

**CLIMATE CONSERVATION DBA
CENTER FOR LARGE
LANDSCAPE CONSERVATION**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024



CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Climate Conservation dba Center for Large Landscape Conservation
Bozeman, Montana

Opinion

We have audited the accompanying financial statements of Climate Conservation dba Center for Large Landscape Conservation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Climate Conservation dba Center for Large Landscape Conservation, as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Climate Conservation dba Center for Large Landscape Conservation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Climate Conservation dba Center for Large Landscape Conservation'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.

Junkermier, Clark, Campanella, Stevens, P.C.

Missoula, Montana
October 22, 2024

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF FINANCIAL POSITION
June 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	\$ 298,883
Grants receivable, current portion	698,963
Accounts receivable	37,812
Investments	4,187,199
Other current assets	<u>4,874</u>
Total Current Assets	<u>5,227,731</u>
Fixed Assets	
Office equipment	6,952
Less: accumulated depreciation	<u>(5,793)</u>
Fixed Assets, Net	<u>1,159</u>
Other Assets	
Grants receivable, net of current portion	<u>295,000</u>
Total Assets	<u><u>\$ 5,523,890</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 161,870
Accrued payroll liabilities	22,825
Credit card payables	25,157
Accrued vacation	114,938
Accrued wages	106,481
Contract liabilities	<u>241,332</u>
Total Current Liabilities	<u>672,603</u>
Net Assets	
Without donor restrictions	1,591,442
Without donor restrictions - board designated reserve	1,128,884
With donor restrictions	<u>2,130,961</u>
Total Net Assets	<u>4,851,287</u>
Total Liabilities and Net Assets	<u><u>\$ 5,523,890</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants/foundations income	\$ 125,250	\$ 3,024,182	\$ 3,149,432
Contributions	720,093	5,057	725,150
Contract for services	190,082	-	190,082
Investment income, net	124,370	20,794	145,164
Other income	925	-	925
Net assets released from restriction	<u>2,598,680</u>	<u>(2,598,680)</u>	<u>-</u>
Total Revenue and Support	<u>3,759,400</u>	<u>451,353</u>	<u>4,210,753</u>
Expenses			
Program	2,851,789	-	2,851,789
Administration	658,494	-	658,494
Development	<u>224,834</u>	<u>-</u>	<u>224,834</u>
Total Expenses	<u>3,735,117</u>	<u>-</u>	<u>3,735,117</u>
Change in Net Assets	24,283	451,353	475,636
Net Assets, Beginning of Year	<u>2,696,043</u>	<u>1,679,608</u>	<u>4,375,651</u>
Net Assets, End of Year	<u>\$ 2,720,326</u>	<u>\$ 2,130,961</u>	<u>\$ 4,851,287</u>

See the independent auditors' report and the accompanying notes to the financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	<u>Program</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Bank and credit card fees	\$ 1,316	\$ 180	\$ 723	\$ 2,219
Communications and production	2,480	5,934	140	8,554
Consultants	228,141	2,325	544	231,010
Depreciation	993	-	-	993
Dues, subscriptions, registrations	5,647	3,381	315	9,343
Employee benefits	163,138	66,212	10,893	240,243
Grants to other organizations	562,429	-	-	562,429
Insurance	-	9,518	-	9,518
Meetings and conferences	123,956	21,410	18,869	164,235
Occupancy	1,801	52,739	-	54,540
Field equipment	146,141	-	-	146,141
Office expenses	19,591	27,382	3,817	50,790
Payroll taxes	117,081	32,737	13,724	163,542
Postage	1,171	702	32	1,905
Professional fees	365	29,325	-	29,690
Salaries and wages	1,437,698	400,005	172,976	2,010,679
Telephone and internet	2,085	3,504	-	5,589
Travel	37,756	3,140	2,801	43,697
Total Expenses	<u>\$ 2,851,789</u>	<u>\$ 658,494</u>	<u>\$ 224,834</u>	<u>\$ 3,735,117</u>
	<u>76.35 %</u>	<u>17.63 %</u>	<u>6.02 %</u>	<u>100.00 %</u>

See the independent auditors' report and the accompanying notes to the financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2024

Cash Flows From Operating Activities	
Change in net assets	\$ 475,636
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	993
Unrealized (gain) on investments	(38,218)
(Increase) decrease in assets	
Grants and accounts receivable	(303,776)
Other current assets	1,620
Increase (decrease) in liabilities	
Accounts payable	139,711
Accrued payroll liabilities	1,142
Credit card payables	7,613
Accrued vacation	1,519
Accrued wages	11,848
Contract liabilities	<u>230,316</u>
Net Cash Flows From Operating Activities	<u>528,404</u>
 Cash Flows From Investing Activities	
Net purchases of investments and reinvestments	<u>(3,655,206)</u>
Net Cash Flows From Investing Activities	<u>(3,655,206)</u>
 Net Change in Cash	 (3,126,802)
 Cash - Beginning of Year	 <u>3,425,685</u>
 Cash - End of Year	 <u><u>\$ 298,883</u></u>

See the independent auditors' report and the accompanying notes to the financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS**

June 30, 2024

1. Organization and Summary of Significant Accounting Policies

Organization

Climate Conservation dba Center for Large Landscape Conservation ("CLLC", "the Center") was established in 2007 and in 2011 became an independent 501(c)(3) non-profit corporation located in Bozeman, Montana. We aim to conserve life on earth by connecting our fragmented natural world. We bring science, policy, and proven solutions directly to communities working to restore the integrity and natural connectivity of the landscapes in which they live.

The Center develops strategies that amplify community and governmental conservation efforts through tactical support in science, policy, networking, and on-the-ground project implementation. Our work defines and advances best practices in landscape connectivity throughout the U.S. and around the world. We engage in four ways: (1) We develop and apply science to reconnect fragmented landscapes and provide safe passage for wildlife and people. (2) We inform new policy and law, and develop international standards, to support and accelerate large landscape conservation locally, nationally, and globally. (3) We connect professionals and decision makers to share information and resources by coordinating and participating in networks worldwide. As a hub for information, tools, news, and best practices we are directly networked with more than 28,000 conservation professionals and organizations around the globe. (4) We support community-based planning and project implementation to protect and manage large landscapes. With these communities, we work to restore the integrity and natural connectivity of the landscapes and plan for greater resilience to the effects of climate change.

Community Planning that Engages Invested Stakeholders

We believe in community-powered conservation because no one knows and cares about a place like the people who live there. From South Asia to Eastern Europe to the tribal nations of North America, we work with communities to achieve the results they have set for themselves in a collaborative and culturally informed way. This can include the co-development of impact assessments, climate adaptation plans, resiliency and land use recommendations, and support with community outreach and engagement. We connect people to connect landscapes so that wildlife, natural systems and human societies can thrive.

Advocating Policy and Law That Champions Ecological Connectivity

From climate adaptation to wildlife migration, connectivity conservation is the most effective strategy to conserve nature on a large scale in much of the fragmented temperate and tropical regions of the world. While corridor science is decades old, its implementation has been slow and lacking in consistency. Policy efforts to identify, prioritize and protect ecological connectivity and wildlife corridors remain in the early stages. The Center is helping to create effective policies, strengthen existing ones, and refine those yet to be adopted. We provide technical guidance on the development of policies, plans and strategies that champion large landscape conservation via federal, state and local initiatives. We encourage agencies and organizations to create and invest in wildlife-sensitive solutions within their priorities for management and practice, advising them in the process. As policy evolves, we help decision-makers and managers incorporate new requirements into their programs and on-the-ground work.

Building Networks For Global Action

If we're to facilitate change at the largest scales, we must work together to develop innovative networks for impact. We support thousands of scientists, policy makers, and community leaders by sharing experience and expertise through the professional networks we host and the regional and international collaborations we chair. Within these groups, the Center provides strategic counsel, infrastructure, and organizational management, supporting their members and staff to focus on the mission of effectively engaging and empowering landscape conservation practitioners and supporters around the world.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Organization (continued)

Advancing Science That Informs Conservation Decisions

Our decision-support science is a backbone of our work. It requires synthesizing information across many disciplines of knowledge and translating it so that policy makers and community leaders can apply it in the context of their work and environment. We use spatial models and maps to help planners identify where and how animal and plant populations move across the landscape, and how people's priorities and actions help or hinder that movement. We apply this knowledge to defend vital links and safe passage between landscapes, and to identify places to protect, restore, and build.

New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB Accounting Standards Codification (ASC) 326, *Financial Instruments - Credit Losses*) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to the guidance in FASB ASC 326 were accounts receivable. CLLC adopted the standard effective July 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

Basis of Accounting

The financial statements of CLLC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. In accrual accounting revenues are recorded when earned and expenses are recorded when incurred.

Basis of Presentation and Net Assets

The financial statements of CLLC are prepared in conformity with the standards promulgated by the Financial Accounting Standards Board in Accounting Standards Codification (FASB ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958, CLLC is required to report information regarding its financial information and activities according to the following categories:

Net assets without donor restrictions represent net amounts available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a cash reserve. The Board designated cash reserve balance as of June 30, 2024 was \$1,128,884.

Net assets with donor restrictions represent net amounts subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

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

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, CLLC considers all investments with an original maturity of three months or less to be cash equivalents. CLLC deposits its cash in financial institutions. Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor, or insured by the Securities Investor Protection Corporation (SIPC), depending on the type of account. Deposits in excess of the federally insured limits were \$28,559 at June 30, 2024.

Investments

Investments are primarily composed of money market funds and bonds purchased through and held by a third party investment manager and are reported at fair value based on quoted market prices. Interest and dividend income, as well as net gains and losses on these investments, are included in investment income. CLLC determined the fair value of its investments through the application of FASB ASC 820, *Fair Value Measurements and Disclosures* as discussed in Note 6.

Accounts and Grants Receivable

Accounts receivable represent amounts due for work performed on contracts for services. Grants receivable represent amounts due to be reimbursed based on expenditures incurred or are unconditional promises to give to be received in future periods. Accounts and grants receivable are stated at the amount management expects to collect at year-end. Receivables that are expected to be collected within one year are recorded at net realizable value. Receivables that are expected to be collected in more than one year are recorded at fair value, which is the net present value of their future cash flows. A discount for long-term grants receivable has not been recorded as management believes it would not be material to the financials.

Allowance for Credit Losses

CLLC uses the allowance method to determine uncollectible receivables. CLLC believes that net receivable balances at year-end are collectible based on past collection experience. Bad debts of zero were recognized during the year ended June 30, 2024. Management estimates the allowance for credit losses to be zero as of June 30, 2024.

Fixed Assets

Purchased property and equipment are stated at cost. An item with a purchase price over \$3,000 is capitalized. Donations of property and equipment are recorded as support at their estimated fair value at date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment donated with time restriction are reclassified as unrestricted once all time restrictions are met. Absent donor stipulations regarding how long those donated assets are to be placed in service, CLLC records these assets as unrestricted support. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 5 to 7 years. Depreciation expense was \$993 for the year ended June 30, 2024.

Accrued Annual Leave

Compensated absences for accrued annual leave earned but unused through the last day of active employment are paid upon termination or separation from CLLC.

Revenue and Revenue Recognition

CLLC records revenue from contracts with customers as contracts for services within the statement of activities. Contract for services revenues are recognized when earned. Revenues are invoiced as performance obligations are satisfied.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Contracts may contain one performance obligation or multiple performance obligations and the total contract price is allocated to those performance obligations. When allocation of the contract price is required, allocation of the total contract price is based on the standalone fair market value of the individual performance obligations. Substantially all revenue from contracts with customers is recognized at a point in time. The Center recognizes contract liabilities for deposits on contracts for services where payments have been received in advance of providing services; these amounts will be recognized as revenue in future periods when the related performance obligations are fulfilled. Advance payments related to contracts with customers of \$110,832 were recognized in the statement of financial position as contract liabilities at June 30, 2024. Contract liabilities related to contracts with customers at July 1, 2023 were \$11,016.

Contributions and Grants

Contributions and grants/foundations income, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when 1) an explicit identifying of a barrier, that is more than trivial, and that must be overcome before the revenue can be earned and recognized, and 2) an implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met. Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received. Assets transferred to CLLC in advance of barrier(s) to entitlement being overcome of \$130,500 were recognized as contract liabilities in the statement of financial position at June 30, 2024. There were no advance payments related to conditional contributions recognized in the statement of financial position at July 1, 2023.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Restricted and Unrestricted Support

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with restrictions support. When the donor restriction expires, that is, when a stipulated purpose restriction is accomplished, the assets are reclassified to net assets without restrictions.

Contributed Services and Nonfinancial Assets

Contributions of services and nonfinancial assets are recorded at their fair values at the date of receipt. It is CLLC's policy related to contributed nonfinancial assets and services to utilize the contributions to carry out its' mission. If an asset is provided that cannot be utilized CLLC will attempt to monetize the contribution. There were no contributed services or nonfinancial assets recognized in the statement of activities during the year ended June 30, 2024.

Advertising Costs

CLLC expenses advertising costs when they are incurred.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The Center takes a portion of each grant or contribution (and therefore each program) to cover overhead expenses, which is transferred into unrestricted indirect cost funds. This amount ranges from 0-25% based on what is allowable by the grantor and is appropriate for the purpose of the contribution. The Center aims for 20% which is just below the industry standard. Administration captures the expenses for most basic business costs, including office space lease, internet and phone, Board meetings, office supplies, business insurance, and salaries for administrative support personnel. The Center considers these to be institutional costs vs. program costs. Development and fundraising capture the expenses for travel, meetings, and salaries specific to this purpose. Any other costs that may be considered shared are allocated based on primary use as well as the employee's time. For example, each pay period, employee time is allocated between the business operation(s) the employee is working on, whether it be specific programs, administration, fundraising or a combination of the three and his/her salary is charged into those areas accordingly.

Income Taxes

CLLC qualifies as a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is included in these financial statements, as CLLC had no revenue unrelated to its exempt activities. CLLC has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). CLLC's information returns (Form 990) are open to examination by the IRS, generally for three years after they were filed or the due date of the return, whichever is later.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024:

Cash and cash equivalents	\$ 298,883
Grants receivable	993,963
Accounts receivable	37,812
Investments	<u>4,187,199</u>
Total	5,517,857
Less financial assets unavailable for general expenditures within one year:	
Grants receivable to be received in more than one year	(295,000)
Donor restricted funds not expected to be used within one year	<u>(386,460)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,836,397</u>

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. Liquidity and Availability (continued)

CLLC is substantially supported by donor-restricted funds. The Center's donor restricted funds are both considered available for program expenditures and unavailable. Funding under the Building Networks program, earmarked for NLC's Catalyst Fund Regranting program has \$1,521,460 under both purpose and time restrictions as of June 30, 2024. Over the next year, approximately \$840,000 will be used for general expenditures and to fulfill grant restrictions. Just under \$681,000 remains under time restriction for use in fiscal years after June 30, 2024 and 2025, respectively. CLLC also has several other small multi-year grants with time restrictions. In total, approximately 70% of our restricted assets are available for use throughout this coming fiscal year to cover regular operating, business, and grant-deliverable general expenditures.

The Center is cautious with investments, transparent with the Board, and diligent with fiscal planning to maintain a high level of financial security. The Center has set aside 3 months of operating expenses in a Board Designated Reserve which is held in a separate fund account at Fidelity Investments. The Center's management does not have access to these funds without prior Board approval and only if necessary. In fundraising, the Center aims for multi-year grants to assure future funding, and we diversify revenue streams to the greatest degree possible. The Center has a Board approved Investment Policy Statement and currently invests in low risk, interest-bearing financial instruments. The Center provides quarterly financial updates to the Board of Directors to identify any over-expenditures or red flags. The Center prepares budget forecasts for the next year for each program's restricted funds and budgets for indirect expenses and unrestricted funds. Based on these projections, CLLC can make spending adjustments in advance to sustain our operations.

3. Cash and Cash Equivalents

The composition of cash and cash equivalents is as follows at June 30, 2024:

Checking accounts	\$	35,786
Savings accounts		242,773
Undeposited funds		20,109
Petty cash		<u>215</u>
Total cash and cash equivalents	\$	<u><u>298,883</u></u>

4. Receivables

All accounts receivable are expected to be collected within one year of the statement of financial position date.

Grants receivable consisted of the following at June 30, 2024:

Receivable in less than one year	\$	698,963
Receivable in one to five years		<u>295,000</u>
Total grants receivable	\$	<u><u>993,963</u></u>

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

5. Investments

Investments are maintained in custodial accounts with an investment firm. The cost basis and market value of investments held are as follows at June 30, 2024:

	Basis	Fair Value
Interest bearing cash	\$ 350,851	\$ 350,777
Money market	192,151	192,151
Bonds	3,604,811	3,644,271
Total investments	\$ 4,147,813	\$ 4,187,199

The components of investment income are as follows for the year ended June 30, 2024:

Interest and dividends	\$ 103,552
Net gains and losses, realized and unrealized	45,583
Investment fees	(3,971)
Investment income (loss), net	\$ 145,164

6. Fair Value Measurements

CLLC values its investments based on the provisions of FASB ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include (1) quoted prices for similar assets in active markets (2) quoted prices for identical or similar assets in inactive markets (3) inputs other than quoted market prices that are observable from the asset (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets in the table on the following page were measured at fair value using the market approach (Level 1).

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

6. Fair Value Measurements (continued)

The following table shows the fair value category of assets at June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Interest bearing cash	\$ 350,777	\$ 350,777	\$ -	\$ -
Money market	192,151	192,151	-	-
Bonds	<u>3,644,271</u>	<u>3,644,271</u>	-	-
Total investments	<u>\$ 4,187,199</u>	<u>\$ 4,187,199</u>	<u>\$ -</u>	<u>\$ -</u>

7. Net Assets

Net assets are as follows at June 30, 2024:

Net assets without donor restrictions	
Invested in property and equipment, net of depreciation	\$ 1,159
Board designated funds	1,128,884
Undesignated	<u>1,590,283</u>
Total net assets without donor restrictions	<u>2,720,326</u>
Net assets with donor restrictions	
Subject to expenditure for specific purpose:	
International Connectivity Conservation	166,640
Building Networks	972,400
U.S. Programs	<u>215,803</u>
Total subject to expenditure for specific purpose	<u>1,354,843</u>
Subject to the passage of time:	
International Connectivity Conservation	57,000
Building Networks	590,000
U.S. Programs	50,000
Other Programs	34,118
General operations	<u>45,000</u>
Total subject to the passage of time	<u>776,118</u>
Total net assets with donor restriction	<u>2,130,961</u>
Total net assets	<u>\$ 4,851,287</u>

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8. Leases

CLLC leases office space in Bozeman and Missoula, Montana under operating leases. The lease for the Bozeman office space commenced July 1, 2023 and expired June 30, 2024, and does not contain an option to renew. Monthly lease payments for the Bozeman office space during the year ended June 30, 2024 were \$2,600 per month. See Note 12 for additional information regarding this lease. The lease for the Missoula office space commenced September 1, 2023 and expires September 1, 2025, and contains one option to renew for a term of two years. The lease is cancelable without penalty with sixty days notice. As the noncancelable term of the lease is less than twelve months, CLLC has elected to apply the short-term lease exception under ASC 842. Monthly lease payments for the Missoula office space during the year ended June 30, 2024 were \$1,400 per month. Total rent expense for all leases recognized in the statement of functional expenses for the year ended June 30, 2024 was \$45,509.

9. Health Insurance

From year to year, CLLC will choose to provide group health insurance or an allowance for employee directed coverage. For the year ended June 30 2024, CLLC paid 100% of each eligible employee's health insurance premium through a group health insurance plan. Employee health insurance expenses recognized in the statement of functional expenses for the year ended June 30, 2024 were \$121,584.

10. Retirement Plan

CLLC has established a 401k retirement plan. All employees that have attained the age of 21 and have completed at least six months and 500 hours of service are eligible to participate in the plan. Employees may contribute the maximum set by the IRS to the plan each calendar year. CLLC makes a dollar-for-dollar matching contribution for each participating employee up to 5% of the employee's annual compensation, which they are vested in immediately. CLLC's expense including matching contributions and plan fees for the years ended June 30, 2024, were \$94,918.

11. Related Party Transactions

Related party transactions consist of contributions from Board members. Contributions from Board members totaled \$608,640 for the year ended June 30, 2024.

12. Subsequent Events

Management has evaluated subsequent events through October 22, 2024, the date on which the financial statements were available to be issued.

Subsequent to year end, the lease for the Bozeman, Montana office space described in Note 8 was renewed under similar terms.