

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE

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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, 2024 and 2023, 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, 2024 and 2023, 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
Bozeman, Montana
August 15, 2025

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,417,297	\$ 1,393,607
Investments	5,442,399	5,253,387
Contributions receivable	86,568	135,669
Promises to give, current	135,000	-
Prepaid expenses	26,627	28,868
Operating lease right of use asset	39,966	65,207
Total current assets	<u>7,147,857</u>	<u>6,876,738</u>
Promises to give, noncurrent	<u>416,648</u>	<u>-</u>
Total assets	<u><u>\$ 7,564,505</u></u>	<u><u>\$ 6,876,738</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 1,115,167	\$ 743,954
Payroll liabilities	-	18,853
Compensated absences	3,728	5,232
Operating lease, current	25,241	25,241
Total current liabilities	<u>1,144,136</u>	<u>793,280</u>
Operating lease, noncurrent	<u>14,633</u>	<u>39,875</u>
Total liabilities	<u>1,158,769</u>	<u>833,155</u>
Net assets		
Without donor restrictions	4,655,598	3,082,397
With donor restriction	1,750,138	2,961,186
Total net assets	<u>6,405,736</u>	<u>6,043,583</u>
Total liabilities and net assets	<u><u>\$ 7,564,505</u></u>	<u><u>\$ 6,876,738</u></u>

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND OPERATING REVENUE			
Contributions	\$ 1,834,713	\$ 564,201	\$ 2,398,914
Grants	246,690	1,732,000	1,978,690
Investment, net of fees	290,332	-	290,332
Other income	175	-	175
Net assets released from restrictions	3,507,249	(3,507,249)	-
Total support and operating revenue	<u>5,879,159</u>	<u>(1,211,048)</u>	<u>4,668,111</u>
EXPENSES			
Program	3,789,538	-	3,789,538
Support	516,420	-	516,420
Total expenses	<u>4,305,958</u>	<u>-</u>	<u>4,305,958</u>
Change in net assets	1,573,201	(1,211,048)	362,153
Net assets, beginning	3,082,397	2,961,186	6,043,583
Net assets, ending	<u>\$ 4,655,598</u>	<u>\$ 1,750,138</u>	<u>\$ 6,405,736</u>

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	\$ 1,000,156	\$ 257,081	\$ 1,257,237
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	<u>3,936,047</u>	<u>1,495,978</u>	<u>5,432,025</u>
EXPENSES			
Program	3,494,633	-	3,494,633
Support	626,669	-	626,669
Total expenses	<u>4,121,302</u>	<u>-</u>	<u>4,121,302</u>
Change in net assets	(185,255)	1,495,978	1,310,723
Net assets, beginning	3,311,860	1,465,208	4,777,068
Prior period adjustment	(44,208)	-	(44,208)
Net assets, beginning restated	<u>3,267,652</u>	<u>1,465,208</u>	<u>4,732,860</u>
Net assets, ending	<u><u>\$ 3,082,397</u></u>	<u><u>\$ 2,961,186</u></u>	<u><u>\$ 6,043,583</u></u>

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, 2024

	Program Services							Supporting Services				
	Marcomm	Communities & Conservation Management	Policy & Government Relations	Science & Knowledge	Landscape Protection	Landscape Connection	Land	Total Program Services	Admin	Fundraising	Total Supporting Services	Total
Marketing	\$ 1,653	\$ 33	\$ -	\$ -	\$ -	\$ 64	\$ -	\$ 1,750	\$ 539	\$ 5,301	\$ 5,840	\$ 7,590
Board costs	-	-	-	-	-	-	-	-	42,601	-	42,601	42,601
Consulting	9,257	534	42,256	44,241	-	60,777	-	157,065	32,282	21,558	53,840	210,905
Contract Services	100,250	708,339	195,569	245,016	397,865	347,138	646,471	2,640,648	49,022	329,793	378,815	3,019,463
Insurance	-	-	-	2,017	-	4,034	-	6,051	3,400	-	3,400	9,451
Interest	-	-	-	13	-	25	-	38	769	4,978	5,747	5,785
Office expenses	7,057	4,883	1,996	10,379	-	3,949	1,351	29,615	3,502	-	3,502	33,117
Partner Grants	-	25,301	-	-	-	30,000	-	55,301	-	-	-	55,301
Personnel	42,973	145,390	147,334	111,281	47,963	291,866	30,450	817,257	22,012	-	22,012	839,269
Rental	-	-	274	12,450	-	25,633	-	38,357	-	-	-	38,357
Repairs	-	-	-	189	-	378	-	567	-	-	-	567
Travel expenses	-	13,578	6,596	3,915	1,152	13,414	2,542	41,197	200	463	663	41,860
Utilities	-	-	-	564	-	1,128	-	1,692	-	-	-	1,692
Total expenses	<u>\$ 161,190</u>	<u>\$ 898,058</u>	<u>\$ 394,025</u>	<u>\$ 430,065</u>	<u>\$ 446,980</u>	<u>\$ 778,406</u>	<u>\$ 680,814</u>	<u>\$ 3,789,538</u>	<u>\$ 154,327</u>	<u>\$ 362,093</u>	<u>\$ 516,420</u>	<u>\$ 4,305,958</u>

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 & Government Relations	Science & Knowledge	Landscape Protection	Landscape Connection	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	-	11,570	-	17,401	-	-	-	17,401
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	<u>\$ 287,111</u>	<u>\$ 741,761</u>	<u>\$ 4,782</u>	<u>\$ 405,015</u>	<u>\$ 338,415</u>	<u>\$ 1,226,107</u>	<u>\$ 491,442</u>	<u>\$ 3,494,633</u>	<u>\$ 375,828</u>	<u>\$ 250,841</u>	<u>\$ 626,669</u>	<u>\$ 4,121,302</u>

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, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 362,153	\$ 1,310,723
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gain) or loss on investments	(94,996)	(83,771)
Changes in operating assets and liabilities:		
Grants and contributions receivable	49,102	(22,319)
Prepaid expenses	2,241	(16,060)
Net pledges receivable	(551,648)	-
Right-of-use asset	25,241	(65,207)
Operating lease	(25,242)	65,116
Payroll liabilities	(18,853)	(10,377)
Compensated absences	(1,504)	(3,561)
Accounts payable	371,212	(737,879)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>117,706</u>	<u>436,665</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,118,253)	(5,549,257)
Sales of investments	1,219,574	2,341,720
Reinvested interest and dividends	(195,337)	(138,191)
NET CASH USED BY INVESTING ACTIVITIES	<u>(94,016)</u>	<u>(3,345,728)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	23,690	(2,909,063)
Cash and cash equivalents at beginning of period	<u>1,393,607</u>	<u>4,302,670</u>
Cash and cash equivalents at end of period	<u>\$ 1,417,297</u>	<u>\$ 1,393,607</u>

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

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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.

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of Accounting (Continued)

ii. With donor restrictions (Continued)

Restrictions are categorized based on the following programs:

- Marketing and Communications (Marcomm): Focused on inspiring people to support the mission and vision of the organization, bringing awareness to the beauty and challenges of the region at large, and maintaining the reputation of the organization by providing information to supporters, partners and stakeholders on the activities and impact of the organization.
- Communities & Conservation Management: Through partnerships with landowners, communities, governments, and the outdoor recreation sector, we help people understand, embrace, and expand practices that promote safety, coexistence and harmony between people and wildlife, including planning and supporting the implementation of human-wildlife coexistence measures such as bear safe and responsible outdoor recreation.
- Policy and Government Relations: Focused on supporting local, regional, national, and international government decision-making and funding in areas that advance large landscape conservation.
- Science and Knowledge: Focused on initiating and supporting science-based research projects that advance large landscape understanding and conservation locally and globally.
- Landscape Protection: Focused on working with partners and using science and Indigenous knowledge to identify and protect core habitat critical for both people and wildlife.
- Landscape Connection: Focused on working with partners and using science and Indigenous knowledge to identify, maintain and restore key habitats and ecological corridors that improve wildlife movement across the landscape to ensure wildlife can mate, find food, thrive and survive.
- Land: Focused on providing assistance to land trusts for acquiring land. The Y2Y Group does not hold title to the land acquired.

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.

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024 and 2023, the bank account exceeded insured limits by approximately \$1,160,000 and \$1,150,000, 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 Promises to Give

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. Promises to give 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, 2024 and 2023.

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.

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Revenue Recognition (Continued)

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. Amounts reflected in the financial statements as in-kind support are offset by corresponding amounts reflected in expenses or assets. For the years ended December 31, 2024 and 2023 the Organization did not receive any in-kind support.

i. Defined Contribution Plan

The Organization established a 401(k) retirement plan for all eligible employees. Eligible employees may elect to contribute up to \$23,000 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, 2024 and 2023 the Organization contributed \$22,719 and \$16,515, 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.

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Marketing costs

Marketing costs are expensed as incurred and totaled approximately \$7,589 and \$16,341 during the years ended December 31, 2024 and 2023.

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:

	2024	2023
Cash and cash equivalents	\$ 1,417,297	\$ 1,393,607
Investments	5,442,399	5,253,387
Promises to give, current	100,000	-
Grants and member donations receivable	86,568	135,669
	<u>\$ 7,046,264</u>	<u>\$ 6,782,663</u>

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).

YELLOWSTONE TO YUKON CONSERVATION INITIATIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

3. FAIR VALUE MEASUREMENTS (CONTINUED)

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.
- 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, 2024 and 2023:

As of December 31, 2024	Cost	Unrealized Gains/ Losses	Fair Value (Level 1)
Mutual Funds:			
Domestic	\$ 372,258	\$ 134,600	\$ 506,858
Certificates of deposit	4,928,317	7,224	4,935,541
Total	<u>\$ 5,300,575</u>	<u>\$ 141,824</u>	<u>\$ 5,442,399</u>
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	4,737,716	1,684	4,739,400
Total	<u>\$ 5,182,484</u>	<u>\$ 70,903</u>	<u>\$ 5,253,387</u>

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4. INVESTMENTS (CONTINUED)

Net investment income as of December 31, 2024 and 2023, is summarized as follows:

	2024	2023
Interest, dividends and realized gains, net fees	\$ 195,336	\$ 138,191
Unrealized gains/losses	94,996	83,770
Total investment income	<u>\$ 290,332</u>	<u>\$ 221,961</u>

5. PROMISES TO GIVE

Unconditional promises to give consist of the following as of December 31, 2024 and 2023:

	2024	2023
Restricted to Nimble Private Land	\$ 45,000	\$ -
Unrestricted	600,000	-
	<u>645,000</u>	<u>-</u>
Amount due in less than one year	135,000	-
Amount due in one to five years	510,000	-
Total unconditional promises to give	<u>645,000</u>	<u>-</u>
Less: discounts to net present value	(93,352)	-
Net unconditional promises to give	<u>\$ 551,648</u>	<u>\$ -</u>

Promises to give receivable in more than one year are discounted using the risk-free discount rate based on U.S. Treasury obligations of 4.86% at December 31, 2024. Management has considered the collectibility of its promises to give and determined that no allowance for uncollectible promises to give is deemed necessary.

6. CONTRIBUTIONS RECEIVABLE

The timing of revenue recognition, billings, and cash collections results in billed contributions receivable, unbilled receivables (contract assets), and unearned revenues (contract liabilities) on the Statement of Financial Position. The beginning and ending contract balances were as follows:

	2024	2023	2022
Contributions receivable	\$ 86,568	\$ 135,669	\$ 113,349

7. OPERATING LEASES

The Organization leases an office space in Missoula, Montana. The lease is a three year term and expires July 2026 unless renewed within 60 days prior to the lease term date. Monthly rent as per the original agreement was \$2,137.33 subject to a 3% annual increase.

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7. OPERATING LEASES (CONTINUED)

The weighted-average discount rate is based on the discount rate implicit in the lease. However, the Organization has elected to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free option was applied to the lease above.

The Organization has elected to apply the short term lease exception to all leases with a term of one year or less. Lease payments for short-term leased are recognized on a straight-line basis.

Total lease costs for the years ended December 31, 2024 and 2023 are as follows:

The renewal option was not considered when assessing the value of the right of use asset, because the Organization is not reasonably certain it will exercise its option to renew the lease.

	<u>2024</u>	<u>2023</u>
Operating lease costs		
Building	\$ 38,357	\$ 17,401
Total	<u>\$ 38,357</u>	<u>\$ 17,401</u>

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term in years:		
Operating leases	1.56	2.56
Finance leases	N/A	N/A
Weighted-average discount rate:		
Operating leases	4.92%	4.92%
Finance leases	N/A	N/A

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of December 31, 2024:

December 31,	<u>Operating</u>	<u>Finance</u>
2025	\$ 26,748	\$ -
2026	15,872	-
Total lease payments	42,620	-
Less interest	<u>(2,745)</u>	<u>-</u>
Present value of lease liability	\$ 39,875	\$ -

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8. 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.

For the years ended December 31, 2024 and 2023 the Organization transferred to the Foundation \$2,649,450 and \$1,667,320, respectively for contract services. There were outstanding payable balances to the Foundation as of December 31, 2024 and 2023 of \$874,568 and \$660,997, respectively. The outstanding receivable balance from the Foundation as of December 31, 2024 and 2023 was \$62,899 and \$18,565, respectively.

9. 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.

10. NET ASSETS

Net assets with donor restrictions are as follows:

	2024	2023
Landscape Connection	\$ 406,941	\$ 396,195
Landscape Protection	306,571	285,231
Communities & Conservation Management	141,500	1,218,643
Science & Knowledge	180,588	224,251
Land	586,298	684,635
Development	5,282	-
Marketing & Communications (Marcomm)	60,458	146,557
Policy & Government Relations	62,500	5,674
Total with donor restrictions	<u>\$ 1,750,138</u>	<u>\$ 2,961,186</u>

Board designated net assets are as follows:

	2024	2023
Opportunity reserve	\$ 508,654	\$ 542,729
Operating reserve	<u>1,785,364</u>	<u>1,588,936</u>
Total	<u>\$ 2,294,018</u>	<u>\$ 2,131,665</u>

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10. 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.

11. PRIOR PERIOD ADJUSTMENT

As a result of a review of the Organization's pledges receivable, the Organization discovered that the amount receivable had been overstated in prior years. The Organization determined that a pledge previously treated as unconditional and recognized in revenue should have been treated as conditional. As such, the revenue should not have been recognized. Accordingly, the Organization restated its financial statements for the year ended December 31, 2023. The effect of the correction resulted in a decrease to beginning net assets without donor restrictions by \$44,208.

12. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through August 15, 2025, the date the financial statements were available to be issued.