



**Financial Statements
with
Independent Auditors' Report**

For the Years Ended December 31, 2025 and 2024

Montana Conservation Corps, Inc.
Table of Contents
December 31, 2025 and 2024

Independent Auditors' Report..... 1 to 3

Financial Statements

Statements of Financial Position.....4 and 5

Statements of Activities6 and 7

Statements of Functional Expenses8 and 9

Statements of Cash Flows.....10

Notes to the Financial Statements..... 11 to 20

Supplementary Information

Schedule of Expenditures of Federal Awards.....21 and 22

Notes to the Schedule of Expenditures of Federal Awards 23

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 24 and 25

Independent Auditors' Report on Compliance for Each Major Program and on Internal Over Compliance Required by Uniform Guidance 26 to 28

Schedule of Findings and Questioned Costs..... 29



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Montana Conservation Corps, Inc.
Bozeman, MT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Montana Conservation Corps, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Montana Conservation Corps, Inc. as of December 31, 2025 and 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Conservation Corps, Inc. 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 Montana Conservation Corps, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 Conservation Corps, Inc.'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 Conservation Corps, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2026, on our consideration of Montana Conservation Corps, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Montana Conservation Corps, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montana Conservation Corps, Inc. internal control over financial reporting and compliance.

Rudd & Company, PLLC

Bozeman, Montana

June 10, 2026

Montana Conservation Corps, Inc.
Statements of Financial Position
December 31, 2025 and 2024

Assets	2025	2024
Current Assets		
Cash and cash equivalents	\$ 6,353,513	\$ 5,899,347
Grants receivable	110,000	81,190
Contracts receivable	75,906	309,232
Contributions receivable	10,175	5,219
Miscellaneous receivable	148,135	84,677
Prepaid expenses	28,727	41,264
Deposits	97,822	94,463
Total Current Assets	<u>6,824,278</u>	<u>6,515,392</u>
Property and Equipment		
Property and equipment, net	<u>10,860</u>	<u>4,014</u>
Operating Lease Right-of-Use Assets		
Office space, net	<u>213,517</u>	<u>282,198</u>
Finance Lease Right-of-Use Assets		
Vehicles, net	<u>2,791,354</u>	<u>1,969,784</u>
Total Assets	<u>\$ 9,840,009</u>	<u>\$ 8,771,388</u>

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statements of Financial Position (continued)
December 31, 2025 and 2024

Liabilities and Net Assets	2025	2024
Current Liabilities		
Accounts payable	\$ 70,192	\$ 110,334
Accrued wages and benefits payable	62,746	107,227
Payroll taxes payable	19,856	100,900
Deferred revenue	170,549	60,899
Accrued compensated absences	264,892	271,206
Current portion of operating lease liabilities - office space	173,363	126,464
Current portion of finance lease liabilities - vehicles	813,134	636,451
Total Current Liabilities	<u>1,574,732</u>	<u>1,413,481</u>
Operating Lease Liabilities		
Office space, net of current portion	<u>44,369</u>	<u>159,236</u>
Finance Lease Liabilities		
Vehicles, net of current portion	<u>2,032,912</u>	<u>1,343,021</u>
Total Liabilities	<u>3,652,013</u>	<u>2,915,738</u>
Net Assets		
With donor restrictions	557,255	484,447
Without donor restrictions - board designated	600,000	600,000
Without donor restrictions	<u>5,030,741</u>	<u>4,771,203</u>
Total Net Assets	<u>6,187,996</u>	<u>5,855,650</u>
Total Liabilities and Net Assets	<u>\$ 9,840,009</u>	<u>\$ 8,771,388</u>

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Grant revenues	\$ 4,363,874	\$ -	\$ 4,363,874
Contract revenues	7,787,058	-	7,787,058
Contributions and private grants	836,708	132,013	968,721
Interest and dividends	156,587	-	156,587
Proceeds from sale of leased assets	568,364	-	568,364
Other	36,952	-	36,952
Total Revenues and Support	<u>13,749,543</u>	<u>132,013</u>	<u>13,881,556</u>
Satisfaction of Restrictions	<u>59,205</u>	<u>(59,205)</u>	<u>-</u>
Total Revenues, Support, and Satisfaction of Restrictions	<u>13,808,748</u>	<u>72,808</u>	<u>13,881,556</u>
Expenses			
Member support	6,887,616	-	6,887,616
Program support	4,973,112	-	4,973,112
Training and education	250,815	-	250,815
Administrative	1,310,984	-	1,310,984
Fundraising	126,683	-	126,683
Total Expenses	<u>13,549,210</u>	<u>-</u>	<u>13,549,210</u>
Change in Net Assets	<u>259,538</u>	<u>72,808</u>	<u>332,346</u>
Net Assets, Beginning of Year	<u>5,371,203</u>	<u>484,447</u>	<u>5,855,650</u>
Net Assets, End of Year	<u>\$ 5,630,741</u>	<u>\$ 557,255</u>	<u>\$ 6,187,996</u>

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statement of Activities (continued)
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Grant revenues	\$ 4,597,911	\$ -	\$ 4,597,911
Contract revenues	9,116,023	-	9,116,023
Contributions and private grants	490,666	385,303	875,969
Interest and dividends	63,542	-	63,542
Proceeds from sale of leased assets	295,238	-	295,238
Other	46,748	-	46,748
Total Revenue and Support	<u>14,610,128</u>	<u>385,303</u>	<u>14,995,431</u>
Satisfaction of Restrictions	<u>52,558</u>	<u>(52,558)</u>	<u>-</u>
Total Revenues, Support, and Satisfaction of Restrictions	<u>14,662,686</u>	<u>332,745</u>	<u>14,995,431</u>
Expenses			
Member support	7,407,588	-	7,407,588
Program support	4,930,184	-	4,930,184
Training and education	278,230	-	278,230
Administrative	1,330,178	-	1,330,178
Fundraising	79,808	-	79,808
Total Expenses	<u>14,025,988</u>	<u>-</u>	<u>14,025,988</u>
Change in Net Assets	<u>636,698</u>	<u>332,745</u>	<u>969,443</u>
Net Assets, Beginning of Year	<u>4,734,505</u>	<u>151,702</u>	<u>4,886,207</u>
Net Assets, End of Year	<u>\$ 5,371,203</u>	<u>\$ 484,447</u>	<u>\$ 5,855,650</u>

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Activities			Supporting Activities		Total
	Member Support	Program Support	Training and Education	Administration	Fundraising	
Advertising	\$ -	\$ 710	\$ -	\$ 528	\$ -	\$ 1,238
Audit and legal	-	-	-	16,500	-	16,500
Background checks	-	21,478	-	35	-	21,513
Bank fees	-	-	-	1,189	895	2,084
Contract labor	-	56,264	87,885	10,887	27,600	182,636
Depreciation	-	6,729	-	-	-	6,729
Dues and publications	-	780	-	8,091	192	9,063
Interest and miscellaneous	-	3	-	-	-	3
Liability insurance	-	13,365	-	68,242	-	81,607
Member living allowance and benefits	6,853,966	-	-	-	-	6,853,966
Office expenses	-	23,790	-	2,836	4,294	30,920
Computer software licenses	-	25,788	1,430	73,801	1,705	102,724
Postage	-	1,619	-	1,033	449	3,101
Printing, copies, and fax	-	4,730	-	2,501	11,638	18,869
Project and safety supplies	-	175,579	-	-	-	175,579
Recognition and incentive	-	29,443	-	158	18	29,619
Recruitment	-	22,034	-	-	-	22,034
Rent and utilities	-	258,043	-	26,467	-	284,510
Staff wages and benefits	-	2,530,135	-	1,071,546	74,041	3,675,722
Telephone	-	42,968	-	9,896	-	52,864
Training	-	-	130,794	5,985	392	137,171
Travel	-	346,538	30,706	10,478	5,440	393,162
Uniforms	-	31,678	-	-	-	31,678
Vehicle operations	-	1,379,490	-	811	19	1,380,320
Youth crew awards	33,650	1,948	-	-	-	35,598
Total Expenses	\$ 6,887,616	\$ 4,973,112	\$ 250,815	\$ 1,310,984	\$ 126,683	\$ 13,549,210

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statement of Functional Expenses (continued)
For the Year Ended December 31, 2024

	Program Activities			Supporting Activities		Total
	Member Support	Program Support	Training and Education	Administration	Fundraising	
Advertising	\$ -	\$ 2,862	\$ -	\$ 958	\$ -	\$ 3,820
Audit and legal	-	-	-	18,570	-	18,570
Background checks	-	26,140	-	-	-	26,140
Bank fees	-	-	-	913	524	1,437
Contract labor	-	56,603	65,853	51,751	26,221	200,428
Depreciation	-	5,925	-	-	-	5,925
Dues and publications	-	250	-	10,328	480	11,058
Interest and miscellaneous	-	53	-	-	-	53
Liability insurance	-	19,817	-	91,230	-	111,047
Member living allowance and benefits	7,381,081	-	-	-	-	7,381,081
Office expenses	-	20,523	-	10,924	1,800	33,247
Computer software licenses	-	26,091	-	56,619	5,478	88,188
Postage	-	2,595	-	1,716	176	4,487
Printing, copies, and fax	-	5,080	-	6,064	7,728	18,872
Project and safety supplies	-	207,962	-	-	-	207,962
Recognition and incentive	-	35,861	-	437	2,466	38,764
Recruitment	-	19,328	-	-	-	19,328
Rent and utilities	-	255,383	-	19,721	-	275,104
Staff wages and benefits	-	2,640,469	-	1,032,110	34,019	3,706,598
Telephone	-	31,860	-	10,358	-	42,218
Training	-	-	185,968	4,085	-	190,053
Travel	-	358,981	26,409	13,735	916	400,041
Uniforms	-	39,422	-	-	-	39,422
Vehicle operations	-	1,168,079	-	659	-	1,168,738
Youth crew awards	26,507	6,900	-	-	-	33,407
Total Expenses	\$ 7,407,588	\$ 4,930,184	\$ 278,230	\$ 1,330,178	\$ 79,808	\$ 14,025,988

The accompanying notes are an integral part of the Financial Statements.

Montana Conservation Corps, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash received from:		
Grants	\$ 4,335,064	\$ 4,527,597
Contracts	8,020,384	9,059,543
Contributions and private grants	963,765	878,849
Interest and dividends	156,587	63,542
Proceeds from sale of leased assets	504,906	497,075
Other	36,952	46,748
Cash paid to/for:		
Personnel	(3,697,911)	(3,558,216)
Member living allowances and benefits	(6,853,966)	(7,381,081)
Travel and training	(530,333)	(590,094)
Contract services	(824,669)	(718,688)
Suppliers and vendors	(396,785)	(389,964)
Other operating expenses	(518,082)	(618,588)
Interest and miscellaneous	(3)	(53)
Net Cash Provided by Operating Activities	<u>1,195,909</u>	<u>1,816,670</u>
Cash Flows From Investing Activities		
Sale of investments	-	1,409,824
Purchase of vehicle	(13,575)	-
Net Cash Provided (Used) by Investing Activities	<u>(13,575)</u>	<u>1,409,824</u>
Cash Flows From Financing Activities		
Principal payments on finance leases	(728,168)	(665,307)
Net Cash Used by Financing Activities	<u>(728,168)</u>	<u>(665,307)</u>
Net Change in Cash and Cash Equivalents	<u>454,166</u>	<u>2,561,187</u>
Cash and Cash Equivalents, Beginning of Year	<u>5,899,347</u>	<u>3,338,160</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,353,513</u>	<u>\$ 5,899,347</u>

The accompanying notes are an integral part of the Financial Statements

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

Nature of Activities

Montana Conservation Corps, Inc. (the Organization) is a nonprofit corporation organized under Internal Revenue Service Code Section 501(c)(3). The Organization is headquartered in Bozeman, Montana, and operates field offices in Bozeman, Helena, Kalispell, and Missoula. The Organization focuses on equipping young people with the skills and values to be engaged citizens who improve their communities and environment through crew-based and individual placement experiences enabled by partnerships with over 150 agencies, which include federal, state, and local governments and community-based nonprofit organizations.

The Organization accomplishes these goals by engaging young people in service projects which have a lasting and beneficial impact on the natural environment and community. Young people learn practical skills, develop positive attitudes for service and work, and become knowledgeable about the environment and their community. These projects enable corps members to build competencies to be versatile leaders and contributing team members; develop values for volunteer service, land stewardship, and civic engagement; improve their employability through productive work habits and work skills; and grow in confidence.

The Organization operates diverse programs for teens and young adults. Crew-based programs for young adults, ages 17 and up, enroll corps members in an AmeriCorps term of service of three to nine months. Other corps members serve for three to five-months in individual placement positions (Conservation Interns/Fellow) with partner agencies. In addition, the Organization offers two-week and a four-week-long Youth Service Expedition summer programs for teens, ages 14 to 17 years, and paid, eight to ten-week Youth Conservation Corps experiences with federal partners. The Organization replicates these program models in partnerships with tribal nations that engage native youth in conservation service. The Organization conducts over 300 projects a year in Montana and surrounding states in the Northern Rockies. Projects include a variety of conservation work including trail work, historical restoration, biological research, habitat enhancement, fencing, watershed restoration, home weatherization, and community service projects.

The Organization also operates the Big Sky Watershed Corps (BSWC), which is a partnership between the Montana Conservation Corps, the Soil and Water Conservation Districts of Montana, and the Montana Watershed Coordination Council. The BSWC activates community-based solutions for watershed health and protection. BSWC AmeriCorps members serve with local watershed-related groups throughout the state of Montana where they increase the capacity of host site organizations to lead community based, citizen-led watershed stewardship. Home-grown solutions to local watershed issues, on the ground watershed education and outreach, volunteer training, stream restoration projects and water monitoring initiatives make a measurable difference in local conservation efforts. BSWC AmeriCorps members gain practical professional experience in watershed stewardship while developing skills for project leadership, collaborative management, volunteer engagement, and the role of citizens in leading change in their communities.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

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 (FASB).

Contributions, including unconditional promises to give, are recognized as revenues in the period earned. 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. 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 time of contribution.

Sales and service revenues are recognized as revenue upon sale or as the services are provided.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Categories of Net Assets

The net assets of the Organization are reported in the following categories:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. The Board of Directors has voluntarily designated \$600,000 of net assets without donor restrictions for operating reserves as of December 31, 2025 and 2024. The general purpose of the operating reserve is to help ensure the long-term financial stability of the Organization and position it to respond to varying economic conditions, opportunities and changes affecting the Organization’s financial position and the ability of the Organization to continuously carry out its mission.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Restricted contributions whose restrictions are met in the same reporting period are reflected as contributions without donor restrictions by the Organization. As of December 31, 2025 and 2024, the Organization had \$558,431 and \$484,447, respectively, in net assets with donor restrictions. Net assets with donor restrictions may be subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization had no net assets required to be maintained permanently as of December 31, 2025 and 2024.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers highly liquid investments with original maturities of three months or less to be cash equivalents, unless donor-imposed restrictions limit their use to long-term purposes. The Organization's bank accounts are insured by the FDIC up to \$250,000. As of December 31, 2025 and 2024, bank balances exceeded their insured limits by \$2,546,317 and \$2,544,463, respectively. Money market funds and investments in U.S. Treasury Bills are invested in U.S. government securities that are backed by the full faith and credit of the U.S. government.

Grants, Contracts, and Contributions Receivable

Grants receivable represents the balance of earned grant funds not yet received in cash as of the statement of financial position date. Contracts receivable represents the amounts owed to the Organization for contract project services that have been earned but not yet received. The Organization recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as with or without donor restrictions depending upon the existence of donor stipulations. Donor restricted contributions, whose restrictions have been fulfilled in the current year, are reported as contributions without donor restrictions. Management considers all contracts, grants, and contributions receivable to be fully collectable; therefore, no allowance for uncollectable accounts is presented.

Miscellaneous Receivables

The miscellaneous receivable balance relates to the proceeds from the sales of leased or owned vehicles that were earned during the years ended December 31, 2025 and 2024, but not yet received as of year-end. Management considers all miscellaneous receivables to be fully collectable; therefore, no allowance for uncollectable accounts is presented.

Advertising Expenses

The Organization expenses advertising costs as they are incurred.

Property and Equipment

The Organization capitalizes property and equipment with an acquisition cost of \$10,000 or greater with an expected life of at least three years. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Straight-line depreciation is used to depreciate assets over estimated lives of three to ten years. Repair and maintenance costs are expensed as incurred.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Right-of-use assets and the lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the expected lease term.

The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on defined increases in the lease agreement.

The weighted-average discount rate is based on the discount rate implicit in the lease or, if the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Organization's applicable borrowing rates and the contractual lease term. The Organization elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

The lease payments used to determine the lease liability and right-of-use assets include residual value guarantees the Organization is probable of paying at the termination of the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected to separate lease and non-lease components for leases.

The office space operating lease expenses are included in rent and utilities expense. Vehicle finance lease interest expense, and finance lease amortization expense are included in vehicle operations expense on the statement of functional expenses.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Eligible employees may accumulate 1,000 hours of sick leave and up to 20 days of vacation leave. Once the maximum has been reached, employees will not accrue additional sick or vacation hours until their accrued total is less than 1,000 hours and 20 days. Regular employees working less than 40 hours and more than 20 hours a week will not accrue additional sick or vacation hours based upon a pro-rated share of the 1,000 hours or 20 days. Upon termination, employees are paid at 100 percent of their unused vacation leave and 25 percent of their unused sick leave.

Program Services and Expense Classification

Separate accounts are maintained for each fund and expenses are directly coded to each function; however, in the accompanying financial statements, funds that have similar characteristics have been combined in program groups. The primary program groups and their related purposes are summarized as follows:

Member Support – includes costs of member living allowances, payroll taxes, and other benefits paid for members.

Program Support – includes direct staff costs, travel related costs, space costs, and those other direct costs which support Organization programs and projects.

Training and Education – includes costs of making participants project ready, increasing leadership skills and training of members for safety and use of tools in the outdoors.

Administration – includes costs that are used for administering the Organization and allow the Organization to operate and provide services to members that are not directly attributed to member services. Administrative expenses consist of the common costs associated with the general management of the Organization.

Fundraising – consists of costs incurred for providing supplies and staff support for special events and activities designed to create public awareness and support for community-based projects and costs incurred in the pursuit of grant funding.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and has been granted public charity status. The Organization'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.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (continued)

Functional Expenses Allocation Methodology

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy and telephone, which are allocated on an employee count basis.

Timesheets are used as the basis for charging salaries and benefits to the functional categories and particular projects. All allowable direct costs are charged directly to functions and programs as incurred. Vehicle costs are charged to projects based on the number of project crew weeks. Vehicle costs are analyzed on an annual basis to determine a weekly cost for projects during the year.

Costs not directly benefiting a particular project are generally allocated to program support and included in the Organization's federally negotiated indirect cost rate calculation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results of operations may differ from those estimates.

Subsequent Events

The Organization evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the auditors' report. See Note 9.

2. Property and Equipment

As of December 31, 2025 and 2024 , property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Furniture, fixtures, and equipment	\$ 31,397	\$ 31,397
Vehicles	25,074	11,500
Total property and equipment, cost	56,471	42,897
Accumulated Depreciation	<u>(45,611)</u>	<u>(38,883)</u>
Total property and equipment, net	<u>\$ 10,860</u>	<u>\$ 4,014</u>

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to \$6,729 and \$5,925, respectively.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

3. Leases

The Organization leases office and storage space under various short and long-term leases. Vehicles and equipment are leased under various long-term lease agreements. The leases expire at various dates through December 15, 2030. The agreements generally require the Organization to pay real estate taxes, insurance, and repairs.

Total lease costs for the years ended December 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Finance lease expense		
Amortization of right-of-use assets	\$ 772,078	\$ 683,386
Interest on lease liabilities	72,014	45,194
Operating lease expense	201,576	184,240
Short-term lease expense	73,494	73,886
Variable lease expense	158,713	99,911
Sublease income	<u>(36,463)</u>	<u>(39,500)</u>
Total	<u>\$ 1,241,412</u>	<u>\$ 1,047,117</u>

The following table summarizes the supplemental cash flow information for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (interest)	\$ 68,486	\$ 42,831
Financing cash flows from finance leases (principal portion)	\$ 728,168	\$ 665,307
Operating cash flows from operating leases	\$ 201,576	\$ 176,183
ROU assets obtained in exchange for new finance lease liabilities	\$ 1,694,879	\$ 740,206
ROU assets obtained in exchange for new operating lease liabilities	\$ 115,363	\$ 293,702

The following summarizes the weighted-average remaining lease term and weight-average discount rate at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years for finance leases	3.77	3.48
Weighted-average remaining lease term in years for operating leases	1.29	2.27
Weighted-average discount rate for finance leases	3.41%	2.30%
Weighted-average discount rate for operating leases	3.86%	4.34%

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

3. Leases (continued)

Future minimum lease payments at December 31, 2025 are as follows:

Year ended December 31,	Operating	Financing
2026	\$ 177,921	\$ 895,808
2027	45,033	885,490
2028	-	634,475
2029	-	431,094
2030	-	191,762
Total undiscounted cash flows	222,954	3,038,629
Less: present value discount	(5,222)	(192,583)
Total lease liabilities	\$ 217,732	\$ 2,846,046

In accordance with the vehicle financing lease agreements, the Organization has the option to receive proceeds from the disposal of leased vehicles upon the lease termination or upon earlier cancellation of the lease. The proceeds are determined by comparing the net proceeds from the sale to the reduced book value of the vehicle lease at the time of disposal. The Organization may alternatively apply the proceeds to future leases as a reduction in the total capitalized amount of future leased vehicles. For the years ended December 31, 2025 and 2024, the Organization recognized proceeds from the sale of leased assets totaling \$568,364 and \$295,238, respectively. The proceeds from the sale of leased assets are included on the statement of activities as a separate line item. As of December 31, 2025 and 2024, amounts due from the lessor of \$146,469 and \$79,873, respectively, are included in miscellaneous receivables.

4. Retirement Plans

The Organization offers eligible employees the ability to participate in a 401(k)-retirement plan after one year of service and after obtaining the age of 17. The Organization matches up to 5 percent of the employee's salary for contributions for retirement. Employees vest 100 percent in employer contributions upon enrollment. For the years ended December 31, 2025 and 2024, the Organization contributed \$108,336 and \$94,147, respectively, to the retirement plan.

5. Line of Credit

The Organization has a line of credit from a financial institution which can be renewed annually and matures in September 2026. The line of credit is for a maximum of \$750,000 with a variable interest rate at the prime rate plus 0.526 percent. Interest on the line of credit is payable monthly with all principal and interest due at maturity. As of December 31, 2025 and 2024, the balance on the line of credit was \$0.

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

6. Risk Management and Concentrations of Risks

The Organization faces a number of risks including (1) loss or damage to property; (2) general liability; (3) employee medical insurance; and (4) director's and officer's liability. Commercial insurance policies are purchased for loss or damage resulting from these risks.

The Organization has a concentration of risks relating to its revenue sources. The Organization received 23% and 23% of total revenue from the AmeriCorps grant for the years ended December 31, 2025 and 2024, respectively. A substantial change in the AmeriCorps grant funding may have a substantial effect on the operations of the Organization.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are revenues and contributions that are earmarked by the donor for a specific purpose, particular activities for which they must be used, or when they must be used. Once the funds are obligated or expended, the net asset with donor restriction is released or reduced. Net assets with donor restrictions include memorial funds established to recognize members, unexpended matching funds restricted for specific grant program purposes, donations designated for youth service expedition programs, and contributions restricted for future general operations.

Net assets with donor restrictions as of December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Purpose Restrictions:		
Kitchen Spike Gear	\$ 15,000	\$ 9,000
Mesic Restoration	250,000	250,000
Piikuni Lands Corps	19,711	16,204
Youth Programs	202,544	209,243
Timing Restrictions		
2026 General Operations	35,000	-
2027 General Operations	35,000	-
	<u>\$ 557,255</u>	<u>\$ 484,447</u>

Montana Conservation Corps, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2025 and 2024

8. Liquidity and Availability of Resources

Financial assets available for general expenses (without donor or other restrictions limiting their use), within one year of the statement of financial position date, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 6,353,513	\$ 5,899,347
Grants receivable	110,000	81,190
Contracts receivable	75,906	309,232
Contributions receivable	10,175	5,219
Miscellaneous receivable	148,135	84,677
Total	<u>6,697,729</u>	<u>6,379,665</u>
Less net assets with donor restrictions	<u>(557,255)</u>	<u>(484,447)</u>
Total Financial Assets Available	<u>\$ 6,140,474</u>	<u>\$ 5,895,218</u>

The Organization is primarily supported by grants, contracts, and contributions. As part of the Organization’s liquidity management, management reviews its liquidity monthly with the finance committee of the board of directors. The Organization’s cash balances historically have been sufficient to allow the Organization to satisfy its liquidity needs from November to May of each year. The Organization occasionally draws upon its \$750,000 line of credit to help with liquidity during the summer months; however, the line of credit is paid in full each fall when utilized (see Note 5). See Note 1 and Note 7 for board designated and donor restricted amounts.

9. Subsequent Events

In May 2025, the Organization received a new notice of award for the second and third years of the latest AmeriCorps program grant cycle. This award’s approved budget is \$7,688,201 and has a budget period from January 1, 2026 to December 31, 2027.

In September 2025, the Organization received a new notice of award for the third year of the latest Big Sky Watershed Corps program grant cycle. This award’s approved budget is \$1,149,770 and has a budget period from January 1, 2026 to December 31, 2026.

Supplementary Information

Montana Conservation Corps, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Source/Pass-through Grantor/Program Title	Award Amount	Grant or Pass- Through Number	Assistance Listing Number	Federal Expenditures
<u>Corporation for National and Community Service</u>				
<i>Montana Governor's Office Serve Montana</i>				
Big Sky Watershed Corps	\$ 917,316	23ES251135	94.006	\$ 886,337
AmeriCorps - National Direct	3,750,342	21EDDMT001	94.006	3,259,790
Total Corporation for National and Community Service				<u>4,146,127</u>
<u>National Fish and Wildlife Foundation</u>				
Bureau of Land Management (FA.A089)	50,000	L22AC00209	15.247	3,005
Total National Fish and Wildlife Foundation				<u>3,005</u>
<u>American Trails</u>				
USDA Beaverhead-Deerlodge National Forest	87,600	22CS11132424299	10.699	33,730
Total American Trails				<u>33,730</u>
<u>National Park Foundation</u>				
Glacier National Park	150,000	R-202502-17724	15.954	72,000
Yellowstone National Park	65,500	R-202502-17746	15.954	3,400
Total Montana Department of Natural Resources and Conservation				<u>75,400</u>
<u>Montana Department of Natural Resources and Conservation</u>				
Bureau of Land Management, L25AC00146	151,032	RD-BLM-746	15.015	1,100
USDA, US Forest Service, 25-DG-11010013-037	255,000	LSR-25-002	10.664	204,000
Total Montana Department of Natural Resources and Conservation				<u>205,100</u>
<u>U. S. Department of Interior</u>				
<i>Bureau of Land Management</i>				
Montana				
Lewistown District	196,200	L22AC00380	15.243	37,400
Glasgow Field Office	387,900	L22AC00498	15.243	82,400
Dillon Field Office	920,000	L23AC00650	15.243	182,000
Malta Field Office	92,870	L24AC00008	15.243	46,870
Billings Field Office	312,540	L24AC00155	15.243	110,835
Butte Field Office	522,500	L24AC00197	15.243	98,000
Montana-Dakotas State Office	1,013,000	L25AC00124	15.243	109,000
Montana-Dakotas State Office	475,000	L25AC00130	15.243	56,000
Miles City Field Office	59,104	L25AC00222	15.243	23,104
South Dakota	11,000	L24AC00259	15.243	11,000
Wyoming				
Cody Field Office	28,000	L25AC00139	15.243	10,000
Pinedale Field Office	48,000	L25AC00142	15.243	48,000
Idaho				
Twin Falls District	225,000	L22AC00045	15.243	75,200
Total Bureau of Land Management				<u>889,809</u>
<i>Bureau of Reclamation</i>				
Rapid City Office	210,000	R18AC00038	15.546	24,000
Total Bureau of Reclamation				<u>24,000</u>

See Independent Auditors' Report
The accompanying notes are an integral part of this schedule.

Montana Conservation Corps, Inc.
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2025

Federal Source/Pass-through Grantor/Program Title	Award Amount	Grant or Pass- Through Number	Assistance Listing Number	Federal Expenditures
<i>National Park Service</i>				
Intermountain Region	89,829	P23AC00599	15.931	36,011
Yellowstone National Park	77,500	P23AC00752	15.931	37,000
Yellowstone National Park	60,600	P25AC00580	15.931	60,600
Glacier National Park	88,000	P25AC00601	15.931	88,000
Yellowstone National Park	128,000	P25AC00667	15.931	128,000
Intermountain Region	96,000	P25AC00897	15.931	96,000
Total National Park Service				<u>445,611</u>
<i>U.S. Fish and Wildlife Service</i>				
Benton Lake National Wildlife Refuge	165,200	F22AC03033	15.676	80,400
Total U.S. Fish and Wildlife Service				<u>80,400</u>
Total U.S. Department of Interior				<u>1,439,820</u>
Total Federal Expenditures				<u>\$ 5,903,182</u>

See Independent Auditors' Report
The accompanying notes are an integral part of this schedule.

Montana Conservation Corps, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

1. Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Montana Conservation Corp, Inc. (the “Organization”) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Cost Allocation

The Organization has elected not to use the 15% de minimis cost rate.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Montana Conservation Corps, Inc.
Bozeman, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Montana Conservation Corps, Inc. (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, and have issued our report thereon dated June 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montana Conservation Corps Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Montana Conservation Corps Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Montana Conservation Corps Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montana Conservation Corps Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rudd & Company, PLLC

Bozeman, Montana

June 10, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Montana Conservation Corps, Inc.
Bozeman, Montana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Montana Conservation Corps, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Montana Conservation Corps, Inc.'s major federal program for the year ended December 31, 2025. Montana Conservation Corps, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Montana Conservation Corps, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Montana Conservation Corps, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Montana Conservation Corps, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Montana Conservation Corps, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Montana Conservation Corps, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Montana Conservation Corps, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Montana Conservation Corps, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Montana Conservation Corps, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Montana Conservation Corps, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rudd & Company, PLLC

Bozeman, Montana
June 10, 2026

Montana Conservation Corps, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR section 200.516(a)?	No

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program</u>
94.006	Ameri Corps and Big Sky Watershed Corps

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,000,000
Auditee qualified as a low-risk auditee?	Yes
Current Year Findings	None reported
Prior Audit Findings	None reported