YELLOWSTONE TO YUKON CONSERVATION INITIATIVE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE

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DECEMBER 31, 2023

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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 statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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, 2023 and 2022, 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.

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.

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
October 31, 2024

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,023,323	$ 4,302,670
Investments	3,623,671	320,253
Contributions receivable, net of allowances	135,669	113,349
Prepaid expenses	28,868	12,808
Total current assets	6,811,531	4,749,080
Other assets		
Pledge receivable, net of discount	46,994	44,208
Total assets	$ 6,858,525	$ 4,793,288
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 743,953	$ 6,073
Payroll liabilities	18,853	8,476
Compensated absences	5,232	1,671
Total current liabilities	768,038	16,220
Net assets		
Without donor restrictions	3,129,301	3,311,860
With donor restriction	2,961,186	1,465,208
Total net assets	6,090,487	4,777,068
Total liabilities and net assets	$ 6,858,525	$ 4,793,288

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE			
Contributions	$ 1,002,943	$ 257,081	$ 1,260,024
Grants	553,909	3,391,643	3,945,552
Investment, net of fees	221,961	-	221,961
Other income	7,275	-	7,275
Net assets released from restrictions	2,152,746	(2,152,746)	-
Total support and operating revenue	3,938,834	1,495,978	5,434,812
EXPENSES			
Program	3,494,724	-	3,494,724
Support	626,669	-	626,669
Total expenses	4,121,393	-	4,121,393
Change in net assets	(182,559)	1,495,978	1,313,419
Net assets, beginning	3,311,860	1,465,208	4,777,068
Net assets, ending	$ 3,129,301	$ 2,961,186	$ 6,090,487

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	(90,642)	-	(90,642)
Other income	250	-	250
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
Support	283,729	-	283,729
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services								Supporting Services			
	Marcomm	Communities & Conservation Management	Policy	Science	Protect	Connect	Land	Total Program Services	Admin	Fundraising	Total Supporting Services	Total
Marketing	$ 5,234	$ 287	$ -	$ 31	$ -	$ 153	$ -	$ 5,705	$ 431	$ 10,205	$ 10,636	$ 16,341
Board costs	-	-	-	-	-	1,166	-	1,166	53,336	-	53,336	54,502
Consulting	59,512	1,350	-	20,500	-	448,342	-	529,704	32,187	17,009	49,196	578,900
Contract Services	220,755	612,338	1,812	265,067	321,344	463,637	491,442	2,376,395	230,769	219,054	449,823	2,826,218
Insurance	-	-	-	403	-	807	-	1,210	2,288	-	2,288	3,498
Interest	-	-	-	6	-	13	-	19	758	4,573	5,331	5,350
Office expenses	-	11,196	-	6,448	-	38,893	-	56,537	8,147	-	8,147	64,684
Partner Grants	-	46,000	-	-	5,000	30,900	-	81,900	-	-	-	81,900
Personnel	1,610	60,853	-	101,121	12,071	204,733	-	380,388	45,007	-	45,007	425,395
Rental	-	-	-	5,831	-	11,661	-	17,492	-	-	-	17,492
Repairs	-	-	-	363	-	725	-	1,088	2,905	-	2,905	3,993
Travel expenses	-	9,737	2,970	4,949	-	24,576	-	42,232	-	-	-	42,232
Utilities	-	-	-	296	-	592	-	888	-	-	-	888
Total expenses	$ 287,111	$ 741,761	$ 4,782	$ 405,015	$ 338,415	$ 1,226,198	$ 491,442	$ 3,494,724	$ 375,828	$ 250,841	$ 626,669	$ 4,121,393

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	Admin	Fundraising	Total Supporting Services	Total
Consulting	$ 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	-	-	-	-	-	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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,313,419	$ 805,770
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gain) or loss on investments	(83,771)	105,014
Changes in operating assets and liabilities:		
Grants and contributions receivable	(22,320)	80,599
Prepaid expenses	(16,060)	(12,808)
Net pledges receivable	(2,786)	18,851
Payroll liabilities	(10,377)	8,476
Compensated absences	(3,561)	(370)
Accounts payable	(737,879)	(207,071)
NET CASH FLOWS FROM OPERATING ACTIVITIES	436,665	798,461
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(3,919,541)	(6,469)
Sales of investments	2,341,720	-
Reinvested interest and dividends	(138,191)	(3,418)
NET CASH USED BY INVESTING ACTIVITIES	(1,716,012)	(9,887)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	(1,279,347)	788,574
Cash and cash equivalents at beginning of period	4,302,670	3,514,096
Cash and cash equivalents at end of period	$ 3,023,323	$ 4,302,670

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 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 Foundation 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)

As of December 31, 2023 restrictions are categorized based on the following programs:

- Marcomm: Focused on the Marketing and communication of all the conservation programs.
- Communities & Conservation Management: Previously grouped with the new Science program as Integrate Science Conservation. Focused on conservation within the Y2Y region.
- Policy: Focused on government and public relationship for the various programs of Y2Y.
- Science: Previously grouped with the new conservation management program as Integrate Science Conservation.
- Protect: Previously grouped with the Connect program as Connect and Protect.
- Connect: Previously grouped with the Protect program as Connect and Protect.
- Capital Land Acquisitions - Focused on providing assistance to land trusts for acquiring land. The Y2Y Group does not hold title to the land acquired.

During 2023, the Organization made changes to the program offerings. As of December 31, 2022 restrictions were 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 providing assistance to land trusts for acquiring land. The Y2Y Group does not hold title to the land acquired.
- 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 and 2022, the bank account exceeded insured limits by approximately $1,150,000 and $2,370,000, 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

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, 2023 and 2022.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Revenue Recognition (Continued)

i. Contributions and Grants (Continued)

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 $22,500 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 years ended December 31, 2023 and 2022 the Organization contributed $16,515 and $9,168, respectively.

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 2016-13, Financial Instruments - Credit Losses (Topic 326)

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Due to the lack of program and exchange related revenues, there was no impact to the Organization's financial statements.

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:

	2023	2022
Cash and cash equivalents	$ 3,023,323	$ 4,302,671
Investments	3,623,671	320,253
Grants and member donations receivable	135,669	113,349
	$ 6,782,663	$ 4,736,273

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 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, 2023:

As of December 31, 2023	Cost	Unrealized Gains/ Losses	Fair Value (Level 1)
Mutual Funds:			
Domestic	$ 444,768	$ 69,219	$ 513,987
Certificates of deposit	3,108,000	1,684	3,109,684
Total	$ 3,552,768	$ 70,903	$ 3,623,671

As of December 31, 2022	Cost	Unrealized Gains/ Losses	Fair Value (Level 1)
Mutual Funds:			
Domestic	$ 358,581	$ (38,328)	$ 320,253

Net investment income as of December 31, 2023 and 2022, is summarized as follows:

	2023	2022
Interest, dividends and realized gains, net fees	$ 138,191	$ 14,373
Unrealized gains/losses	83,770	(105,014)
Total investment income	$ 221,961	$ (90,641)

5. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization received the following nonfinancial assets (i.e. gifts-in-kind) during the years ended December 31, 2023 and 2022.

	2023	2022
Event Facilities	$ -	$ 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, 2023 and 2022, the pledge receivable was comprised of the following amounts:

	2023	2022
Pledge receivable	$ 100,000	$ 100,000
Less: discount for pledge due in excess of one year	(53,006)	(55,792)
Net pledge receivable	$ 46,994	$ 44,208

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% at December 31, 2023 and 2022, 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 Yellowstone to Yukon Conservation Initiative Foundation (the Foundation) for services rendered for the purpose of carrying out its charitable activities. The Organization is related to the Foundation through common management and two common members on their respective Board of Directors.

7. RELATED PARTY TRANSACTIONS (CONTINUED)

For the years ended December 31, 2023 and 2022 the Organization transferred to the Foundation $1,667,320 and $1,121,487, respectively for contract services. There were outstanding payable balances to the Foundation as of December 31, 2023 and 2022 of $660,997 and $0, respectively. The outstanding receivable balance from the Foundation as of December 31, 2023 and 2022 was $18,565 and $0, respectively.

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:

	2023	2022
Inspire and engage	$ -	$ 204,090
Connect and protect	-	589,948
Connect	396,195	-
Protect	285,231	-
Integrate science conservation	-	250,103
Conservation Management	1,218,643	-
Science	224,251	-
Capital land acquisitions	684,635	421,067
Marketing & Communications (Marcomm)	146,557	-
Policy	5,674	-
Total with donor restrictions	$ 2,961,186	$ 1,465,208

Board designated net assets are as follows:

	2023	2022
Opportunity reserve	$ 542,729	$ 333,951
Operating reserve	1,588,936	1,495,932
Total	$ 2,131,665	$ 1,829,883

9. NET ASSETS (CONTINUED)

- Operating Reserve: This asset pool ensures the long-term sustainability of Y2Y should there be unexpected cashflow shortfalls. Operating reserve funds are often referred to as a quasi-endowment fund, the principal of which may be spent at the discretion of the Board. As a result, the balance is included in Net Assets without Donor Restrictions.

- Opportunity Reserve: This asset pool has been set up to provide funding when new program opportunities arise. Funds may be used to investigate new programs and/or for initial funding prior to donor funding. Similar to the Operating Reserve, this reserve fund is Board designated and the balance is included in Net Assets without Donor Restrictions.

10. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through October 31, 2024, the date the financial statements were available to be issued.