

CONSERVATION MINNESOTA AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2024 and 2023

CONSERVATION MINNESOTA AND AFFILIATES
TABLE OF CONTENTS

		<u>Page Number</u>
Independent Auditor's Report		1
FINANCIAL STATEMENTS		
Consolidated Statements of Financial Position	Statement 1	5
Consolidated Statements of Activities	Statement 2	6
Consolidated Statements of Functional Expenses	Statement 3	7
Consolidated Statements of Cash Flows	Statement 4	8
Notes to Consolidated Financial Statements		9
SUPPLEMENTAL INFORMATION		
Consolidating Statements of Financial Position	Schedule 1	17
Consolidating Statements of Activities	Schedule 2	18



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Conservation Minnesota and Affiliates
Minneapolis, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Conservation Minnesota and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Conservation Minnesota and Affiliates as of June 30, 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 the Conservation Minnesota and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Conservation Minnesota and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Organization’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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The

information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Redpath and Company, LLC".

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

January 23, 2025

FINANCIAL STATEMENTS

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

Statement 1

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$1,970,698	\$1,939,230
Grants and contributions receivable	295,000	50,000
Employee Retention Credit receivable	197,636	-
Prepaid expenses	36,548	38,766
Website, net of accumulated amortization	10,349	20,697
	<u>\$2,510,231</u>	<u>\$2,048,693</u>
Liabilities:		
Accounts payable	\$289,243	\$68,611
Accrued expenses	177,611	194,785
Total liabilities	<u>466,854</u>	<u>263,396</u>
Net assets:		
Net assets without donor restrictions:		
Undesignated	890,600	921,323
Board designated	195,534	195,534
Net assets with donor restrictions	957,243	668,440
Total net assets	<u>2,043,377</u>	<u>1,785,297</u>
	<u>\$2,510,231</u>	<u>\$2,048,693</u>
Total liabilities and net assets		

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

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For The Years Ended June 30, 2024 and 2023

Statement 2

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Grants	\$301,500	\$1,353,000	\$1,654,500	\$3,320,404	\$481,827	\$3,802,231
Contributions	1,085,228	1,273,718	2,358,946	1,062,934	186,613	1,249,547
Employee Retention Credit	197,636	-	197,636	-	-	-
Interest income	41,393	-	41,393	11,742	-	11,742
Miscellaneous income	3,338	-	3,338	-	-	-
	<u>1,629,095</u>	<u>2,626,718</u>	<u>4,255,813</u>	<u>4,395,080</u>	<u>668,440</u>	<u>5,063,520</u>
Net assets released from restrictions	<u>2,337,915</u>	<u>(2,337,915)</u>	<u>-</u>	<u>920,045</u>	<u>(920,045)</u>	<u>-</u>
Total support and revenue	<u>3,967,010</u>	<u>288,803</u>	<u>4,255,813</u>	<u>5,315,125</u>	<u>(251,605)</u>	<u>5,063,520</u>
Expenses:						
Program services	2,930,044	-	2,930,044	3,934,847	-	3,934,847
Management and general	794,005	-	794,005	795,255	-	795,255
Fundraising	273,684	-	273,684	277,992	-	277,992
Total expenses	<u>3,997,733</u>	<u>-</u>	<u>3,997,733</u>	<u>5,008,094</u>	<u>-</u>	<u>5,008,094</u>
Change in net assets	(30,723)	288,803	258,080	307,031	(251,605)	55,426
Net assets - beginning of year, restated	<u>1,116,857</u>	<u>668,440</u>	<u>1,785,297</u>	<u>809,826</u>	<u>920,045</u>	<u>1,729,871</u>
Net assets - end of year	<u>\$1,086,134</u>	<u>\$957,243</u>	<u>\$2,043,377</u>	<u>\$1,116,857</u>	<u>\$668,440</u>	<u>\$1,785,297</u>

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

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended June 30, 2024 and 2023

Statement 3

	2024			Total
	Program Services	Supporting Services		
		Management and General	Fundraising	
Expenses:				
Salaries, taxes and benefits	\$1,250,896	\$481,407	\$226,940	\$1,959,243
Contract services	360,754	202,767	10,123	573,644
Grants	365,153	-	-	365,153
Occupancy	44,067	65,194	-	109,261
Printing and copying	284,202	1,840	22,598	308,640
Postage and delivery	143,842	811	8,395	153,048
Digital communication	101,403	-	-	101,403
Database management	47,620	200	-	47,820
Website maintenance	8,405	260	-	8,665
Office expense	132,166	9,381	3,740	145,287
Travel	25,032	4,332	1,879	31,243
Conferences and meetings	38,560	8,587	9	47,156
Education and outreach	124,574	-	-	124,574
Depreciation	-	10,348	-	10,348
Insurance	3,370	8,878	-	12,248
	<u>\$2,930,044</u>	<u>\$794,005</u>	<u>\$273,684</u>	<u>\$3,997,733</u>
Total expenses	<u>\$2,930,044</u>	<u>\$794,005</u>	<u>\$273,684</u>	<u>\$3,997,733</u>
	2023			Total
Program Services	Supporting Services			
	Management and General	Fundraising		
Expenses:				
Salaries, taxes and benefits	\$1,371,127	\$463,587	\$134,944	\$1,969,658
Contract services	453,824	224,363	4,265	682,452
Grants	535,817	7,608	-	543,425
Occupancy	47,368	21,476	3,742	72,586
Printing and copying	240,327	3,372	51,162	294,861
Postage and delivery	99,815	1,515	78,105	179,435
Digital communication	585,589	26	613	586,228
Database management	42,014	15,943	3,373	61,330
Website maintenance	6,243	1,629	-	7,872
Office expense	14,644	14,717	-	29,361
Travel	8,281	11,472	38	19,791
Conferences and meetings	22,926	24,736	420	48,082
Education and outreach	492,817	-	-	492,817
Depreciation	7,244	2,380	724	10,348
Insurance	6,811	2,431	606	9,848
	<u>\$3,934,847</u>	<u>\$795,255</u>	<u>\$277,992</u>	<u>\$5,008,094</u>
Total expenses	<u>\$3,934,847</u>	<u>\$795,255</u>	<u>\$277,992</u>	<u>\$5,008,094</u>

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

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2024 and 2023

Statement 4

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$258,080	\$55,426
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,348	10,348
Change in assets and liabilities:		
Employee Retention Credit receivable	(197,636)	-
Grants and contributions receivable	(245,000)	51,000
Prepaid expenses	2,218	3,208
Accounts payable	220,632	(9,935)
Accrued expenses	<u>(17,174)</u>	<u>11,146</u>
Net cash provided by operating activities	31,468	121,193
Cash and cash equivalents - beginning of the year	<u>1,939,230</u>	<u>1,818,037</u>
Cash and cash equivalents - end of the year	<u><u>\$1,970,698</u></u>	<u><u>\$1,939,230</u></u>

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

Note 1 NATURE OF ACTIVITIES

Conservation Minnesota (hereinafter referred to as CM) is a Minnesota nonprofit corporation established in 2002 to educate private citizens and organizations concerned with conservation and the basic processes and techniques of effective participation in government and policy development. The Organization works to conserve and protect Minnesota's natural resources and its environment, to increase citizen participation in government and the democratic process, and to provide conservation information that is beneficial in decision making by individuals and their communities.

Conservation Minnesota Voter Center, Inc. (hereinafter referred to as CMVC) is a Minnesota nonprofit corporation established in 1999. It researches public opinion and government actions on conservation issues, providing reliable information to help Minnesotans make decisions that protect the health of our air, water, communities, and families. CMVC advocates common sense and practical solutions to our state's most pressing conservation issues. From expanding renewable energy and protecting our lakes from invasive species, to removing toxic chemicals from children's products, and creating jobs through expanded recycling, CMVC brings people together for the long- term health of our families and communities.

Conservation Minnesota Voter Fund (hereinafter referred to as CMVF) cultivates and partners with leaders who protect the health of Minnesota's people, communities, and environment by financial support for their elections to state office.

Climate Vote Minnesota (hereinafter referred to as CVM) is a nonpartisan organization that works to inform Minnesotans of the important climate choices they have in selecting candidates for public office and helps them identify leaders who reflect their values by championing policies that protect our climate for future generations.

CMVC has 4 Board members, all of whom are also included on CM's Board of 19 members. Additionally, CMVF and CVM do not have Board members, but all Officers of these organizations are employees of CMVC. Under U.S. GAAP, this is considered a "controlling financial interest" and thus consolidation is required. Unless otherwise noted, these consolidated entities are hereinafter referred to as "the Organization." All significant intercompany accounts and transactions have been eliminated in consolidation. Transactions between related organizations are described in Note 6.

Conservation Minnesota's program focuses include the following:

Public Education

Conservation Minnesota provides credible, non-partisan information about current and emerging issues that affect public health, water quality, and Minnesota's Great Outdoors so that individual Minnesotans can make informed decisions that protect our health and natural resources.

Public Engagement

Conservation Minnesota is guided by the priorities of Minnesotans and engages its statewide network of over 70,000 individuals and local leaders with meaningful opportunities to help solve the conservation issues that they tell us are most important.

Public Policy

Conservation Minnesota develops and advocates for public policies that ensure our cherished Minnesota lakes, lands and way of life are protected for the benefit of current and future generations.

Conservation Minnesota Voter Center's program focuses include the following:

Facts at Your Fingertips

CMVC believes in accountability. It researches public opinion and government actions so that reliable information is available to make decisions. It provides financial support to maintain and manage Conservation Minnesota's CheckMyLegislator.org website. This website makes elected officials' conservation voting records available in real time, all the time, to every Minnesotan.

Informing State Lawmakers

CMVC works to make sure state leaders have the information they need to make sound conservation decisions. This requires CMVC to build strong relationships and to always be accurate, credible, and non-partisan. Nowhere is the pragmatic and bi-partisan nature of the Organizations' work more obvious than in the Government Relations team. CMVC is committed to working with leaders of every region and political party to protect our lakes, land, and way of life. Clean water and conservation issues are too important to all Minnesotans to be partisan.

Cultivating Leaders

There are many ways that CMVC works to increase the number of state leaders working to protect our lakes, lands, and way of life. It rewards conservation champions by publicly recognizing their leadership. CMVC also works behind the scenes to recruit strong candidates to seek appointed and elected offices that impact the Great Outdoors. During elections, it provides voters with unbiased and positively presented information about the conservation records of candidates.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PRESENTATION

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), which requires the Organization to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

B. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

C. ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The outstanding debts are reviewed by management and those deemed uncollectible are written off in the year in which they become uncollectible. At June 30, 2024 and 2023, the allowance for uncollectible was \$0.

D. GRANTS AND CONTRIBUTIONS RECEIVABLE

The Organization records unconditional grants and contributions that are expected to be collected within one year are recorded at their net realizable value. Unconditional grants and contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. As of June 30, 2024 and 2023, all contributions and grants receivable were due within one year. There is no allowance for uncollectible accounts, as management believes contributions receivable are fully collectible.

E. FIXED ASSETS

The Organization records property and equipment, website design and software additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

F. NET ASSETS AND RESTRICTIONS

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

Net Assets without Donor Restrictions – net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This category includes funds that have been internally designated by the Organization.

Net Assets with Donor Restrictions – net assets subject to donor-imposed restrictions. Some donor-imposed (or certain grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restrictions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

At June 30, 2024 and 2023, the Organization had no net assets with donor restrictions that were perpetual in nature.

G. REVENUE AND REVENUE RECOGNITION

Contributions and grants are recognized when cash, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been substantially met. The Organization has contributions and grants that are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized without donor restrictions as qualifying expenditures are incurred, or other contractual conditions are met.

H. CONTRIBUTED SERVICES

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

I. FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. The Consolidated Statements of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses include salaries, taxes, and benefits, occupancy, database management, office expense, depreciation, and insurance, which are allocated on the basis of estimates of time and effort.

J. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

K. REVENUE AND RECEIVABLE CONCENTRATIONS

As of June 30, 2024, the Organization's grants and contributions receivable include amounts from one major donor comprising approximately 85% of the balance. As of June 30, 2023, the Organization's grants and contributions receivable include amounts from one major donor comprising approximately 40% of the balance.

In 2024, the Organization received approximately 27% of its total grants and contributions revenue from two major donor. In 2023, the Organization received approximately 48% of its total grants and contributions revenue from one major donor.

L. INCOME TAX STATUS

CM has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and contributions by donors are tax deductible.

CMVC is exempt from federal income tax under Code Section 501(c)(4) of the Internal Revenue Code and Minnesota Statute 290.05.

CMVF and CVM are exempt from federal income tax under Code Section 527 of the Internal Revenue Code and Minnesota Statute 26 U.S.C as political action committees (PACs).

Any unrelated business income may be subject to taxation. The Organization has not had any material unrelated business income.

A tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Organization has no uncertain income tax positions that would result in an accrual, expense, or benefit under the more likely than not standard.

CONSERVATION MINNESOTA AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

M. LEASES

For any lease with an initial term in excess of 12 months, the related leased asset and liability are recognized on the balance sheet as operating or finance leases at the inception of an agreement where it is determined that a lease exists. The Organization has elected to exclude short-term leases for all classes of underlying assets from balance sheet recognition. A lease is considered to be short-term if it contains a lease term of 12 months or less. Lease expense related to short term leases is recognized on a straight-line basis over the term of the lease.

As of June 30, 2024, CMVC has one lease that has a noncancellable lease term of 12 months or less for office space in which the expense is shared with CM. The terms of the lease are through September 2027, unless cancellable by either the lessor or lessee with a 120-day notice. The rent expense is allocated between CMVC and CM and totaled \$47,811 and \$45,703 for the years then ended June 30, 2024 and 2023, respectively.

Note 3 LIQUIDITY AND AVAILABILITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditures, that is, without donor or other restrictions limiting their use, are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$1,970,698	\$1,939,230
Grants and contributions receivable	295,000	50,000
Employee Retention Credit receivable	197,636	-
Less: amounts unavailable		
Board designated	(195,534)	(195,534)
Employee Retention Credit receivable	<u>(197,636)</u>	<u>-</u>
Total	<u>\$2,070,164</u>	<u>\$1,793,696</u>

Accounts, grants, and contributions receivable balances are subject to collection but are expected to be fully collected within one year. The Organization considers all expenditures for programs and activities which are ongoing and related to their organizational purpose be general in nature. Therefore, no assets related to purpose restricted net assets have been excluded above. Board designated amounts are excluded from assets available for general expenditure. However, in the event of an unanticipated liquidity need, these amounts could be redesignated by the Board. The Employee Retention Credit receivable is excluded from assets available for general expenditure within one year due to uncertainty regarding the timeline for receipt.

The Organization manages their liquidity and reserves following these guiding principles: operating within a prudent range of financial soundness and stability and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 4 RETIREMENT PLAN

CM is the sponsor of a 401(k) retirement plan. The Plan allows for a discretionary match for eligible employees, which vests over two years of service. Employees may make additional pre-tax contributions through payroll deductions. The Organization currently matches up to 4% of gross salaries for employees. Total plan expense for the years ended June 30, 2024 and 2023 was \$62,160 and \$65,077, respectively.

Note 5 EMPLOYEE RETENTION CREDIT

On March 27, 2020, the CARES Act was signed into law providing numerous tax provisions and other stimulus measures, including the Employee Retention Credit, which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the Employee Retention Credit. An entity is eligible for the Employee Retention Credit if it either (1) fully or partially suspended operations during any calendar quarter due to orders from an appropriate government authority limiting business activities due to COVID-19; or (2) experienced a significant decline in gross receipts during the calendar quarter.

The Organization accounted for the Employee Retention Credit as a conditional contribution under FASB ASC 958-605. During the year ended June 30, 2024, the Organization determined they were eligible and applied for the credit, and therefore recognized Employee Retention Credit revenue of \$197,636. A receivable in the amount of \$197,636 is included in the statements of financial position as of June 30, 2024.

Laws and regulations concerning government programs, including the Employee Retention Credit established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the employee retention credit, and it is not possible to determine the impact (if any) this would have upon the Organization's financial statements.

Note 6 RELATED ORGANIZATIONS

CM has a resource allocation agreement with CMVC. In this agreement, both organizations share certain resources, including office space, maintenance, and personnel. Those items are allocated on a pro-rata basis of hours worked in support of each entity. Grants are made between related organizations, which are eliminated on the Consolidated Statement of Activities.

Additionally, CM holds a zero-interest bearing line of credit agreement with CMVC in the amount of \$200,000, payable on demand. There is no balance outstanding on the line of credit as of June 30, 2024 and 2023.

Note 7 NET ASSETS WITH DONOR RESTRICTIONS

A summary of the net assets with donor restrictions at June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Conservation crew	\$337,749	\$270,300
Great outdoors	241,000	-
Natural Resources Education Program	102,662	-
Upstream	-	299,792
Lottery Coalition	-	33,458
Transparency	-	49,890
Time restricted	<u>275,832</u>	<u>15,000</u>
Total	<u>\$957,243</u>	<u>\$668,440</u>

Certain net assets with purpose restrictions are also restricted for time.

Note 8 CONTINGENCIES

Certain contributions or grants from donors are subject to special audit by the donor. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

CM received two Paycheck Protection Program (PPP) loans of \$158,300 and \$196,000 that were allocated between CM and CMVC and were fully forgiven in December of 2020 and June of 2021. The expenditures made under the PPP loan program are subject to review and audit by the SBA for six years from the date of loan forgiveness. Management believes that any liability for disallowances, which may arise as a result of an audit, would not be material.

Note 9 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for recognition and disclosure through January 23, 2025, which is the date that the report was available to be issued.

SUPPLEMENTAL INFORMATION

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
June 30, 2024

Schedule 1

	<u>CM</u>	<u>CMVC</u>	<u>CMVF</u>	<u>CVM</u>	<u>Eliminations</u>	<u>Total</u>
Assets:						
Cash and cash equivalents	\$233,541	\$1,548,225	\$2,059	\$186,873	\$ -	\$1,970,698
Due from related organizations	360,844	-	-	-	(360,844)	-
Grants and contributions receivable	285,000	10,000	-	-	-	295,000
Employee Retention Credit receivable	197,636	-	-	-	-	197,636
Prepaid expenses	31,952	4,596	-	-	-	36,548
Website, net of accumulated amortization	10,349	-	-	-	-	10,349
	<u>\$1,119,322</u>	<u>\$1,562,821</u>	<u>\$2,059</u>	<u>\$186,873</u>	<u>(\$360,844)</u>	<u>\$2,510,231</u>
Liabilities:						
Due to related organizations	\$ -	\$358,225	\$1,113	\$1,506	(\$360,844)	\$ -
Accounts payable	117,643	170,884	-	716	-	289,243
Accrued expenses	150,744	26,867	-	-	-	177,611
Total liabilities	<u>268,387</u>	<u>555,976</u>	<u>1,113</u>	<u>2,222</u>	<u>(360,844)</u>	<u>466,854</u>
Net assets:						
Net assets without donor restrictions:						
Undesignated	14,158	690,845	946	184,651	-	890,600
Board designated	120,534	75,000	-	-	-	195,534
Net assets with donor restrictions	716,243	241,000	-	-	-	957,243
Total net assets	<u>850,935</u>	<u>1,006,845</u>	<u>946</u>	<u>184,651</u>	<u>-</u>	<u>2,043,377</u>
Total liabilities and net assets	<u>\$1,119,322</u>	<u>\$1,562,821</u>	<u>\$2,059</u>	<u>\$186,873</u>	<u>(\$360,844)</u>	<u>\$2,510,231</u>

CONSERVATION MINNESOTA AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
For The Year Ended June 30, 2024

Schedule 2
Page 1 of 2

	CM			CMVC		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Grants	\$ -	\$1,255,000	\$1,255,000	\$301,500	\$98,000	\$399,500
Grants from related organizations	475,000	-	475,000	-	-	-
Contributions	406,066	867,718	1,273,784	612,067	406,000	1,018,067
Employee Retention Credit	197,636	-	197,636	-	-	-
Interest income	13,154	-	13,154	27,882	-	27,882
Miscellaneous income	-	-	-	3,338	-	3,338
	<u>1,091,856</u>	<u>2,122,718</u>	<u>3,214,574</u>	<u>944,787</u>	<u>504,000</u>	<u>1,448,787</u>
Net assets released from restrictions	2,074,915	(2,074,915)	-	263,000	(263,000)	-
Total support and revenue	<u>3,166,771</u>	<u>47,803</u>	<u>3,214,574</u>	<u>1,207,787</u>	<u>241,000</u>	<u>1,448,787</u>
Expenses:						
Program services	2,311,904	-	2,311,904	1,008,463	-	1,008,463
Management and general	629,317	-	629,317	160,482	-	160,482
Fundraising	256,718	-	256,718	16,966	-	16,966
Total expenses	<u>3,197,939</u>	<u>-</u>	<u>3,197,939</u>	<u>1,185,911</u>	<u>-</u>	<u>1,185,911</u>
Change in net assets	(31,168)	47,803	16,635	21,876	241,000	262,876
Net assets - beginning of year	<u>165,860</u>	<u>668,440</u>	<u>834,300</u>	<u>743,969</u>	<u>-</u>	<u>743,969</u>
Net assets - end of year	<u>\$134,692</u>	<u>\$716,243</u>	<u>\$850,935</u>	<u>\$765,845</u>	<u>\$241,000</u>	<u>\$1,006,845</u>

CMVF			CVM			Consolidating Total			
Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$301,500	\$1,353,000	\$1,654,500
-	-	-	-	-	-	(475,000)	-	-	-
2,005	-	2,005	65,090	-	65,090	-	1,085,228	1,273,718	2,358,946
-	-	-	-	-	-	-	197,636	-	197,636
7	-	7	350	-	350	-	41,393	-	41,393
-	-	-	-	-	-	-	3,338	-	3,338
2,012	-	2,012	65,440	-	65,440	(475,000)	1,629,095	2,626,718	4,255,813
-	-	-	-	-	-	-	2,337,915	(2,337,915)	-
2,012	-	2,012	65,440	-	65,440	(475,000)	3,967,010	288,803	4,255,813
2,851	-	2,851	81,826	-	81,826	(475,000)	2,930,044	-	2,930,044
240	-	240	3,966	-	3,966	-	794,005	-	794,005
-	-	-	-	-	-	-	273,684	-	273,684
3,091	-	3,091	85,792	-	85,792	(475,000)	3,997,733	-	3,997,733
(1,079)	-	(1,079)	(20,352)	-	(20,352)	-	(30,723)	288,803	258,080
2,025	-	2,025	205,003	-	205,003	-	1,116,857	668,440	1,785,297
\$946	\$ -	\$946	\$184,651	\$ -	\$184,651	\$ -	\$1,086,134	\$957,243	\$2,043,377