

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

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2020 and 2019**



**AMATICS**  
CPA GROUP

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
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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 financial statements of Climate Conservation dba Center for Large Landscape Conservation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 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 Organization'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 Organization'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 Center for Large Landscape Conservation, as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Amatics CPA Group*  
Bozeman, Montana  
October 2, 2020



**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,196,867	\$ 763,954
Grants receivable	23,084	950,054
Other receivables	-	1,361
Certificate of deposit	2,571,253	1,803,286
Other current assets	3,001	79
Total current assets	3,794,205	3,518,734
<b>FIXED ASSETS</b>		
Office equipment	33,677	33,677
Less: accumulated depreciation	(9,994)	(4,048)
Total fixed assets	23,683	29,629
Total assets	\$ 3,817,888	\$ 3,548,363

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,032	\$ 27,379
Credit card payable	1,486	14,500
Payroll liabilities	20,281	14,745
Accrued vacation	84,113	54,246
Loan payable	225,100	-
Total current liabilities	359,012	110,870
<b>NET ASSETS</b>		
Without donor restrictions	1,042,823	916,403
With donor restrictions	2,416,053	2,521,090
Total net assets	3,458,876	3,437,493
Total liabilities and net assets	\$ 3,817,888	\$ 3,548,363

See notes to financial statements.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Grants/foundations income	\$ 103,332	\$ 1,543,215	\$ 1,646,547
Contributions	496,017	28,595	524,612
Contract for services	68,163	-	68,163
Investment return, net	30,598	-	30,598
Satisfaction of program restrictions	<u>1,676,847</u>	<u>(1,676,847)</u>	<u>-</u>
Total revenue and support	<u>2,374,957</u>	<u>(105,037)</u>	<u>2,269,920</u>
<b>EXPENSES</b>			
Program	1,797,409	-	1,797,409
Development	149,875	-	149,875
Administration	<u>319,524</u>	<u>-</u>	<u>319,524</u>
Total expenses	<u>2,266,808</u>	<u>-</u>	<u>2,266,808</u>
<b>OTHER INCOME</b>	<u>18,271</u>	<u>-</u>	<u>18,271</u>
<b>CHANGE IN NET ASSETS</b>	126,420	(105,037)	21,383
Net assets at beginning of year	<u>916,403</u>	<u>2,521,090</u>	<u>3,437,493</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,042,823</u></u>	<u><u>\$ 2,416,053</u></u>	<u><u>\$ 3,458,876</u></u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Grants/foundations income	\$ 148,322	\$ 3,441,922	\$ 3,590,244
Contributions	754,052	22,575	776,627
Investment return, net	3,625	-	3,625
Satisfaction of program restrictions	1,510,327	(1,510,327)	-
Total revenue and support	2,416,326	1,954,170	4,370,496
<b>EXPENSES</b>			
Program	1,380,207	-	1,380,207
Development	123,666	-	123,666
Administration	368,161	-	368,161
Total expenses	1,872,034	-	1,872,034
<b>OTHER INCOME (EXPENSE)</b>			
Other income	13,780	-	13,780
Total other income (expense)	13,780	-	13,780
<b>CHANGE IN NET ASSETS</b>			
Net assets at beginning of year	358,331	566,920	925,251
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 916,403</b>	<b>\$ 2,521,090</b>	<b>\$ 3,437,493</b>

See notes to financial statements.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2020**

	<u>Program</u>	<u>Development</u>	<u>Administration</u>	<u>Total</u>
Bank and credit card fees	\$ 2,505	\$ -	\$ 75	\$ 2,580
Communications and production	26,926	-	1,304	28,230
Consultants	151,139	15,626	3,012	169,777
Depreciation	5,946	-	-	5,946
Dues, subscriptions, registrations	17,608	1,656	934	20,198
Employee benefits	70,708	8,860	17,107	96,675
Grants to other organizations	380,794	-	-	380,794
Insurance	2,659	-	11,767	14,426
Meetings	14,264	856	223	15,343
Office expenses	26,742	1,662	16,748	45,152
Payroll taxes	73,475	7,431	13,082	93,988
Postage	257	111	289	657
Professional fees	700	3,000	30,829	34,529
Rent and occupancy	-	-	30,015	30,015
Salaries and wages	905,051	99,042	184,176	1,188,269
Telephone and internet	1,696	144	6,744	8,584
Travel	116,939	11,487	3,219	131,645
	<u>116,939</u>	<u>11,487</u>	<u>3,219</u>	<u>131,645</u>
Total expenses	<u>\$ 1,797,409</u>	<u>\$ 149,875</u>	<u>\$ 319,524</u>	<u>\$ 2,266,808</u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENT OF FUNCTIONAL EXPENSES  
Year ended June 30, 2019**

	<u>Program</u>	<u>Development</u>	<u>Administration</u>	<u>Total</u>
Bank and credit card fees	\$ 916	\$ 22	\$ 790	\$ 1,728
Communications and advertising	11,629	3,110	122,251	136,990
Consultants	217,856	8,492	1,179	227,527
Depreciation	4,048	-	-	4,048
Dues, subscriptions, registrations	17,425	1,003	5,426	23,854
Employee benefits	54,169	6,302	15,894	76,365
Grants to other organizations	165,099	-	-	165,099
Insurance	2,372	-	4,717	7,089
Meetings	17,627	958	5,641	24,226
Office expenses	48,383	2,090	1,903	52,376
Payroll taxes	55,101	6,590	10,415	72,106
Postage	1,632	4	279	1,915
Professional fees	2,876	-	22,364	25,240
Rent and occupancy	3,950	-	28,202	32,152
Salaries and wages	657,800	83,485	144,610	885,895
Telephone and internet	2,319	139	4,490	6,948
Travel	117,005	11,471	-	128,476
	<u>117,005</u>	<u>11,471</u>	<u>-</u>	<u>128,476</u>
Total expenses	<u>\$ 1,380,207</u>	<u>\$ 123,666</u>	<u>\$ 368,161</u>	<u>\$ 1,872,034</u>

See notes to financial statements.



**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
STATEMENTS OF CASH FLOWS**

	<b>Years ended June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from donors and grantors	\$ 3,099,490	\$ 3,685,121
Other cash receipts	86,433	14,119
Payments for salaries and related cost	(1,343,529)	(1,009,554)
Payments to vendors	<u>(897,213)</u>	<u>(815,413)</u>
Net cash provided by operating activities	<u>945,181</u>	<u>1,874,273</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	-	(33,677)
Net proceeds from sales (purchases) of investments	<u>(737,368)</u>	<u>(1,800,000)</u>
Net cash used by investing activities	<u>(737,368)</u>	<u>(1,833,677)</u>
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds of loan payable	<u>225,100</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	432,913	40,596
Cash and cash equivalents at beginning of year	<u>763,954</u>	<u>723,358</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 1,196,867</u></u>	<u><u>\$ 763,954</u></u>

See notes to financial statements.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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, community networking, and climate change resiliency planning. Our work defines and advances best practices in the area of landscape connectivity in the U. S. and around the world. We engage primarily in four ways. First, we support community-based planning to restore, protect, and manage large landscapes. We work with communities to plan for and restore the integrity and natural connectivity of the landscapes within which they live and work. Second, we develop and apply science to reconnect fragmented landscapes and provide safe passage for wildlife and people. Third, the Center connects professionals and decision makers to share information and resources worldwide. We serve as a hub for information, tools, news, and best practices. The Center is directly networked with over 28,000 conservation professionals and organizations around the globe. And finally, we inform new policy and law to support and accelerate large landscape conservation locally, nationally, and globally. We are developing international standards for corridors and connectivity areas, which is key to support a systems approach to protecting, restoring, and managing large landscapes.

**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 impact assessments, climate adaptation plans, resiliency and land use recommendations, and support with community outreach and engagement. We connect people who 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 at 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 lacked 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 advocate for policies, plans and strategies that champion large landscape conservation via federal, state and local initiatives. 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.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

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

**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.

**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 understand 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.

**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.

**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.

**Advertising**

CLLC expenses advertising costs when they are paid.

**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, 2020 and 2019**

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

**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 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 go towards overhead expenses, which is placed into unrestricted indirect cost funds, administration and development. This amount ranges from 0-25% based on what is allowable from the grantor and is appropriate for the purpose of the contribution. The Center aims for 20% as that is just below industry standard. Administration takes the expenses for most basic business operating costs, including office space lease, internet and phone, board meetings, office supplies, business insurance, and salary of administrative support. The Center considers these to be institutional costs vs. program costs. All other costs are program related, including fundraising. Development and fundraising covers the expenses of travel, meetings, and salary's specific to this purpose. Any other costs that may be considered shared are allocated based on primary use as well as employee's estimates of time. For example, each pay period, employee time is allocated amongst 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.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets 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 an operating reserve (see Note 2).
- *Net Assets With Donor Restrictions* – Net assets 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.

**CLIMATE CONSERVATION DBA  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

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

**Revenue Recognition**

*Contributions and Grants*

Contributions and grants are recognized as revenues in the period cash or assets are transferred or pledges are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at date of receipt.

Grants receivable and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Grants and promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows, discounted at the short term treasury bill rate. Amortization of the discount is included in contribution or grant revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Management considers all receivables to be fully collectible; therefore, no allowance has been recorded. All grants receivable as of June 30, 2020 and 2019, are classified as short term and due within one year.

*Contract for Services*

Contract for services revenues are recognized when earned. Revenues are invoiced as performance obligations are satisfied. Contracts may contain one performance obligation or multiple and the total contract price is allocated to those performance obligations.

**In-Kind Contributions**

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

**Change in Accounting Principle**

In the year ended June 30, 2020, the Organization adopted the new accounting standards related to accounting for revenue and contracts with customers (FASB Accounting Standards Updates (ASU) 2014-09 *Revenue from Contracts with Customers* and 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*).

ASU 2014-09 establishes a new contract and control-based revenue recognition model, changing the basis for deciding when revenue is recognized over time or at a point in time. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization implemented the provisions of ASU 2018-08 applicable to contributions received under a modified prospective basis. The adoption of these standards did not have a significant impact on the financial statements.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**CLIMATE CONSERVATION DBA  
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NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

**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:

Financial assets		
Cash and cash equivalents	\$	1,196,867
Certificates of deposit		2,571,253
Grants receivable		<u>23,084</u>
Financial assets, at year end	\$	3,791,204
Unavailable for general expenditure in one year		
Donor restricted funds not expected to be used within one year		<u>(1,250,700)</u>
Total financial resources available for general expenditure	\$	<u>2,540,504</u>

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, specific for NLC's Catalyst Fund Regranting program has \$1,575,000 under both purpose and time restrictions as of June 30, 2020. Over the next year, approximately \$340,000 will not be used for general expenditures, but rather it is restricted to be regranting to qualifying conservation collaboratives to fulfill a portion of the strict restrictions on these funds. Also, \$1,235,000 remains under time restriction for use in fiscal years ending June 30, 2022 and after. Of the original \$1.9 million project funds, only \$196,000 will be used to support general expenditures during this coming fiscal year (2020-2021). Under the Center's Corridors and Crossings program, approximately \$20,000 is restricted for use after the end of FY 2020-2021. In total, approximately two-thirds in assets is available for use throughout this coming fiscal year to cover regular operating, business, and grant-deliverable general expenditures and to be saved for sustained business stability.

The Center is careful to be cautious with investments, transparent with the Board, and diligent with financial planning in order to maintain financial security. The Center holds \$100,000 in a Board designated reserve in a savings account. The Center does not spend this money without prior Board approval and even then, only if absolutely necessary. In fundraising, the Center commonly aims for multi-year grants in order to assure future funding and diversify donors as much as possible. The Center also invests in low risk, interest-bearing accounts. The Center does quarterly financial updates with the Board of Directors in order to assess any over-expenditures or red flags. The Center has budget forecasts for the next year for each program's restricted funds and budgets for indirect expenses and unrestricted funds. With these projections, CLLC is able to make spending adjustments in advance in order to maintain

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**3. INVESTMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, 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 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 Reserve has the ability to access.

Level 2      Inputs to the valuation methodology include:

- 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 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.

The investment balance as of June 30, 2020 and 2019 is \$2,571,253 and \$1,803,286 and is comprised of certificates of deposit. Certificates of deposit values are based on the cost of the investment plus accumulated earnings, which approximates fair value. Certificates of deposit are reported at Level 2 within the fair value hierarchy.

**4. OPERATING LEASES**

CLLC rents office space for \$2,270 per month, under a lease agreement dated July 1, 2019, that expired June 30, 2020. This lease was renewed for another year, expiring June 30, 2021, with monthly payments of \$2,270. From September 1, 2019 through June 30, 2020, CLLC also rented an additional space with a monthly rent amount of \$235.

Future minimum lease payments for the year ending June 30, 2021, are \$27,240.

**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
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**5. CONCENTRATION OF CREDIT RISK**

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. Deposits in excess of the federally insured limits were \$711,008 and \$542,047, as of June 30, 2020 and 2019, respectively.

**6. LOAN PAYABLE**

On April 13, 2020, CLLC was granted a loan from First Security Bank (a division of Glacier Bank) in the aggregate amount of \$225,100, pursuant to the Paycheck Protection Program (PPP) under the CARES Act. The loan matures on April 13, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 13, 2020. Funds from the loan may only be used for payroll costs, group health benefits, rent, and utilities. CLLC intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Management expects the full amount of this loan to be forgiven in fiscal year 2021 so the entire balance is included in current liabilities.

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes as of June 30:

	<b>2020</b>	<b>2019</b>
Subject to expenditure for specific purpose:		
International Connectivity Conservation	\$ 103,174	\$ 67,307
Community Planning	157,000	54,388
Building Networks	1,517,637	1,105,564
National Wildlife Corridors and Crossings	301,055	187,794
Advancing Science	122,089	27,159
Other programs	191,989	131,046
	<u>2,392,944</u>	<u>1,573,258</u>
Grants receivable, proceeds of which have been restricted:		
International Connectivity Conservation	-	12,000
Community Planning	18,500	58,675
Building Networks	-	700,000
National Wildlife Corridors and Crossings	3,000	-
Advancing Science	1,609	139,652
	<u>23,109</u>	<u>910,327</u>
Subject to the passage of time:		
Grants receivable for general operations	-	37,505
	<u>\$ 2,416,053</u>	<u>\$ 2,521,090</u>



**CLIMATE CONSERVATION DBA  
CENTER FOR LARGE LANDSCAPE CONSERVATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

**8. HEALTH INSURANCE**

From year to year, CLLC will choose to provide group health insurance or an allowance for employee directed coverage. For the 2020 and 2019 calendar years, CLLC paid 100% of each eligible employee's health insurance premium through a group health insurance plan.

**9. 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, 2020 and 2019, were \$47,740 and \$32,728, respectively.

**10. SUBSEQUENT EVENTS**

**Economic Uncertainties**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could negatively impact revenues, net income and cash flows in future years, though such potential impact is unknown at this time. In April 2020, CLLC received a Paycheck Protection Program (PPP) loan through the Small Business Administration (SBA) for \$225,100 (see Note 6); management expects the full amount of this loan to be forgiven in fiscal year 2021.

**Date of Management Evaluation**

Management has evaluated subsequent events through October 2, 2020, the date on which the financial statements were available to be issued.