A CHARITABLE TRUST

November of 2015, MCLC was named one of the ten charitable organizations as beneficiaries of The William S. and Mai N. Robinson Charitable Trust. According to the trust agreement, the greater of 5% of the value of the Trust on the last day of the calendar year or such additional amount from trust principal and income as be required by law and regulation will be received annually on pro rated share basis.

Mesa County Land Conservancy, Inc.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2022

NOTE N – EASEMENT ACTIVITIES

	Number of <u>Easements</u>	Acres <u>Protected</u>
May 1, 2021	562	124,877
Acquired During the Year	<u>3</u>	<u>1,448</u>
April 30, 2022	<u>565</u>	<u>126,325</u>

The appraised value of the conservation easements acquired during the year was \$4,285,790. These were donated. For this purpose, the amendments to the existing conservation easements that add additional acreage are counted as a separate easement. The value of the Clipper Ditch Conservation Easement was determined based on the value of the mitigation credit the landowner received for completing the project, rather than through the traditional conservation easement appraisal process.

NOTE O – 1891 EASEMENTS

In May 2018, MCLC received a donation of two 1891 easements located on the Grand Mesa National Forest, together with an associated mitigation bank. The easements are property rights granted by the United States under an 1891 statute that provides for the grant of limited property rights for storage of water for irrigation purposes. Use of the easements for irrigation purposes ceased a considerable time before the donation to MCLC and the dams were breached. The donor initiated and created a mitigation bank related to the fens located on each easement (fens are an ecologically-significant, unique environment). The mitigation bank was approved by the Forest Service. The mitigation bank's credits are to be used to offset wetlands damage or degradation in other locations. However, the mitigation bank was not created under the rules of the U.S. Army Corps of Engineers for approval of mitigation banks under Section 404 of the Clean Water Act. Therefore, the value of the mitigation bank credits is speculative and may be small.

MCLC is obligated to return the 1891 easements to the U.S. Forest Service when all the mitigation credits from the bank have been sold or used; no estimate can be made at this time of when this might occur.

The easements themselves may have value in the future for high altitude water storage for irrigation or domestic uses. However, the water rights previously associated with the reservoirs on the easements were removed and assigned to other reservoirs pursuant to a court decree. Also, there is no organized market for the sale of 1891 easements. A prior owner has voiced an interest in reacquiring the easements. Based upon the expression of interest by the prior owner, MCLC has valued the easements at \$55,000, recorded in Statement of Financial Position as asset and liability. This value is based upon the price paid for the easements in the sale to the donor in 2012.

NOTE P – SUBSEQUENT EVENT

MCLC evaluated subsequent events through September 9, 2022, the date which the financial statements were available to be issued.



IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077555433
Feb. 23, 2016 LTR 4168C 0
74-2155358 000000 00

00047109

BODC: TE

MESA COUNTY LAND CONSERVANCY INC
MESA LAND TRUST
1006 MAIN ST
GRAND JCT CO 81501-3541

082820

Employer ID Number: 74-2155358
Form 990 required: Yes

Dear Taxpayer:

This is in response to your request dated Jan. 27, 2016, regarding your tax-exempt status.

We issued you a determination letter in April 1981, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

4077555433

Feb. 23, 2016 LTR 4168C 0

74-2155358 000000 00

00047110

MESA COUNTY LAND CONSERVANCY INC
MESA LAND TRUST
1006 MAIN ST
GRAND JCT CO 81501-3541

Sincerely yours,



Jeffrey I. Cooper
Director, E0 Rulings & Agreement