Yellowstone to Yukon Conservation Initiative

Financial Statements and Report

For the years ended December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors

Yellowstone to Yukon Conservation Initiative

Canmore, Alberta

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, 2025 and 2024, and the related statements of activities and changes in net assets, 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, 2025 and 2024, and the changes in 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's 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 GAAS 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 GAAS, 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 the 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 the 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 P.C.

Holmes & Turner, P.C.
Bozeman, MT

October 5, 2026

Yellowstone to Yukon Conservation Initiative

Statements of Financial Position

As of December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 2,058,443	$ 1,417,297
Contribution receivable	56,552	86,568
Promises to give, current	115,000	135,000
Investments	6,224,954	5,442,399
Prepaid expenses	14,994	26,627
Total Current Assets	8,469,943	7,107,891
Noncurrent Assets		
Right-of-use assets, operating leases	14,725	39,966
Promises to give, noncurrent	337,691	416,648
Total Noncurrent Assets	352,416	456,614
Total Assets	8,822,359	7,564,505
Liabilities & Net Assets		
Liabilities		
Current liabilities		
Accounts payable	292,562	240,599
Related party payable	1,292,519	874,568
Payroll liabilities	22,062	
Compensated absences	7,627	3,728
Operating lease liabilities, current	14,634	25,241
Total Current liabilities	1,629,404	1,144,136
Noncurrent liabilities		
Operating lease, noncurrent		14,634
Total Liabilities	1,629,404	1,158,770
Net Assets		
Without donor restrictions	3,595,380	4,655,597
With donor Restrictions	3,597,575	1,750,138
Total Net Assets	7,192,955	6,405,735
Total Liabilities & Net Assets	$ 8,822,359	$ 7,564,505

See accompanying notes to the financial statements

Yellowstone to Yukon Conservation Initiative

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2025

	Without Donor Restriction	With Donor Restriction	Total
Support and revenues			
Contributions	$ 779,896	$ 2,039,486	$ 2,819,382
Grants	151,222	2,215,959	2,367,181
Investment return, net of fees	272,824	-	272,824
Other income	250	-	250
Net assets released from restriction	2,408,008	(2,408,008)	-
Total Support and revenues	3,612,200	1,847,437	5,459,637
Expenses			
Program	3,889,974	-	3,889,974
Support	782,443	-	782,443
Total Expenses	4,672,417	-	4,672,417
Changes in Net Assets	(1,060,217)	1,847,437	787,220
Net assets at beginning of year	4,655,597	1,750,138	6,405,735
Net Assets at End of Year	$ 3,595,380	$ 3,597,575	$ 7,192,955

See accompanying notes to the financial statements

Yellowstone to Yukon Conservation Initiative

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	$ 1,834,713	$ 564,201	$ 2,398,914
Grants	246,690	1,732,000	1,978,690
Investment return, net of fees	290,332	-	290,332
Other income	175	-	175
Net assets released from restriction	3,507,249	(3,507,249)	-
Total Support and revenues	5,879,159	(1,211,048)	4,668,111
Expenses			
Program	3,789,538	-	3,789,538
Support	516,420	-	516,420
Total Expenses	4,305,958	-	4,305,958
Changes in Net Assets	1,573,201	(1,211,048)	362,153
Net assets at beginning of year	3,082,396	2,961,186	6,043,582
Net Assets at End of Year	$ 4,655,597	$ 1,750,138	$ 6,405,735

See accompanying notes to the financial statements

Yellowstone to Yukon Conservation Initiative

Statement of Functional Expenses

For the year ended December 31, 2025

	Program Services								Supporting Services			
	Marcomm	Conservation & Communities Management	Policy & Government Relations	Science & Knowledge	Landscape Protection	Landscape Connection	Land	Total Program Services	Admin	Fundraising	Total Supporting Services	Total
Marketing	$ 8,290	$ 37	$ 450	$ -	$ -	$ 893	$ -	$ 9,670	$ 550	$ 4,678	$ 5,228	$ 14,898
Board costs	-	793	327	-	-	652	-	1,772	54,574	230	54,804	56,576
Consulting	3,384	20,353	51,425	22,260	-	164,574	-	261,996	39,097	70,482	109,579	371,575
Contract services	2,694	674,089	239,888	234,755	483,316	356,274	540,226	2,531,242	229,676	329,911	559,587	3,090,829
Dues and subscriptions	38	50	15,480	-	-	-	50	15,618	170	-	170	15,788
Insurance	-	-	300	-	-	500	-	800	12,500	-	12,500	13,300
Interest	-	-	10	-	-	17	-	27	1,434	4,553	5,987	6,014
Office expenses	4,874	4,404	3,709	-	-	3,069	-	16,056	5,182	2,530	7,712	23,768
Partner grants	-	40,725	-	-	-	25,000	-	65,725	-	-	-	65,725
Personnel	116,552	125,231	188,628	26,598	26,644	300,738	53,700	838,091	9,801	1,154	10,955	849,046
Professional development	268	21,256	5,278	21	325	8,805	761	36,714	214	3,733	3,947	40,661
Recruitment	-	3,134	497	-	-	-	-	3,631	-	-	-	3,631
Rental	-	-	15,747	-	-	27,678	-	43,425	8,354	-	8,354	51,779
Travel expenses	3,678	11,354	22,291	1,829	3,690	15,657	5,417	63,916	62	3,235	3,297	67,213
Utilities	-	-	484	-	-	807	-	1,291	323	-	323	1,614
Total expenses	$ 139,778	$ 901,426	$ 544,514	$ 285,463	$ 513,975	$ 904,664	$ 600,154	$3,889,974	$ 361,937	$ 420,506	$ 782,443	$4,672,417

See accompanying notes to the 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 and maintenance	-	-	-	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	$ 161,190	$ 898,058	$ 394,025	$ 430,065	$ 446,980	$ 778,406	$ 680,814	$3,789,538	$ 154,327	$ 362,093	$ 516,420	$4,305,958

See accompanying notes to the financial statements

Yellowstone to Yukon Conservation Initiative

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 787,220	$ 362,153
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Unrealized (gain) loss on investments	(65,842)	(94,996)
(Increase) decrease in operating assets:		
Grants and contributions receivable	30,016	49,102
Prepaid expenses	11,632	2,241
Net pledge receivable	98,957	(551,648)
Right-of-use-asset	25,241	25,241
Increase (decrease) in operating liabilities:		
Operating lease liability	(25,241)	(25,242)
Payroll Liabilities	22,062	(18,853)
Compensated Absences	3,898	(1,504)
Accounts payable	(822,605)	371,212
Related party payable	1,292,519	-
Net Cash Provided by (Used in) Operating Activities	1,357,857	117,706
Cash Flows from Investing Activities		
Proceeds from sale of investments	4,130,471	1,219,574
Reinvested interest and dividends	(206,982)	(195,337)
Purchase of investments	(4,640,200)	(1,118,253)
Net Cash Provided by (Used in) Investing Activities	(716,711)	(94,016)
Net Increase (Decrease) in Cash and Cash Equivalents	641,146	23,690
Cash and Cash Equivalents at Beginning of Year	1,417,297	1,393,607
Cash and Cash Equivalents at End of Year	2,058,443	1,417,297

Supplemental Cash Flow Information

Cash Paid During the Year for

Interest	$ 6,014	$ 5,785

See accompanying notes to the financial statements

Notes to the Financial Statements

1. Summary of 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.

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.

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, 2025 and 2024, the bank account exceeded insured limits by approximately $1,740,000 and $1,160,000, 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, 2025 and 2024.

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. 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, 2025 and 2024 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 $23,500 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, 2025 and 2024, the Organization contributed $21,907 and $22,719, 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. Marketing costs

Marketing costs are expensed as incurred and totaled approximately $14,898 and $7,589 during the years ended December 31, 2025 and 2024.

2. Liquidity and availability of resources

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:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 2,058,443	$ 1,417,297
Receivables	171,552	186,568
Investments	6,224,954	5,442,399
Total	8,454,949	7,046,264
Less those unavailable for general expenses within one year, due to:		
Donor-restricted projects	3,597,575	1,750,138
Financial assets available to meet cash needs for general expenditures within one year	$ 4,857,374	$ 5,296,126

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 Measurement

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.
- 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, 2025 and 2024:

	Fair Value Level	2025	2024
Mutual Funds: Domestic	Level 1	$ 1,425,486	$ 506,858
Certificates of deposit	Level 1	3,750,037	4,935,541
Insured bank deposits	Level 1	1,049,431	-
Total		$ 6,224,954	$ 5,442,399

Net investment income as of December 31, 2025 and 2024 is summarized as follows:

	2025	2024
Interest, dividends and realized gains (losses), net of fees	$ 206,982	$ 195,336
Unrealized gain (loss) on investments	65,842	94,996
Total	$ 272,824	$ 290,332

5. Promises To Give

Unconditional promises to give consist of the following as of December 31, 2025 and 2024:

	2025	2024
Restricted to Nimble Private Land	$ 15,000	$ 45,000
Unrestricted	500,000	600,000
	515,000	645,000
Amount due in less than one year	115,000	135,000
Amount due in one to five years	400,000	510,000
Total unconditional promises to give	515,000	645,000
Less: discounts to net present value	(62,309)	(93,352)
Net unconditional promises to give	$ 452,691	$ 551,648

Promises to give receivable in more than one year are discounted using the risk-free discount rate based on U.S. Treasury obligations of 4.79% at December 31, 2025. 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:

	2025	2024	2023
Contributions receivable	$ 56,552	$ 86,568	$ 135,669

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 to the lease term date. Monthly rent as per the original agreement was $2,137.33 subject to a 3% annual increase.

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 year ended December 31, 2025 and 2024 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.

Operating Lease Costs:	**2025**	**2024**
Building	$ 51,779	$ 38,357

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

	2025	**2024**
Weighted-average remaining lease term in years:		
Operating leases	0.56	1.56
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, 2025:

	Operating
December 31,	
2026	$ 15,873
Total lease payments	15,873
Less interest	(1,239)
Present value of lease liability	$ 14,634

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, 2025 and 2024 the Organization transferred to the Foundation $2,617,807 and $2,649,450, respectively for contract services. There were outstanding payable balances to the Foundation as of December 31, 2025 and 2024 of $1,292,519 and $874,568, respectively. The outstanding receivable balance from the Foundation as of December 31, 2024, was $62,899.

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:

	2025	2024
Landscape Connection	$ 504,565	$ 406,941
Landscape Protection	403,019	306,571
Communities and Conservation Management	344,547	141,500
Science & Knowledge	80,000	180,588
Land	2,082,564	586,298
Development	-	5,282
Marketing & Communications (Marcomm)	72,500	60,458
Policy & Government Relations	110,380	62,500
Total with donor restrictions	$ 3,597,575	$ 1,750,138

Board designated net assets are as follows:

	2025	2024
Opportunity reserve	$ 500,000	$ 508,654
Operating reserve	1,368,893	1,785,364
Total	$ 1,868,893	$ 2,294,018

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. Subsequent Events

The Organization has evaluated all subsequent events through October 5, 2026, the date the financial statements were available to be issued.