

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT

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

June 30, 2015  
(With Comparative Information for 2014)



**Junkermier · Clark**

**Campanella · Stevens · P.C.**

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Certified Public Accountants and Business Advisors

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

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## 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, 2015, 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, 2015, 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 2014 financial statements, and our report dated September 19, 2014, 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, 2014, 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  
November 16, 2015

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2015**  
**(With Comparative Totals for June 30, 2014)**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 453,981	\$ 293,597
Grants receivable	74,706	187,173
Accounts receivable	550	-
	<u>529,237</u>	<u>480,770</u>
FIXED ASSETS		
Office equipment	10,629	10,629
Less: Accumulated depreciation	<u>(5,967)</u>	<u>(4,036)</u>
	<u>4,662</u>	<u>6,593</u>
TOTAL ASSETS	<u>\$ 533,899</u>	<u>\$ 487,363</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Credit card payable	\$ 5,551	\$ 7,843
Payroll liabilities	6,264	6,683
Accrued vacation	6,953	6,953
Retirement plan payable	4,357	3,569
	<u>23,125</u>	<u>25,048</u>
NET ASSETS		
Unrestricted	27,673	174,410
Unrestricted - Board designated - Resilience Fund	70,554	35,528
Temporarily restricted	412,547	252,377
	<u>510,774</u>	<u>462,315</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 533,899</u>	<u>\$ 487,363</u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2015**  
**(With Comparative Totals for 2014)**

	<b>2015</b>			<b>2014</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Totals</b>	<b>Totals</b>
<b>REVENUE AND SUPPORT</b>				
Grants/foundations income	\$ 41,861	\$ 592,500	\$ 634,361	\$ 707,195
Contributions	129,522	-	129,522	101,453
In-kind donations	-	-	-	1,500
Satisfaction of program restrictions	509,481	(509,481)	-	-
	<u>680,864</u>	<u>83,019</u>	<u>763,883</u>	<u>810,148</u>
<b>EXPENSES</b>				
Program	605,369	-	605,369	526,578
Development	36,627	-	36,627	36,627
Administration	84,529	-	84,529	84,529
	<u>726,525</u>	<u>-</u>	<u>726,525</u>	<u>647,734</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	3,251	-	3,251	246
Rental income	7,850	-	7,850	10,640
	<u>11,101</u>	<u>-</u>	<u>11,101</u>	<u>10,886</u>
<b>CHANGE IN NET ASSETS</b>	(34,560)	83,019	48,459	173,300
Net assets at beginning of year	<u>132,787</u>	<u>329,528</u>	<u>462,315</u>	<u>289,015</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 98,227</u>	<u>\$ 412,547</u>	<u>\$ 510,774</u>	<u>\$ 462,315</u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year ended June 30, 2015**  
**(With Comparative Totals for 2014)**

	<b>2015</b>			<b>Totals</b>	<b>2014</b>
	<b>Program</b>	<b>Development</b>	<b>Administration</b>		<b>Totals</b>
Bank and credit card fees	\$ 43	\$ -	\$ 322	\$ 365	\$ 322
Conference	-	-	-	-	45,149
Depreciation	-	-	1,931	1,931	1,931
Dues and subscriptions	2,183	-	365	2,548	3,778
Employee benefits	29,439	1,673	7,570	38,682	36,299
Insurance	1,371	-	560	1,931	1,532
Meetings	33,828	224	294	34,346	3,965
Office expenses	12,628	-	8,272	20,900	33,765
Payroll taxes	29,162	2,643	3,994	35,799	32,595
Postage	236	26	192	454	397
Professional fees	(769)	-	8,823	8,054	8,833
Rent	129	-	19,764	19,893	20,014
Salaries and wages	311,799	30,829	31,065	373,693	333,380
Science consultants	138,376	525	-	138,901	98,589
Telephone and Internet	2,903	225	1,317	4,445	3,881
Travel	44,041	482	60	44,583	23,304
	<u>\$ 605,369</u>	<u>\$ 36,627</u>	<u>\$ 84,529</u>	<u>\$ 726,525</u>	<u>\$ 647,734</u>
Memorandum only:					
Percent of total expenses	<u>83 %</u>	<u>5 %</u>	<u>12 %</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, 2015**  
**(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 48,459	\$ 173,300
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,931	1,931
(Gain) Loss on disposal of fixed assets	-	-
In-kind contribution of office equipment	-	(1,500)
(Increase) decrease in current assets:		
Grants receivable	112,467	(135,698)
Accounts receivable	(550)	-
Increase (decrease) in current liabilities:		
Credit cards payable	(2,292)	1,982
Payroll liabilities	(419)	1,916
Accrued vacation	-	(1,925)
Retirement plan payable	788	1,420
	<u>160,384</u>	<u>41,426</u>
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>160,384</u>	<u>41,426</u>
Cash and cash equivalents at beginning of year	<u>293,597</u>	<u>252,171</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 453,981</u></u>	<u><u>\$ 293,597</u></u>

See notes to financial statements.



**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 with Comparative Information for 2014**

NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Climate Conservation, DBA the Center for Large Landscape Conservation (CLLC), was established in 2007 and is a 501(c)(3) non-profit corporation located in Bozeman, Montana. We strategically connect ideas, individuals, and institutions to catalyze collaboration and amplify progress towards the imperative of our time: to conserve Earth's resilient, vital large landscapes. Since large landscape conservation involves great geographical scales and touches many lives, it requires a collaborative effort—not something one organization can fully shoulder alone. We see ourselves as the “hub” for large landscape conservation, connecting people, organizations and resources to foster powerful solutions that respect diverse shareholders. Our vision is a dynamic collaboration of ideas, institutions, and individuals that creates a network of connected natural areas resilient to large scale environmental challenges. Our Mission: We catalyze, advance, and support large landscape conservation by:

- Building communities of invested stakeholders around large landscape issues,
- Advancing science that informs critical decision-making, and
- Advocating policies and strategies that champion ecological connectivity.

Working in partnership with local people and communities, large landscape conservation connects working lands, urban areas, and wild lands into whole, healthy landscapes that allow nature to flourish. On the ground, large landscape conservation means enhancing the conservation value of all lands, helping conserve key connections between landscapes, implementing climate adaptation initiatives, and developing other strategies to help nature remain resilient on a grand scale. We promote natural resiliency by answering to large landscape conservation's biggest challenges: the need for deeper collaboration, supportive science and strong policy.

Build Communities That Engage Invested Stakeholders

The diverse conservation challenges of large landscapes merit an equally diverse response, a collaboration between organizations, communities, companies, individuals and government. We see ourselves as the connective tissue of conservation, sparking dynamic conversations between stakeholders and catalyzing widespread, positive progress across large landscapes. People are an integral part of large landscapes too, we believe the best solutions arise when those with varied perspectives meet to find common ground and insight. To that end, we organize gatherings, facilitate conversations, and provide support communications and educational resources to deepen understanding and ongoing cooperation between those who live, work and play within large natural connected areas. We know challenges help unite people, so we help communities identify and solve shared initiatives. No one organization can single-handedly address the challenges of large landscapes conservation but one organization can build communities of invested stakeholders around large landscapes, setting the stage for collaboration and solutions on a grand scale.

Advance Science That Informs Conservation Decisions

We see science as a powerful diagnostic tool, one that can help us better discover and defend vital links between landscapes. Our work explores key landscape stressors, identifying places where maintaining connected landscapes is paramount, now and for the future. Equipped with a scientific perspective, we collaborate with partner organizations and practitioners to uphold these crucial connections. We're ever-vigilant for opportunities to merge science with large landscape goals, and we strive to make our scientific findings accessible, useful and relevant. We seek partner organizations that can benefit from our data and discoveries, supplying them with resources that amplify their on-the-ground efforts. We also look for gaps in knowledge, distilling our findings into useful tools to effectively inform decision-makers. Perhaps most importantly, we look for shared values among stakeholders, directing our scientific inquiry towards solving common problems. Allied with partners from both inside and outside the conservation world, we advance connectivity goals together, supported by a scientific grounding.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 with Comparative Information for 2014**

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advocate Policy That Champions Ecological Connectivity

We lay the groundwork for a future of large connected natural areas: intact landscapes that support wildlife while offering all the benefits of nature to those who live, work, and play nearby. We advocate for policies, plans and strategies that champion large landscape conservation via federal, state and local initiatives. Our goal is simple: to lend our policy expertise where it can best advance ecological connectivity. To that end, we create effective policies, strengthen existing ones, and refine those yet to be adopted. We encourage agencies and organizations to create 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. Transformative policy change requires open collaboration, especially working on such a large scale. We unite diverse conservation organizations, leading a collective approach to advancing policy. Partnering with organizations, agencies, and visionary leaders, we're ensuring healthy, intact landscapes for the future of both wildlife and people.

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.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 with Comparative Information for 2014**

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 space rental and equipment.

Advertising

CLLC expenses advertising costs when they are paid.

NOTE 2 -- OPERATING LEASES

CLLC is currently renting office space at \$1,500 per month under a lease that expires June 30, 2016. Future minimum lease payments for the year ending June 30, 2016, are \$18,000.

CLLC also subleases office space to Conservation Lands Foundation for \$300 per month under a month-to-month lease expiring June 30, 2016.

NOTE 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 annual compensation, which they are vested in immediately. CLLC's expense including matching contributions and plan fees for the years ended June 30, 2015 and 2014, were \$19,482 and \$16,229, respectively.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 with Comparative Information for 2014**

NOTE 4 -- HEALTH INSURANCE

Effective January 1, 2014, CLLC has changed its health care policy so that from year to year CLLC will chose to provide group health insurance or an allowance for employee directed coverage. Beginning January 1, 2014 and 2015, CLLC offered eligible employees a \$400 per month allowance to reimburse a portion of their employee directed coverage.

NOTE 5 -- TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Building Community:		
CLLC - Crown of the Continent	14,569	1,700
Kresge Foundation - Crown of the Continent	150,469	75,883
2015 Crown Conference	20,778	-
2014 Crown Conference	6,121	15,118
Citizen Science	3,000	-
Crown Adaptive Management Initiatives	30,292	10,516
GNLCC Rocky Mountain Partner Forum	12,904	12,710
Practitioners' Network	999	-
Spirituality and Conservation	42,209	-
Advancing Science:		
GNLCC Road Impacts on Corridors	-	9,257
Conservation Science Partners Research	4,495	-
Freedom to Roam	18,655	-
Advocating Policy:		
WGA Crucial Habitat Assessment Tool	11,021	40,093
Jackson Hole Wildlife Crossing	57,758	28,104
Murdock Foundation - Wild Passages	32,605	55,260
National Policy Coordinator	2,714	-
Other:		
ARC Solutions	3,958	3,286
CLLC Internship	-	450
	<u>\$ 412,547</u>	<u>\$ 252,377</u>

NOTE 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 Corporation (FDIC) up to \$250,000 per bank, per depositor. Deposits in excess of the federally insured limits were \$116,815 and zero as of June 30, 2015 and 2014, respectively.

**CLIMATE CONSERVATION DBA CENTER FOR LARGE LANDSCAPE CONSERVATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 with Comparative Information for 2014**

**NOTE 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, 2015 and 2014 was \$70,554 and \$35,528, respectively.

**NOTE 8 -- SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 16, 2015, 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.