

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

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2013  
(With Comparative Information for 2012)**



**Junkermier • Clark**

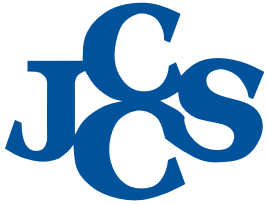
**Campanella • Stevens • P.C.**

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Certified Public Accountants and Business Advisors

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**Junkermier • Clark  
Campanella • Stevens • P.C.**

714 Stoneridge Dr, Ste 3A  
PO Box 1965  
Bozeman, MT 59771  
ph: (406) 587-1277  
fx: (406) 587-8794  
www.jccsca.com

Certified Public Accountants and Business Advisors

## **INDEPENDENT AUDITORS' REPORT**

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

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, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Climate Conservation DBA Center for Large Landscape Conservation, as of June 30, 2013, 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.

**Report on Summarized Comparative Information**

We have previously audited the Climate Conservation DBA Center for Large Landscape Conservation's 2012 financial statements, and our report dated August 10, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Bozeman, Montana  
September 19, 2013

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2013**  
**(With Comparative Totals for June 30, 2012)**

	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 252,171	\$ 187,187
Grants receivable	51,475	151,500
Accounts receivable	-	1,316
	<u>303,646</u>	<u>340,003</u>
<b>FIXED ASSETS</b>		
Office equipment	9,129	9,797
Less: accumulated depreciation	(2,105)	(957)
	<u>7,024</u>	<u>8,840</u>
Totals	<u>\$ 310,670</u>	<u>\$ 348,843</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Credit card payable	\$ 5,862	\$ 3,113
Payroll liabilities	4,767	3,927
Accrued vacation	8,878	-
Retirement plan payable	2,148	5,758
	<u>21,655</u>	<u>12,798</u>
<b>NET ASSETS</b>		
Unrestricted	158,480	184,545
Unrestricted - Board designated - Resilience Fund	25,500	-
Temporarily restricted	105,035	151,500
	<u>289,015</u>	<u>336,045</u>
Totals	<u>\$ 310,670</u>	<u>\$ 348,843</u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2013**  
**(With Comparative Totals for 2012)**

	<b>2013</b>			<b>2012</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>	<b>Totals</b>
<b>REVENUE AND SUPPORT</b>				
Grants/foundations income	\$ 28,000	\$ 230,400	\$ 258,400	\$ 443,518
Contributions	25,241	111,639	136,880	85,723
In-kind donations	-	-	-	1,600
Satisfaction of program restrictions	388,504	(388,504)	-	-
Total support	<u>441,745</u>	<u>(46,465)</u>	<u>395,280</u>	<u>530,841</u>
<b>EXPENSES</b>				
Program	357,284	-	357,284	220,925
Development	31,985	-	31,985	17,195
Administration	50,171	-	50,171	28,295
Total expenses	<u>439,440</u>	<u>-</u>	<u>439,440</u>	<u>266,415</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	280	-	280	292
Loss on disposal of fixed assets	(3,150)	-	(3,150)	-
Total other income (expense)	<u>(2,870)</u>	<u>-</u>	<u>(2,870)</u>	<u>292</u>
<b>CHANGE IN NET ASSETS</b>	(565)	(46,465)	(47,030)	264,718
Net assets at beginning of year	<u>184,545</u>	<u>151,500</u>	<u>336,045</u>	<u>71,327</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 183,980</u>	<u>\$ 105,035</u>	<u>\$ 289,015</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, 2013**  
**(With Comparative Totals for 2012)**

	<b>2013</b>			<b>2012</b>	
	<b>Program</b>	<b>Development</b>	<b>Administration</b>	<b>Totals</b>	<b>Totals</b>
Bank and credit card fees	\$ -	\$ -	\$ 290	\$ 290	\$ 178
Conference	41,313	-	-	41,313	-
Depreciation	-	-	1,498	1,498	957
Dues and subscriptions	360	-	285	645	265
Employee benefits	12,929	2,466	7,148	22,543	10,019
Insurance	1,056	29	819	1,904	778
Management fees	-	-	-	-	5,517
Meetings	4,655	105	2,851	7,611	3,020
Office expenses	3,892	497	153	4,542	5,179
Payroll taxes	16,523	1,674	2,866	21,063	18,290
Postage	191	17	189	397	166
Professional fees	3,929	1,511	2,118	7,558	5,404
Rent	7,019	878	878	8,775	5,050
Salaries and wages	216,231	20,143	30,621	266,995	192,298
Science consultants	33,664	2,854	115	36,633	1,406
Telephone and internet	2,046	220	143	2,409	4,053
Travel	11,938	1,311	-	13,249	12,372
Website	1,538	280	197	2,015	1,463
	<u>\$ 357,284</u>	<u>\$ 31,985</u>	<u>\$ 50,171</u>	<u>\$ 439,440</u>	<u>\$ 266,415</u>
Memorandum only:					
Percent of total expenses	<u>81 %</u>	<u>7 %</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, 2013**  
**(With Comparative Totals for 2012)**

	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (47,030)	\$ 264,718
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,498	957
Loss on disposal of fixed assets	3,150	-
In-kind contribution of office equipment	-	(1,500)
(Increase) decrease in current assets:		
Grants receivable	100,025	(151,500)
Accounts receivable	1,316	(1,316)
Increase (decrease) in current liabilities:		
Credit cards payable	2,749	3,113
Payroll liabilities	841	3,927
Accrued vacation	8,878	-
Retirement plan payable	(3,610)	5,758
	67,817	124,157
Net cash provided by operating activities	<u>67,817</u>	<u>124,157</u>
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(2,833)</u>	<u>(1,212)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>64,984</u>	<u>122,945</u>
Cash and cash equivalents at beginning of year	<u>187,187</u>	<u>64,242</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 252,171</u>	<u>\$ 187,187</u>

See notes to financial statements.



**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013 with Comparative Information for 2012**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Established in 2007, Climate Conservation, DBA the Center for Large Landscape Conservation (CLLC), is a non-profit corporation located in Bozeman, Montana. CLLC creates strategies to solve two of nature's large scale challenges: climate change and habitat fragmentation. Through collaboration, we seek to build an enduring constituency for large landscape conservation that will help sustain rural livelihoods and improve the biosphere's ecological integrity.

The exceptional scale and complexity of the challenges facing the planet today transcend traditional political and governmental boundaries, making it impossible for any single group to adequately address large scale conservation challenges. These challenges instead demand a new organizational strategy – one focused on building trust and human connections among diverse stakeholders. Filling this organizational niche, CLLC 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. Although we address these issues nationally, regionally, and locally, we primarily serve the Northern Rocky Mountain region, including the Crown of the Continent – an 18 million acre that includes Waterton and Glacier National Parks – and the High Divide – a critical wildlife corridor connecting Yellowstone National Park with the central Idaho wilderness.

CLLC's programs and activities seek to tackle the challenges of climate change and habitat fragmentation by developing policy, as informed by science, at the national and regional levels, which can then be implemented on-the-ground. In the Crown of the Continent, we are piloting the use of adaptive management techniques to inform climate adaptation efforts aimed at building resilience into the Crown's natural and human communities in the face of climate disturbances. There, through our Executive Director's role as Co-Director of the Roundtable of the Crown of the Continent, we work to monitor, evaluate, and strengthen ongoing climate adaptation efforts and to help connect all major land management actors, including Tribes and First Nations, rural communities, non-profit organizations, and governmental and provincial agencies. Incorporating a continual learning process, this initiative seeks to build the social fabric necessary to sustain long-term climate adaptation within the Crown that, ultimately, will serve as a model for collaborative climate adaptation in other regions.

CLLC seeks to address habitat fragmentation by focusing on our nation's highways – one of the greatest barriers to historic wildlife movement throughout the northern Rocky Mountains, home to a variety of wildlife, including grizzly and black bears, wolves, mountain lions, bighorn sheep, elk, moose, and mule deer. Every year, an estimated one to two million collisions occur between cars and large mammals in the U.S., costing Americans over \$8 billion per year (Huijser et al. 2007). CLLC is working to ensure that policy makers consider the effect of roads on wildlife during highway improvement projects in the Northern Rockies and to advance the wildlife connectivity and related safety provisions within the new transportation law, Moving Ahead for Progress in the 21st Century (MAP-21) – a watershed Act that, for the first time, authorizes states, federal and tribal managers to reduce the number of wildlife-vehicle collisions and improve connectivity for habitats disrupted by roads. CLLC is also working to identify and protect wildlife corridors and ecological connectivity across 18 western states through its participation in the Western Governor's Association's Wildlife Corridors Initiative and to coordinate the activities of ARC Solutions, [www.arc-solutions.org](http://www.arc-solutions.org), an interdisciplinary partnership working to build a wildlife crossing over I-70 in the high mountains of Colorado. By saving human lives, reducing taxpayer spending, and lowering wildlife mortality – this program capitalizes on a rare win-win-win opportunity.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013 with Comparative Information for 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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, 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.

**Income Taxes**

CLLC 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. 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.

**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.

**Allowance for Doubtful Accounts**

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

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013 with Comparative Information for 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Net Assets**

Contributions received are recorded as unrestricted or temporarily 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 restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**In-Kind Support**

CLLC records various types of in-kind support including office supplies and equipment.

**Advertising**

CLLC expenses advertising costs when they are paid.

**2. OPERATING LEASE**

CLLC is currently renting office space at \$1,500 per month under a lease that expires December 31, 2014. Future minimum lease payments for the year ending June 30, 2014, are \$18,000.

CLLC subleases office space to Defenders of Wildlife for \$290 per month under a six month lease expiring December 31, 2013. CLLC also subleases office space to Conservation Lands Foundation for \$550 per month under a one-year lease expiring June 30, 2014.

**3. 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 compensation. CLLC's expense including matching contributions and plan fees for the years ended June 30, 2013 and 2012, were \$12,213 and \$6,819, respectively.

**4. HEALTH INSURANCE**

CLLC began offering health insurance to full-time staff in July of 2012. CLLC pays \$400 per month toward each participating employee's plan.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013 with Comparative Information for 2012**

**5. TEMPORARILY RESTRICTED NET ASSETS**

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

	<b>2013</b>	<b>2012</b>
Corridors:		
National Policy Coordinator	8,500	-
Hewlett Foundation (grant receivable)	25,000	-
Summerlee Foundation (grant receivable)	10,000	-
Conservation Science:		
NW Montana Corridors	18,136	-
High Divide Corridor	3,018	30,000
Yellowstone to Yukon (grant receivable)	875	-
Conservation Science Partners	2,040	-
Pennsylvania State University	4,780	-
Crown of the Continent:		
2012 Conference	10,217	-
2013 Conference	22,019	-
CLLC Writing Fellowship	450	-
Other - for use on all programs	-	121,500
	<b>\$ 105,035</b>	<b>\$ 151,500</b>

**6. CONCENTRATION OF CREDIT RISK**

CLLC 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. CLLC has not experienced any losses on such accounts.

**7. BOARD RESTRICTED NET ASSETS**

The CLLC Resilience Fund was established in fiscal year 2013 and is maintained as a source of funding for cash flow emergencies or to initiate new programs and projects before adequate funding is secured. Any withdrawals from this fund must be approved by the Board of Directors. Funds shall be managed with long-term, low-risk investment strategies. Withdrawals shall be infrequent. The balance in the fund as of June 30, 2013 was \$25,500.

**8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 19, 2013, 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.