MONTANA NONPROFIT ASSOCIATION

AUDITED FINANCIAL STATEMENTS

December 31, 2025 and 2024



AMATICS
CPA GROUP

MONTANA NONPROFIT ASSOCIATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Montana Nonprofit Association
Helena, MT

Opinion
We have audited the accompanying financial statements of Montana Nonprofit Association (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montana Nonprofit Association as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Montana Nonprofit Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Montana Nonprofit Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 Montana Nonprofit Association'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 Montana Nonprofit Association'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 Summarized Comparative Information

We have previously audited Montana Nonprofit Association's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 21, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bozeman, Montana
April 29, 2026

MONTANA NONPROFIT ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	December 31	
	2025	**2024**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,498,197	$ 900,490
Accounts receivable	21,967	19,588
Grants receivable, current	90,000	190,000
Prepaid expenses	33,010	19,414
Investments	-	400,058
Total current assets	1,643,174	1,529,550
FIXED ASSETS		
Property and equipment	95,943	95,943
Less accumulated depreciation and amortization	(51,511)	(39,028)
Total fixed assets	44,432	56,915
OTHER ASSETS		
Right-of-use asset	-	32,763
Refundable unemployment reserve	18,564	16,218
Beneficial interest in assets held by others	46,282	35,671
Grants receivable, long term, net of discount	-	28,600
Total other assets	64,846	113,252
Total assets	$ 1,752,452	$ 1,699,717
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 55,939	$ 23,453
Accrued payroll liabilities	59,457	71,425
Deferred revenue	86,362	79,524
Lease liability	-	32,763
Total current liabilities	201,758	207,165
NET ASSETS		
Without donor restrictions		
Undesignated	631,097	522,676
Board designated	200,000	200,000
Board designated endowment	46,282	35,671
With donor restrictions	673,315	734,205
Total net assets	1,550,694	1,492,552
Total liabilities and net assets	$ 1,752,452	$ 1,699,717

See the accompanying notes to the financial statements.

MONTANA NONPROFIT ASSOCIATION
STATEMENTS OF ACTIVITIES
Year ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Nonprofit member dues	$ 164,092	$ -	$ 164,092	$ 144,423
Affiliate member dues	27,400	-	27,400	24,580
Sponsorships	131,023	-	131,023	87,545
Discount product fees	79,958	-	79,958	83,340
Conference and training fees	177,975	-	177,975	159,979
Contributed support	167,459	449,310	616,769	849,333
In-kind support	6,000	-	6,000	5,600
Change in value in beneficial interest in assets held by others	10,611	-	10,611	6,581
Investment income, net	28,951	-	28,951	22,264
Released from restrictions	510,200	(510,200)	-	-
Total revenue and support	1,303,669	(60,890)	1,242,779	1,383,645
EXPENSES				
Program services	996,547	-	996,547	985,759
Management and general	159,576	-	159,576	118,804
Fundraising	28,514	-	28,514	34,274
Total expenses	1,184,637	-	1,184,637	1,138,837
CHANGE IN NET ASSETS	119,032	(60,890)	58,142	244,808
Net assets at beginning of year	758,347	734,205	1,492,552	1,247,744
NET ASSETS AT END OF YEAR	$ 877,379	$ 673,315	$ 1,550,694	$ 1,492,552

See the accompanying notes to the financial statements.

MONTANA NONPROFIT ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
Year ended December 31, 2025
(with summarized information for the year ended December 31, 2024)

	Group Buying	Public Policy	Professional/ Organizational Development	Membership	Communications	General Program	Total Program	Management and General	Fundraising	2025 Total	2024 Total
Personnel	$ 2,219	$ 109,933	$ 218,731	$ 63,606	$ 66,271	$ 134,533	$ 595,293	$ 88,223	$ 25,363	$ 708,879	$ 696,973
Contracted services	1,276	18,111	184,242	2	2,836	5	206,472	24,798	1,497	232,767	238,496
Travel	-	8,059	19,851	7	-	107	28,024	1,164	-	29,188	41,870
Occupancy	708	5,111	15,772	1,974	3,473	4,178	31,216	14,481	836	46,533	40,578
Property and equipment	196	1,419	4,778	545	958	1,152	9,048	7,712	230	16,990	14,691
Other	19,173	15,411	68,464	953	20,475	2,018	126,494	23,198	588	150,280	106,229
2025 Total	$ 23,572	$ 158,044	$ 511,838	$ 67,087	$ 94,013	$ 141,993	$ 996,547	$ 159,576	$ 28,514	$ 1,184,637	
2024 Total	$ 18,068	$ 139,402	$ 543,017	$ 77,947	$ 88,551	$ 118,774	$ 985,759	$ 118,804	$ 34,274		$ 1,138,837

See the accompanying the notes to the financial statements.

MONTANA NONPROFIT ASSOCIATION
STATEMENTS OF CASH FLOWS

	Years ended December 31	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donors and grantors	$ 748,143	$ 967,317
Other cash receipts	616,238	544,822
Payments for salaries and related costs	(720,847)	(701,174)
Payments to vendors	(445,885)	(430,538)
Net cash provided by operating activities	197,649	380,427
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	-	(60,053)
Proceeds from sale of investments	400,058	21,941
Purchase of investments	-	(21,895)
Net cash provided (used) by investing activities	400,058	(60,007)
NET CHANGE IN CASH AND CASH EQUIVALENTS	597,707	320,420
Cash and cash equivalents at beginning of year	900,490	580,070
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,498,197	$ 900,490

See the accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Montana Nonprofit Association (the Association), a Montana not-for-profit Organization, is a membership organization that is organized for the following purposes: to advocate and develop public policy on sector-wide issues, to offer savings on administrative costs by offering group buying opportunities, develop organizational training and technical assistance to enhance nonprofit capacity, provide research and communications on relevant nonprofit issues, and building a network to connect and strengthen nonprofits.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board. Therefore, revenues are recorded when earned and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association considers all unrestricted cash and other highly liquid investments with a maturity of less than three months as cash equivalents.

Investments

Investments are carried at fair value. Investment gains and losses are included in the statements of activities. Fair value is determined from quoted prices in established markets.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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.

Net Assets With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

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. The expenses that are allocated include occupancy, personnel, contracted services (accounting, technology), property and equipment (depreciation) and other expenses (dues and registration, supplies), which are allocated based on staff time in each area, as tracked and reported on time sheets.

Revenue and Revenue Recognition

Program Service Revenue

Membership dues revenues are recognized over the membership period. Payment is due at the start of the membership period; amounts received in advance are deferred and recognized over the period in which the services are provided. Product fee revenues are recognized when a member purchases a product or service that generates a royalty payment for the Association. Conference and training fees are recognized when the conference or training event occurs.

Contributions and Grants

Contributions, including unconditional promises to give, are recognized as revenues in the period cash or assets are transferred or pledges are received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows, discounted at the short term treasury bill rate. Amortization of the discount is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Management considers all pledges to be fully collectible; therefore, no allowance has been recorded.

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 date of receipt.

Accounts Receivable and Allowance for Credit Losses

The Association grants credit to members for dues and to sponsors for commissions, endorsements, management fees and conference revenue. Accounts receivable consists of discounted product fees earned but not yet received as of the financial statement date. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Association may maintain an allowance for estimated credit losses resulting from the inability of members and sponsors to make required payments. Management considers the following factors when determining the collectibility of specific member or sponsor accounts: customer credit worthiness, past transaction history with customer, current economic trends, forecast of future events, and changes in customer payment terms. Management reviews accounts receivable balances that exceed the due date and based on assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management deems all to be collectible; accordingly, the allowance for credit losses is zero.

Fixed Assets

Purchased assets are carried at their historical cost. Donations of property are recorded as support at the asset's estimated fair value. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Acquisitions and improvements of property and equipment with a useful life of greater than one year and a cost of $2,500 or more are capitalized. Normal repair and maintenance costs are expensed as incurred.

Software and web development costs are capitalized at cost and amortized using the straight-line method over the length of the life of the asset, generally five years.

Depreciation and amortization expense was $12,483 and $7,293 for the years ended December 31, 2025 and 2024, respectively.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2025 and 2024, advertising expense totaled $7,408 and $9,217, respectively.

Income Taxes

The Association is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Association qualifies as a publicly supported organization under Internal Revenue Code Section 170(b)(1)(A), and therefore has made no provision for federal income taxes in the accompanying financial statements. The Association's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

Operating Lease Right-of-use Assets and Lease Liabilities

The Association obtains the right to control the use of various assets under long-term agreements. The Association evaluates contracts to determine whether they include a lease, and uses the lease non-lease component accounting policy election, for all asset classes, to account for the lease and non-lease components separately. Variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes, are recognized in operating expenses in the period in which the obligation for those payments were incurred. Qualifying leases are recognized on the statement of financial position as right-of-use assets with corresponding lease liabilities.

Reclassifications

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

2. LIQUIDITY AND AVAILABILITY

The following reflects the Association's financial assets as of December 31, reduced by amounts not available for general use within one year due to donor or other restrictions limiting their use:

	2025	2024
Financial assets		
Cash and cash equivalents	$ 1,498,197	$ 900,490
Grants receivable	90,000	220,000
Accounts receivable	21,967	19,588
Investments	-	400,058
Beneficial interest in assets held by others	46,282	35,671
	1,656,446	1,575,807
Unavailable for general expenditure in one year		
Grants due in more than one year	-	30,000
Board designated endowment	46,282	35,671
Board designated reserve	200,000	200,000
	246,282	265,671
Total financial resources available for general expenditure	$ 1,410,164	$ 1,310,136

The Association has certain donor-restricted net assets that are available for general expenditures within one year of December 31, 2025 because the restrictions on the net assets are expected to be met by conducting the normal activities of our programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

In addition, the Board has designated a reserve to ensure the long-term financial stability of the Association and to respond to varying economic conditions. This reserve is available for use at the Board's discretion, but has been included in unavailable for general expenditure in the following year as it is not expected to be utilized during the next year.

The Board has designated and transferred monies to fund with the Montana Community Foundation (the Foundation) and is reported as a beneficial interest in assets held by others to be held as an endowment. The assets are the property of the Foundation. As the fund grows and income is generated, the Association expects to receive an annual distribution from the Foundation. The balance of the fund are included in unavailable for general expenditure in the following year.

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Association also could draw upon $50,000 of an available line of credit, which is renewed annually by Board resolution (see Note 13).

3. CASH AND CASH EQUIVALENTS

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank, per depositor. The Association has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2025 and 2024, cash and cash equivalents exceeded federally insured limits in the amount of $978,405 and $615,304, respectively.

4. INVESTMENTS

As of December 31 2025, investment holdings were $0. All investment holdings were transferred to cash and cash equivalents after maturity and investments accounts were closed as of November 2025.

Investment holdings as of December 31, 2024, consisted of the following:

	Cost	Gross Unrealized Gains (Losses)	Fair Value
December 31, 2024			
Cash	$ 61	$ -	$ 61
Certificates of deposit	399,997	-	399,997
Total	$ 400,058	$ -	$ 400,058

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value. The levels of inputs are as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

5. FAIR VALUE MEASUREMENTS (Continued)

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement 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 other 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. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Further, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurement at the reporting date.

Certificates of deposit - fair value is based on cost and earnings received.

Grants receivable - fair value is reported at net realizable value if, at the time the grant is made payment is expected to be received in one year or less. Grants receivable that are expected to be collected in more than one year are reported at the discounted present value of the expected future cash flows.

Fair values of assets measured on a recurring basis at December 31, 2025 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Grants receivable	$ 90,000	$ -	$ -	$ 90,000
Beneficial interest in assets held by others	46,282	-	-	46,282
	$ 136,282	$ -	$ -	$ 136,282

Fair values of assets measured on a recurring basis at December 31, 2024 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Cash	$ 61	$ 61	$ -	$ -
Certificates of deposit	399,997	-	399,997	-
Grants receivable	218,600	-	-	218,600
Beneficial interest in assets held by others	35,671	-	-	35,671
	$ 654,329	$ 61	$ 399,997	$ 254,271

5. FAIR VALUE MEASUREMENTS (Continued)

The reconciliation of the change in grants receivable measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

	2025	2024
Grants receivable, beginning of year	$ 218,600	$ 335,900
Additional pledges	60,000	90,000
Payments received	(190,000)	(213,500)
Change in discount	1,400	6,200
Grants receivable, end of year	$ 90,000	$ 218,600

The beneficial interest in funds held by others at the Montana Community Foundation (the Foundation) has been valued, as a practical expedient, at the fair value of the Association's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundation are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held by the Montana Community Foundation are not redeemable by the Association. See Note 6.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Association's investments in financial instruments in which management has used at least on significant unobservable input in the valuation model. The following table represents a reconciliation of the activities for Level 3 financial instruments (beneficial interest in assets held by others) for the years ended December 31:

	2025	2024
Beginning balance	$ 35,671	$ 29,090
Change in value of beneficial interest in assets held by others	10,611	6,581
Ending balance	$ 46,282	$ 35,671

6. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

During the year ended December 31, 2023, the Association established a fund at the Montana Community Foundation (the Foundation). The agreement with the Foundation grants the Foundation the exclusive right, authority, and control of the funds received, that includes the income derived from the funds. The fund was established for the support of the charitable and educational purposes of the Association. Distributions from the fund will be at the discretion of the Board of the Foundation. The initial amount the Association transferred to establish the fund was $25,000. The purpose of the establishment of the fund was to begin a Board-designated endowment. See Note 11.

7. GRANTS RECEIVABLE

Grants receivable as of December 31, 2025 and 2024 are due as follows:

	2025	2024
Amounts due in:		
Less than one year	$ 90,000	$ 190,000
One to five years	-	30,000
	90,000	220,000
Less: discount to present value	-	(1,400)
Grants receivable, net of discount	90,000	218,600
Less: current portion	(90,000)	(190,000)
Grants receivable, net of discount and current portion	$ -	$ 28,600

8. FIXED ASSETS

Fixed assets consist of the following at December 31, 2025 and 2024:

	2025	2024
Computers and equipment	$ 21,871	$ 21,871
Software	14,019	14,019
Website	25,800	25,800
Vehicle	34,253	34,253
Less: accumulated depreciation and amortization	(51,511)	(39,028)
	$ 44,432	$ 56,915

9. LEASES

The Association entered into an operating lease agreement for office space with a commencement date of November 15, 2023 and a termination date of December 31, 2025. This lease agreement requires monthly lease payments of $2,850, which includes internet access, has no variable components. Lease costs associated with payments on this operating lease were $34,200 for both the years ended December 31, 2025 and 2024. The Association made $34,200 in cash payments related to this operating lease for both the years ended December 31, 2025 and 2024.

9. LEASES (Continued)

The following table shows right-of-use asset and lease liability balances as of December 31:

	2025	2024
Right-of-use asset:		
Operating lease	$ -	$ 32,763
Lease liability:		
Operating lease	$ -	$ 32,763

The weighted-average remaining lease term related to the Association's lease liability as of December 31, 2024 was 12 months. The discount rate related to the Association's lease liability as of December 31, 2024 was 8%, based on estimates of the Association's incremental borrowing rate as of the lease commencement date, as the discount rates implicit in the Association's leases cannot be readily determined.

Effective January 1, 2026 the Organization entered into an operating lease agreement for office space with a commencement date of January 1, 2026 and a termination date of December 31, 2028. The lease agreement requires monthly lease payments of $2,950, which includes internet access. The lease agreement has no variable components.

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following provides information about significant changes in the contract liabilities (deferred revenue) for the years ended December 31, 2025 and 2024:

	2025	2024
Deferred revenues, beginning of year	$ 79,524	$ 62,428
Revenue recognized that was included in deferred revenue at the beginning of the year	(79,524)	(62,428)
Increase in deferred revenue due to cash received during the year	86,362	79,524
Deferred revenues, end of year	$ 86,362	$ 79,524

11. ENDOWMENT

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence or donor-imposed restrictions.

11. ENDOWMENT (Continued)

Interpretation of Relevant Law

The Association has interpreted the Montana Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by MUPMIFA. The Association does not hold any donor-restricted endowment funds as of December 31, 2025 and 2024.

In accordance with MUPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of the Association and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation; and
(7) The investment policies of the Foundation.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original contribution value. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets without donor restrictions. There were no deficiencies of these funds as of December 31, 2025 or 2024.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include board designated funds. The general investment objective is to provide a reasonable current rate of return as well as the potential for long-term growth of income to maintain the purchasing power of the fund over the longer term. The Association expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the board of directors and to grow fund assets. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Endowment assets are managed and invested by the Montana Community Foundation.

11. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Association has a policy of appropriating a spending distribution for the endowment annually. This spending distribution is limited to the earnings on the fund. In establishing this policy, the Association considered the Association's intent of the fund purpose as well as the long-term expected return on its endowment. Accordingly, over the long-term, the Association expects the current spending policy to allow its endowment to grow. This is consistent with the donors' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
December 31, 2025:			
Board designated endowment funds			
Beneficial interest in assets held by others	$ 46,282	$ -	$ 46,282
December 31, 2024:			
Board designated endowment funds			
Beneficial interest in assets held by others	$ 35,671	$ -	$ 35,671

Changes in endowment net assets for the year ended December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2023	$ 29,090	$ -	$ 29,090
Change in value of beneficial interest in assets held by others	6,581	-	6,581
Endowment net assets, December 31, 2024	35,671	-	35,671
Change in value of beneficial interest in assets held by others	10,611	-	10,611
Endowment net assets, December 31, 2025	$ 46,282	$ -	$ 46,282

The beneficial interest in assets held by others is held by the Montana Community Foundation (the Foundation). The assets are comprised of funds contributed by the Association to the Foundation. The fund is reflected on the accompanying statement of financial position as an asset and related earnings are included in revenue. The amount held by the Montana Community Foundation as of December 31, 2025 and 2024 were $46,282 and $35,671, respectively.

12. UNEMPLOYMENT INSURANCE

The Association maintains an unemployment program and contracts with a third party for stop-loss coverage in the event unemployment claims exceed $30,000, up to $90,000. The Association would be responsible for paying the first $30,000 in claims and any costs above $90,000 in total claims. Management is not aware of any unemployment claims. Accordingly, no liability has been recorded as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, the Association has deposited $18,564 and $16,218, respectively, with First Nonprofit Insurance Trust that can be used towards payment of claims, if any, and is included in other assets in the statements of financial position.

13. LINE OF CREDIT

The Association maintains a revolving line of credit at First Interstate bank in the amount of $50,000, collateralized by the assets of the Association. The interest rate at December 31, 2025 was 6.75%. There was no balance on the line of credit as December 31, 2025 or 2024. The line of credit had a maturity date of April 2026, which was subsequently renewed through April 2027.

14. RETIREMENT PLAN

The Association has a defined contribution SEP plan. The Association makes matching contributions of up to 3% of compensation after one year of employment. The Association made contributions totaling $16,505 and $13,643 to the plan for the years ended December 31, 2025 and 2024, respectively.

15. CONTRIBUTED NONFINANCIAL ASSETS

The Association records various types of in-kind support. The fair value of donated services and goods included as contributions in the financial statements for the year ended December 31, 2025, are as follows:

	Program	Management and General	Fundraising	Total
Other expenses	$ 6,000	$ -	$ -	$ 6,000

The fair value of donated services and goods included as contributions in the financial statements for the year ended December 31, 2024, are as follows:

	Program	Management and General	Fundraising	Total
Other expenses	$ 5,600	$ -	$ -	$ 5,600

Other Expenses
Other expenses are valued at estimated fair value based on retail prices or comparable rates to obtain similar services.

16. BOARD DESIGNATED NET ASSETS

The Board of Directors has designated net assets to be held as a reserve to ensure the long-term financial stability of the Association and to respond to varying economic conditions and other changes that could affect the ability of the Association to carry out its mission. Board designated net assets for both the years ended December 31, 2025 and 2024 were $200,000.

The Board of Directors has designated net assets to be held as an endowment with the Montana Community Foundation. The Association's purpose of the endowment is to grow over time and have an annual distribution of income generated. See Notes 6 and 11.

17. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of assets with time and/or purpose restrictions as follows at December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for specific purpose:		
Furniture and fixtures	$ -	$ 6,000
Program and organizational development	46,100	52,100
Public policy training	92,215	97,505
Leadership development program	225,000	-
Grants receivable, proceeds of which have been restricted:		
Program and organizational development	50,000	58,600
Subject to the passage of time:		
Funds to be used for 2025 general operations	-	180,000
Funds to be used for 2026 general operations	220,000	180,000
Grants receivable with no donor restrictions	40,000	160,000
	$ 673,315	$ 734,205

18. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by expiration of time or satisfaction of other donor requirements for the years ended December 31, 2025 and 2024:

	2025	2024
Furniture	$ 6,000	$ -
Networks	1,600	-
Program and organizational development	100,600	129,900
Public policy training	62,000	60,860
Time restrictions	340,000	152,400
Training	-	39,080
Total released from restrictions	$ 510,200	$ 382,240

19. SUBSEQUENT EVENTS

Date of Management Evaluation:
Management has evaluated subsequent events through April 29, 2026, the date on which the financial statements were available to be issued.