

CLIMATE CONSERVATION DBA
CENTER FOR LARGE LANDSCAPE CONSERVATION

Financial Statements As Of June 30, 2025

Together With Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Climate Conservation dba Center for Large Landscape Conservation:

Opinion

We have audited the accompanying financial statements of Climate Conservation dba Center for Large Landscape Conservation (the "Center"), which comprise the statement of financial position as of June 30, 2025, 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 the Center as of June 30, 2025, and the changes in 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 the Center 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Members:

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Independent Auditors' Report (Continued)

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 the Center'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 the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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.

JDS Professional Group

November 5, 2025

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Statement Of Financial Position
As Of June 30, 2025

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ASSETS

Current Assets:

Cash and cash equivalents	\$ 543,990
Contributions and grants receivable	617,262
Contracts receivable	30,000
Other receivables	923
Investments	3,855,278
Other current assets	7,947
Total Current Assets	<u>5,055,400</u>

Long-Term Assets:

Property and equipment, net	<u>166</u>
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TOTAL ASSETS	<u>\$ 5,055,566</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 109,362
Accrued liabilities	207,138
Contract liabilities	107,215
Total Current Liabilities	<u>423,715</u>

Net Assets:

Without donor restrictions -	
Board designated operating reserve	1,128,884
Undesignated	1,840,733
Total Without Donor Restrictions	<u>2,969,617</u>
With donor restrictions	1,662,234
Total Net Assets	<u>4,631,851</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,055,566</u>
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The accompanying notes are an integral part of the financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Statement Of Activities
For The Year Ended June 30, 2025

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	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Contributions and grants	\$ 1,117,046	\$ 2,010,125	\$ 3,127,171
Contract services	478,746		478,746
Investment income, net	169,068		169,068
Other income	1,754		1,754
Net assets released from restrictions -			
Satisfaction of time and purpose restrictions	2,478,852	(2,478,852)	
Total Support And Revenue	4,245,466	(468,727)	3,776,739
Expenses:			
Program Services	3,033,096		3,033,096
Supporting Services -			
General administrative	442,636		442,636
Fundraising	520,443		520,443
Total Supporting Services	963,079		963,079
Total Expenses	3,996,175		3,996,175
CHANGES IN NET ASSETS FROM OPERATIONS	249,291	(468,727)	(219,436)
Net Assets, Beginning Of Year	2,720,326	2,130,961	4,851,287
NET ASSETS, END OF YEAR	\$ 2,969,617	\$ 1,662,234	\$ 4,631,851

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

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Consolidated Statement Of Functional Expenses
For The Year Ended June 30, 2025

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	Program Services	Supporting Services		2025 Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 1,292,872	\$ 282,817	\$ 380,958	\$ 1,956,647
Payroll taxes	104,127	23,396	30,794	158,317
Employee benefits	209,575	42,520	55,388	307,483
Consultants	544,707			544,707
Dues and subscriptions	4,561	1,019	1,760	7,340
Grants	598,210			598,210
Meetings	156,711	11,964	11,794	180,469
Occupancy	35,223	16,468	7,815	59,506
Office expenses	24,407	20,335	12,740	57,482
Professional fees	31,458	35,585		67,043
Travel	15,583	3,475	10,039	29,097
Other expenses	15,662	5,057	9,155	29,874
Total Expenses	<u>\$ 3,033,096</u>	<u>\$ 442,636</u>	<u>\$ 520,443</u>	<u>\$ 3,996,175</u>
	<u>75.90%</u>	<u>11.08%</u>	<u>13.02%</u>	<u>100.00%</u>

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

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Statement Of Cash Flows

For The Year Ended June 30, 2025

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Cash flows from operating activities:	
Changes in net assets	\$ (219,436)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	993
Net unrealized gain on investments	(168,050)
Changes in operating assets and liabilities -	
Decrease in contributions and grants receivable	376,701
Decrease in contracts receivable	7,812
(Increase) in other receivables	(923)
(Increase) in prepayments and deposits	(3,073)
(Decrease) in accounts payable	(77,665)
(Decrease) in accrued liabilities	(37,106)
(Decrease) in contract liabilities	(134,117)
Net cash (used in) operating activities	<u>(254,864)</u>
Cash flows from investing activities:	
Purchases of investments	(1,445,752)
Sales of investments	1,945,723
Net cash provided by investing activities	<u>499,971</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	245,107
Cash And Cash Equivalents, Beginning Of Year	<u>298,883</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 543,990</u>

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

(1) **Nature Of The Organization**

Climate Conservation dba Center for Large Landscape Conservation (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 adaption 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 adaption 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.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor-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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates, and those differences could be material.

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits and money market accounts. The Center considers all highly liquid investments, except those held for long-term investments, with original maturity of three months or less to be cash equivalents.

Contracts Receivable

Contracts receivable consists entirely of reimbursements receivable from services performed on government, bilateral, other NGO and private contracts. Management provides for probable uncollectible amounts through a valuation allowance so that the net amount reflects the amount that management expects to collect. The valuation allowance is based on management's assessment of the current status of individual accounts, historical collection information, and existing economic conditions. As of June 30, 2025, management believes all accounts receivable are fully collectible and thus there is no allowance for credit losses.

Contracts receivable as of June 30, 2024	\$ 37,812
Contracts receivable as of June 30, 2025	<u><u>\$ 30,000</u></u>

Property and Equipment

Property and equipment are recorded at cost, if purchased, or fair market value at the date of donation. Acquisitions of property and equipment greater than \$3,000 that extend the useful lives of the asset are capitalized. Depreciation is provided on a straight-line basis over five to seven years.

Compensated Absences

The Organization accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated.

Measure Of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Center's ongoing program services and investment income. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

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 \$107,215 were recognized in the statement of financial position as contract liabilities as of June 30, 2025. Contract liabilities related to contracts with customers as of June 30, 2024, were \$110,382.

The Center recognizes contributions when cash, securities or other assets; or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. As of June 30, 2025, contributions and grants receivable are expected to be collected within one year.

A portion of the Center's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Center received cost-reimbursable grants of \$85,759 that have not been recognized as of June 30, 2025, because qualifying expenditures have not yet been incurred.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grants Payable

Grants payable are recorded as a liability and expense in the year in which the grant agreement is executed. Grants payable amounted to \$61,750 for the year ended June 30, 2025, which is included in accounts payable.

Methods Used For Allocation Of Expenses From Management and General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such expenses include salaries and wages, benefits and payroll taxes which are all allocated based upon estimates of time and effort.

Leases

The Center determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Center does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

The Center incurred \$49,977 of short-term lease expense during the year ended June 30, 2025.

Fair Value Measurement

The Center follows *Fair Value Measurements* which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets; |

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds and Treasury bonds: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, contracts receivable, other current assets, accounts payable, accrued liabilities and contract liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Subsequent Events

The Center has performed an evaluation of subsequent events through November 5, 2025, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Notes To Financial Statements (Continued)

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(3) Income Taxes

The Center has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code as a nonprofit organization. As such, donors are entitled to a charitable deduction for their contribution to the Center. Accordingly, the accompanying financial statements contain no provision for income taxes.

Management believes that the Center has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Center would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

The Center is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years ending prior to June 30, 2022. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions and tax credits. Although the outcome of tax audits is uncertain, the Center believes no issues would arise.

(4) Concentration Of Credit Risk

The Center's cash demand deposits are held at a financial institution at which deposits are insured up to \$250,000 by the FDIC. As of June 30, 2025, the Organization exceeded the FDIC limit by \$349,642.

(5) Investments

The following table summarizes the Centers's investments by the fair value hierarchy levels as of June 30, 2025:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	\$ 270,356	\$ 270,356		
US treasury bonds	3,583,930	3,583,930		
Total investments at fair value				
value hierarchy	3,854,286	\$ 3,854,286	\$ 0	\$ 0
Money market	992			
Total investments	<u>\$ 3,855,278</u>			

The Center's investments are held at Fidelity Investments and managed by Brown Advisory.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION

Notes To Financial Statements (Continued)

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(6) Contract Liabilities

The following table provides information about significant changes in contract liabilities due on contract fees for the year ended June 30, 2025:

Contract liabilities, beginning of year, 2024	\$ 241,332
Revenue recognized that was included in contract liabilities at the beginning of the year	(241,332)
Revenue recognized during the year	(237,414)
Increase in contract liabilities due to cash received during the year	344,629
Balance as of June 30, 2025	<u>\$ 107,215</u>

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following purposes as of June 30, 2025:

Subject to expenditure for specified purpose -	
Building networks	\$ 1,216,924
International connectivity	62,469
US program	171,821
Advancing conservation science	5,951
Special programs	153,444
Subject to passage of time -	
Time restricted	51,625
	<u>\$ 1,662,234</u>

(8) Liquidity And Availability Of Financial Assets

The Center's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 543,990
Contributions and grants receivable	617,262
Contracts receivable	30,000
Other receivables	923
Investments	3,855,278
Less those unavailable for general expenditures within one year, due to:	
Board designations	(1,128,884)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,918,569</u>

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

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, the Center can make spending adjustments in advance to sustain our operations.

(9) Retirement Plan

The Center has established a 401k retirement plan. All employees that have attained the age of 21 and have completed at least six months of service are eligible to participate in the plan. Employees may contribute the maximum set by the IRS to the plan each calendar year. The Center 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. The Center's expense including matching contributions and plan fees for the year ended June 30, 2025 was \$86,558.