



**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidated Financial Statements and Supplementary Information

June 30, 2023 and 2022

(With Independent Auditors' Reports Thereon)

## DUCKS UNLIMITED, INC. AND AFFILIATES

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## Independent Auditors' Report

The Board of Directors  
Ducks Unlimited, Inc. and Affiliates:

### *Opinion*

We have audited the consolidated financial statements of Ducks Unlimited, Inc. and Affiliates and its subsidiaries (Organization), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of activities, support and revenues without donor restrictions and expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet, consolidating statement of support and revenues without donor restrictions and expenses, and schedule of donated conservation easements are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Memphis, Tennessee  
October 11, 2023

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 38,971,569	34,954,808
Restricted cash and cash equivalents	14,814,363	18,504,516
Events receivable, net	158,380	497,329
Pledges receivable, net	96,435,881	94,861,122
Habitat conservation and other receivables	56,785,410	52,384,760
Event merchandise inventory	7,803,956	8,547,605
Investments	98,153,377	90,344,397
Land held for conservation purposes	89,927,524	91,544,492
Land, buildings, and equipment, net	10,534,596	12,293,352
Right of use assets	8,384,249	—
Trade lands	9,611,500	9,611,500
Prepaid pension costs	—	3,576,511
Other assets	6,904,146	5,538,665
Total assets	<b>\$ 438,484,951</b>	<b>422,659,057</b>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 20,811,587	25,757,935
Compensation and related accruals	12,503,987	11,169,266
Deferred revenue	42,131,843	38,830,809
Deferred compensation accruals	1,066,629	1,146,829
Accrued postretirement benefits	1,051,996	1,428,076
Revolving land line of credit	—	15,321,601
Notes payable	534,716	2,133,082
Lease liabilities	8,250,253	—
Other liabilities	1,107,084	1,119,555
Total liabilities	<b>87,458,095</b>	<b>96,907,153</b>
Net assets:		
Without donor restrictions	120,539,148	106,605,591
With donor restrictions	230,487,708	219,146,313
Total net assets	<b>351,026,856</b>	<b>325,751,904</b>
Total liabilities and net assets	<b>\$ 438,484,951</b>	<b>422,659,057</b>

See accompanying notes to consolidated financial statements.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidated Statements of Activities

Years ended June 30, 2023 and 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Net assets at June 30, 2021	\$ 107,766,608	148,906,899	256,673,507
Support and revenues:			
Support and revenues without donor restrictions:			
Cash and other financial support and revenues	167,507,566	—	167,507,566
Other nonfinancial support and revenues	13,384,565	—	13,384,565
Support and revenues with donor restrictions:			
Major conservation gifts	—	146,854,714	146,854,714
Contributions to donor restricted endowments	—	1,558,984	1,558,984
Investment return on donor restricted endowments, net of appropriation for expenditure	—	(7,469,260)	(7,469,260)
Habitat reimbursements	—	14,590,209	14,590,209
Other revenues	—	4,868,691	4,868,691
Net assets released from restrictions:			
Program restrictions satisfied	83,342,529	(83,342,529)	—
Expiration of time restrictions	2,998,326	(2,998,326)	—
Total support and revenues	267,232,986	74,062,483	341,295,469
Total expenses	269,507,481	—	269,507,481
(Deficit)/Excess of support and revenues over expenses before changes in net assets	(2,274,495)	74,062,483	71,787,988
Other changes in net assets:			
Loss on uncollectible pledges	—	(3,821,690)	(3,821,690)
Nonoperational:			
Net periodic benefit cost other than service cost	(996,772)	—	(996,772)
Pension and postretirement benefit liability adjustments other than net periodic costs	2,108,871	—	2,108,871
Other	1,379	(1,379)	—
Total change in net assets	(1,161,017)	70,239,414	69,078,397
Net assets at June 30, 2022	106,605,591	219,146,313	325,751,904
Support and revenues:			
Support and revenues without donor restrictions:			
Cash and other financial support and revenues	215,467,796	—	215,467,796
Other nonfinancial support and revenues	24,174,492	—	24,174,492
Support and revenues with donor restrictions:			
Major conservation gifts	—	86,457,837	86,457,837
Contributions to donor restricted endowments	—	826,665	826,665
Investment return on donor restricted endowments, net of appropriation for expenditure	—	3,536,137	3,536,137
Habitat reimbursements	—	1,557,622	1,557,622
Other revenues	—	1,370,559	1,370,559
Net assets released from restrictions:			
Program restrictions satisfied	80,143,078	(80,143,078)	—
Expiration of time restrictions	2,264,347	(2,264,347)	—
Total support and revenues	322,049,713	11,341,395	333,391,108
Total expenses	313,396,852	—	313,396,852
Excess of support and revenues over expenses before changes in net assets	8,652,861	11,341,395	19,994,256
Other changes in net assets:			
Nonoperational:			
Net periodic benefit cost other than service cost	(2,480,524)	—	(2,480,524)
Pension and postretirement benefit liability adjustments other than net periodic costs	7,761,220	—	7,761,220
Total change in net assets	13,933,557	11,341,395	25,274,952
Net assets at June 30, 2023	\$ 120,539,148	230,487,708	351,026,856

See accompanying notes to consolidated financial statements.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidated Statements of Support and Revenues Without Donor Restrictions and Expenses

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operational revenue:		
Philanthropic financial sources:		
Net proceeds from events	\$ 59,252,363	54,116,725
Direct response	12,309,036	13,442,952
Major gifts use	56,251,597	49,623,841
Planned gift maturities	1,250,000	842,601
Licensing and sponsorships	<u>2,262,776</u>	<u>2,426,470</u>
Total philanthropic revenue	131,325,772	120,452,589
Other operational support and revenue:		
Governmental reimbursements	135,798,248	114,704,659
Non-governmental partnerships	19,304,943	20,893,607
Donated conservation easements	9,471,250	2,667,250
Advertising revenue	2,529,187	2,776,272
Donated educational programming	14,703,242	10,717,315
Spend from investments	5,292,840	1,774,929
Other revenues	<u>72,526</u>	<u>2,693,120</u>
	<u>187,172,236</u>	<u>156,227,152</u>
Total operational support and revenue	<u>318,498,008</u>	<u>276,679,741</u>
Operational expense:		
Program service expenses:		
Wetlands and Waterfowl conservation		
U.S. habitat delivery	188,160,599	165,501,836
Conservation easements	9,471,250	2,667,250
Government relations	4,613,183	3,966,261
Ducks Unlimited Canada	16,250,564	15,767,941
Ducks Unlimited de Mexico	1,302,814	1,410,020
Conservation education:		
Magazine and publication	4,494,112	4,792,044
Communications and conferences	8,001,466	7,219,210
Donated educational programming	14,703,242	10,717,315
Education delivery	12,033,969	10,376,651
Membership services	<u>3,487,964</u>	<u>3,712,463</u>
Total program service expenses	<u>262,519,163</u>	<u>226,130,991</u>
Fundraising expenses:		
Field operations	14,708,185	12,682,573
Direct response	10,290,019	10,264,650
Major gift development and advertising	<u>15,993,758</u>	<u>12,384,148</u>
Total fundraising expense	40,991,962	35,331,371
Administration	<u>9,885,727</u>	<u>8,045,119</u>
Total operational expense	<u>313,396,852</u>	<u>269,507,481</u>
Operational surplus	<u>5,101,156</u>	<u>7,172,260</u>
Nonoperational:		
Revolving land contributions	1,360,162	4,000
Net loss on land sales	(225,151)	(1,055,668)
Other quasi-endowment contribution/(loss)	2,093,810	(4,499,854)
Unappropriated quasi-endowment earnings/(loss)	322,884	(3,895,233)
Net periodic benefit cost other than service cost	<u>(2,480,524)</u>	<u>(996,772)</u>
Nonoperating loss	<u>1,071,181</u>	<u>(10,443,527)</u>
Excess/(Deficit) of support and revenues without donor restrictions over expenses	\$ <u>6,172,337</u>	\$ <u>(3,271,267)</u>

See accompanying notes to consolidated financial statements.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidated Statements of Cash Flows

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 25,274,952	69,078,397
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Noncash contribution	(1,931,623)	(2,142,242)
PPP Loan forgiveness	—	(1,987,204)
Contributions restricted for investment in endowment and capital items	(826,665)	(1,558,984)
Depreciation	5,466,979	3,869,488
Loss on disposition of conservation lands	225,151	1,055,668
Loss on disposition of equipment	—	11,183
Provision for uncollectible pledges	(631,693)	(4,957)
Net realized and unrealized (gains)/losses on investments	(8,184,123)	12,887,581
Prepaid pension costs	3,576,511	(2,320,720)
Postretirement benefit liability adjustments	(192,285)	211,749
Changes in operating assets and liabilities:		
Restricted non-negotiable certificates of deposit	—	1,260,961
Events receivable, net	338,949	479,568
Pledges receivable, net	(943,066)	(63,221,667)
Habitat conservation and other receivables	(4,400,650)	(17,429,906)
Event merchandise inventory	743,649	(1,719,984)
Leased assets	(724,991)	—
Other assets	(1,365,481)	736,054
Accounts payable and accrued expenses	(4,946,348)	9,481,037
Deferred revenue	3,301,034	564,434
Compensation and related accruals	1,334,721	976,246
Deferred compensation accruals	(80,200)	(223,651)
Accrued postretirement benefits	(183,795)	(728,680)
Other liabilities	(12,471)	(23,234)
Net cash provided by operating activities	<u>15,838,555</u>	<u>9,251,137</u>
Cash flows from investing activities:		
Purchases of investments	(19,472,558)	(30,008,048)
Proceeds from sale of investments	19,847,700	25,277,599
Building and equipment purchases	(1,921,508)	(848,252)
Investments in conservation lands	(14,361,524)	(25,781,249)
Proceeds from sales of conservation lands	<u>17,559,262</u>	<u>14,063,678</u>
Net cash provided by/(used in) investing activities	<u>1,651,372</u>	<u>(17,296,272)</u>
Cash flows from financing activities:		
Proceeds from contributions restricted to endowment and capital items	826,665	1,558,984
Proceeds from borrowings on line of credit	—	13,231,000
Repayments of borrowings on line of credit	(15,321,601)	(4,508,310)
Repayment of lease obligation	(1,070,017)	—
Repayment of notes payable	<u>(1,598,366)</u>	<u>(13,913,019)</u>
Net cash used in financing activities	<u>(17,163,319)</u>	<u>(3,631,345)</u>
Net increase/(decrease) in cash and cash equivalents	326,608	(11,676,480)
Cash and cash equivalents at beginning of year	<u>53,459,324</u>	<u>65,135,804</u>
Cash and cash equivalents at end of year	\$ <u>53,785,932</u>	\$ <u>53,459,324</u>
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents	\$ 38,971,569	34,954,808
Restricted cash and cash equivalents	<u>14,814,363</u>	<u>18,504,516</u>
	\$ <u>53,785,932</u>	\$ <u>53,459,324</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 325,354	380,516
Bargain purchase on conservation lands	1,805,920	1,064,500
PPP Loan forgiveness	—	1,987,203
Right of use assets	125,703	—

See accompanying notes to consolidated financial statements.



## DUCKS UNLIMITED, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

### (1) Nature of Activities

Ducks Unlimited, Inc. (DUI) is an internationally supported, nonprofit conservation organization incorporated under the laws of the District of Columbia in 1937. DUI conserves, restores and manages wetlands and associated habitats for North America's waterfowl. These habitats also benefit other wildlife and people.

Wetlands America Trust, Inc. (WAT) is a nonprofit organization formed in 1985 to support the mission of DUI in providing leadership in the protection of the natural balance of wetland ecosystems, ensuring the future viability of waterfowl and other wetland wildlife in the United States. WAT operates exclusively for the benefit of DUI and complements DUI's domestic habitat programs in harmony with DUI's conservation priorities. WAT is also a fiduciary for DUI and manages endowments and revolving funds. DUI is the sole member of WAT.

Ducks Unlimited Lands, LLC (DUL) is a nonprofit entity formed in 2018 to support DUI in its protection of donated land assets. DUL operates exclusively for the benefit of DUI and complements DUI's domestic habitat programs in harmony with DUI's conservation priorities. DUL is also a fiduciary for DUI, and DUI is the sole member of DUL.

DUI, WAT and DUL's primary sources of revenue are contributions from the public, including gifts of land, investment income, and government grants. These resources are used to conserve portfolios of functional conservation areas across North America.

DUI, WAT and DUL (DU or the Organization) are recognized as organizations exempt from federal income tax under 501(a) as entities described in Section 501(c)(3) of the U.S. Internal Revenue Code, except for taxes on income from activities unrelated to its exempt purposes. The Organization does not have any material unrecognized tax positions that should be recognized in the financial statements as of June 30, 2023 or 2022.

### (2) Significant Accounting Policies

#### (a) Principles of Consolidation

The consolidated financial statements include the accounts of DUI, WAT and DUL. Significant accounts and transactions between DUI, WAT and DUL have been eliminated in consolidation.

#### (b) Cash and Cash Equivalents

Cash represents operating cash held in bank accounts in high quality financial institutions in the United States. Cash equivalents are highly liquid investments with a maturity of three months or less when purchased.

#### (c) Restricted Cash

Restricted cash is held in bank accounts in high quality financial institutions in the United States. Contractual terms, such as those contained in mitigation banking agreements, as well as certain donor stipulations require that these assets be segregated from DU's operating cash until the relevant conservation outcomes have been met. Once met, the cash is transferred to DU's operating cash.

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

DU applies Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*, which requires that the DU consolidated statements of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or cash equivalents.

#### **(d) Pledges Receivable**

Pledges receivable represent promises from DU supporters to transfer assets to DU in future periods under various major donor programs, which generally provide for payments over one to seven years.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Pledges are reported at the net present value of the estimated future cash flows.

#### **(e) Habitat Conservation and Other Receivables**

Habitat conservation and other receivables consist of outstanding billings owed to DU by government agencies as well as non-governmental organizations. The billings consist of reimbursable expenses related to habitat delivery projects and other mission related activities allowable within the grant, contracts, or cooperative agreement.

#### **(f) Event Merchandise Inventory**

Event merchandise inventory is valued at the lower of cost or net realizable value, using the first-in, first-out method. Slow moving or potentially obsolete inventory items are written down to net realizable value.

#### **(g) Investments and Fair Value Measurements**

The carrying value of cash and cash equivalents, events receivable, habitat conservation and other receivables and accounts payable approximate fair value because of the short maturity of those instruments.

Investments with readily determinable fair values are reported based on the last reported sales price at the end of the reporting period or, in the absence of a reported sale, on the average of the bid and ask price. Investments in private equity and hedge funds are reported at the proportionate share of the estimated fair values of the underlying investments. Those fair values, which are estimated by the general partners or investment managers, are evaluated for reasonableness by the Organization's management, and may differ from the values that would have been used had a ready market existed for those investments. Investment income from donor restricted endowment funds is recognized as net assets with donor restrictions until appropriated for use. Investment income on all other investments is credited directly to net assets without donor restrictions unless otherwise restricted by the donor or organizational policy.

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

DU values its financial instruments based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy that prioritizes the inputs to valuation techniques is used to measure fair value. The hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy is broken down into the following three levels, based on the observability of inputs:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are observable at the measurement date

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and

Level 3: Significant unobservable inputs for the asset or liability that reflect the reporting entity's own estimates about the assumptions that market participants would use in pricing the asset or liability.

DU applies FASB ASU 2018-13, *Fair Value Measurement, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* which intends to improve the effectiveness of disclosures in the notes to the consolidated financial statements by modifying disclosure requirements for fair value measurements.

#### **(h) Land Held for Conservation Purposes**

Land held for conservation purposes includes purchased or donated properties to be sold or transferred to governmental agencies or other individuals and organizations for conservation purposes. Purchased land is stated at the lesser of cost or fair value. Donated properties are initially recorded at their appraised values at the date of contribution and are carried at the lower of this amount or fair value.

#### **(i) Land, Buildings, and Equipment**

Land, buildings, and equipment are stated at cost. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss on retirement or disposal of the individual assets is recorded as revenue or expense.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	10–40 years
Building improvements	5–15 years
Computer equipment and technology	
conversion costs	3–5 years
Furnishings and equipment	5–10 years

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

DU periodically reviews the recoverability of long-lived assets. If facts or circumstances indicate the possibility of impairment, DU will prepare a projection of the undiscounted future cash flows of the specific assets and determine if the recorded value is recoverable or if an adjustment to the carrying value of the assets is necessary. DU does not believe that there were any facts or circumstances that indicated an impairment of recorded land, buildings, or equipment as of June 30, 2023 or 2022.

DU applies FASB ASU 2018-15, *Intangibles – Goodwill and Other-Internal-Use Software, Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.

#### **(j) Leases**

In February 2016, FASB issued ASU 2016-02, *Financial Accounting for Leases*, together with its subsequent related amendments in 2018 and 2019, collectively referred to as FASB Accounting Standards Codification (ASC) Topic 842, *Leases* (Topic 842). DU adopted Topic 842 as of July 1, 2022 (“transition date”) using the modified retrospective approach and as a result did not adjust the comparative period financial information or make the disclosures for periods before the transition date. DU elected the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification, lease term, and initial direct costs, as well as not to separate nonlease components from lease components and instead account for each as a single lease component for all classes of its assets.

As a result of adopting Topic 842, DU recognized operating lease right-of-use (ROU) assets and corresponding liabilities of \$8,387,812 as of July 1, 2022. The adoption of Topic 842 resulted in no material impact to DU’s statement of activities or cash flows.

DU is a lessee in several noncancellable operating leases, primarily for office space and small equipment and financing leases, primarily for large equipment and vehicle fleet. DU determines if an arrangement contains a lease at contract inception. If an arrangement is determined to contain a lease, DU recognizes a ROU asset and lease liability at the lease commencement date.

For operating leases, the lease liability is measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective interest method.

The lease term for all of DU’s leases includes the noncancellable period of the lease plus any additional periods covered by DU’s option to extend (or not to terminate) the lease that DU is reasonably certain to exercise. DU has elected not to recognize ROU assets and lease liabilities for leases with terms of 12 months or less.

Lease payments included in the measurement of the lease liability are comprised of fixed payments and variable lease payments. Variable lease payments associated with DU’s leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments for operating leases are presented as operating expense in DU’s consolidated statements of support and revenue without donor restrictions and expenses.

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease, or if that rate cannot be readily determined, its incremental borrowing rate. Generally, DU cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, DU uses the incremental borrowing rate as the discount rate for leases which is adjusted for lease term.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset DU or DU is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability for finance leases. The ROU asset balance is presented net of amortization.

ROU assets for operating leases are periodically reduced by impairment losses. DU uses the long-lived assets impairment guidance in ASC Subtopic 360-10, *Property, Plant, and Equipment – Overall*, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. See note 2(i).

DU monitors for events or changes in circumstances that require a reassessment of leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Refer to note 9 for further discussion on DU's leases.

#### **(k) Charitable Gift Annuities**

DU has received several gifts that, pursuant to the gift agreements, require DU to pay a fixed amount for a specified period of time to the donor or to individuals or organizations designated by the donor. The amount recorded as a contribution at the time the gift is made is the difference between the amount of the gift and the present value of the donor stipulated beneficiary payments to be made by DU as of the date of the gift. DU's liability under these arrangements, which is recorded as a component of other liabilities in the accompanying consolidated balance sheets, is recorded at the net present value of the remaining donor-stipulated payments and is adjusted annually.

## DUCKS UNLIMITED, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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### **(l) Net Assets**

DU reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction is satisfied, that is, when a stipulated time restriction expires or program restriction is accomplished, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

DU classifies donor restricted contributions as support without donor restrictions if those restrictions are satisfied in the same reporting period. DU recognizes contributions of collectibles (for example, works of art or similar assets that are held for public exhibition or education) as support without donor restrictions, unless restricted by the donor.

Net assets with donor restrictions include pledges receivable that are restricted by time and/or purpose restrictions, habitat conservation gifts that are restricted by donor stipulation and unappropriated appreciation on donor restricted endowment funds.

### **(m) Donated Conservation Easements**

Conservation easements represent rights to restrict the use, access, and development of certain properties. Support without donor restrictions and expenses are recognized in equal amounts during the period the easement is secured based upon the appraised value of the easement. DU is obligated to monitor easements to ensure that the restrictions are maintained. DU monitors these easements in the normal course of its operations and associated costs are expensed as incurred.

The estimated fair value of easements is not included in the consolidated balance sheets because the easements do not represent a future economic benefit to the Organization.

DU receives donor restricted endowments to support donated conservation easements in order to provide funding for ongoing monitoring costs in perpetuity.

### **(n) Donated Educational Programming**

DU recognizes the in-kind donation of television airtime for public service announcements (PSAs) that provide education about DU's program and mission. Support without donor restrictions and expenses are recognized in equal amounts based upon the estimated value of media content and delivery by a third party.

### **(o) Pension and Postretirement Benefit Plans**

DU applies FASB ASU 2018-14, *Disclosure framework – Changes to the disclosure requirements for defined benefit plans*. This ASU clarifies disclosure requirements for defined benefit plans.

DU records the overfunded or underfunded status of benefit plans on its consolidated balance sheet. Changes in funded status other than service costs are recognized as other nonoperational changes in net assets in the year in which the change occurs. DU measures the plan at June 30 each year. DU engages a third-party actuary to perform computations necessary to record its pension and postretirement plan-related balances.

## DUCKS UNLIMITED, INC. AND AFFILIATES

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On December 31, 2021, DU announced the termination of the Pension Plan, commencing the administrative process to distribute pension assets to the plan participants and to transfer existing annuity contracts to a third-party insurance carrier. Full settlement of the pension plan occurred on June 26, 2023, which resulted in a reversion of assets to DU of approximately \$8,400,000. See note 13 for further disclosures of the pension activity and settlement during the year ended June 30, 2023.

#### **(p) Revenue**

##### *(i) Philanthropic and other support and revenues*

Contributions and grants from governmental and nongovernmental sources are recognized in the appropriate category of net assets, based on restricted or unrestricted donor stipulations, in the period received. The Organization performs an analysis of contributions and grants to determine if the revenue streams are recognized as a contribution, exchange transaction or conditional gifts. Contributions are recognized as revenue as donor restrictions are satisfied. Conditional gifts and exchange transactions are treated as deferred revenue until the conditions are met or the performance obligation has been satisfied as specified in the agreement.

Event revenue is recognized when the performance obligation is satisfied, which is when the event takes place. Transaction price is based on cost plus contribution. Contributions received in advance are deemed time restricted and are classified as net assets with donor restrictions in the consolidated balance sheet. Memberships and planned giving are contributions recognized upon receipts.

Advertising, corporate licensing and sponsorship contracts are considered exchange transactions and are recognized as the performance obligations are satisfied. Unrecognized revenues are categorized as deferred revenue.

##### *(ii) Mitigation contracts*

DU applies ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and DU has elected to opt out of certain disclosures not required for nonpublic entities.

Mitigation contracts include both in-lieu fee and mitigation banking agreements. The contractual obligations are detailed in the contract and revenue recognition takes place as performance obligations are satisfied. Given the lengthy and integrated nature of mitigation programs, the output method of revenue recognition correlates with the progress made on the project. Conservation lands may be purchased as part of the contract. Conservation lands are purchased and held by WAT until the mitigation project is completed. The disposal or long-term management and protection of the land is typically included in the plan or contract. Any costs incurred at the time of site closure or transfer to a long-term steward will be recognized with the associated revenue as the obligation is fulfilled.

#### **(q) Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are used primarily in

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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the recording of the allowance for uncollectible pledges receivable, the discounting of pledges receivable, determining the fair value of certain investments including lands, determining the fair value of gifts-in-kind associated with donated educational programming, donated lands and donated easements, estimates relating to the pension and other postretirement plans and reserves for self-insurance.

#### **(r) Donor Restricted Endowment Funds**

Under the provisions of the State of Tennessee's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), organizations are required to maintain and report endowment funds based upon donor intent, whether explicit or implied. Based on its interpretation of the provisions of UPMIFA and a review of underlying endowment agreements, management has determined that reporting the historic dollar value of donor restricted endowments with the related unappropriated investment earnings, as net assets with donor restrictions is appropriate and consistent with the intent of DU's donors.

#### **(s) Related Party Transactions**

DU has continued to support to the conservation efforts of Ducks Unlimited Canada and Ducks Unlimited de Mexico.

#### **(t) COVID-19 – Cares Act**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress in March 2020. As part of the CARES Act, DU received relief through the payroll tax deferral and the employee retention credit provisions. Additionally, DU received a loan under the Paycheck Protection Program (PPP). On September 24, 2021, the Small Business Administration sent notice of PPP loan forgiveness for the entire amount of the loan. Management continually monitors the impact of COVID-19 on DU.

#### **(u) Subsequent Events**

DU has evaluated events and transactions for potential recognition or disclosure through October 11, 2023, which is the date these consolidated financial statements were available to be issued. No subsequent events were noted.

### **(3) Fundraising Events**

DU raises funds to support its conservation mission through fundraising events in communities throughout the United States. During the years ended June 30, 2023 and 2022, DU volunteers hosted approximately 4,580 and 4,440 grassroots fund-raising events, respectively. Events included member and sponsor banquets, sporting clay and fishing tournaments, golf outings, etc. Chapters are chartered by DU and operate as unincorporated associations to support DU in the local community. Local chapters remit proceeds of these events (net of direct expenses incurred by the chapter in sponsoring and conducting the event) to DU and provide reports of receipts and direct expenses. Because the financial transactions of local committees are controlled by the volunteers, net amounts to be remitted to DU are recorded as event receivables in the accompanying consolidated balance sheets and net proceeds from committee events in the accompanying consolidated statements of support and revenues without donor restrictions and expenses.



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The following unaudited gross proceeds and unaudited direct expenses incurred by DU chapters in conducting these events are based on reports provided by the host chapters for each event.

	<b>Year ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Gross proceeds reported by DU chapters (unaudited)	\$ 146,424,304	132,089,917
Expenses incurred by DU chapters (unaudited)	<u>(53,589,794)</u>	<u>(46,484,825)</u>
Proceeds of events remitted to DU	92,834,510	85,605,092
Less:		
Cost of event merchandise	(32,531,017)	(30,846,975)
State operation allowances	<u>(1,051,130)</u>	<u>(641,392)</u>
Net proceeds from events	<u>\$ 59,252,363</u>	<u>54,116,725</u>

**(4) Investments and Fair Value Measurements**

The following tables set forth DU's investments by level within the fair value hierarchy, as of June 30, 2023 and 2022:

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Equities:				
Large-cap value	\$ 20,888,959	—	—	20,888,959
Large-cap growth	15,450,145	—	—	15,450,145
Small and mid-cap core	22,845,563	—	—	22,845,563
International	5,330,182	—	—	5,330,182
Commodities	3,422,523	—	—	3,422,523
Real estate	755,300	—	—	755,300
Fixed income	<u>17,396,531</u>	<u>—</u>	<u>—</u>	<u>17,396,531</u>
	<u>\$ 86,089,203</u>	<u>—</u>	<u>—</u>	<u>86,089,203</u>
Investments valued under net asset value (NAV):				
Private equity				1,981,846
Hedge funds				<u>10,082,328</u>
Total investments at fair value				<u>\$ 98,153,377</u>

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

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		<b>2022</b>			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:					
Equities:					
Large-cap value	\$	20,299,016	—	—	20,299,016
Large-cap growth		15,051,521	—	—	15,051,521
Small and mid-cap core		25,680,603	—	—	25,680,603
International		5,217,393	—	—	5,217,393
Commodities		3,933,309	—	—	3,933,309
Real estate		581,986	—	—	581,986
Fixed income		7,352,043	—	—	7,352,043
	\$	<u>78,115,871</u>	<u>—</u>	<u>—</u>	<u>78,115,871</u>
Investments valued under net asset value (NAV):					
Private equity					2,209,225
Hedge funds					<u>10,019,301</u>
Total investments at fair value					\$ <u><u>90,344,397</u></u>

In accordance with FASB ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated balance sheets.

Investments in private equity represent funds which invest in illiquid securities from private companies and have limited or no provisions for investor-driven redemption. The table below presents a summary of the fair value, redemption frequency, unfunded commitments, and average life of distribution of hedge fund and private equity investments as of June 30, 2023 and 2022:

	<u>Investment</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency (if eligible)</u>	<u>Redemption notice period</u>	<u>Expected life span of investment</u>
<b>2023</b>	Private equity	\$ 1,981,846	59,500	N/A	N/A	< 10 years
	Hedge funds	10,082,328	370,066	Quarterly – Semiannually	90 days	Indefinite
<b>2022</b>	Private equity	\$ 2,209,225	59,500	N/A	N/A	< 10 years
	Hedge funds	10,019,301	570,948	Quarterly – Semiannually	90 days	Indefinite

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

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**(5) Pledges Receivable**

Pledges receivable are summarized as follows at June 30:

	<u>2023</u>	<u>2022</u>
Amounts due:		
Less than 1 year	\$ 22,306,204	20,105,516
1 to 5 years	65,715,325	59,611,261
Greater than 5 years	<u>15,991,597</u>	<u>22,944,345</u>
	104,013,126	102,661,122
Less:		
Allowance for uncollectible pledges	(6,912,797)	(6,927,295)
Unamortized present value discount	<u>(664,448)</u>	<u>(872,705)</u>
	<u>\$ 96,435,881</u>	<u>94,861,122</u>

An allowance is recorded for uncollectible pledges based on management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors. Fair value of pledges receivable is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. The discount rate ranges from 1.56% to 4.64% as of June 30, 2023, and 0.63% to 3.21% as of June 30, 2022. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance is recorded for uncollectible pledges based on management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

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**(6) Land Held for Conservation Purposes**

Land held for conservation purposes is as follows at June 30, 2023 and 2022:

Location	2023		2022	
	Acres protected	Carrying value	Acres protected	Carrying value
Arkansas	1,391	\$ 4,305,082	183	\$ 642,330
California	558	4,473,374	558	4,473,374
Colorado	336	580,672	232	267,459
Florida	1,307	5,275,000	1,307	5,275,000
Iowa	203	1,360,837	160	1,081,550
Illinois	63	107,880	63	107,880
Indiana	267	1,284,286	—	—
Kansas	4,309	11,425,914	3,375	7,921,237
Louisiana	3,377	17,159,814	3,377	17,159,814
Minnesota	218	1,406,000	471	2,593,325
Montana	2,920	1,033,417	2,920	1,033,417
Nebraska	3,323	8,935,990	3,291	9,288,678
New York	1,310	2,067,979	1,478	2,224,788
North Dakota	3,075	2,339,905	3,398	3,222,103
Ohio	—	—	100	525,126
South Carolina	356	963,067	1,005	2,517,362
South Dakota	4,896	14,511,313	5,843	20,679,669
Tennessee	163	303,216	163	303,216
Texas	1,767	4,750,000	1,767	4,750,000
Virginia	900	5,540,626	1,405	6,683,092
Vermont	418	687,150	418	685,650
Washington	71	109,422	71	109,422
Wisconsin	176	1,306,580	—	—
	<u>31,404</u>	<u>\$ 89,927,524</u>	<u>31,585</u>	<u>\$ 91,544,492</u>

**DUCKS UNLIMITED, INC. AND AFFILIATES**

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Of the above listed land holdings, the following properties have been deemed long-term holdings of the Organization:

Location	2023		2022	
	Acres protected	Carrying value	Acres protected	Carrying value
California	242	\$ —	242	\$ —
Nebraska	1,028	13,712	1,028	13,712
North Dakota	2,640	1,374,576	3,120	1,649,076
	<u>3,910</u>	<u>\$ 1,388,288</u>	<u>4,390</u>	<u>\$ 1,662,788</u>

**(7) Donated Conservation Easements**

In addition to holding land for conservation purposes, DU (through its affiliate WAT) also secures conservation easements, deed restrictions and management agreements on properties. Easement values represent the difference in the appraised value of the property immediately before and after the conservation easements are imposed on the property.

Easement values have been determined by independent third-party appraisals at the time the easement is secured. As discussed in note 2(m), DU recognizes equal amounts of support without donor restrictions and program expense at the time the easement is secured.

Conservation easement activity during the years ended June 30, 2023 and 2022 was as follows:

	2023		2022	
	Acres	Value at date of easement	Acres	Value at date of easement
Donated conservation easements secured during the year	4,402	\$ 9,471,250	1,037	\$ 2,667,250
Total donated conservation easements held as of June 30	464,349	\$ 831,365,715	459,947	\$ 821,894,465

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

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**(8) Land, Buildings, and Equipment**

Land, buildings, and equipment consist of the following at June 30:

	<b>2023</b>	<b>2022</b>
Land	\$ 1,405,264	1,405,264
Buildings and improvements:		
Memphis Headquarters	9,877,415	9,723,730
Western Regional Office	1,085,380	1,085,380
Great Plains Regional Office	2,382,811	2,382,811
Heritage Center in Memphis	14,000,000	14,000,000
Computer and technology conversion costs	7,509,445	7,396,391
Furnishings and equipment	16,261,311	14,606,542
	52,521,626	50,600,118
Less accumulated depreciation	(41,987,030)	(38,306,766)
	\$ 10,534,596	12,293,352

**(9) Leases**

**(a) ASC 842** DU is obligated under finance leases covering certain vehicle fleet, machinery and IT equipment that expire at various dates during the next six years.

DU also has several noncancellable operating leases, primarily for machinery and equipment, and office space that expire over the next five years. These leases generally contain renewal options for periods ranging from two to five years. Because DU is not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term, and associated potential option payments are excluded from lease payments. DU's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Payments due under the lease contracts include fixed payments plus, variable payments on some of the office space leases. For office space leases, variable payments include payments for DU's proportionate share of the building's property taxes, insurance, and common area maintenance. DU has elected to discount its lease liabilities using its incremental borrowing rate.

The components of lease expense for the year ended June 30, 2023 were as follows:

Operating lease expense	\$ 764,204	
Finance lease expense:		
Amortization of right of use assets	1,022,509	
Interest on lease liabilities	94,385	
Total finance lease expense	1,116,894	
Total lease expense	\$ 1,881,098	

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Amounts reported in the consolidated balance sheet as of June 30, 2023 were as follows:

Assets:		
Operating	Operating lease right of use asset, net	\$ 5,302,807
Finance	Machinery and equipment, net	<u>3,081,442</u>
Total leased assets		<u>\$ 8,384,249</u>

Operating lease right-of-use assets above are presented net of accumulated amortization of \$764,204. Finance lease assets above are presented net of accumulated amortization of \$1,022,509.

Liabilities:		
Operating		\$ 5,346,536
Finance		<u>2,903,717</u>
Total lease liabilities		<u>\$ 8,250,253</u>

Maturities of lease liabilities under noncancellable leases as of June 30, 2023 are as follows:

	<u>Operating leases</u>	<u>Finance leases</u>
2024	\$ 1,062,187	1,408,302
2025	1,034,562	1,051,656
2026	870,840	598,740
2027	753,473	39,937
2028	536,216	11,987
Thereafter	<u>2,302,720</u>	<u>—</u>
Total undiscounted lease payments	6,559,998	3,110,622
Less imputed interest	<u>(1,213,462)</u>	<u>(206,905)</u>
Total lease liabilities	<u>\$ 5,346,536</u>	<u>2,903,717</u>
Weighted-average remaining lease term- finance leases	4.76 years	
Weighted-average remaining lease term- operating leases	7.6 years	
Weighted-average discount rate- finance & operating leases	7.00%	

**(b) ASC 842** DU leases office space under various operating leases. Rent expense for all operating leases was approximately \$1,341,000 for the year ended June 30, 2022.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

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Future minimum payments, by year and in the aggregate, under noncancelable operating leases with terms of one year or more at June 30, 2022, approximate:

Year ending June 30:		
2023	\$	401,897
2024		556,289
2025		570,137
2026		584,330
2027		598,862
Thereafter		<u>2,736,037</u>
	\$	<u><u>5,447,552</u></u>

The land upon which DU's headquarters building in Memphis, Tennessee is constructed is leased under a long-term agreement. Lease payments are \$1 per year and DU executed the second 10-year option in August 2021. DU has the right to extend this agreement for one additional 10-year term and intends to do so.

**(10) Liquidity**

The Organization's financial assets available for general expenditures within one year of the consolidated balance sheets as of June 30, 2023, and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 38,971,569	34,954,808
Restricted cash, cash equivalents and CDs	14,814,363	18,504,516
Investments	88,071,049	90,344,397
Events receivable, net	158,380	497,329
Current pledge receivable, net	22,306,204	20,105,516
Habitat conservation and other receivables	<u>56,785,410</u>	<u>52,384,760</u>
Total financial assets available within one year	<u>221,106,975</u>	<u>216,791,326</u>
Less:		
Amounts unavailable for general expenditure within one year due to:		
Restricted by donors with purpose restrictions	(52,844,076)	(49,222,335)
Restricted by donors in perpetuity*	(57,950,335)	(53,740,210)
Contractual restrictions	(42,126,237)	(38,830,809)
Notes payable – conservation land financing	<u>(534,716)</u>	<u>(17,454,683)</u>
Total amounts unavailable for general expenditure within one year	<u>(153,455,364)</u>	<u>(159,248,037)</u>



**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

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	<b>2023</b>	<b>2022</b>
Amounts unavailable to management without Board approval:		
Board designated for quasi-endowment*	\$ (27,540,267)	(27,551,920)
Board designated for strategic conservation initiatives	(9,282,124)	(9,043,147)
Total amounts unavailable without Board approval	(36,822,391)	(36,595,067)
Total financial assets available to management for general expenditures within one year	\$ 30,829,220	20,948,222

\* Net of spend available within one year

As part of the Organization's liquidity management, DU has a policy to structure its financial assets to be available as its general expenditures, liabilities and other general obligations come due. Note payable for conservation lands represents \$534,716 of seller financing for the purchase of properties within the conservation land portfolio.

Ducks Unlimited invests excess cash in short-term investments. To help manage unanticipated liquidity needs, management has an operating line of credit of \$15,000,000 of which no amount was drawn as of both June 30, 2023 and 2022. The operating line of credit matures on October 1, 2024 (see note 11).

As of June 30, 2023, excluded from investments are illiquid securities from private companies that have limited or no provisions for investor-driven redemption (note 4).

**(11) Lines of Credit**

DU has an operating line of credit agreement (the Credit Agreement) for up to \$15,000,000. The borrowing rate on the Credit Agreement is the lesser of the lender's maximum variable rate of interest or the Secured Overnight Financial Rate (SOFR) plus one and thirty-eight hundredths percent (1.38%). As of June 30, 2023, and June 30, 2022, the borrowing rate was 0% due to no outstanding draws on the credit agreement. The Credit Agreement contains certain restrictions limiting DU's ability to incur additional indebtedness, enter into merger, consolidation, sale, or acquisition activities other than in the normal course of business. The Credit Agreement also prohibits DU from granting any security interest in its inventory, pledges, other receivables, investments, and fixed assets. On October 28, 2021, the Credit Agreement was amended. Under the amendment, the expiration date is October 1, 2024, and the borrowing rate is the lesser of the lender's maximum variable rate of interest or the Reserve Adjusted London Interbank Offered Rate (LIBOR) plus one and thirty-eight hundredths percent (1.38%). As of both June 30, 2023 and 2022, the outstanding balance under the Credit Agreement was \$0.

DU also has a line of credit agreement to finance the acquisition of conservation properties. Under the arrangement, DU may borrow up to \$10,000,000 at a rate equal to the lesser of a) the lender's maximum variable rate of interest or b) a rate chosen by the lender. The lender may choose to charge a rate equal to the base commercial rate of interest or the Reserve Adjusted LIBOR Rate plus one-hundred and thirty-eight basis points (1.38%). The agreement requires that net assets without donor restrictions be at least \$50,000,000 and contains certain restrictions limiting DU's ability to incur additional indebtedness, and enter into merger, consolidation, sale, or acquisition activities other than the normal course of

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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business. The agreement also prohibits DU from granting any security interest in its inventory, pledges, other receivables, investments, and fixed assets. On October 28, 2021, the credit arrangement was amended. Under the amendment, the expiration date is October 1, 2024. As of June 30, 2023, the borrowing rate was 0% as there was no outstanding balance under the agreement. As of June 30, 2022, the borrowing rate was 2.44% and approximately \$2,090,000 was outstanding under the agreement.

On February 16, 2022, DU established a \$30,000,000 debt facility to finance the acquisition of larger dollar valued conservation properties. Under the arrangement, DU may borrow up to \$30,000,000 at a variable rate—adjusted monthly—equal to the greater of 1) the lender's base rate minus one hundred and thirty-five basis points (1.35%), or 2) 1.9%. The arrangement limits additional indebtedness from seller financing to \$5,000,000. The agreement requires that unrestricted net assets remain above \$80,000,000 and that cash plus investments not associated with donor-restricted endowments remain above \$32,000,000. The total outstanding under this agreement is \$0 and \$13,231,000 as of June 30, 2023 and 2022, respectively.

#### **(12) Concentration of Credit Risk**

DU had deposits with financial institutions that exceeded federal depository insurance limits by \$32,471,569 and \$29,749,611 at June 30, 2023 and 2022, respectively. DU has not experienced any losses on cash deposits and management considers the risk of loss to be remote. Additionally, DU's investment consultant monitors the credit rating of each of its financial institutions.

#### **(13) Benefit Plans**

DU has a defined benefit pension plan (the Pension Plan), which prior to the suspension of future accruals, effective December 31, 2012, covered all full-time and certain eligible part-time employees. Prior to December 31, 2012, for employees hired prior to January 1, 1998, monthly retirement benefits were calculated as 2% of each employee's average monthly compensation for the highest consecutive 36 months of compensation out of the last 120 months of employment multiplied by their years of service, offset by a percentage of their primary social security benefits. Prior to December 31, 2012, for employees hired on January 1, 1998, through September 30, 2002, monthly retirement benefits were calculated as 1% of each employee's average monthly compensation for the highest consecutive 36 months of compensation out of the last 120 months of employment multiplied by their years of service up to a maximum of 25 years. Additionally, for employees hired on January 1, 1998, through September 30, 2002, the sum of their calculated retirement benefit and primary social security benefit cannot exceed 75% of their average monthly compensation. Employees hired on or after October 1, 2002, receive a cash balance benefit equal to 2% of their annual compensation plus interest based on the 10-year treasury yield. Employees are vested 100% in the plan after five years of service. DU contributes such amounts as are necessary to maintain the plan as a qualified pension plan under the Employee Retirement Income Security Act of 1974, as amended.

On December 31, 2021, DU announced the termination of the Pension Plan thereby commencing the administrative process to distribute pension assets to plan participants and to transfer existing annuity contracts to a third-party insurance carrier. In February 2022, DU filed a notice of plan termination with the Internal Revenue Service and has received a determination on the termination of the Pension Plan. Full settlement of the pension plan occurred on June 26, 2023, which resulted in a reversion of assets to DU of approximately \$8,400,000.

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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DU also sponsors unfunded defined benefit healthcare and life insurance plans (the Postretirement Medical and Life Plans) that provide postretirement benefits to full-time employees who have worked at least 10 years for DU. To qualify for benefits under the health and life insurance plans, employees must have attained ages of at least 62 and 55, respectively, while in service with DU. In April 2009, DU amended the Postretirement Medical and Life Plans to eliminate life insurance benefits provided to retirees; to eliminate retiree health coverage for all current, former, and future employees of DU, except for participants over the age of 58 as of May 1, 2009, or certain senior level management positions held as of May 1, 2009; and to require that retirees pay a portion of the monthly premium cost.

In May 2020, DU offered a one-time healthcare benefit to employees who opted into a voluntary retirement program (VRP) that was offered to eligible employees. As part of the offering, DU agreed to maintain an employee's current healthcare coverage under the Organization's existing healthcare plan at no cost to the employee. The employee will receive the benefit until the employee reaches 65 years of age or the employee accepts a compensated role at any nonprofit organization. Per ASU 715, *Compensation – Retirement Benefits* a liability and expense were recognized for the net present value of future healthcare benefits for those employees that signed the program agreement on or before June 30, 2021. During the year ended June 30, 2023, approximately \$26,000 of healthcare expenses were recognized within operational expenses compared to approximately \$0 for year ended June 30, 2022. The liability is reflected within the accrued postretirement benefits line item on the consolidated balance sheet as of June 30, 2023. There were no pension settlements attributable to the VRP offering for the years ended June 30, 2023 and 2022.

Information with respect to the plans was as follows at June 30:

	Pension		Postretirement medical and life	
	2023	2022	2023	2022
Change in benefit obligation:				
Benefit obligation at beginning of the year	\$ 42,012,381	50,447,710	1,428,076	1,945,008
Service cost	250,000	300,000	—	—
Interest cost	1,518,376	1,215,107	51,768	18,848
Special termination benefit	—	—	—	—
Actuarial gain	(4,376,046)	(4,348,720)	(218,822)	(2,425)
Benefits paid	(1,053,613)	(960,553)	(209,026)	(533,355)
Settlement	(38,158,867)	(4,332,815)	—	—
Actual expenses paid	(192,231)	(308,348)	—	—
Benefit obligation at end of the year	—	42,012,381	1,051,996	1,428,076

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

	Pension		Postretirement medical and life	
	2023	2022	2023	2022
Change in plan assets:				
Plan assets at fair value at beginning of the year	\$ 45,588,892	51,703,501	—	—
Actual return/(loss) on plan assets	2,230,742	(2,012,893)	—	—
Employer contributions	—	1,500,000	209,026	533,355
Benefits paid	(1,053,613)	(960,553)	(209,026)	(533,355)
Settlement	(38,158,867)	(4,332,815)	—	—
Reversion to employer	(8,414,923)	—	—	—
Actual expenses paid	(192,231)	(308,348)	—	—
Plan assets at fair value at end of the year	—	45,588,892	—	—
Funded status:				
Benefit obligation in excess of (less than) plan assets	\$ —	3,576,511	(1,051,996)	(1,428,076)

Assumptions used in the actuarial determination of the projected benefit obligation were as follows at June 30:

	Pension		Postretirement medical and life	
	2023	2022	2023	2022
Discount rate	N/A	4.30 %	5.00 %	3.63 %
Expected long-term rate of return on plan assets	N/A	4.75 %	—	—
Healthcare cost trend rate	—	—	6.25 %	6.00 %

The expected long-term rate of return on plan assets reflects DU's expectations of long-term average rates of return on funds invested to provide benefits included in the projected benefit obligation. In developing the expected long-term rate of return assumption, DU evaluated input from its third-party actuarial and investment firms and considered other factors, including inflation, interest rates, peer data, and historical returns.

The weighted average annual assumed rate of increase in the per capita cost of covered benefits (healthcare cost trend rate) is assumed at 6.25% over the next year and to decrease gradually to 3.94% over the next 55 years and remain level thereafter.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

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The Pension Plan's actual and target asset allocations were as follows:

	<b>Actual asset allocation</b>		<b>Target allocation (FY21)</b>
	<b>June 30, 2023</b>	<b>June 30, 2022</b>	
Equities:			
Large-cap	—	19 %	20%–60%
Small and mid-cap	—	2	10%–30%
International	—	1	5%–20%
Real estate	—	—	0%–5%
Fixed income	—	76	15%–40%
Alternatives	—	1	0%–20%
Cash and cash equivalents	—	1	0%–10%
Total	—	100 %	

After the Organization's decision to terminate the Pension Plan, DU reallocated the investments comprising the Pension Plan assets to minimize risk. In consultation with DU's investment advisor and Investment Subcommittee, the portfolio was heavily weighted towards bonds with durations timed to coincide with estimated disbursement dates. An adjusted target allocation for the portfolio was instituted reflecting the desire for principal protection and decreased volatility. The target allocation for the portfolio prescribes 75-100% in fixed income and 0-25% in large-cap equities.

There are no outstanding pension plan assets as of June 30, 2023. The fair values of DU's pension plan assets at June 30, 2022 by asset category are as follows:

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 383,409	—	—	383,409
Equities:				
Large-cap value	3,485,843	—	—	3,485,843
Large-cap growth	5,319,224	—	—	5,319,224
Small and mid-cap core	657,474	—	—	657,474
International	289,804	—	—	289,804
Fixed income	35,080,653	—	—	35,080,653
	<u>\$ 45,216,407</u>	<u>—</u>	<u>—</u>	<u>45,216,407</u>
Investments valued under NAV:				
Private equity				<u>372,485</u>
				<u>\$ 45,588,892</u>

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

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In accordance with FASB ASC Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated financial statements.

At June 30, 2023 and 2022, DU's pension plan was not committed to fund additional amounts to private equity funds.

Net periodic pension and postretirement benefit and settlement costs, based on actuarial evaluations, comprised the following components for the years ended June 30:

	<b>Pension</b>		<b>Postretirement medical and life</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Service cost	\$ 250,000	300,000	—	—
Interest cost	1,518,376	1,215,107	51,768	18,848
Expected return on plan assets	(1,804,738)	(2,221,350)	—	—
Amortization of net actuarial loss (gain)	459,213	1,222,417	(26,537)	(11,047)
Net periodic benefit cost	422,851	516,174	25,231	7,801
Settlement expense	2,307,673	780,598	—	—
	<b>\$ 2,730,524</b>	<b>1,296,772</b>	<b>25,231</b>	<b>7,801</b>

At June 30, the items not yet recognized as a component of net periodic expense, but which have been recognized in the accompanying consolidated financial statements as a reduction to net assets, were as follows:

	<b>Pension</b>		<b>Postretirement medical and life</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net actuarial loss/(gain)	\$ —	7,569,936	(416,828)	(224,543)

The June 30, 2023 balances of net actuarial loss/(gain) for the pension and the postretirement medical and life plans expected to be amortized in fiscal 2024 is approximately \$0 and \$107,089, respectively.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

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Estimated future benefit payments, which have been adjusted to reflect the effect of future service costs, were as follows as of June 30, 2023:

	<b>Pension</b>	<b>Postretirement medical and life</b>
Years ending June 30:		
2024	\$ —	314,000
2025	—	196,000
2026	—	88,000
2027	—	29,000
2028	—	72,000
2029–2033	—	72,000

DU may contribute at its discretion to the Pension Plan or to the Postretirement Medical and Life Plans. During the fiscal year ended June 30, 2023, DU contributed \$0 to the Pension Plan and \$209,026 to the Postretirement Medical and Life Plans. During the fiscal year ended June 30, 2022, DU contributed \$1,500,000 to the Pension Plan and \$533,000 to the Postretirement Medical and Life Plans.

*Other Plans*

On January 1, 2000, DU offered a defined contribution retirement plan (the 401(k) Plan) that covers all employees. Employer matching contributions to the 401(k) Plan were approximately \$1,903,000 and \$1,792,000 for the years ended June 30, 2023 and 2022, respectively. Enhanced benefits made to the 401(k) plan in conjunction with the pension plan freeze in 2013 were approximately \$2,188,000 and \$2,083,000 for the years ended June 30, 2023 and 2022, respectively.

In addition to the retirement plans discussed above, DU has entered into other nonqualified deferred compensation plans that provide for increased benefits for certain individuals. DU accrues the expense for these agreements over the estimated service period based on the net present value of future benefits. The discount rate was 4.9% for the year ended June 30, 2023 and 2.25% for the year ended June 30, 2022.

The components of the pension and nonqualified deferred compensation accrual balance were as follows as of June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Nonqualified deferred compensation	\$ 1,066,629	1,146,829
Prepaid pension costs	—	(3,576,511)
	\$ 1,066,629	(2,429,682)

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

**(14) Commitments and Contingencies**

**(a) Litigation**

DU is a party to certain litigation and claims in the normal course of conducting its business.

Management believes, based in part on consultation with legal counsel, that the ultimate resolution of these matters will not have a material effect on the accompanying consolidated financial statements.

**(15) Functional Expenses including Nonoperational Pension Costs**

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of support and revenues without donor restrictions and expenses. Accordingly, certain joint costs such as information technology, insurance and building expenses have been allocated among the programs and supporting services based on usage and square footage.

Functional expenses for the period ended June 30, 2023 were the following:

	Program		Supporting service		Total supporting service expenses	Total expenses June 30, 2023
	Conservation and education	Fundraising	Administration	Total supporting service expenses		
Employee compensation and benefits	\$ 58,893,455	22,698,480	6,030,362	28,728,842	87,622,297	
Public and donor relations	585,347	2,070,487	39,797	2,110,284	2,695,631	
Contract services and professional fees	5,549,146	1,389,735	1,698,525	3,088,260	8,637,406	
Information technology	2,990,142	1,691,586	424,004	2,115,590	5,105,732	
Travel and meetings	2,064,243	3,165,253	663,435	3,828,688	5,892,931	
Interest	325,119	—	235	235	325,354	
Equipment, supplies, repairs and depreciation	4,616,041	1,007,749	623,721	1,631,470	6,247,511	
Office, occupancy and other expenses	2,759,130	1,142,201	1,053,145	2,195,346	4,954,476	
Insurance	855,259	355,029	214,156	569,185	1,424,444	
Membership enrollment premiums	50	4,130,975	—	4,130,975	4,131,025	
Postage and shipping	2,592,115	2,410,901	19,532	2,430,433	5,022,548	
Printing and publication	2,693,775	1,599,662	10,932	1,610,594	4,304,369	
Donated public service announcements	14,703,242	—	—	—	14,703,242	
Waterfowl conservation:						
Ducks Unlimited Canada	16,250,564	—	—	—	16,250,564	
Ducks Unlimited de Mexico	1,302,814	—	—	—	1,302,814	
Habitat development	137,659,031	—	—	—	137,659,031	
Conservation easements	9,471,250	—	—	—	9,471,250	
Other conservation	121,509	1,662	3,580	5,242	126,751	
	<u>\$ 263,432,232</u>	<u>41,663,720</u>	<u>10,781,424</u>	<u>52,445,144</u>	<u>315,877,376</u>	



**DUCKS UNLIMITED, INC. AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

Functional expenses for the period ended June 30, 2022 were the following:

	<u>Program</u>	<u>Supporting service</u>		<u>Total supporting service expenses</u>	<u>Total expenses June 30, 2022</u>
	<u>Conservation and education</u>	<u>Fundraising</u>	<u>Administration</u>		
Employee compensation and benefits	\$ 49,377,997	18,425,823	5,500,304	23,926,127	73,304,124
Public and donor relations	665,700	2,070,068	40,874	2,110,942	2,776,642
Contract services and professional fees	2,884,573	1,169,461	717,905	1,887,366	4,771,939
Information technology	2,898,069	1,524,539	189,745	1,714,284	4,612,353
Travel and meetings	2,531,086	2,681,812	114,108	2,795,920	5,327,006
Interest	370,102	—	9,605	9,605	379,707
Equipment, supplies, repairs and depreciation	3,793,214	523,356	704,755	1,228,111	5,021,325
Office, occupancy and other expenses	2,021,571	355,496	868,514	1,224,010	3,245,581
Insurance	663,539	318,085	147,726	465,811	1,129,350
Membership enrollment premiums	579	4,665,100	3,099	4,668,199	4,668,778
Postage and shipping	2,344,527	2,308,994	11,834	2,320,828	4,665,355
Printing and publication	3,235,047	1,487,925	12,222	1,500,147	4,735,194
Donated public service announcements	10,717,315	—	—	—	10,717,315
Waterfowl conservation:					
Ducks Unlimited Canada	15,767,941	—	—	—	15,767,941
Ducks Unlimited de Mexico	1,410,020	—	—	—	1,410,020
Habitat development	125,242,077	—	—	—	125,242,077
Conservation easements	2,667,250	—	—	—	2,667,250
Other conservation	57,959	4,337	—	4,337	62,296
	<u>\$ 226,648,566</u>	<u>35,534,996</u>	<u>8,320,691</u>	<u>43,855,687</u>	<u>270,504,253</u>

**(16) Allocation of Joint Costs**

DU conducted events that included conservation education and appeals for contributions that incurred joint costs of \$27,225,198 and \$23,059,224 for the years ended June 30, 2023 and 2022, respectively, which were allocated as follows:

	<u>2023</u>	<u>2022</u>
Fund-raising	\$ 14,708,185	12,682,573
Conservation education	12,033,969	10,376,651
	<u>\$ 26,742,154</u>	<u>23,059,224</u>

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

#### (17) Net Assets

The components of net assets were as follows at June 30:

	<u>2023</u>	<u>2022</u>
Net assets:		
Without donor restrictions:		
Board designated for revolving land	\$ 51,414,791	48,340,434
Board designated quasi endowment	27,615,986	28,951,920
Accumulated surplus	<u>41,508,371</u>	<u>29,313,237</u>
Total net assets without donor restrictions	<u>120,539,148</u>	<u>106,605,591</u>
With donor restrictions:		
Purpose restricted	74,014,167	68,595,832
Time restricted	96,421,380	94,861,122
Donor restricted endowments	<u>60,052,161</u>	<u>55,689,359</u>
Total net assets with donor restrictions	<u>230,487,708</u>	<u>219,146,313</u>
Total net assets	<u>\$ 351,026,856</u>	<u>325,751,904</u>

#### (18) Endowment Funds

DU's donor restricted endowment consists of numerous individual donor gifts, which are grouped into funds based on the donor restriction and does not include any funds designated by the Board of Directors to function as endowments.

Based on the interpretation of UPMIFA by the Board of Directors of DU, and absent explicit donor stipulations to the contrary, DU classifies the original value of gifts donated to the donor restricted endowment, as well as accumulations to the permanent endowment made at the direction of the donor, as net assets with restrictions. The remaining portion of donor restricted endowment fund net earnings are also classified as net assets with donor restrictions until those amounts are appropriated for expenditure by DU's Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA.

DU 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. DU's current policy is to appropriate for distribution each year up to 4.5% of its endowment funds' trailing three-year average fair value as of the calendar year end preceding the fiscal year in which the distribution is planned. Accordingly, endowment assets are invested in a manner that is intended to produce long-term growth sufficient to fund current targeted spending appropriation levels and to maintain the purchasing power of the endowment while assuming a moderate level of investment risk.

## DUCKS UNLIMITED, INC. AND AFFILIATES

### Notes to Consolidated Financial Statements

June 30, 2023 and 2022

To satisfy its long-term rate-of-return objectives for endowments, DU relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). DU targets a diversified asset allocation that places emphasis on investments in equities (approximately 75% weighting) and bond strategies (approximately 25% weighting) to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the fund's original value. Deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies historically have resulted principally from unfavorable market fluctuations. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. There were no endowment funds with deficiencies as of June 30, 2023 or 2022.

Endowment net assets and changes therein as of and for the years ended June 30, 2023 and 2022 are as follows:

	<b>Endowment contributions</b>	<b>Unappropriated investment earnings</b>	<b>Total</b>
Endowment net assets, June 30, 2021	\$ 39,460,241	22,139,395	61,599,636
Investment return:			
Interest and dividends	—	1,495,800	1,495,800
Net appreciation	—	(8,295,899)	(8,295,899)
Contributions	1,558,984	—	1,558,984
Appropriation for expenditure	—	(669,162)	(669,162)
Endowment net assets, June 30, 2022	41,019,225	14,670,134	55,689,359
Investment return:			
Interest and dividends	—	1,289,351	1,289,351
Net appreciation	—	4,397,601	4,397,601
Contributions	826,665	—	826,665
Appropriation for expenditure	—	(2,150,815)	(2,150,815)
Endowment net assets, June 30, 2023	\$ 41,845,890	18,206,271	60,052,161

**DUCKS UNLIMITED, INC. AND AFFILIATES**

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June 30, 2023 and 2022

**(19) Nonfinancial Support and Revenues:**

Nonfinancial support and revenues for the years ended June 30, 2023 and 2022 included:

	<u>2023</u>	<u>2022</u>
Nonfinancial support and revenues:		
Donated conservation easements	\$ 9,471,250	2,667,250
Donated educational programming	<u>14,703,242</u>	<u>10,717,315</u>
	<u>\$ 24,174,492</u>	<u>13,384,565</u>

DU recognized donated conservation easements and donated educational programming as other nonfinancial support and revenues in the accompanying consolidated statements of activities. As described in notes 2(m) and 2(n), support without donor restrictions and expenses are recognized in equal amounts based upon the appraised value of the easement or estimated value of the media content.

## **SUPPLEMENTARY INFORMATION**

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2023

<b>Assets</b>	<b>Consolidated</b>	<b>Eliminations</b>	<b>Ducks Unlimited, Inc.</b>	<b>Wetlands America Trust, Inc.</b>	<b>Ducks Unlimited Lands, LLC</b>
Cash and cash equivalents	\$ 38,971,569	—	37,999,846	748,611	223,112
Restricted cash and investments	14,814,363	—	14,814,338	25	—
Receivables:					
Events receivable, net	158,380	—	158,380	—	—
Pledges receivable, net	96,435,881	—	96,435,881	—	—
Habitat conservation and other receivables	56,785,410	—	56,685,496	99,914	—
Affiliate	—	(81,249,294)	81,249,294	—	—
Total receivables	153,379,671	(81,249,294)	234,529,051	99,914	—
Event merchandise inventory	7,803,956	—	7,803,956	—	—
Investments	98,153,377	—	14,548,509	83,604,868	—
Land held for conservation purposes	89,927,524	—	—	82,555,735	7,371,789
Land, buildings, and equipment, net	10,534,596	—	10,534,596	—	—
Right of use assets	8,384,249	—	8,384,249	—	—
Trade lands	9,611,500	—	—	9,611,500	—
Prepaid pension costs	—	—	—	—	—
Other assets	6,904,146	—	6,379,428	524,718	—
Total assets	\$ 438,484,951	(81,249,294)	334,993,973	177,145,371	7,594,901
<b>Liabilities and Net Assets</b>					
Accounts payable and accrued expenses	\$ 20,811,587	—	20,811,587	—	—
Compensation and related accruals	12,503,987	—	12,503,987	—	—
Deferred revenue	42,131,843	—	33,990,391	7,996,004	145,448
Deferred compensation accruals	1,066,629	—	1,066,629	—	—
Accrued postretirement benefits	1,051,996	—	1,051,996	—	—
Revolving land line of credit	—	—	—	—	—
Notes payable	534,716	—	13,966	520,750	—
Lease liabilities	8,250,253	—	8,250,253	—	—
Other liabilities	1,107,084	—	979,930	127,154	—
Due to affiliate	—	(81,249,294)	—	81,238,298	10,996
Total liabilities	87,458,095	(81,249,294)	78,668,739	89,882,206	156,444
Net assets:					
Without donor restrictions	120,539,148	—	54,533,088	64,875,225	1,130,835
With donor restrictions	230,487,708	—	201,792,146	22,387,940	6,307,622
Total net assets	351,026,856	—	256,325,234	87,263,165	7,438,457
Total liabilities and net assets	\$ 438,484,951	(81,249,294)	334,993,973	177,145,371	7,594,901

See accompanying independent auditors' report on supplementary information.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Consolidating Schedule of Support and Revenues Without Donor Restrictions and Expenses

Year ended June 30, 2023

	<u>Consolidated</u>	<u>Eliminations and reclassifications</u>	<u>Ducks Unlimited, Inc.</u>	<u>Wetlands America Trust</u>	<u>Ducks Unlimited Lands, LLC</u>
Operational revenue:					
Philanthropic sources:					
Net proceeds from committee events	\$ 59,252,363	—	59,252,363	—	—
Direct response	12,309,036	—	12,309,036	—	—
Major gifts use	56,251,597	—	53,809,702	2,301,833	140,062
Planned gift maturities	1,250,000	—	1,250,000	—	—
Licensing and sponsorships	2,262,776	—	2,262,776	—	—
Total philanthropic revenue	131,325,772	—	128,883,877	2,301,833	140,062
Other operational support and revenue:					
Governmental reimbursements	135,798,248	—	135,798,248	—	—
Non-governmental partnerships	19,304,943	—	19,304,943	—	—
Donated conservation easements	9,471,250	—	—	9,471,250	—
Advertising revenue	2,529,187	—	2,529,187	—	—
Donated educational programming	14,703,242	—	14,703,242	—	—
Contributions by affiliate	—	(3,058,235)	839,064	2,219,171	—
Spend from investments	5,292,840	—	4,453,749	839,091	—
Other revenues	72,526	—	72,526	—	—
Total operational support and revenue	318,498,008	(3,058,235)	306,584,836	14,831,345	140,062
Operational expense:					
Program service expenses:					
Wetlands and waterfowl conservation:					
U.S. habitat delivery	188,160,599	—	185,858,766	2,301,833	—
Conservation easements	9,471,250	—	—	9,471,250	—
Government relations	4,613,183	—	4,613,183	—	—
Ducks Unlimited Canada	16,250,564	—	16,250,564	—	—
Ducks Unlimited de Mexico	1,302,814	—	1,302,814	—	—
Conservation education:					
Magazine and publication	4,494,112	—	4,494,112	—	—
Communications and conferences	8,001,466	—	8,012,637	(11,171)	—
Donated educational programming	14,703,242	—	14,703,242	—	—
Education delivery	12,033,969	—	12,033,893	76	—
Membership services	3,487,964	—	3,487,964	—	—
Total program service expenses	262,519,163	—	250,757,175	11,761,988	—
Fund-raising:					
Field operations	14,708,185	—	14,708,093	92	—
Direct response	10,290,019	—	10,290,019	—	—
Major gift Development and advertising	15,993,758	—	15,993,404	354	—
Total fundraising expense	40,991,962	—	40,991,516	446	—
Administration	9,885,727	—	9,675,356	207,802	2,569
Contributions received from affiliate	—	(3,058,235)	1,994,716	1,063,519	—
Total operational expense	313,396,852	(3,058,235)	303,418,763	13,033,755	2,569
Operational surplus (losses)	5,101,156	—	3,166,073	1,797,590	137,493
Nonoperational:					
Revolving land contributions	1,360,162	—	(7,570)	367,732	1,000,000
Net losses on land sales	(225,151)	—	—	(225,151)	—
Other quasi-endowment contributions	2,093,810	—	2,093,810	—	—
Unappropriated quasi-endowment losses	322,884	—	(307,577)	630,461	—
Net periodic benefit cost other than service cost	(2,480,524)	—	(2,480,524)	—	—
Nonoperating loss	1,071,181	—	(701,861)	773,042	1,000,000
Deficit of support and revenues without donor restrictions over expenses	\$ 6,172,337	—	2,464,212	2,570,632	1,137,493

See accompanying independent auditors' report on supplementary information.

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Current year:			
Mallard Rest	3,750	Mississippi	\$ 7,500,000
Peacock Funk	97	Illinois	456,950
Arps	383	Nebraska	704,300
Burnt Cypress	172	Missouri	810,000
	4,402		9,471,250
Prior years:			
Golden Eagle Hunt Club LLC (Jeff & Celia Homsher)	129	Missouri	590,000
Vick & Smith (Thomas Vick & Brian Smith)	98	Nebraska	58,250
Steamboat Island Farm (Michael Phelan)	307	Missouri	1,745,000
Lynchs Black River (William & Michelle Lynch)	372	South Carolina	214,000
JRJ Farms, Inc. (Jerry McDowell)	121	South Carolina	60,000
Deluca (Elisabeth Deluca/FD Destiny Credit)	26,946	Florida	83,550,000
Conklin (Chad & Pam Conklin)	40	Nebraska	32,300
Conklin Family Farm (Pam Conklin)	171	Nebraska	110,200
Kurth-Ledgeview (John Kurth/Schleys Ledgeview Acres)	151	Wisconsin	146,250
Chicora Wood Plantation (Harry Oxner)	485	South Carolina	756,504
Double K Ranch (Jeffrey Riggs)	859	Colorado	3,092,700
Bear Bayou Addendum (Walter Edge)	338	Arkansas	565,000
Quack Enterprises (Joe Janoush)	541	Mississippi	1,824,100
Delta Plantation (John E Cay)	500	South Carolina	14,265,000
Holly Bend Limited Partnership	126	Mississippi	105,000
Lori Durand	99	New York	11,000
Durand's East Edge Ranch	89	New York	14,000
Arcadia Plantation	374	South Carolina	5,512,000
Flyway Club	209	Missouri	1,225,000
Nagasaki Gun Club	247	Mississippi	500,000
The Honey Hole	85	Mississippi	2,076,000
BelAir	113	South Carolina	1,060,500
Special K Membership Company	1,690	Mississippi	3,350,000
Robinson Crusoe	1,233	Tennessee/Mississippi	6,800,000
Myrtle Grove-Marvin Tracts B & C	358	South Carolina	491,814
Sonnenberg	164	Nebraska	194,500
Sandy Bayou Farm	400	Mississippi	930,000
Shane Roth	298	Nebraska	132,775
Nemours-Greenpoint	1,856	South Carolina	2,172,750
Glover Plantation	2,027	South Carolina	1,630,672
Harmony Farm	500	Nebraska	928,000
Warhawk Land Company	527	Mississippi	1,230,000
True Luck	289	Missouri	1,360,000
True Luck 2	326	Missouri	1,550,000
Diamond Land Membership Company	2,108	Louisiana	4,500,000
Grayson	1,200	Texas	4,800,000
Myrtle Grove Plantation	1,715	South Carolina	2,385,732
Patriots Plantation	1,868	South Carolina	1,666,550
Reinhardt	71	Nebraska	9,000
Kastner Family Property	1,126	Mississippi	2,250,000
Summers II	292	Nebraska	445,000
Marianna Farms	1,919	Mississippi	2,400,000
Nemours-Neiuport Tract	1,178	South Carolina	948,884
Paradox Wildlife	1,430	Mississippi	861,900
Rivers Run, Amendment	172	Mississippi	810,000
Sanders Farm	418	South Carolina	297,978
Thorntree Swamp	483	South Carolina	460,000
Sumners	702	Nebraska	760,000
Grandview II, LLC	48	Nebraska	20,000
Coca Cola Woods	1,042	Arkansas	4,850,000
Twin Rivers Farm, LLE	425	Missouri	1,979,200
366/Brasher	366	Arkansas	1,165,000



**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Severin Slough	245	Nebraska	\$ 186,000
Moore Ranch Amendment 2	35	Texas	33,720
Woods of Bayou Devieu (Joel Kaye)	603	Arkansas	478,400
Woods of Bayou Devieu (Barry Properties LLC)	603	Arkansas	478,400
Double Dog Ranch	530	Nebraska	124,500
Wauford	72	Ohio	21,400
Cartensen	72	Ohio	36,400
Triple K Ranch	92	Nebraska	11,000
Wilson Farm	128	Colorado	2,300,000
Smith Doering	269	Nebraska	129,500
Smith Doering	269	Nebraska	129,500
Black River Preserve	1,472	South Carolina	701,320
Duck Factory, LLC	55	Nebraska	40,000
Foster	222	New York	67,350
Kosman Investments, LLC	460	Nebraska	555,000
Pheasant Land	242	Nebraska	207,000
Ranbay	862	Arkansas	800,000
The Bend	303	Missouri	1,164,000
Over and Under	397	Missouri	1,612,300
Rhodes Kinsey	1,042	South Carolina	1,191,680
Mallard Pointe	1,383	Arkansas	1,522,000
Chenoa Farm	478	Mississippi	1,077,000
Free State Plantation	933	Mississippi	533,000
North Conservation Farm	85	Washington	671,336
Willow Edge	133	Mississippi	139,500
Falling Run	84	North Carolina	250,000
Pringle Tract	478	South Carolina	450,000
Presidents Duck Club	83	Missouri	410,000
Golden Eagle Wildlife Preserve, Inc.	127	Illinois	390,000
Bulow Retreat	123	South Carolina	426,000
Lessard	36	Washington	1,000
Springer Meadows	121	Wyoming	12,320
Greentree Hunting Club	628	Arkansas	1,760,000
Mallard Farms	946	Arkansas	624,072
Eagle'sNest GC	198	Colorado	120,000
Tealbrook Farms Ag	189	California	10,000
Rosenau	317	Washington	18,000
O'Brien	95	Nebraska	74,700
River Edge Farm	965	Arkansas	1,588,550
Raney West	572	Mississippi	472,000
Savannah Oaks	700	Texas	100,000
Barnhill Farm	626	North Carolina	2,219,000
Ring Slough	442	Arkansas	868,000
Cronin Tract	75	Missouri	58,820
Seven Oaks Farm	56	Missouri	100,105
Herrod	889	Nebraska	115,000
Waccamaw River Tract	2,255	North Carolina	1,090,000
Baldwin	700	Missouri	3,263,000
The Limit Club	62	Missouri	250,190
Cypress Creek Preserve	919	Mississippi	1,425,000
Monument	541	Arkansas	2,488,900
Davis Island	6,090	Mississippi	8,500,000
Free State Plantation	933	Mississippi	533,000
Bayou DeView Farm and Hunt Club	241	Arkansas	500,000
Longfield Plantation	610	South Carolina	945,500
Pigweed Plantation	164	South Carolina	410,000
The Swamp	329	South Carolina	310,000
North Island	5	Michigan	162,000
Schafer	413	Nebraska	380,000
Birdlands	2,135	Mississippi	2,621,000

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

Property	Acres protected	Location	Estimated value at time of gift
Klotz Tract	427	Arkansas	\$ 521,875
Rothermich	19	Missouri	31,130
Westchester Plantation	455	Virginia	891,000
Schlenke	19	Missouri	32,645
DT Ranch II	1,189	Colorado	300,000
Kleager	427	Nebraska	490,000
Anderson	21	Missouri	32,305
Poor Boy	29	Missouri	56,002
Green Wing Farms	59	Missouri	184,000
Backwater Farms	32	Missouri	230,000
The Ford Tract	476	South Carolina	414,000
Dyer Moore	30	Texas	29,000
Rural Hall Plantation	178	South Carolina	536,000
Salt Marsh Plantation	206	South Carolina	495,000
Naples Plantation	721	Louisiana	406,000
Raccoon Ranch	1,200	Missouri	5,084,100
Decoy Inn, LLC	96	Missouri	246,000
Barnett/Stimpson	310	Tennessee	237,900
Quantico Creek	69	Virginia	920,000
Lawton-Boggy Tract	295	South Carolina	516,000
River House Plantation	427	South Carolina	811,000
The Bullet Hole	79	Arkansas	150,000
Pintail Farms	331	Missouri	774,000
Orchard Farm Hunting Club	171	Missouri	746,000
Carlson-Cunz	180	Minnesota	180,000
Kittle Property	445	Mississippi	634,000
Whistling Wings	784	Missouri	5,024,300
Peeples Place	443	South Carolina	540,460
Bird Point Farm	86	South Carolina	590,000
Hermitage Plantation	1,087	South Carolina	2,049,970
Anderson Property	364	Nebraska	546,500
Kauler-Kaith Tract	183	Minnesota	73,000
Como Tract	362	Mississippi	438,500
Middleton Place LLC	5,800	South Carolina	8,105,001
Crab Orchard Plantation	2,819	South Carolina	4,900,000
Main Pass LLC	13,952	Louisiana and Mississippi	14,728,500
Main Pass LLC	10,291	Louisiana	10,481,000
LLOG Exploration Company LLC	3,446	Mississippi	3,830,500
LLOG Exploration Offshore, Inc.	194	Mississippi	356,500
Thomas S. Lenort	39	Minnesota	196,808
Buyck's Bluff	722	South Carolina	5,152,600
Indian Properties (Haskell & Huchi Plantation)	110	South Carolina	212,000
Mingo Plantation IV	257	South Carolina	492,000
Toheda	247	Louisiana	404,700
Pintail Alley	1,600	Louisiana	480,000
Rowan Tract	717	Mississippi	1,056,934
Chris von Gontard Property	199	Texas	253,984
River Valley Ranch I	585	Colorado	1,826,200
Prairie Ridge Partners LLC	869	Nebraska	561,000
Alligator Bayou Properties LLC	819	Louisiana	748,000
The Baradhi Farm	157	Texas	60,000
Waterfowl Habitat, LLC	85	Maryland	170,000
Drake Land Farms, LLC	866	Colorado	200,000
Bayou Haha	385	Louisiana	167,000
Diamond Lake and Land Co, LLC	1,295	Louisiana and Mississippi	2,401,660
Carey Boone Trace	1,257	Louisiana	588,000
Mount Pleasant Plantation	3,685	South Carolina	10,600,000
Tanglewood 2nd amendment	25	South Carolina	50,000
Wing Tips Plantation	1,009	South Carolina	1,134,000
Bayou Meto Farm's LLC	240	Arkansas	790,000

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Bear Bayou, LLC	640	Arkansas	\$ 2,300,000
Davies/Shepard	128	Arkansas	217,000
The Brake	479	Arkansas	559,000
White Lake Waterfowl, LLC	225	Tennessee	495,000
Golden Eagle Ranch II	2,074	Colorado	520,000
The Pineland – First Amendment	222	South Carolina	440,000
Hunter's Paradise	70	Kentucky	420,500
Cedar Lane Farm, LLC	422	Mississippi	1,264,800
Cedar Lane Farm, LLC	405	Tennessee	1,215,200
Delta Duck & Game Club	450	Mississippi	222,948
Neal Hansen	1,448	Nebraska	1,014,000
Mingo Hunt Club III	488	South Carolina	712,800
Pigweed Plantation	869	South Carolina	1,443,000
Lusero Ranch	205	Colorado	337,500
Donahue Company, Inc.	371	Arkansas	500,000
Lester Ranch	476	Colorado	735,000
Cache Slough Timber Farms	274	Arkansas	681,000
Kaye Farms, LLC	675	Arkansas	902,344
Crenshaw Property	1,011	Mississippi	1,064,650
Pine, LLC	150	Missouri	216,000
Tanglewood First Amendment	34	South Carolina	81,000
Muddy Creek Farms	707	Tennessee	965,000
Barber Property	262	Texas	218,750
Batten-Boggy Tract	315	South Carolina	681,000
Young Farms (Todd Young)	116	Arkansas	211,760
Young Farms (Vern and Phyllis Young)	209	Arkansas	388,000
Highlands Plantation Hunting Club, LLC	1,300	Mississippi	1,581,000
Dardenne Realty Co.	559	Missouri	1,400,000
Big Cypress Duck Hole	552	Arkansas	805,000
Lake Hill Farm	225	New York	802,100
Arcadia Plantation	3,612	South Carolina	54,416,350
Cougar Bay First Amendment	79	South Carolina	160,000
Ivanhoe Plantation, Inc.	932	South Carolina	1,309,000
Holifield Farms	478	Arkansas	888,000
Pin Oak Club, LLC	720	Arkansas	1,090,000
Teal-Denmon Tract	460	Louisiana	138,000
Duty Ferry Farms, Inc.	1,384	Louisiana	689,000
The Teal Partnership	1,392	Louisiana	693,000
Horseshoe Hill, LP	216	Mississippi	312,000
Decoy Lakes First Amendment	131	North Carolina	432,500
Millbrook, LLC	1,176	South Carolina	4,258,800
Millbrook Hanahan (Grayson Hanahan)	137	South Carolina	320,400
Millbrook Hanahan (Grayson Hanahan)	539	South Carolina	794,221
Millbrook Hanahan (Roger Hanahan)	697	South Carolina	1,027,179
Esperanze Plantation	1,192	Louisiana	972,000
Robinson Tract	190	Louisiana	638,000
Minasian Ranch	660	California	1,145,000
Roseland Plantation, LLC	3,412	Louisiana	2,772,126
Point Pleasant, LLC	1,180	Louisiana	960,872
Gumwood, LLC	660	Arkansas	198,000
Como Tract Amendment	400	Mississippi	409,000
Martin-Rimini Tract	148	South Carolina	260,000
Batten Black Swamp	2,031	South Carolina	3,818,000
Beaver Dam Tract First Amendment	26	South Carolina	181,000
Blackfish Farms, LLC	1,400	Arkansas	1,125,000
Cocoa Slough, LLC	842	Arkansas	725,000
Belleau Farm	1,550	Missouri	13,521,500
West Creek	99	Virginia	14,369,500
York Woods Amendment	1,204	Mississippi	1,265,000
Higel II Amendment	555	Colorado	518,925

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Crowther	420	Colorado	\$ 491,500
Willis Wharf	125	Virginia	836,000
Twin Bayous	52	Arkansas	106,000
Deadwood Duck Club	160	Arkansas	400,000
Behring Ranch	810	California	975,000
Cross/Sheehy Ranch	316	Colorado	555,000
Little Bijou Ranch	440	Colorado	253,000
Davey Land	320	Colorado	131,200
Flink Property	52	Minnesota	65,200
Irby Woods	497	Mississippi	1,556,000
Old Rivers	295	Mississippi	286,450
Batten-Carswell	291	South Carolina	560,000
The Oaks Plantation	112	South Carolina	186,000
Uxbridge Plantation	232	South Carolina	1,999,000
Burke Farm	1,360	Texas	560,000
East Bernard	247	Texas	170,000
Matagorda	384	Texas	170,000
Barber-Long Beaverdam Creek	144	Texas	86,400
The Big Woods on the Trinity	2,363	Texas	1,198,000
Dover Plantation	821	South Carolina	30,800,000
Tanglewood	82	South Carolina	212,000
McNeil III	1,080	Colorado	1,475,000
Monterey Delta Plantation	127	Louisiana	4,205,000
Mary's Island	970	South Carolina	207,800
Cheeha-Combahee	12,524	South Carolina	2,742,200
Godfrey Tract	155	South Carolina	32,500
McMillian	20	South Carolina	20,000
Medway	7,225	South Carolina	4,435,500
Ashepoo-Fenwick	9,423	South Carolina	2,592,700
Hasty Point Plantation	762	South Carolina	443,900
Kinloch Plantation	5,801	South Carolina	2,685,000
Hartwell Farms	591	Georgia	438,400
Oak Grove Plantation	995	South Carolina	524,000
Salt Marsh Plantation	349	South Carolina	460,000
Musselboro Island	962	South Carolina	1,325,600
Clermont Plantation	435	South Carolina	477,500
Commander Island	385	South Carolina	259,800
Weymouth	187	South Carolina	480,000
Dunavant	12,160	Montana	3,610,000
Kennedy-Trailsend Ranch	3,142	Montana	3,710,000
Nightingale Hall Plantation	617	South Carolina	406,481
Quail Hollow	1,850	Mississippi	1,360,000
Buford's Brake	732	Mississippi	630,000
Becks Bay	6,626	Mississippi	5,080,000
Bolder's Island	1,649	South Carolina	365,400
Easterly/Penn	2,175	Mississippi	545,000
Hartwell Farms II	58	Georgia	52,800
Hicks Farm	130	Georgia	106,100
Indian Hut Tree Farm	1,642	South Carolina	656,700
Raccoon Island	1,743	South Carolina	377,500
Rosebank Plantation	260	South Carolina	410,000
Rural Hall	176	South Carolina	330,000
South Fenwick Island	322	South Carolina	303,000
Dead Buffalo Ranch	3,573	North Dakota	270,000
Crow Hill Plantation	274	South Carolina	365,600
Huspah Plantation	319	South Carolina	1,650,000
Lonely Hearts Hunt Club	133	South Carolina	160,000
Oak Forest Plantation	286	South Carolina	4,818,000
Springfield Plantation	250	South Carolina	263,100

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Beaver Dam Tract	84	South Carolina	\$ 113,000
South Fenwick Island Amendment	6	South Carolina	5,800
Claypool Reservoir	1,355	Arkansas	1,082,500
Pon-Pon	3,249	South Carolina	—
Delhomme Reserve	2,253	Texas	—
Hill River Tract	424	South Carolina	827,200
Augusta Plantation	942	South Carolina	250,000
Ben Knott Tract	371	South Carolina	165,000
Pitts Tracts A-F	9,101	Louisiana	3,255,000
Pitts Hurricane Lake Tract	1,214	Louisiana	687,200
Exchange Plantation	690	South Carolina	930,000
Kennedy-Trailsend Amend 1-3	474	Montana	228,000
Prescott Plantation	317	South Carolina	123,100
North Pasture	380	South Carolina	313,500
Ward Lake	3,250	Mississippi	2,725,000
Old Dominion Plantation	718	South Carolina	870,000
Chicahominy	281	Virginia	563,000
Pinchback Plantation	1,890	Mississippi	330,000
Pintail Club	95	Washington	1,330,000
Maurene Plantation	2,653	South Carolina	1,895,000
Terry Pasture	500	South Carolina	1,032,000
Rose Hill Plantation	1,200	South Carolina	840,000
Wando Farms	558	South Carolina	2,150,000
Bear Island	151	South Carolina	39,200,000
Beaver Creek Crossing	821	Mississippi	1,110,000
Becks Bay Amendment	640	Mississippi	365,000
Bobo Brake	751	Mississippi	600,000
Walters Farm	551	Colorado	340,100
Rio Ranch	360	Colorado	415,000
Two Rivers	2,585	Arkansas	1,660,000
Big Black Farms	434	Mississippi	390,600
Kitterlin Creek	2,974	Louisiana	1,695,000
O'Connor	102	Virginia	491,500
Redfish Point	73	Texas	44,000
Duck Lake	2,922	Mississippi	2,530,000
Lamps Woodard	354	North Carolina	218,000
Caduceus Farms	1,802	Louisiana	586,000
713 Club, LLC	1,272	Arkansas	1,815,000
Lea Farm	25	Oregon	25,800
Leshner Farm	29	Oregon	27,000
Ward Lake Amendment	1,177	Mississippi	625,000
River Property	89	Colorado	68,800
Beaver Creek Crossing Amendment	175	Mississippi	332,500
Corzine Ranch	2,488	Colorado	520,000
Generostee Creek	477	South Carolina	1,610,000
Caeli Farms, LLC	406	Virginia	1,555,000
Bear Island Hunt Club	505	South Carolina	350,000
Cheeha-Combahee Amendment	20	South Carolina	58,400
Wheeler Island 40	1,658	Arkansas	1,470,000
Dacus Lake Partners	1,953	Arkansas/TN	815,000
Danikow Tract	623	Tennessee	410,000
Mill Creek Property	950	South Carolina	3,206,500
Oaks Plantation	208	South Carolina	481,250
Muddy Waters LLC	3,159	Mississippi	3,350,000
Nightingale Hall Amendment	105	South Carolina	189,540
Tara Wildlife	4,688	Mississippi	4,200,000
Montana	1,234	California	172,000
David Young	142	Mississippi	238,050
Ellis Lake	1,813	Mississippi	1,167,400
Willtown Crossing Farms	220	South Carolina	300,000

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
Chaplin Farms	700	South Carolina	\$ 328,000
Dyer Moore	97	Texas	69,355
Stringfield Nursery	22	South Carolina	136,000
Kennedy B.C. – Tuplagum	2,653	Mississippi	1,500,000
Kennedy – York Woods	3,832	Mississippi	3,095,000
Kennedy-Trailsend 5th Amendment	544	Montana	779,000
Duncan Hunt Club	49	North Carolina	98,600
Black Oak Farm	310	Arkansas	260,000
Weymouth Plantation Amendment	212	South Carolina	432,000
Rainey Acres	240	South Carolina	254,400
Sewee Plantation	374	South Carolina	5,877,700
Kensington Plantation	344	South Carolina	2,590,000
David Martin	310	Mississippi	145,000
Clifton Farms	1,755	Mississippi	1,310,000
Mallard Creek Farms	250	North Carolina	209,000
Everett-Driver	140	Mississippi	65,000
Mudlake	2,145	Arkansas	2,135,000
Section 13 Farms	735	Arkansas	836,000
Dunavant – Lewiston	475	Montana	343,000
Deer Yard Farms	750	Illinois	1,558,500
Wildwood Acres	167	South Carolina	234,000
Dawhoo Plantation	716	South Carolina	1,971,200
Texas Plantation	785	North Carolina	1,232,500
Ritter-Black River	334	South Carolina	293,700
Malphrus Tract	929	South Carolina	1,162,500
Braxton Farms	212	Virginia	817,000
Harrison Ranch	884	Mississippi	400,000
McNeil Ranch	520	Colorado	624,000
Decoy Lakes	331	North Carolina	720,000
Meadow Ranch	5,440	Colorado	723,520
Dixie Farms	2,100	Mississippi	787,000
Circle T	1,507	Arkansas	3,680,000
Nagasaki Gun Club	137	Mississippi	231,000
Getz Ranch	320	Colorado	240,000
Lester Ranch	783	Colorado	501,200
TPC Farm	1,213	Mississippi	1,905,000
Buzzard Corner	375	North Carolina	1,771,000
Pamlico Farms I	619	North Carolina	1,612,000
Willow Bend Plantation	670	South Carolina	4,306,000
Rice Hope Plantation	237	South Carolina	1,108,525
Marais Temp Clair Duck Club	635	Missouri	1,561,500
Ware Creek Preserve	1,039	Virginia	18,111,000
Texas Plantation II	668	North Carolina	1,224,000
Tibshrary Farm	311	South Carolina	257,500
Annandale Plantation	3,458	South Carolina	5,400,000
Gilmore Property	138	Arkansas	120,987
Heth Property	480	Arkansas	240,747
Cache River Property	240	Arkansas	162,000
Golden Eagle Ranch	1,107	Colorado	1,045,000
Moreland Club	293	South Carolina	275,000
Mark Wheeler	65	Washington	190,000
Winea Plantation	348	South Carolina	900,000
Feliciana Land Co.	1,400	Mississippi	1,583,000
MacLean Tract	24	South Carolina	61,250
Bulow Land I	49	South Carolina	1,205,000
Bulow Land II	305	South Carolina	981,750
Blackfish Island	380	Arkansas	547,400
Mud Lake Bottoms	138	Arkansas	193,200
Running Bayou	1,036	Mississippi	837,200
Kase	101	New York	61,000

**DUCKS UNLIMITED, INC. AND AFFILIATES**

Schedule of Donated Conservation Easements

June 30, 2023

<b>Property</b>	<b>Acres protected</b>	<b>Location</b>	<b>Estimated value at time of gift</b>
John Lindquist Property	170	Minnesota	\$ 548,520
Young Property	240	Mississippi	293,836
Willows Bend Amendment	604	South Carolina	5,846,600
DT Ranch	808	Colorado	610,000
Lohr Property	52	Missouri	109,000
Bobo Brake Amendment	548	Mississippi	490,000
Verser Farms	359	Arkansas	262,500
Pamilco Farms II	446	North Carolina	3,477,000
Seminole Plantation	350	South Carolina	618,500
Black Swamp Plantation	538	South Carolina	840,000
Cook's Mountain	1,200	South Carolina	5,496,000
Wurster Tract	490	Louisiana	220,500
Timmerman Property	320	Missouri	742,950
Old Rivers Farm	581	Mississippi	455,100
Cougar Bay/Notyacht	521	South Carolina	900,000
Getz Ranch Amendment	640	Colorado	452,500
Blue House Plantation	382	South Carolina	2,780,000
Bulow Plantation III	178	South Carolina	4,044,000
Springsteen Plantation	818	South Carolina	1,514,000
Ward Lake – McGehee	275	Mississippi	137,500
Windfall Point	105	South Carolina	827,100
Pig Pen/Windsor Plantation	169	South Carolina	310,050
Poplar Grove	3,100	South Carolina	11,750,000
Mingo Plantation	593	South Carolina	534,000
Haralson Tract	669	Arkansas	1,116,600
Holified Farms	320	Arkansas	525,000
Bivens Bayou	648	Arkansas	907,200
McNeil II & III	230	Colorado	242,000
Jensen	159	Minnesota	208,463
Lester II	825	Colorado	536,250
Alligator Bayou	560	Arkansas	784,000
Higel Ranch	298	Colorado	238,400
Walters/Chadwell	304	Colorado	297,200
Spring Hope	348	South Carolina	450,000
Mingo Plantation II	398	South Carolina	450,000
The Bridge Farm	80	Colorado	97,000
Potato Hill	1,336	Mississippi	564,400
The Pineland	577	South Carolina	490,000
Birdeye Farm	180	Arkansas	218,000
Togo Farm	809	Arkansas	626,042
Mulberry Plantation, Inc.	3,174	South Carolina	3,018,697
Arundel Plantation Properties, LLC	1,138	South Carolina	4,220,000
Benelli LLC	234	Missouri	310,000
The Fall River Resource Conservation District	4,491	California	1,960,000
Nemours Plantation Wildlife Foundation	1,336	South Carolina	1,400,154
Nemours Plantation Wildlife Foundation	1,143	South Carolina	979,047
James Todd Watkins and Margaret Kirkland Watkins	166	South Carolina	378,800
Elbow Slough, LLC	1,278	Arkansas	2,040,000
Diamond Point Land Company, LLC	934	Mississippi	2,241,000
Warhawk Land Company, LLC	757	Mississippi	1,818,000
Lusco and Lusco, LLC	876	Mississippi	2,102,000
Thomas J. Ward	25	Nebraska	17,500
B.G.B. Properties, LLC	200	Arkansas	176,000
Over & Under II, LLC	196	Missouri	790,000
Heritage Farms of Carlisle County, LLC	1,276	Kentucky	4,712,000
B.G.B. Properties, LLC	120	Arkansas	118,000
Pon Pon Plantation, LLC	260	South Carolina	1,850,000
Le Chevalier, LLC	3,748	Louisiana	6,850,000
Marcello Da Pointe, LLC	556	Mississippi	1,224,000
Cane Island Club, LLC	375	South Carolina	18,800,000

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June 30, 2023

<u>Property</u>	<u>Acres protected</u>	<u>Location</u>	<u>Estimated value at time of gift</u>
Steamboat Island Farm (Phelan Trust)	307	Missouri	\$ 1,560,000
Bay Creek Farms, LLC	90	Michigan	89,000
Beaver Bay (Summit AG Fund II, LLP)	70	North Dakota	203,126
McArthur Swamp (Pacific Gas and Electric Co.)	3,168	California	1,080,000
Kilsock Bay, LLC (Harry Oxner)	957	South Carolina	2,331,697
Young Family Farm (Bill & Vivian Young)	168	Michigan	1,360,000
Brandt CE (Dowd, Brandt, Dowd)	135	Nebraska	67,500
Holzfaster Playas II 320 CE (Ralph & Gloria Holzfaster)	308	Nebraska	55,000
McWha CE (McWha Industries, Inc)	257	Nebraska	235,500
Thorn Tree Forest, LLC (Benjamin Harrison)	257	South Carolina	232,000
Luque Grande View Farms, LLC	317	Louisiana	910,000
Roseland II CE Amendment-Roseland Plantation, LLC	335	Louisiana	840,000
Covey Call, LLC (Scarborough Tract-Blake Amick)	242	South Carolina	48,000
Mallard Land & Cattle	80	Colorado	147,000
Pheasant Land Company, LLP (Pheasant Land Co II West)	131	Nebraska	43,776
Pheasant Land Company, LLP (Pheasant Land Co II East)	80	Nebraska	26,831
Don G. Wellons	122	North Carolina	610,000
RP Wellons CECO, LLC (Robert Wellons)	76	North Carolina	439,500
Deed restrictions:			
Springfield Marsh	696	South Carolina	74,000
Hanahan	33	South Carolina	—
Management agreements:			
Mary's Island	3,740	South Carolina	—
Cosumnes-Crane Ranch (Fitzgerald)	368	California	—
	<u>459,947</u>		<u>821,894,465</u>
	<u>464,349</u>		<u>\$ 831,365,715</u>

See accompanying independent auditors' report.