

**CONSERVATION CORPS**  
**FINANCIAL STATEMENTS AND**  
**SINGLE AUDIT AND OTHER REQUIRED REPORTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Conservation Corps  
St. Paul, Minnesota

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Conservation Corps (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024, 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 Conservation Corps, as of December 31, 2024, and the changes in its 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 (GAAS) 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 Conservation Corps and to meet our other ethical responsibilities, in accordance with the 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 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 Conservation Corps' 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 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 GAAS 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 GAAS 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 Conservation Corps' 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 Conservation Corps' 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 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 GAAS. 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 **May 1, 2025** April 22, 2025, on our consideration of Conservation Corps' 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 Conservation Corps' 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 Conservation Corps' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 22, 2025

**CONSERVATION CORPS  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,403,771	\$ 4,024,799
Investments	2,329,783	601,246
Accounts Receivable	1,451,284	2,008,455
Prepaid Expenses	<u>361,722</u>	<u>253,596</u>
Total Current Assets	8,546,560	6,888,096
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	910,925	852,545
Leasehold Improvements	1,306	1,306
Software	94,561	94,561
Work in Process	<u>22,017</u>	<u>15,708</u>
Total	1,028,809	964,120
Less: Accumulated Depreciation	<u>(881,661)</u>	<u>(848,194)</u>
Property and Equipment, Net	147,148	115,926
<b>OTHER ASSETS</b>		
Deposits - Lease Security Deposits	1,921	1,921
Right-of-Use Asset - Fleet	1,391,269	1,022,406
Right-of-Use Asset - Office Space	<u>164,527</u>	<u>328,472</u>
Total Other Assets	<u>1,557,717</u>	<u>1,352,799</u>
Total Assets	<u><u>\$ 10,251,425</u></u>	<u><u>\$ 8,356,821</u></u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Lease Liability - Fleet	\$ 469,770	\$ 406,067
Lease Liability - Office Space	114,199	168,239
Accounts Payable	350,607	157,328
Accrued Expenses:		
Accrued Payroll	242,665	133,955
Compensated Absences Payable	84,202	98,390
Total Current Liabilities	<u>1,261,443</u>	<u>963,979</u>
<b>LONG-TERM LIABILITIES</b>		
Lease Liability - Fleet, Net of Current	921,499	616,339
Lease Liability - Office Space, Net of Current	53,129	169,415
Total Long-Term Liabilities	<u>974,628</u>	<u>785,754</u>
 Total Liabilities	 2,236,071	 1,749,733
<b>NET ASSETS</b>		
Without Donor Restrictions:		
General Operating	6,391,490	4,900,758
Board-Designated	653,438	653,438
Total Without Donor Restrictions	<u>7,044,928</u>	<u>5,554,196</u>
With Donor Restrictions	970,426	1,052,892
Total Net Assets	<u>8,015,354</u>	<u>6,607,088</u>
 Total Liabilities and Net Assets	 <u><u>\$ 10,251,425</u></u>	 <u><u>\$ 8,356,821</u></u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Federal Grants	\$ 4,020,489	\$ -	\$ 4,020,489
State Grants	1,733,851	580,000	2,313,851
Contributions	105,837	137,822	243,659
Total Support	<u>5,860,177</u>	<u>717,822</u>	<u>6,577,999</u>
Revenue:			
Partner Support	8,226,570	-	8,226,570
Net Investment Income	129,892	-	129,892
Miscellaneous	1,564	-	1,564
Total Revenue	<u>8,358,026</u>	<u>-</u>	<u>8,358,026</u>
Net Assets Released from Restrictions	800,288	(800,288)	-
Total Support and Revenue	<u>15,018,491</u>	<u>(82,466)</u>	<u>14,936,025</u>
<b>EXPENSES</b>			
Program Services:			
Youth Programs	1,367,671	-	1,367,671
Field Crew Programs	7,745,826	-	7,745,826
Single Placements Programs	1,450,752	-	1,450,752
Total Program Services	<u>10,564,249</u>	<u>-</u>	<u>10,564,249</u>
Supporting Services:			
Management and General	2,856,718	-	2,856,718
Fundraising	106,792	-	106,792
Total Supporting Services	<u>2,963,510</u>	<u>-</u>	<u>2,963,510</u>
Total Expenses	<u>13,527,759</u>	<u>-</u>	<u>13,527,759</u>
<b>CHANGE IN NET ASSETS</b>	1,490,732	(82,466)	1,408,266
Net Assets - Beginning of Year	<u>5,554,196</u>	<u>1,052,892</u>	<u>6,607,088</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 7,044,928</u></u>	<u><u>\$ 970,426</u></u>	<u><u>\$ 8,015,354</u></u>

See accompanying Notes to Financial Statements.



**CONSERVATION CORPS  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Federal Grants	\$ 3,137,613	\$ -	\$ 3,137,613
State Grants	800,377	580,000	1,380,377
Contributions	75,464	139,717	215,181
Total Support	<u>4,013,454</u>	<u>719,717</u>	<u>4,733,171</u>
Revenue:			
Partner Support	6,676,158	-	6,676,158
Net Investment Income (Loss)	129,631	-	129,631
Miscellaneous	6,829	-	6,829
Total Revenue	<u>6,812,618</u>	<u>-</u>	<u>6,812,618</u>
Net Assets Released from Restrictions	714,557	(714,557)	-
Total Support and Revenue	<u>11,540,629</u>	<u>5,160</u>	<u>11,545,789</u>
<b>EXPENSES</b>			
Program Services:			
Youth Programs	1,637,770	-	1,637,770
Field Crew Programs	5,877,095	-	5,877,095
Single Placements Programs	1,114,352	-	1,114,352
Total Program Services	<u>8,629,217</u>	<u>-</u>	<u>8,629,217</u>
Supporting Services:			
Management and General	2,024,631	-	2,024,631
Fundraising	63,752	-	63,752
Total Supporting Services	<u>2,088,383</u>	<u>-</u>	<u>2,088,383</u>
Total Expenses	<u>10,717,600</u>	<u>-</u>	<u>10,717,600</u>
<b>CHANGE IN NET ASSETS</b>	823,029	5,160	828,189
Net Assets - Beginning of Year	<u>4,731,167</u>	<u>1,047,732</u>	<u>5,778,899</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 5,554,196</u></u>	<u><u>\$ 1,052,892</u></u>	<u><u>\$ 6,607,088</u></u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2024**

	Program Services						
	Youth Programs	Field Crew Programs	Individual Placements Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Staff Salaries and Payroll Taxes	\$ 365,148	\$ 1,284,162	\$ 299,475	\$ 1,948,785	\$ 1,443,707	\$ 67,713	\$ 3,460,205
Staff Benefits	44,029	197,089	23,792	264,910	287,891	19,807	572,608
Corps Member Living Allowance and Payroll Taxes	429,098	3,817,246	912,032	5,158,376	-	-	5,158,376
Corps Youth Salaries and Payroll Taxes	95,381	-	-	95,381	-	-	95,381
Corps Member Benefits	40,835	323,292	35,694	399,821	5,163	-	404,984
Workers' Compensation	24,418	89,866	16,839	131,123	10,197	1,161	142,481
Direct Program	78,890	832,228	58,165	969,283	94,640	-	1,063,923
Fleet, Communications, and Training	153,132	708,816	49,348	911,296	42,200	360	953,856
Insurance	46,777	197,015	32,117	275,909	19,438	2,195	297,542
Space Cost and Utilities	64,550	199,920	-	264,470	134,255	-	398,725
Office Supplies and Depreciation	4,271	33,723	1,508	39,502	60,753	1,339	101,594
Professional Fees	11,090	14,497	16,266	41,853	533,165	4,351	579,369
Marketing and Printing	509	2,344	401	3,254	31,951	482	35,687
Staff Travel and Meetings	4,344	25,442	1,591	31,377	48,688	4,624	84,689
Financial and Bank Fees	-	-	-	-	6,540	1,376	7,916
Miscellaneous	635	292	20	947	27,910	3,189	32,046
Other	4,564	19,894	3,504	27,962	110,220	195	138,377
Total Expenses by Function	<u>\$ 1,367,671</u>	<u>\$ 7,745,826</u>	<u>\$ 1,450,752</u>	<u>\$ 10,564,249</u>	<u>\$ 2,856,718</u>	<u>\$ 106,792</u>	<u>\$ 13,527,759</u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023**

	Program Services						
	Youth Programs	Field Crew Programs	Individual Placements Programs	Total Program Services	Management and General	Fundraising	Total Expenses
Staff Salaries and Payroll Taxes	\$ 309,799	\$ 1,170,892	\$ 286,655	\$ 1,767,346	\$ 1,269,582	\$ 27,305	\$ 3,064,233
Staff Benefits	46,005	123,908	21,401	191,314	82,203	8,779	282,296
Corps Member Living Allowance and Payroll Taxes	583,659	2,563,770	629,793	3,777,222	-	-	3,777,222
Corps Youth Salaries and Payroll Taxes	175,274	-	-	175,274	-	-	175,274
Corps Member Benefits	41,216	221,545	45,357	308,118	3,707	-	311,825
Workers Compensation	38,811	87,258	22,833	148,902	13,623	1,030	163,555
Direct Program	152,632	616,541	33,803	802,976	639	-	803,615
Fleet, Communications, and Training	184,286	680,589	28,774	893,649	9,245	150	903,044
Insurance	43,036	113,038	25,133	181,207	14,896	1,129	197,232
Space Cost and Utilities	33,074	129,428	-	162,502	149,508	-	312,010
Office Supplies and Depreciation	2,279	26,343	1,324	29,946	39,321	916	70,183
Professional Fees	16,010	80,753	11,440	108,203	299,951	19,373	427,527
Marketing and Printing	912	10,289	-	11,201	24,974	723	36,898
Staff Travel and Meetings	6,355	25,680	3,187	35,222	36,164	3,276	74,662
Financial and Bank Fees	-	-	-	-	5,709	606	6,315
Miscellaneous	-	2,031	-	2,031	4,329	465	6,825
Other	4,422	25,030	4,652	34,104	70,780	-	104,884
Total Expenses by Function	<u>\$ 1,637,770</u>	<u>\$ 5,877,095</u>	<u>\$ 1,114,352</u>	<u>\$ 8,629,217</u>	<u>\$ 2,024,631</u>	<u>\$ 63,752</u>	<u>\$ 10,717,600</u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,408,266	\$ 828,189
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Net Realized and Unrealized Investment (Gains) Losses	(18,845)	(34,443)
(Gain) on Property and Equipment Disposal	31	(3,714)
Depreciation	46,716	50,244
Changes in Operating Assets and Liabilities:		
Accounts Receivable	557,171	(753,284)
Grants Receivable	-	55,500
Prepaid Expenses	(108,126)	(115,206)
Accounts Payable	193,279	6,892
Accrued Payroll	108,710	30,594
Compensated Absences Payable	(14,188)	8,868
Operating Lease Liability	(6,381)	8,817
Net Cash Provided by Operating Activities	<u>2,166,633</u>	<u>82,457</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,950,000)	(351,860)
Proceeds from Sale of Investments	240,308	341,494
Purchase of Property and Equipment	(77,969)	(51,352)
Proceeds from Sale of Property and Equipment	-	6,000
Net Cash Used by Investing Activities	<u>(1,787,661)</u>	<u>(55,718)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	378,972	26,739
Cash and Cash Equivalents - Beginning of Year	<u>4,024,799</u>	<u>3,998,060</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 4,403,771</u></u>	<u><u>\$ 4,024,799</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITY</b>		
Right-of-Use Lease Assets Obtained in Exchange for New		
Operating Lease Liabilities	<u><u>\$ 926,488</u></u>	<u><u>\$ 65,674</u></u>

See accompanying Notes to Financial Statements.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Conservation Corps Minnesota & Iowa (the Organization), a 501(c)(3) nonprofit organization, serves nearly 350 youth (ages 15 to 18) and young adults (ages 18 to 30) each year, providing service and training opportunities in natural resource management and conservation, helping young people build technical- and work-readiness skills, develop personal responsibility and a strong work ethic, and become better equipped for career and life. The Organization and its programs, work primarily with federal, state, and local agencies and nonprofit partners fulfilling natural resource projects to improve access to outdoor recreation, restore habitat on public lands, protects waterways and wetlands, and respond to natural disasters.

The Organization traces its roots to the 1930s Civilian Conservation Corps, which provided natural resource jobs to unemployed young men so they could support their families during the Great Depression. Later, in the 1970s, the federal government launched the summer Youth Conservation Corps and the year-round Young Adult Conservation Corps, continuing the employment of young people in productive conservation work. When federal support for conservation corps ended in 1981, the Minnesota Conservation Corps was created by the Minnesota Legislature to offer youth and young adult programs through the Minnesota Department of Natural Resources.

In 1999, the Friends of the Minnesota Conservation Corps was incorporated as a 501(c)(3) nonprofit organization and assumed operations as the Minnesota Conservation Corps in 2003. In 2010, the Organization changed its name to Conservation Corps Minnesota & Iowa as it extended its programs to serve young people in Iowa.

Today, the Organization's mission is to cultivate a community of emerging leaders in service to people and the planet

**AmeriCorps Field Crew**

Program for young adults, ages 18 to 30, including nonresidential crews in northern, central, and southern Minnesota and central Iowa that engage members in natural resource management and disaster response work from February to December. Season trail crews spike camp for week-long stretches while they improve the trails in Northern forests and state and national parks. AmeriCorps members receive a monthly stipend, health insurance, and an education award for college expenses. Beside career and work-skills training, members receive certifications in wildfire suppression, defensive driving, chainsaw safety and first aid.

**AmeriCorps Individual Placement**

Program for young adults, ages 18 to 30, serving as natural resource and community outreach specialists at natural resource agencies and nonprofit organizations, from February to December. In addition, the Organization provides AmeriCorps members with service opportunities at Minnesota Soil and Water Conservation Districts over the summer. Individual Placement AmeriCorps members receive a monthly stipend, health insurance, and an education award for college expenses.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Nature of Activities (Continued)**

Youth Outdoors

An afterschool service-learning program for Twin Cities youth, serves predominantly youth, (ages 15 to 18). Youth receive an hourly training-wage, participate for one academic semester at a time, meet two days a week after school and on Saturdays to explore science and the environment and complete projects to improve local public parks, and restore natural resources and native habitat. Summer opportunities are also available. 27% of Youth participants are people of color. This program engages young adult AmeriCorps members as youth leaders.

Summer Youth Corps

Residential program serves youth, ages 15 to 18, and engages young adult AmeriCorps members (19 to 30) as youth leaders, in environmental restoration field crew-oriented work in national and state forests during one summer session. Participants receive a living stipend as well as room and board. Youth begin at a base camp, then “spike camp” throughout the region as they work. AmeriCorps members, Youth Leaders serving in the residential program, receive a monthly stipend, health insurance, and an education award for college expenses.

Increasing Diversity in Environmental Careers (IDEC)

Engages college students pursuing STEM degrees who are interested in a career in natural resources. Established in 2018 and initiated in 2019, through partnership between the Conservation Corps, the Minnesota Pollution Control Agency, the Minnesota Board of Water and Soil Resources and the Minnesota Department of Natural Resources, students participate in fellowships, mentorships, and paid internships. The IDEC program provides a unique multi-year college-to-careers pathway for underserved college students in STEM fields. The goal of the program is to reduce barriers to successfully completing a STEM degree and prepare participants for post-graduation employment in state environmental careers. Participants receive a fellowship payment to support academic expenses for the school year.

All the Organization’s programs devote at least 15% of program time to technical-skills training, career-building skills, such as resume writing and interviewing, and educational activities focused on environmental science and technology. Using scientific inquiry and experiential learning, the Organization helps young people learn more about the world around them and to think critically about the impact of their personal choices on the environment.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in net assets without donor restrictions or net assets with donor restrictions support depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions are those resources over which the Organization has discretionary control. Designated amounts represent revenues that the board of directors has set aside for a particular purpose.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization or passage of time or are to be maintained in perpetuity by the Organization.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents. The Organization's cash balances held in bank depositories may exceed federally insured limits at times.

**Investments**

Investments are generally recorded at fair value based on quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in without donor restricted net assets unless income or loss is restricted by donor or law.

**Support and Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and releases from restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Support and Revenue Recognition (Continued)**

Government grants and contracts that are considered exchange transactions are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are incurred.

The Organization uses the allowance method to determine uncollectible contributions and grants. The allowance is based on prior years' experience and management's analysis of the outstanding receivables. The Organization does not charge interest on past due accounts. Accounts are considered past due when payment has not been received within 30 days of the due date.

Accounts receivable, consisting primarily of amounts due on fee for service contracts, are recorded when earned. The Organization extends unsecured credit in the normal course of activities. These receivables do not bear any interest on unpaid balances.

The carrying amount of accounts receivable may be reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Management considers historical write-off, recovery information, current economic conditions, forward-looking information and management's evaluation of individual outstanding receivables in determining the estimated credit loss provision. No allowance was deemed necessary for the years ended December 31, 2024 and 2023.

Under an agreement with the MN DNR, a portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are typically conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received under such requirements are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Under this agreement, a portion of the award amount is recognized as revenue in the period received and reflected as such in net assets with donor restrictions (see Notes 3 and 8).

**Property and Equipment**

Expenditures for the acquisition of property and equipment greater than \$1,000 are capitalized at cost and donated property and equipment are capitalized at fair value. Depreciation is computed on the straight-line method over the following useful lives:

Boats and Trailers	10 Years
Water Pumps	10 Years
Computer Equipment	3 to 5 Years
ATVs and Snowmobiles	5 Years
Leasehold Improvements	Life of Lease



**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment (Continued)**

Upon retirement or other disposition, the cost and related accumulated depreciation of disposed assets are removed from the accounts and the resulting gain or loss is recognized in income. Repairs and maintenance are charged to expense as incurred. Renewals and improvements that extend the useful lives of assets are capitalized and depreciated over future periods.

For the years ended December 31, 2024 and 2023, depreciation expense was \$46,716 and \$50,244, respectively.

**Donated Services, Materials and Equipment**

Contributions of materials and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restricted support unless the donor has restricted the use of the donated asset to a specific purpose. For the years ended December 31, 2024 and 2023, there were no contributions of material and equipment. Property, services, and other noncash donations are recorded as in-kind contributions at their estimated market value at the date of donation.

**Functional Expenses Allocation**

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Costs that can be identified with specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated to program services and supporting services. Program services are broken out for youth programs, field crew programs and single placement programs and supporting services are broken out for management and general and fundraising.

**Income Taxes**

The Organization is a nonprofit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

**Reclassifications**

Certain reclassifications have been made to the 2023 financial statement information to conform to the current year presentation. These reclassifications had no effect on the change in net assets for 2023.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 22, 2025, the date the financial statements were available to be issued.

**CONSERVATION CORPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 FAIR VALUE INVESTMENTS**

The Organization has adopted ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that the market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value, as follows:

*Level 1* – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

*Level 2* – Inputs that included quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

*Level 3* – Inputs that are unobservable inputs for the assets or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls into is based on the lowest level input that is significant to the fair value measurement in its entity.

The Organization also has adopted ASC Topic 825, *Financial Instruments*. ASC Topic 825 allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities that are not otherwise required to be stated at fair value, on a contract-by-contract basis. The Organization has not elected to change the measurement of any existing financial instruments at fair value.

However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)**

Financial assets recorded at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Mutual Funds	\$ 331,483	\$ -	\$ -	\$ 331,483
Fixed Income	642,599	-	-	642,599
Cash and Cash Equivalents	155,701	-	-	155,701
Certificates of Deposit	-	-	-	1,200,000
Total	<u>\$ 1,129,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,329,783</u>
<u>December 31, 2023</u>				
Mutual Funds	\$ 163,605	\$ -	\$ -	\$ 163,605
Fixed Income	424,753	-	-	424,753
Cash and Cash Equivalents	-	-	-	12,888
Total	<u>\$ 588,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,246</u>

**NOTE 3 CONSERVATION CORPS TRANSFER**

Effective July 1, 2003, the Legislature of the state of Minnesota transferred the Conservation Corps out of the Minnesota Department of Natural Resources (DNR) to Conservation Corps. The state transferred the entity to ensure the continued operation of the Conservation Corps and the ability to contract its services.

Pursuant to the transfer, the Organization contracted with the state of Minnesota through the Commissioner of DNR a joint powers agreement. The agreement allows the Organization to utilize office space, computer networks and programs, telephone systems, fleet, and radio equipment of the DNR. The Organization is also granted rights to purchase or lease equipment and services through state contracts and to participate in certain state programs. The rates charged to the Organization are based on usage and are consistent with those charged within the DNR and the state of Minnesota.

Expenses incurred for the use and access to the equipment and services were \$216,131 and \$216,044 for the years ended December 31, 2024 and 2023, respectively.

The agreement has been renewed multiple times and the current agreement expires on June 30, 2025.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 3 CONSERVATION CORPS TRANSFER (CONTINUED)**

The joint powers agreement also identifies appropriations to the Organization out of the state's general and natural resources fund in equal amounts for the state's fiscal years 2024 and 2023. The funds remaining are appropriated to the Organization in 2024 and 2023 for the following purposes:

	2024	2023
General Operations	\$ 290,000	\$ 290,000
Natural Resources Project Funds:		
All-Terrain Vehicle Trails	60,794	60,794
Aquatic Invasives	36,870	36,870
Forestry	15,415	15,416
Snowmobile Trails and Enforcement	90,073	90,073
State Parks	27,770	73,243
State Trails	104,709	104,709
State Forest Campgrounds	50,000	50,000
Water Recreation	52,175	52,175
Off-Highway Motorcycle	6,502	6,502
Off-Road Vehicle	121,263	121,263
Cross Country Ski	20,013	20,013
Parks and Horse Trails	13,989	13,989
Total	<u>\$ 889,573</u>	<u>\$ 935,047</u>

**NOTE 4 LEASES**

The Organization leases vehicles, facilities and office space under lease and sublease agreements expiring through August 2027. The leases are subject to cancellation by either party with proper notice as specified in the agreements.

Additional information about the Organization's lease for the years ended December 31 is as follows:

	2024	2023
Lease Costs:		
Operating	\$ 487,827	\$ 612,884
Other Information:		
Operating Cash Flows from Operating Leases	\$ 491,642	\$ 411,641
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	\$ 930,856	\$ 177,857
Weighted-Average Remaining Lease Term - Operating Leases	3.29 Years	2.64 Years
Weighted-Average Discount Rate - Operating Leases	6.95%	4.65%

**CONSERVATION CORPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 4 LEASES (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2024, is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2025	\$ 675,074
2026	453,700
2027	328,057
2028	228,346
2029	79,804
Total Undiscounted Cash Flows	1,764,981
Less: Imputed Interest	(206,384)
Total Lease Liabilities	<u>\$ 1,558,597</u>

**NOTE 5 CONCENTRATION**

Substantially all support is received in the form of grants and contracts; therefore, the Organization is dependent upon future funding. The Organization receives grants and revenue from a few significant grantors. The Organization encounters a certain amount of credit risk as the result of a concentration of revenues from, and receivables from a few significant sources. A significant reduction in the level of support from these entities may have an impact on the Organization's ability to continue its programs and services.

**NOTE 6 RETIREMENT PLANS**

Effective January 15, 2009, the Organization adopted a Safe Harbor Retirement Savings Plan under section 401(k) of the Internal Revenue Code. The Plan provides an "enhanced safe harbor" employer must match under the following formula for eligible employees:

<u>Employee Deferral</u>	<u>Employer Match</u>
1%	2%
2%	4%

For the years ended December 31, 2024 and 2023, the Organization's contributions were \$217,502 and \$102,401, respectively.

**CONSERVATION CORPS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31:

	2024	2023
Subject to Expenditure for Specified Purpose:		
General Operations - Timing	\$ 290,000	\$ 290,000
Natural Resources Dedicated Funds	599,573	645,047
Monarch	21,873	39,250
Summer Youth Program	22,642	44,602
Youth Outdoors	5,000	10,000
Young Adult Program	30,585	18,746
Member Assistance Fund	753	5,247
Total Net Assets With Donor Restrictions	<u>\$ 970,426</u>	<u>\$ 1,052,892</u>

Net assets released from restrictions during the years ended December 31:

	2024	2023
Satisfaction of Purpose Restrictions:		
General Operations - Timing	\$ 580,000	\$ 547,500
Natural Resources Dedicated Funds	45,473	74,659
Monarch	17,377	-
Summer Youth Program	126,960	77,190
Youth Outdoors	10,000	11,500
Young Adult Program	15,710	-
Member Assistance Fund	4,768	3,708
ASL Crew	-	-
Total Net Assets Released from Donor Restrictions	<u>\$ 800,288</u>	<u>\$ 714,557</u>

**NOTE 8 CONTRACT BALANCES**

The timing of revenue recognition, billings and cash collections results in billed accounts receivable on the Statement of Financial Position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., quarterly or monthly) or upon achievement of contractual milestones. Generally, billing occurs subsequent to revenue recognition, resulting in contract assets. The Organization had contract receivable balances as of December 31:

	2024	2023	2022
Accounts Receivable	<u>\$ 1,451,284</u>	<u>\$ 2,008,455</u>	<u>\$ 1,255,171</u>

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 9 UNEMPLOYMENT FUND**

The Organization has elected to opt out of participation in the Minnesota Unemployment Insurance Program. The Organization is self-insured for unemployment claims through Unemployment Services Trust (UST). Payments to UST are accumulated and used to pay future claims. As of December 31, 2024 and 2023, the Organization has a balance of \$48,869 and \$80,448, respectively, at UST, recorded as part of prepaid expenses on the Statements of Financial Position.

**NOTE 10 LIQUIDITY AND AVAILABILITY**

The following table reflects the financial assets available for general expenditure, that is, assets without donor or other restrictions limiting their use, and available within one year of the statement of financial position date:

	2024	2023
Cash and Cash Equivalents	\$ 4,403,771	\$ 4,024,799
Investments	2,329,783	601,246
Accounts Receivable	1,451,284	2,008,455
Total Financial Assets	<u>8,184,838</u>	<u>6,634,500</u>
Less Financial Assets Unavailable for General Expenditure Within One Year Due to:		
Board Designations	(653,438)	(653,438)
Donor-Imposed Restrictions - Purposes	(680,426)	(762,892)
Total	<u>(1,333,864)</u>	<u>(1,416,330)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 6,850,974</u>	<u>\$ 5,218,170</u>

The Organization also receives significant federal and state grants and philanthropic gifts restricted by the grantors, and considers grants restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Due to significant seasonality in the nature of the Organization's programs and business operations, the Organization manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability,
- maintaining adequate liquid assets to fund near-term operating needs, and
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization has a liquidity policy to maintain current financial assets at a minimum of 30 days operating expenses, to allow for seasonal adjustments due to wide seasonal variances in revenue and cash flow between winter and summer. Financial assets in excess daily cash requirements are invested in money market funds and other short-term investments.

**CONSERVATION CORPS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**NOTE 10 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The board has designated a portion of its without donor restricted resources for a general usage reserve fund. These funds can be made available to meet operating needs if necessary. The purpose of the fund is to cover expenses related to new program startups, short term cash flow needs related to timing of receivables, sudden increase in expenses, loss of large project partner, and other cash needs as deemed necessary by the board.

To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity on an ongoing basis, and the board-designated reserve is reevaluated annually.





**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**

Board of Directors  
Conservation Corps  
St. Paul, Minnesota

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 Conservation Corps (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 April 22, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Conservation Corps 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 Conservation Corps' internal control. Accordingly, we do not express an opinion on the effectiveness of Conservation Corps' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**


As part of obtaining reasonable assurance about whether Conservation Corps' 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*.

### **Conservation Corps' Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Conservation Corps' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Conservation Corps' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 22, 2025



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

Board of Directors  
Conservation Corps  
St. Paul, Minnesota

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Conservation Corps' 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 each of Conservation Corps' major federal programs for the year ended December 31, 2024. Conservation Corps' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Conservation Corps complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Conservation Corps 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 each major federal program. Our audit does not provide a legal determination of Conservation Corps 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 Conservation Corps 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 Conservation Corps 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 GAAS, *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 Conservation Corps' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Conservation Corps' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Conservation Corps' 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 Conservation Corps' 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.

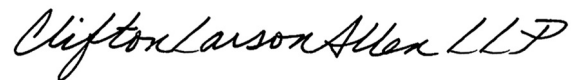
### **Report on Internal Control Over Compliance**

*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 Auditors' 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 22, 2025

**CONSERVATION CORPS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass Entity Identifying Number	Federal Expenditures
<b>Corporation for National and Community Service:</b>			
AmeriCorps:			
Corporation for National and Community Service	94.006		\$ 2,558,844
ServeMinnesota	94.006	20ESHMN001	1,036,796
Iowa Commission Volunteer Services	94.006	23-CX-01	353,323
Total AmeriCorps			<u>3,948,962</u>
Minnesota Energy Climate Corps Agreement:			
ServeMinnesota	94.006	23AFEMN0010002-23	358,588
CNCS Disaster Response Cooperative Agreement:			
Corporation for National and Community Service	94.020		<u>544,141</u>
Total Corporation for National and Community Service			4,851,692
<b>U.S. Department of Agriculture</b>			
Partnership Agreements:			
USFS Chippewa National Forest	10.699		5,126
USFS Chippewa National Forest	10.699		40,230
USFS Superior National Forest	10.699		13,180
USFS Superior National Forest	10.699		6,780
Total Partnership Agreements			<u>65,316</u>
Stewardship Agreements:			
USFS Chippewa National Forest	10.701		20,189
USFS Superior National Forest	10.701		117,181
Total Stewardship Agreements			<u>137,371</u>
Total U.S. Department of Agriculture			202,687
<b>U.S. Department of the Interior</b>			
Youth and Veteran Organizations Conservation Activities			
National Park Service	15.931		525,926
National Park Service	15.931		32,100
NPS Missouri National River	15.931		59,267
NPS Pipestone National Monument	15.931		83,588
NPS St Croix National Scenic Waterway	15.931		59,947
Total Youth and Veteran Organizations Conservation Activities			<u>760,828</u>
Youth Engagement, Education, and Employment			
USFWS Upper Mississippi River National Wildlife Refuge	15.676		2,418
USFWS Madison Wetland Management District	15.676		13,480
USFWS La Creek National Wildlife Refuge	15.676		13,450
USFWS Tamarac National Wildlife Refuge	15.676		15,095
USFWS Tewaukon National Wildlife Refuge	15.676		23,780
Total Youth Engagement, Education, and Employment			<u>68,223</u>
Total U.S. Department of the Interior			<u>829,051</u>
Total Federal Expenditures			<u><u>\$ 5,883,430</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CONSERVATION CORPS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Conservation Corps (the Organization) under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirement of the *Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200.516(a), *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 PASS-THROUGH ENTITY IDENTIFYING NUMBERS**

Pass-through entity identifying numbers are presented for pass-through grants where available.

**NOTE 4 SUBRECIPIENTS**

No federal expenditures presented in this schedule were provided to subrecipients.

**NOTE 5 INDIRECT COST RATE**

During the year ended December 31, 2024, the Organization did not elect to use the 10% de minimis indirect cost rate.

**CONSERVATION CORPS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2024**

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***Section I – Summary of Auditors’ Results***

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**Financial Statements**

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     X     yes            no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?            yes     X     none reported

Noncompliance material to financial statements noted?            yes     X     no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?            yes     X     no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?            yes     X     none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?            yes     X     no

***Identification of Major Federal Programs***

Assistance Listing Number(s)	Name of Federal Program or Cluster
94.006	Americorps
15.931	Youth and Veteran Organizations Conservation Activities

Auditee qualified as low-risk auditee?            yes     X     no



**CONSERVATION CORPS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

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***Section II – Financial Statement Findings***

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**2024 – 001**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** The organization does not have a review process over the posting of journal entries to the general ledger.

**Criteria or Specific Requirement:** An essential part of internal control is that procedures be properly segregated and the results of their performance be adequately reviewed and documented. This is normally accomplished by assigning duties so that 1) no one person handles a transaction from beginning to end, and 2) incompatible duties between functions are not handled by the same person. In addition, a review of these completed duties should be performed by an individual independent of those functions. Whenever possible, efforts should be made to segregate duties.

**Effect:** A lack of segregation of duties over the journal entry process increases the possibility that errors or irregularities may occur and not be detected on a timely basis.

**Cause:** Internal controls are not properly designed.

**Repeat Finding:** Yes

**Recommendation:** We recommend a journal entry process be implemented that incorporates a separate preparer and reviewer, along with documentation of that process.

**Views of Responsible Officials and Planned Corrective Actions:** There is no disagreement with the audit finding. See the Corrective Action Plan for further details.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

