YELLOWSTONE TO YUKON CONSERVATION INITIATIVE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE

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holmes & turner
certified public accountants
MEMBERS OF CPAMERICA, INC.

1283 NORTH 14TH AVENUE, SUITE 201
BOZEMAN, MONTANA 59715
P: (406) 587-4265
F: (406) 586-3111

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yellowstone to Yukon Conservation Initiative

Opinion

We have audited the accompanying financial statements of Yellowstone to Yukon Conservation Initiative (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Yellowstone to Yukon Conservation Initiative as of December 31, 2022, and the changes in its 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Yellowstone to Yukon Conservation Initiative 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.

Prior Period Financial Statements

The financial statements of Yellowstone to Yukon Conservation Initiative as of December 31, 2021 were audited by other auditors whose report dated October 31, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Yellowstone to Yukon Conservation Initiative ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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 auditor’s 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 Yellowstone to Yukon Conservation Initiative'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 Yellowstone to Yukon Conservation Initiative's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with 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.

Holmes + Turner

Holmes & Turner
Bozeman, Montana
August 31, 2023

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,302,700	$ 3,514,126
Investments	320,224	415,351
Contributions receivable, net of allowances	113,349	193,949
Other current assets	12,808	-
Total current assets	4,749,081	4,123,426
Other assets		
Pledge receivable, net of discount	44,208	63,059
Total assets	$ 4,793,289	$ 4,186,485
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 6,074	$ 213,146
Payroll liabilities	8,476	-
Compensated absences	1,671	2,041
Total current liabilities	16,221	215,187
Net assets		
Without donor restrictions	3,311,860	2,545,940
With donor restriction	1,465,208	1,425,358
Total net assets	4,777,068	3,971,298
Total liabilities and net assets	$ 4,793,289	$ 4,186,485

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE			
Contributions	$ 977,279	$ 289,754	$ 1,267,033
Contributions of nonfinancial assets	11,965	-	11,965
Grants	387,500	1,732,288	2,119,788
Investment, net of fees	(101,596)	-	(101,596)
Other income	11,204	-	11,204
Net assets released from restrictions	1,982,192	(1,982,192)	-
Total support and operating revenue	3,268,544	39,850	3,308,394
EXPENSES			
Program	2,218,895	-	2,218,895
Administrative	139,472	-	139,472
Fundraising	144,257	-	144,257
Total expenses	2,502,624	-	2,502,624
Change in net assets	765,920	39,850	805,770
Net assets, beginning	2,545,940	1,425,358	3,971,298
Net assets, ending	$ 3,311,860	$ 1,465,208	$ 4,777,068

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE			
Contributions	$ 1,220,751	$ 231,411	$ 1,452,162
Grants	493,107	1,418,698	1,911,805
Investment, net of fees	55,788	-	55,788
Other income	48,825	-	48,825
Net assets released from restrictions	1,347,337	(1,347,337)	-
Total support and operating revenue	3,165,808	302,772	3,468,580
EXPENSES			
Program	1,814,340	-	1,814,340
Administration	125,302	-	125,302
Fundraising	161,094	-	161,094
Total expenses	2,100,736	-	2,100,736
Change in net assets	1,065,072	302,772	1,367,844
Net assets, beginning	1,480,868	1,122,586	2,603,454
Net assets, ending	$ 2,545,940	$ 1,425,358	$ 3,971,298

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			
	Inspire and Engage	Connect and Protect	Integrate Science Conservation	Capital Land Acquisitions	Total Program Services	Administration	Fundraising	Total Supporting Services	Total
Consulting Services	$ 11,965	$ 61,372	$ 5,000	$ 8,000	$ 86,337	$ 19,320	$ -	$ 19,320	$ 105,657
Contract Services	118,731	528,277	199,566	780,000	1,626,574	104,913	140,000	244,913	1,871,487
Insurance	-	-	-	-	-	2,114	-	2,114	2,114
Interest and bank charges	-	-	-	-	-	770	4,197	4,967	4,967
Office expenses	-	32,692	2,887	-	35,579	2,433	-	2,433	38,012
Partner Grants	15,000	14,180	-	-	29,180	-	-	-	29,180
Personnel	-	396,920	16,910	-	413,830	9,583	-	9,583	423,413
Travel expenses	(612)	25,229	2,778	-	27,395	339	60	399	27,794
Total expenses	$ 145,084	$ 1,058,670	$ 227,141	$ 788,000	$ 2,218,895	$ 139,472	$ 144,257	$ 283,729	$ 2,502,624

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services					Supporting Services			
	Inspire and Engage	Connect and Protect	Integrate Science Conservation	Capital Land Acquisitions	Total Program Services	Administration	Fundraising	Total Supporting Services	Total
Advertising and promotion	$ -	$ -	$ -	$ -	$ -	$ 1,783	$ -	$ 1,783	$ 1,783
Consulting Services	-	20,865	-	-	20,865	14,034	-	14,034	34,899
Contract Services	416,102	421,999	174,640	397,285	1,410,026	67,121	157,218	224,339	1,634,365
Insurance	-	-	-	-	-	3,765	-	3,765	3,765
Interest and bank charges	-	-	-	-	-	1,082	3,876	4,958	4,958
Office expenses	-	33,424	-	-	33,424	1,578	-	1,578	35,002
Partner Grants	-	9,500	-	-	9,500	1,537	-	1,537	11,037
Personnel	-	328,407	-	-	328,407	34,294	-	34,294	362,701
Travel expenses	-	12,118	-	-	12,118	108	-	108	12,226
Total expenses	$ 416,102	$ 826,313	$ 174,640	$ 397,285	$ 1,814,340	$ 125,302	$ 161,094	$ 286,396	$ 2,100,736

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 805,770	$ 1,367,844
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash gain on forgiveness of PPP loan	-	(48,700)
Unrealized (gain) or loss on investments	105,014	(60,158)
Changes in operating assets and liabilities:		
Grants and contributions receivable	80,599	(165,712)
Prepaid expenses	(12,808)	-
Net pledges receivable	18,851	(962)
Accrued interest receivable	-	11,144
Payroll liabilities	8,476	(1,172)
Compensated absences	(370)	-
Accounts payable	(207,071)	124,301
NET CASH FLOWS FROM OPERATING ACTIVITIES	798,461	1,226,585
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(6,469)	(349,600)
Reinvested dividends	(3,418)	(5,593)
NET CASH USED BY INVESTING ACTIVITIES	(9,887)	(355,193)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	788,574	871,392
Cash and cash equivalents at beginning of period	3,514,126	2,642,734
Cash and cash equivalents at end of period	$ 4,302,700	$ 3,514,126

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

1. SIGNIFICANT ACCOUNTING POLICIES

a. Nature of Activities

Yellowstone to Yukon Conservation Initiative (Y2Y Montana, the Organization) was incorporated in 2000 pursuant to the laws of Montana and qualifies for tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

Y2Y Montana along with Yellowstone to Yukon Conservation Initiative Society (Society) and Yellowstone to Yukon Conservation Initiative Foundation (Foundation) forms the Yellowstone to Yukon (Y2Y) group. The Y2Y group works together to fund, facilitate, and operate activities and programs that will connect and protect habitat from Yellowstone to Yukon so people and nature can thrive.

It is the intention of Y2Y Montana and the Society that the two entities operate seamlessly, with one set of programs and activities addressing the region as a whole. Only two out of ten board members are the same for both boards so there is not common control for the two organizations. Therefore, the accompanying financial statements represent only the financial position, changes in net assets, and cash flows from Y2Y Montana.

b. Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, as codified by the Financial Accounting Standards Board. 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. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

i. Without donor restrictions

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Net assets without donor restriction are used at the discretion of Y2Y Montana's management and board of directors.

ii. With donor restrictions

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. When restrictions are satisfied in the same year received, the contributions are included in net assets without donor restrictions.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of Accounting (Continued)

ii. With donor restrictions (Continued)

Restrictions are categorized based on the following programs:

- Inspire and Engage - Focused on inspiring local, regional, and global constituents to believe in and act on large landscape conservation.
- Connect and Protect - Focused on studying habitat needs of wildlife.
- Integrate Science Conservation - Focused on integrative science and application.
- Capital Land Acquisitions - Focused on land acquisitions.
- Development - Focused on raising and sustaining resources to conduct work.

c. Income Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these statements.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the IRS, generally for three years after it is filed.

d. Use of 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 the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

e. Cash and Cash Equivalents

The Organization considers all highly liquid investments that do not have donor-imposed restrictions that limit their use to long-term investment and that have an initial maturity of three months or less to be cash equivalents. The Organization's cash is deposited in accounts in which FDIC coverage is limited to $250,000. At December 31, 2022 and 2021, the bank account exceeded insured limits by approximately $2,370,000 and $1,570,000, respectively.

f. Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Grants, Contributions and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All promises to give are considered collectible.

Unconditional promises to give are recognized as an asset and contribution revenue in the period the promise is received. Pledges receivable are recorded at their net realizable value, which is net of a discount and loss allowance.

An allowance for uncollectible pledges is estimated based on management's analysis of outstanding obligations and the Organization's collection history and is recorded as an adjustment to contribution support and the allowance for uncollectible pledges during the fiscal year when the allowance is deemed necessary. Management has determined that no allowance is necessary at December 31, 2022 and 2021.

h. Revenue Recognition

The Organization's significant revenue sources include contributions and grants. For exchange transactions, revenue is recognized upon transfer of control of promised products or services to clients in an amount that reflects the consideration expected to be received in exchange for those services.

i. Contributions and Grants

Contributions and grants, including unconditional promises to give, are recognized as revenues in the period pledged. Unrestricted promises to give that are scheduled to be received after one year are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the cash is received and any purpose restrictions are met. Donor restricted contributions whose restrictions are satisfied in the same reporting period are reported as net assets without donor restrictions. 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 the date of receipt.

The Organization occasionally receives various types of in-kind support (nonfinancial assets) including contributed facilities, professional services, and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) requires specialized skills, are provided by individuals possessing those skill and would typically need to be purchased if not provided by the donations. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statement as in-kind support are offset by corresponding amounts reflected in expenses or assets.

i. Defined Contribution Plan

The Organization established a 401(k) retirement plan for all eligible employees. Eligible employees may elect to contribute up to $20,500 of their gross salary not to exceed federal tax law limitations, which may be adjusted each year based on cost of living calculations. The maximum contribution by the Organization is limited by federal tax law, and the employer match is discretionary. For the year ended December 31, 2022 the Organization contributed $6,175.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Compensated Absences

The Organization has written policies for the compensation of vacation and sick leave. The employees accrue paid vacation at a rate based on their years of service. Vacation does not continue to accrue during times in which employees are taking paid or unpaid leave from Y2Y. Employees are encouraged to take vacations each year with a maximum of 5 days of vacation allowed to be carried forward without prior approval of the Governance Committee. In addition, eligible employees will receive a maximum of 10 days of sick leave per year. Earned but unused sick leave is not paid out upon termination.

k. Reclassifications

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

l. Recently Adopted Accounting Standards

i. ASU 2016-02, Leases (Topic 842)

Effective January 1, 2022, the Organization adopted FASB ASC 842, Leases. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized in the change in net assets on a straight-line basis over the lease term. At this time the Organization does not have any commitments that meet the definition of a lease as defined in ASC 842.

ii. ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

The Organization adopted Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, effective January 1, 2022. ASU 2020-07 requires the organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The update also requires additional disclosures about contributed nonfinancial assets, such as the fair value of the assets, the method used to determine fair value, and the entity's policies for managing and using contributed nonfinancial assets.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, without donor or other restrictions limiting their uses, within one year of the date of the statement of financial position comprise the following:

	2022	2021
Cash and cash equivalents	$ 4,302,700	$ 3,514,127
Investments	320,224	415,351
Grants and member donations receivable	113,349	193,949
Less: amounts not available to be used within one year	-	(138,008)
	$ 4,736,273	$ 3,985,419

Y2Y Montana receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Y2Y Montana's exposure to liquidity risk relates to accounts payable and accrued liabilities and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Y2Y Montana manages its liquidity and reserves with the following guiding principles: operating within a prudent range of financial soundness and stability, documenting when authorized payments become due, and maintaining adequate liquid assets and reserves to fund operating needs.

3. FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America define fair value and establish a hierarchy for reporting the reliability of input measurements used to assess fair value. Fair value is the selling price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy prioritizes fair value measurements based on the types of inputs used in the valuation technique. The inputs are categorized in the following levels:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable (generally based on the organization's own assumptions).

A financial instrument's 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 following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used in 2022 from prior reporting periods

- Cash and money funds: Valued at fair value by discounting the related cash flows based on current yields of similar instruments considering the credit-worthiness of the issuer.

3. FAIR VALUE MEASUREMENTS (CONTINUED)

- Mutual funds: Valued at the net asset value (NAV). The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares held at year-end. The NAV is quoted in an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

4. INVESTMENTS

The following table presents by level, within the fair value hierarchy, the Organization's investments at fair value, as of December 31, 2022:

As of December 31, 2022	Cost	Unrealized Gains/ Losses	Fair Value (Level 1)
Mutual Funds:			
Domestic	$ 358,581	$ (38,357)	$ 320,224

As of December 31, 2021	Cost	Unrealized Gains/ Losses	Fair Value (Level 1)
Mutual Funds:			
Domestic	$ 355,193	$ 60,158	$ 415,351

Net investment income as of December 31, 2022 and 2021, is summarized as follows:

	2022	2021
Interest, dividends and realized gains, net fees	$ 3,418	$ 6,251
Correction to prior year accrued interest	-	(11,144)
Foreign exchange differences	-	523
Unrealized gains/losses	(105,014)	60,158
Total investment income	$ (101,596)	$ 55,788

5. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization received the following nonfinancial assets (i.e. gifts-in-kind) during the years ended December 31, 2022 and 2021.

	2022	2021
Event Facilities	$ 11,965	$ -
Total	$ 11,965	$ -

The Organization's policy related to nonfinancial assets (i.e. gifts-in-kind) is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

For the year ended December 31, 2022, the Organization was provided facilities for donor recognition events at no cost to the Organization. Based on the current market rates for event facilities, the Organization would have paid $11,965 for the year ended December 31, 2022.

All gifts-in-kind received by the Organization for the year ended December 31, 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

6. PLEDGE RECEIVABLE

At December 31, 2022 and 2021, the pledge receivable was comprised of the following amounts:

	2022	2021
Pledge receivable	$ 100,000	$ 100,000
Less: discount for pledge due in excess of one year	(55,792)	(36,941)
Net pledge receivable	$ 44,208	$ 63,059

The pledge will be received upon the donor's death. The discount is based on the donor's estimated life expectancy using actuarial tables and a risk-free discount rate based on U.S. Treasury obligations of 4.14% and 2.22% at December 31, 2022 and 2021, respectively. Management has considered the collectibility of this pledge and determined that no allowance for uncollectible pledge is deemed necessary.

7. RELATED PARTY TRANSACTIONS

Y2Y Montana contracts with the Society for services rendered for the purpose of carrying out its charitable activities. The Organization is related to the Society through common management and two common members on their respective Board of Directors.

7. RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended December 31, 2022 and 2021 the Organization transferred to the Society $1,121,487 and $1,237,206, respectively for contract services. There were outstanding payable balances to the Society as of December 31, 2022 and 2021 of $0 and $210,895, respectively. The outstanding receivable balance from the Society as of December 31, 2022 and 2021 was $0 and $69,405, respectively. All outstanding receivable and payable balances related to the Society were collected and disbursed before year-end given the Society's dissolution as of December 31, 2022.

8. EXPENSE ALLOCATION

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include administrative contract services, payroll expenses, and office expenses, which are allocated on the basis of estimated time and effort spent administering the programs.

9. NET ASSETS

Net assets with donor restrictions are as follows:

	2022	2021
Inspire and engage	$ 204,090	$ 14,782
Connect and protect	589,948	524,916
Integrate science conservation	250,103	410,900
Capital land acquisitions	421,067	424,760
Development	-	50,000
Total with donor restrictions	$ 1,465,208	$ 1,425,358

The Board has also designated net assets without donor restrictions of $1,500,000 as an operating reserve and $350,000 as an opportunity fund reserve.

10. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through August 31, 2023, the date the financial statements were available to be issued.