

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

AUDITED FINANCIAL STATEMENTS

June 30, 2012



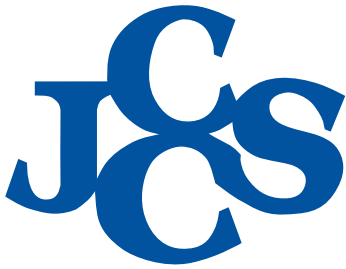
Junkermier • Clark

Campanella • Stevens • P.C.

Certified Public Accountants and Business Advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Climate Conservation DBA Center for Large Landscape Conservation
Bozeman, MT

We have audited the accompanying statements of financial position of Climate Conservation DBA Center for Large Landscape Conservation (a nonprofit organization), as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2012, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Bozeman, Montana
August 10, 2012

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF FINANCIAL POSITION
June 30, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 187,187	
Grants receivable	151,500	
Accounts receivable	<u>1,316</u>	
		\$ 340,003

FIXED ASSETS

Office equipment	9,797	
Less: accumulated depreciation	<u>(957)</u>	
		<u>8,840</u>

Totals		<u><u>\$ 348,843</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Credit card payable	\$ 3,113	
Payroll liabilities	3,927	
Retirement plan payable	<u>5,758</u>	
		\$ 12,798

NET ASSETS

Unrestricted	184,545	
Temporarily restricted	<u>151,500</u>	
		<u>336,045</u>

Totals		<u><u>\$ 348,843</u></u>
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See notes to financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
REVENUE AND SUPPORT			
Grants/foundations income	\$ 121,518	\$ 322,000	\$ 443,518
Contributions	13,243	72,480	85,723
In-kind donations	1,600	-	1,600
Satisfaction of program restrictions	<u>242,980</u>	<u>(242,980)</u>	<u>-</u>
Total support	<u>379,341</u>	<u>151,500</u>	<u>530,841</u>
EXPENSES			
Program	220,925	-	220,925
Development	17,195	-	17,195
Administration	<u>28,295</u>	<u>-</u>	<u>28,295</u>
Total expenses	<u>266,415</u>	<u>-</u>	<u>266,415</u>
OTHER INCOME (EXPENSE)			
Interest income	<u>292</u>	<u>-</u>	<u>292</u>
CHANGE IN NET ASSETS	113,218	151,500	264,718
Net assets at beginning of year	<u>71,327</u>	<u>-</u>	<u>71,327</u>
NET ASSETS AT END OF YEAR	<u>\$ 184,545</u>	<u>\$ 151,500</u>	<u>\$ 336,045</u>

See notes to financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2012

	<u>Program</u>	<u>Development</u>	<u>Administration</u>	<u>Total</u>
Bank and credit card fees	\$ -	\$ -	\$ 178	\$ 178
Depreciation	-	-	957	957
Dues and subscriptions	261	2	2	265
Employee benefits	6,585	436	2,998	10,019
Insurance	160	9	609	778
License	157	7	26	190
Management fees	5,517	-	-	5,517
Meetings	2,697	228	95	3,020
Payroll taxes	15,225	999	2,066	18,290
Postage	109	4	53	166
Printing	955	240	-	1,195
Professional fees	4,509	655	240	5,404
Rent	4,440	293	317	5,050
Salaries and wages	158,868	13,705	19,725	192,298
Science consultants	1,406	-	-	1,406
Supplies	3,304	131	359	3,794
Telephone and internet	3,734	165	154	4,053
Travel	11,707	304	361	12,372
Website	1,291	17	155	1,463
	<u>\$ 220,925</u>	<u>\$ 17,195</u>	<u>\$ 28,295</u>	<u>\$ 266,415</u>
Memorandum only:				
Percent of total expenses	<u>83 %</u>	<u>6 %</u>	<u>11 %</u>	<u>100 %</u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
STATEMENT OF CASH FLOWS
Year ended June 30, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	264,718
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		957
In-kind contribution of office equipment		(1,500)
(Increase) decrease in current assets:		
Grants receivable		(151,500)
Accounts receivable		(1,316)
Increase (decrease) in current liabilities:		
Credit cards payable		3,113
Payroll liabilities		3,927
Retirement plan payable		<u>5,758</u>
Net cash provided by operating activities	\$	124,157

CASH FLOWS USED BY INVESTING ACTIVITIES

Purchase of fixed assets		<u>(1,212)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS

122,945

Cash and cash equivalents at beginning of year

64,242

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 187,187

See notes to financial statements.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Climate Conservation DBA Center for Large Landscape Conservation (a nonprofit corporation) was incorporated January 9, 2009 and is located in Bozeman, MT. The Organization was fiscally sponsored by the WILD Foundation until June 30, 2011. The Organization began keeping separate books and records July 1, 2011, therefore, no comparative data is available to be presented.

The Organization creates strategies to solve nature's large scale challenges such as climate change and habitat fragmentation. The Organization connects, facilitates, and catalyzes community-based groups, government, industry, universities, conservation organizations, and other interested stakeholders to meet these complex challenges by building broad-based support for large landscape conservation. Ultimately, these efforts will help sustain rural livelihoods and improve the biosphere's ecological integrity.

Basis of Accounting

The financial statements of the Organization 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.

Cash and cash equivalents

For purposes of the statements of cash flows, the company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

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.

Fixed Assets

Purchased property and equipment are stated at cost. An item with a purchase price over \$1,000 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, the Organization 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.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. The Organization 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). The Organization'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.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Net Assets

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

In-Kind Support

The Organization records various types of in-kind support including professional services and fixed assets. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Advertising

The Organization expenses advertising costs when they are paid.

Allowance for Doubtful Accounts

All accounts are considered to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Functional Allocation of Expenses

The actual cost of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2012:

High Divide Program	\$ 30,000
Other - for use on all programs	<u>121,500</u>
	<u><u>\$ 151,500</u></u>

3. OPERATING LEASE

The Organization is currently renting office space at \$525 per month under a lease that expires December 31, 2012. Future minimum lease payments for the year ending June 30, 2013 are 3,150.

CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

4. RETIREMENT PLAN

The Organization 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. The Organization makes a dollar-for-dollar matching contribution for each participating employee up to 5% of the employee's compensation. The Organization's expense including matching contributions and plan fees for the year ended June 30, 2012 was \$6,819.

5. CONCENTRATION OF CREDIT RISK

The Organization deposits its cash in financial institutions. Interest bearing account balances held in financial institutions are insured by the Federal Deposit Insurance Coverage (FDIC) up to \$250,000 per bank, per depositor. In addition to that coverage, all noninterest bearing transaction accounts are fully insured, regardless of the balance of the account, at all FDIC insured institutions through December 31, 2012. At times, the account balance may exceed the institution's federally insured limits. The Organization has not experienced any losses on such accounts.

6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 10, 2012, the date on which the financial statements were available to be issued, and determined that no events have occurred subsequent to the statement of financial position date that would require adjustment to, or disclosure in, the financial statements.