



**GROUNDSWELL
CONSERVANCY, INC.**
FINANCIAL STATEMENTS
June 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Groundswell Conservancy, Inc.
Madison, Wisconsin

We have audited the accompanying financial statements of Groundswell Conservancy, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, 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 Groundswell Conservancy, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, Groundswell Conservancy, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
October 11, 2019

GROUNDSWELL CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 146,398	\$ 65,710
Unconditional promises to give, net	34,286	14,063
Grants receivable	-	120,297
Prepaid expenses	7,051	5,043
Property and equipment, net	4,723	1,637
Land held for conservation	6,477,433	5,781,312
Investments	698,353	711,552
Beneficial interest in assets held by Madison Community Foundation	614,703	500,470
Total assets	\$ 7,982,947	\$ 7,200,084
LIABILITIES		
Accounts payable	\$ 11,914	\$ 14,049
Accrued expenses	17,211	19,221
Deferred revenue	53,644	25,458
Total liabilities	82,769	58,728
NET ASSETS		
Without donor restrictions		
Undesignated	617,762	638,426
Designated by the Board of Directors for		
Land held for conservation	6,477,433	5,781,312
Easement enforcement fund	225,953	152,324
Agency endowment fund	109,475	106,627
Total without donor restriction	7,430,623	6,678,689
With donor restrictions	469,555	462,667
Total net assets	7,900,178	7,141,356
Total liabilities and net assets	\$ 7,982,947	\$ 7,200,084

See accompanying notes.

GROUNDSWELL CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 391,600	\$ 96,138	\$ 487,738	\$ 331,582	\$ 95,640	\$ 427,222
Service fees	15,000	-	15,000	-	-	-
Rental income	13,935	-	13,935	20,646	-	20,646
Other	1,166	-	1,166	1,414	-	1,414
Net assets released from restrictions						
Satisfaction of purpose restrction	17,307	(17,307)	-	29,750	(29,750)	-
Total revenues	439,008	78,831	517,839	383,392	65,890	449,282
OPERATING EXPENSES						
Conservation, Outreach and Education	336,043	-	336,043	291,666	-	291,666
Supporting activities						
Management and general	61,156	-	61,156	59,771	-	59,771
Fundraising	95,156	-	95,156	93,562	-	93,562
Total operating expenses	492,355	-	492,355	444,999	-	444,999
Change in net assets from operations	(53,347)	78,831	25,484	(61,607)	65,890	4,283
OTHER CHANGES						
Investment return, net	18,443	-	18,443	54,475	-	54,475
Change in value of beneficial interest in assets held by Madison Community Foundation	36,558	-	36,558	39,312	-	39,312
Bequest	80,000	-	80,000	-	-	-
Land projects						
Donated land	-	-	-	60,000	-	60,000
Support used for land and easements acquisition	2,785,525	-	2,785,525	210,000	-	210,000
Satisfaction of purpose restrction	71,943	(71,943)	-	112,000	(112,000)	-
Easement acquisitions	(1,008,310)	-	(1,008,310)	-	-	-
Contribution of land	(1,178,878)	-	(1,178,878)	-	-	-
Change in net assets	751,934	6,888	758,822	414,180	(46,110)	368,070
Net assets at beginning of year	6,678,689	462,667	7,141,356	6,264,509	508,777	6,773,286
Net assets at end of year	\$ 7,430,623	\$ 469,555	\$ 7,900,178	\$ 6,678,689	\$ 462,667	\$ 7,141,356

See accompanying notes.

GROUNDSWELL CONSERVANCY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2019 and 2018

	2019			
	Program Services	Supporting Activities		
	Conservation, Outreach and Education	Management and General	Fundraising	Total Expenses
Personnel	\$ 183,360	\$ 40,506	\$ 74,884	\$ 298,750
Professional services	49,467	10,800	1,677	61,944
Land management	30,464	-	-	30,464
Occupancy	13,661	3,018	5,579	22,258
Grants and contributions	18,120	-	-	18,120
Supplies	10,115	795	1,469	12,379
Postage and printing	6,845	348	4,850	12,043
Insurance	5,436	1,201	2,220	8,857
Events	5,550	-	1,637	7,187
Travel and meetings	3,870	855	1,581	6,306
Real estate taxes	6,070	-	-	6,070
Communications	2,616	578	1,068	4,262
Depreciation	469	104	191	764
Other	-	2,951	-	2,951
Total operating expenses	336,043	61,156	95,156	492,355
Easement acquisitions	1,008,310	-	-	1,008,310
Contribution of land	1,178,878	-	-	1,178,878
Total expenses	\$ 2,523,231	\$ 61,156	\$ 95,156	\$ 2,679,543
	2018			
	Program Services	Supporting Activities		
	Conservation, Outreach and Education	Management and General	Fundraising	Total Expenses
Personnel	\$ 164,760	\$ 40,134	\$ 72,473	\$ 277,367
Professional services	35,394	10,225	-	45,619
Land management	31,317	-	-	31,317
Occupancy	12,793	3,116	5,627	21,536
Grants and contributions	1,450	-	-	1,450
Supplies	10,595	1,006	1,817	13,418
Postage and printing	12,198	314	3,628	16,140
Insurance	5,123	1,248	2,254	8,625
Events	4,114	-	5,552	9,666
Travel and meetings	2,169	528	955	3,652
Real estate taxes	8,653	-	-	8,653
Communications	2,401	585	1,057	4,043
Depreciation	454	111	199	764
Other	245	2,504	-	2,749
Total expenses	\$ 291,666	\$ 59,771	\$ 93,562	\$ 444,999

See accompanying notes.

GROUNDSWELL CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 758,822	\$ 368,070
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contribution of land	1,178,878	-
Depreciation	764	764
Net realized and unrealized gains on investments	(3,617)	(38,636)
Donated land	-	(60,000)
Investment return retained in agency endowments	(36,558)	(39,312)
Amortization of discount on unconditional promises to give	(423)	(670)
(Increase) decrease in assets		
Unconditional promises to give	(19,800)	49,600
Grants receivable	120,297	(27,219)
Prepaid expenses	(2,008)	900
Increase (decrease) in liabilities		
Accounts payable	(5,985)	8,211
Accrued expenses	(2,010)	(162)
Deferred revenue	28,186	11,132
Net cash provided by operating activities	2,016,546	272,678
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(280,434)	-
Interest and dividends retained in investments	(14,827)	(15,839)
Proceeds from sales of investments	312,077	31,590
Purchases of land held for conservation	(2,174,999)	(346,212)
Proceeds from sale of land	300,000	-
Distributions from agency endowments	14,858	13,473
Contributions to agency endowments	(92,533)	(45,600)
Net cash used in investing activities	(1,935,858)	(362,588)
Net change in cash	80,688	(89,910)
Cash at beginning of year	65,710	155,620
Cash at end of year	\$ 146,398	\$ 65,710
SUPPLEMENTAL DISCLOSURES		
Noncash investing and financing transactions		
Contribution of land	\$ 1,178,878	\$ -
Donated land	-	60,000
Property and equipment financed with accounts payable	3,850	-

See accompanying notes.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

Groundswell Conservancy, Inc. (Groundswell) works to protect natural areas, wildlife habitats, working farms, healthy lakes and streams, and recreation land to provide a high quality of life in the Dane County, Wisconsin region. Groundswell is supported primarily by contributions from the general public and grants from government agencies.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Promises to Give

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

Grants Receivable

Groundswell considers all grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been developed. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of donation. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

Land Held for Conservation

Purchases of land are recorded at cost or, if donated, at the estimated fair value on the date of donation. Such donations are reported as support without restriction unless the donor has restricted 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, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Groundswell reports expiration of donor restrictions when the assets are placed in service, and reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Conservation Easements

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

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

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

Contributions

Contributions that are restricted by the donor are reported 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. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Deferred Revenue

Under contracts from Wisconsin's Knowles-Nelson Stewardship Program, Groundswell is obligated to spend land rental revenue on conservation activities on land acquired with funding from this program. Deferred revenue balances are the accumulated rent revenue on the land acquired with Knowles-Nelson funding. Revenue is recognized as conservation activities meet the Knowles-Nelson obligation.

Expense Allocation

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

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

Conservation, Outreach and Education—Includes activities to protect land and water and build community support for land protection through outreach and education of the public.

Management and general— Management and general activities relate to the overall direction of Groundswell and include the functions necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of Groundswell, and perform other administrative functions.

Fundraising— Fundraising activities relate to soliciting contributions from individuals, foundations, governments, and others, and other activities that involve inducing potential donors to contribute assets, services, or time to Groundswell.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

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

Adoption of New Accounting Pronouncement

Groundswell adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, as of and for the year ended June 30, 2019. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The changes required by the update have been applied retrospectively to all periods presented. A key change required by the update is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Date of Management's Review

Management has evaluated subsequent events through October 11, 2019, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Receivable in less than one year	\$ 28,500	\$ 5,600
Receivable in one to five years	6,300	9,400
Unconditional promises to give	34,800	15,000
Less discounts to net present value	(514)	(937)
Unconditional promises to give - net	\$ 34,286	\$ 14,063

Unconditional promises to give receivable in more than one year are discounted at 5%.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Property and equipment	\$ 12,021	\$ 8,171
Less accumulated depreciation	7,298	6,534
Property and equipment, net	\$ 4,723	\$ 1,637

NOTE 4—LAND HELD FOR CONSERVATION

Groundswell acquires important conservation land to add to public parks, nature preserve, trails, and wildlife areas. Some of its acquisitions are transferred to government agencies for long-term ownership and management. Groundswell also acquires conservation easements, which protect land from incompatible development while keeping it in private ownership. The conservation easements held by Groundswell protect high-quality farmland, streambanks, and scenic areas.

Groundswell, as of June 30, 2019, has the following land held for conservation and conservation easements:

Location	Number of Properties	Acres	Recorded Amount
Land			
Westport Drumlin Preserve	4	213	\$ 2,395,044
Patrick Marsh Wildlife Area	3	80	2,575,998
Lodi Marsh Wildlife Area	2	84	255,862
Yahara River	1	31	60,000
Cherokee Marsh Conservation Park	2	106	264,513
Other land acquisition costs	3	206	926,016
Conservation easements			
Town of Dunn Rural Preservation Program	40	3,906	-
Village of Windsor Farmland Preservation Program	2	320	-
Other Easements	37	2,710	-
Land held for conservation	94	7,656	\$ 6,477,433

NOTE 5—CONTINGENCY

Groundswell held 79 conservation easements at June 30, 2019 that may require expenditures to monitor and defend the provisions of the easements.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 6—INVESTMENTS

Investments at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Cash	\$ 40,319	\$ 14,269
Exchange traded funds	268,362	294,260
Mutual funds comprised of equities	186,893	188,835
Mutual funds comprised of fixed income securities	202,779	214,188
Investments	\$ 698,353	\$ 711,552

NOTE 7—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2019 and 2018 are as follows:

	Assets at Fair Value as of June 30, 2019		
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)	
Exchange traded funds	\$ 268,362	\$ 268,362	\$ -
Mutual funds - equity securities	186,893	186,893	-
Mutual funds - fixed income securities	202,779	202,779	-
Beneficial interest in assets held by MCF	614,703	-	614,703
	\$ 1,272,737	\$ 658,034	\$ 614,703
	Assets at Fair Value as of June 30, 2018		
Exchange traded funds	\$ 294,260	\$ 294,260	\$ -
Mutual funds - equity securities	188,835	188,835	-
Mutual funds - fixed income securities	214,188	214,188	-
Beneficial interest in assets held by MCF	500,470	-	500,470
	\$ 1,197,753	\$ 697,283	\$ 500,470

Fair values for exchange traded funds and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Groundswell's beneficial interest in assets held by Madison Community Foundation (MCF) represents an agreement between Groundswell and MCF in which Groundswell transfers assets to MCF in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to Groundswell by MCF. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 7—FAIR VALUE MEASUREMENTS (continued)

The table below presents a reconciliation from the beginning balance to the ending balance of the beneficial interest in assets held by Madison Community Foundation measured at fair value on a recurring basis using significant unobservable inputs for the years ended June 30, 2019 and 2018:

	2019	2018
Beginning balance	\$ 500,470	\$ 429,031
Change in value of beneficial interest included in change in net assets	36,558	39,312
Purchases	92,533	45,600
Sales	(14,858)	(13,473)
Ending balance	\$ 614,703	\$ 500,470

The change in value of beneficial interest included in change in net assets is reported in the statements of activities.

NOTE 8—LIQUIDITY AND AVAILABILITY

The following table reflects Groundswell's financial assets as of the date of the statement of financial position reduced by amounts not available for general expenditures within one year of the date of the statement of financial position because of contractual or donor-imposed restrictions or internal board designations:

Cash	\$ 146,398
Unconditional promises to give, net	34,286
Investments	698,353
Financial assets, at year-end	\$ 879,037
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Contractual limitations: deferred land rental revenue	(53,644)
Restricted by donor with time and purpose restrictions	(79,566)
Board designations:	
Designated reserve for easement enforcement fund	(120,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 625,827

As part of Groundswell's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 9—ENDOWMENTS

Groundswell established two agency endowment funds with the Madison Community Foundation (MCF) to support easement enforcement and Groundswell’s operations from the earnings in each of the two funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Through June 30, 2019, Groundswell received contributions of \$399,275 restricted for conservation easement stewardship and defense. The board of directors decided these contributions should be held as a quasi-endowment fund and the income of the fund will be spent for the restricted purpose. Since the designation to hold the assets as a quasi-endowment is not a donor restriction, the net assets with donor restriction of the quasi-endowment fund are reclassified to net assets without donor restriction as the purpose restriction is met.

Groundswell relies on MCF’s total return strategy to satisfy its long-term rate-of-return objectives for the agency endowments. Under MCF’s total return strategy investment returns are achieved through both realized and unrealized gains/loss and interest and dividends.

Changes in endowment net assets for the years ended June 30, 2019 and 2018 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets - at June 30, 2017	\$ 273,297	\$ 320,849	\$ 594,146
Contributions	-	45,600	45,600
Transfers	(165,115)	-	(165,115)
Net appreciation	39,312	-	39,312
Appropriated for expenditures	(8,543)	(4,930)	(13,473)
Endowment net assets - at June 30, 2018	138,951	361,519	500,470
Contributions and transfers	54,777	37,756	92,533
Net appreciation	36,558	-	36,558
Appropriated for expenditures	(14,858)	-	(14,858)
Endowment net assets - at June 30, 2019	\$ 215,428	\$ 399,275	\$ 614,703

NOTE 10—NET ASSETS

Net assets with donor restrictions as of June 30, 2019 and 2018 were available for the following purposes:

	2019	2018
Monitoring and enforcement of conservation easements	\$ 399,275	\$ 361,519
Lake View project	-	14,000
Other conservation programs	70,280	87,148
Net assets with donor restrictions	\$ 469,555	\$ 462,667

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 10—NET ASSETS (continued)

Easement stewardship provides for baseline development, monitoring, and enforcement, with a view to prompt identification and enforcement of violations of the terms of conservation easements granted to Groundswell. Easement legal defense provides for expenses incurred in the enforcement, by litigation or otherwise, of the terms of any easement granted to Groundswell.

The status of these funds as of June 30, 2019 and 2018 was as follows:

	2019	2018
Without donor restrictions	\$ 399,275	\$ 361,519
Board designated	225,953	152,324
Easement stewardship and legal defense	\$ 625,228	\$ 513,843

NOTE 11—OPERATING LEASES

Groundswell leases office space under an operating lease that expires in June 2020 and requires monthly payments of \$1,697 with annual increase of 3%. Rent expense for years ended June 30, 2019 and 2018 was \$21,028 and \$20,445.

Groundswell leases a copier under an operating lease that expires in October 2023 and requires monthly payments of \$183. Lease expense for the years ended June 30, 2019 and 2018 was \$2,544 and \$3,994.

Future minimum lease payments for the years ending June 30, 2020, 2021, 2022, 2023, and 2024 are \$23,796, \$2,196, \$2,196, \$2,196, and \$732.

NOTE 12—COMMUNITY TRUST FUND

The Eugenie Mayer Bolz Family Foundation contributed \$125,000 in 2000 to establish the Dane County Natural Heritage Foundation Trust (Fund) at the Madison Community Foundation. MCF, as a community trust, serves the mutual interests of Dane County and those individuals and organizations who wish to enhance the quality of life in the community through charitable giving. Component funds of MCF are established by donors for the benefit of the community, and, when these funds are established, donors may indicate what organizations or causes should benefit from distributions from the fund. However, donors also grant MCF variance power that allows MCF to modify the donors' stipulations under certain circumstances as MCF monitors the changing needs of the community. Therefore, the Fund is not included in Groundswell's financial statements. The fair value of the Fund at MCF as of June 30, 2019 and 2018 was \$192,979 and \$187,731. The amount available for annual distribution is calculated using a variable rate set annually by MCF applied to the rolling twenty month average of the Fund balance. Groundswell received distributions from the Fund during the years ended June 30, 2019 and 2018 of \$7,649 and \$7,843.

GROUNDSWELL CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 13—RETIREMENT PLAN

Groundswell sponsors a defined contribution retirement plan for employees who work 20 or more hours per week for Groundswell. Employer contributions to the plan were 3% of the employee's annual compensation. Contributions are fully vested when made. Retirement expense for the years ended June 30, 2019 and 2018 was \$7,445 and \$7,033.