

The Nature Conservancy

**Consolidated Financial Statements and Schedules
of Expenditures of Federal Awards and State
Financial Assistance and Reports
In Accordance with OMB Uniform Guidance and
Section 4-3-304(8), Tennessee Code Annotated
For the year ended June 30, 2023
EIN 53-0242652**

The Nature Conservancy
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June 30, 2023

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The Nature Conservancy Roster of Officials
(July 1, 2022 – June 30, 2023) (Unaudited)
Executive Leadership Staff Member*
Board of Directors Member **
Audit Committee Members***

Jennifer Morris, Chief Executive Officer* & **

Matthew Arnold, Global Head, Impact Finance & Markets *

Nathalie Augustin, General Counsel*

Matt Brown, Managing Director, Global Conservation *

Jan Glendening, Managing Director, North America Region *

Meg Goldthwaite, Chief Marketing & Communications Officer*

Katharine Hayhoe, Chief Scientist*

Becky Marshall, Chief of Staff, Office of the CEO*

Tom Neises, Chief Development Officer*

David Banks, Chief Conservation Officer*

Neel Broker, Chief Operating Officer*

James Page, Chief Global Diversity Equity & Inclusion Officer*

Mike Tetreault, Chief People Officer*

Asha Shah, Interim Chief Finance Officer*

Molly Wallace, Interim Lead, Global Policy and Government Relations *

Senator William Frist, Board Chair**

Amy Batchelor, Vice Chair**

Brenda Shapiro, Secretary**

Sally Jewell, Treasurer**

James Attwood Jr.** & ***

John Bernstein**

Michelle J. DePass**

Harry R. Hagey**

Margaret A. Hamburg**

Fred Hu**

Shirley Ann Jackson** & ***

Nancy Knowlton **

Edwin Macharia**

Douglas B. Petno** & ***

Sergio Rial** & ***

Vincent Ryan ** & ***

Anna Skoglund**

Kent J. Thiry**

Kevin Weil**

Ying Wu*



Report of Independent Auditors

To the Board of Directors of The Nature Conservancy:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Nature Conservancy and its affiliates (the “Conservancy”), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, of functional expenses, and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Conservancy as of June 30, 2023 and 2022, 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 (US 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 Consolidated Financial Statements section of our report. We are required to be independent of the Conservancy 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy’s ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 US 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 consolidated financial statements.

In performing an audit in accordance with US 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of federal and state of Tennessee awards for the year ended June 30, 2023 is presented for purposes of additional analysis as required by Section 4-3-304(8), Tennessee Code Annotated, which incorporates by reference Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and are not a required part of the consolidated financial statements. The accompanying schedule of indirect cost rate computation, and schedule of fringe benefit rate calculation for the year ended June 30, 2023 are presented for purposes of additional analysis, and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the schedule of expenditures of federal and state of Tennessee awards, the schedule of indirect cost rate computation, and schedule of fringe benefit



rate calculation are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Roster of Officials included in the Introductory Section on page 1 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the Conservancy'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 for the year ended June 30, 2023. 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 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 the Conservancy's internal control over financial reporting and compliance.

Principality of the Republic of the Philippines

Washington, DC
December 20, 2023

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022
Amounts in thousands

	2023	2022
Assets		
Cash and cash equivalents	\$ 73,323	\$ 71,815
Restricted cash and cash equivalents	85,814	61,220
Restricted short-term investments	36,359	35,432
Government grants and contracts receivable	39,455	33,052
Notes and other receivables, net	449,249	432,553
Deposits, prepaid expenses and other assets	42,142	36,137
Pledges receivable, net	215,167	226,835
Securities pledged under securities lending agreement	-	61,186
Non-conservation lands	18,559	12,758
Investments	3,471,939	3,370,373
Right of use assets	38,058	38,711
Property and equipment, net	160,226	151,184
Conservation lands	2,456,087	2,357,203
Conservation easements	2,489,008	2,454,771
Total assets	\$ 9,575,386	\$ 9,343,230
Liabilities		
Accounts payable and accrued liabilities	\$ 146,901	\$ 143,324
Payable under securities lending agreement	-	61,186
Deferred revenue and refundable advances	185,058	169,477
Lease liabilities	43,327	44,771
Bonds and notes payable – recourse	777,008	742,730
Bonds and notes payable – non-recourse	364,000	364,000
Split interest arrangements	192,424	211,243
Total liabilities	\$ 1,708,718	\$ 1,736,731
Net Assets		
Without donor restrictions, including noncontrolling interests of \$62,215 in 2023 and \$62,585 in 2022	\$ 6,189,693	\$ 6,064,287
With donor restrictions	1,676,975	1,542,212
Total net assets	\$ 7,866,668	\$ 7,606,499
Total liabilities and net assets	\$ 9,575,386	\$ 9,343,230

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

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
Amounts in thousands

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Contribution Revenues			
Dues and contributions	\$ 384,776	\$ 397,908	\$ 782,684
Contributed goods and services	56,099	-	56,099
Contributed land and easements for conservation	40,673	-	40,673
Contributed non-conservation land	15,433	20,783	36,216
Government grants and contracts	138,987	-	138,987
Total contribution revenues	635,968	418,691	1,054,659
Sales of conservation land and easements	37,593	-	37,593
Investment returns on operating activities	33,361	-	33,361
Other income	136,748	-	136,748
Total revenues	843,670	418,691	1,262,361
Allocation of endowment spending	83,640	-	83,640
Net assets released from restriction	344,506	(344,506)	-
Total revenues and reclassifications	\$ 1,271,816	\$ 74,185	\$ 1,346,001
Expenses			
Conservation activities and actions	\$ 816,931	\$ -	\$ 816,931
Book value of conservation land and easements	66,718	-	66,718
Total program expenses	883,649	-	883,649
General and administration	214,602	-	214,602
Fundraising and membership	176,058	-	176,058
Total expenses	\$ 1,274,309	\$ -	\$ 1,274,309
Change in net assets from operating activities	\$ (2,493)	\$ 74,185	\$ 71,692
Non-operating Activities			
Investment returns on endowments	\$ 100,853	\$ 51,516	\$ 152,369
Investment returns on other non-operating activities	109,292	7,611	116,903
Allocation of endowment spending to operations	(83,640)	-	(83,640)
Reclassification of net assets	(1,482)	1,482	-
Gain on swap agreements	4,603	-	4,603
Foreign exchange gains (losses)	(1,357)	(31)	(1,388)
Distributions to noncontrolling interests	(370)	-	(370)
Change in net assets from non-operating activities	\$ 127,899	\$ 60,578	\$ 188,477
Total change in net assets	\$ 125,406	\$ 134,763	\$ 260,169
Beginning net assets	6,064,287	1,542,212	7,606,499
Ending net assets	\$ 6,189,693	\$ 1,676,975	\$ 7,866,668

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

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
Amounts in thousands

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Contribution Revenues			
Dues and contributions	\$ 338,892	\$ 433,193	\$ 772,085
Contributed goods and services	44,735	-	44,735
Contributed land and easements for conservation	45,724	-	45,724
Contributed non-conservation land	6,876	2,818	9,694
Government grants and contracts	126,320	-	126,320
Total contribution revenues	562,547	436,011	998,558
Sales of conservation land and easements	41,241	-	41,241
Investment returns on operating activities	(25,386)	-	(25,386)
Other income	99,954	-	99,954
Total revenues	678,356	436,011	1,114,367
Allocation of endowment spending	69,138	-	69,138
Net assets released from restriction	411,472	(411,472)	-
Total revenues and reclassifications	\$ 1,158,966	\$ 24,539	\$ 1,183,505
Expenses			
Conservation activities and actions	\$ 663,885	\$ -	\$ 663,885
Book value of conservation land and easements	58,269	-	58,269
Total program expenses	722,154	-	722,154
General and administration	182,336	-	182,336
Fundraising and membership	150,164	-	150,164
Total expenses	\$ 1,054,654	\$ -	\$ 1,054,654
Change in net assets from operating activities	\$ 104,312	\$ 24,539	\$ 128,851
Non-operating Activities			
Investment returns on endowments	\$ (107,330)	\$ (75,206)	\$ (182,536)
Investment returns on other non-operating activities	(115,533)	(43,884)	(159,417)
Allocation of endowment spending to operations	(69,138)	-	(69,138)
Reclassification of net assets	787	(787)	-
Gain on swap agreements	9,211	-	9,211
Foreign exchange gains (losses)	(4,978)	(135)	(5,113)
Distributions to noncontrolling interests	(4,620)	-	(4,620)
Change in net assets from non-operating activities	\$ (291,601)	\$ (120,012)	\$ (411,613)
Total change in net assets	\$ (187,289)	\$ (95,473)	\$ (282,762)
Beginning net assets	6,251,576	1,637,685	7,889,261
Ending net assets	\$ 6,064,287	\$ 1,542,212	\$ 7,606,499

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

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
Amounts in thousands

	Conservation Programs	General and Administration	Fundraising and Membership	Total Expenses
Salaries and benefits	\$ 337,911	\$ 121,013	\$ 94,746	\$ 553,670
Professional services	174,379	17,747	27,730	219,856
Grants and subawards	100,613	5,750	9	106,372
Travel	21,459	3,887	2,950	28,296
Publication, printing, and postage	9,455	303	36,135	45,893
Supplies and equipment	31,864	10,205	4,332	46,401
Depreciation and amortization	12,915	1,942	-	14,857
Interest	21,176	11,628	-	32,804
Occupancy	3,405	11,421	294	15,120
Contributed goods and services non-cash expenses	39,038	11,426	5,636	56,100
All other	64,716	19,280	4,226	88,222
	816,931	214,602	176,058	1,207,591
Book value of donated conservation land and easements	66,718	-	-	66,718
Total expenses	\$ 883,649	\$ 214,602	\$ 176,058	\$ 1,274,309

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

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
Amounts in thousands

	Conservation Programs	General and Administration	Fundraising and Membership	Total Expenses
Salaries and benefits	\$ 288,109	\$ 102,956	\$ 86,248	\$ 477,313
Professional services	135,434	13,848	16,456	165,738
Grants and subawards	104,804	50	89	104,943
Travel	8,661	1,198	1,228	11,087
Publication, printing, and postage	6,538	331	34,342	41,211
Supplies and equipment	20,870	7,963	3,717	32,550
Depreciation and amortization	9,877	1,908	-	11,785
Interest	15,749	1,332	-	17,081
Occupancy	2,040	11,452	150	13,642
Contributed goods and services non-cash expenses	22,313	15,493	4,789	42,595
All other	49,490	25,805	3,145	78,440
	663,885	182,336	150,164	996,385
Book value of donated conservation land and easements	58,269	-	-	58,269
Total expenses	\$ 722,154	\$ 182,336	\$ 150,164	\$ 1,054,654

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

THE NATURE CONSERVANCY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022
Amounts in thousands

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	\$ 260,169	\$ (282,762)
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by (used in) operating activities		
Depreciation and amortization	14,857	11,785
Contributed conservation land and easements	(40,673)	(45,724)
Losses on disposition of conservation lands and easements	29,124	17,028
Proceeds from sale of conservation land and easements	37,593	41,241
Purchases of conservation land and easements	(159,165)	(238,351)
Change in value of split interest investment	(16,964)	54,795
Change in value of swap agreements	4,603	9,211
Contributed securities	(33,217)	(42,032)
Proceeds from sale of contributed securities	34,875	40,761
Contributed non-conservation land and contributed funds to be held for long term purposes	(29,836)	(34,113)
Net (gain)/loss on investments	(288,870)	318,028
Changes in assets and liabilities		
Notes and other receivables	(24,264)	(3,292)
Pledges receivable, net	11,668	7,026
Deposits, prepaid expenses and other assets	(6,005)	56,921
Right of use assets	653	3,626
Accounts payable and accrued liabilities	14,555	(5,131)
Split interest arrangements payable	(18,819)	(11,610)
Lease liabilities	(1,444)	(3,823)
Non-conservation lands	13,389	7,539
Other changes	(194)	6,262
Net cash and cash equivalents used in operating activities	(197,965)	(92,615)
Cash Flows from Investing Activities		
Proceeds from notes collections	16,263	11,199
Issuance of notes receivable	(2,264)	(365,043)
Proceeds from sale of endowment and capital investments	1,544,183	2,751,069
Purchases of endowment and capital investments	(1,357,166)	(3,137,874)
Purchases of property and equipment	(24,948)	(19,747)
Net cash and cash equivalents provided by (used in) investing activities	176,068	(760,396)
Cash Flows from Financing Activities		
Proceeds from contribution for long term purpose	10,646	24,528
Purchases of split interest investments	(32,860)	(33,946)
Proceeds from split interest arrangements	34,120	30,482
Repayments of long-term debt	(321,527)	(26,866)
Proceeds from issuance of long-term debt	357,620	828,119
Net cash and cash equivalents provided by financing activities	47,999	822,317
Net increase (decrease) in cash, cash equivalents and restricted cash	26,102	(30,694)
Cash, cash equivalents and restricted cash at beginning of year	133,035	163,729
Cash, cash equivalents and restricted cash at end of year	\$ 159,137	\$ 133,035
Supplemental data		
Cash paid for interest	\$ 32,336	\$ 10,431

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

THE NATURE CONSERVANCY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

Note 1. Significant Accounting Policies

Nature of Organization and Activities

The Nature Conservancy (“The Conservancy”) is a global conservation organization. The mission of The Conservancy is to conserve the lands and waters on which all life depends. The Conservancy conducts its activities throughout the United States, Canada, Latin America, the Caribbean, Europe, Africa, Asia, and the Pacific.

The Conservancy’s primary sources of revenue are contributions from the public (including gifts of land), government grants, investment income, and sales of conservation interests to government agencies or other conservation buyers. These resources are used to help solve critical challenges by significantly improving the health of globally important natural systems that enhance the lives of people around the world. Working with partners—including Indigenous communities, governments, and businesses—The Conservancy pursues solutions that protect and restore natural systems, use nature sustainably, and broaden support for conservation.

Basis of Accounting

The consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements and accompanying notes include the accounts of all The Conservancy’s business units and affiliates, both domestic and international, including those which are separately incorporated, receive gifts, and perform conservation activities in the name of The Conservancy. Business units are individual reporting segments managing organizational functions or regional conservation work in all states in the United States and globally. Consolidated affiliates controlled by The Conservancy include approximately 25 non-profit and 25 for-profit entities globally that enhance The Conservancy’s ability to expand the reach of conservation activities and demonstrate the value of conservation investments. When The Conservancy is a non-controlling partner but has substantive rights to significantly influence certain partnerships, it reflects such noncontrolling interests separately in net assets without donor restriction. All significant intercompany transactions have been eliminated in consolidation.

Basis of Presentation

In accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, The Conservancy presents information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restriction—resources that are not subject to donor-imposed stipulations, including revenues from membership dues, government grants and contracts, investment income (other than the unappropriated and purpose restricted portion of true endowment investment income), and other inflows of assets over which the Board of Directors of The Conservancy (“Board”) has discretionary control. The Board may designate a portion of net assets for a specific purpose. If there is no donor-imposed stipulation, these funds are classified as net assets without donor restriction. Noncontrolling interests in limited partnerships represent third-party limited partner ownership in partnerships for which The Conservancy serves as general partner. The Conservancy includes all expenses in this class of net assets, since the use of restricted contributions in accordance with donors’ stipulations results in the release of the restriction.

Net assets with donor restriction—resources that are subject to donor-imposed stipulations that are more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates, and c) the purposes specified in its articles of incorporation or bylaws or comparable documents. This classification includes contributions whose use by The Conservancy is limited by donor-imposed stipulations that either expire by passage of time—such as pledges receivable—or can be fulfilled by actions of The Conservancy—such as usage for land acquisition, specific programs toward meeting The Conservancy’s 2030 goals including certain overhead and indirect costs, or for appropriation from true endowment investment income.

THE NATURE CONSERVANCY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the consolidated statements of activities as net assets released from restriction.

Also included in this classification are contributions whose use by The Conservancy is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of The Conservancy, such that the principal must be maintained permanently by The Conservancy. Contributions for the donor-restricted endowment fund as well as amounts contributed to create a permanent revolving fund for land preservation are classified as net assets with donor restriction. This internal revolving fund is used to finance capital projects, and donations to this fund are to be maintained in perpetuity for only this purpose. The Conservancy is no longer accepting new donations to the revolving fund for land preservation and has implemented a new internal revolving fund that is funded by internally designated unrestricted and temporarily restricted funds that otherwise would not be effectively deployed in the near term. This new fund is used to finance conservation projects.

Measure of Operations

The Conservancy's measure of operations as presented in the consolidated statements of activities includes revenues from membership dues and contributions (including donor-restricted contributions to endowments), grants and contracts, transfers of conservation land and easements, allocation of endowment spending for operations, and other revenues that are not specified as non-operating below. Operating expenses (including the book value of conservation land and easements sold or donated to the government and others) are reported on the consolidated statements of activities by functional classification. Operating results also include the reclassification of net assets with donor restriction to net assets without donor restriction for which purpose or time restriction has been met.

The Conservancy's non-operating activity within the consolidated statements of activities includes investment returns and other activities related to endowments (other than annual appropriation for spending), changes in value of split interest arrangements and donor-advised funds, changes in value of derivative instruments, foreign currency remeasurement, and other infrequent transactions.

Foreign Currency

The functional currency of The Conservancy is the US dollar. Gains and losses resulting from remeasurement of foreign currencies into US dollars are recognized as non-operating activities in the consolidated statements of activities. Where transactions of foreign affiliates are recorded in local currency, assets and liabilities are translated into US dollars at the exchange rate in effect at the dates of the consolidated statements of financial position.

Fair Value

The Conservancy's assets and liabilities are generally measured at fair value and are classified in the fair value hierarchy based on the lowest level of input that is significant to the valuation. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of The Conservancy. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 is based upon quoted prices in active markets for identical assets and liabilities. Market price data is generally obtained from exchange or deal markets.

Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and on model-based valuation techniques, for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from

THE NATURE CONSERVANCY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

various sources including market participants, dealers, and brokers.

Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

The Conservancy applies the practical expedient guidance contained in FASB ASC-820-10, *Fair Value Measurement and Disclosure*, to determine the fair value for some of its investments at the net asset value (NAV) reported by the fund managers. The guidance permits the use of NAV without adjustment under certain circumstances, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2023 and 2022, The Conservancy had no plans to sell investments at amounts different from NAV. Investments measured at NAV as a practical expedient are not classified in the fair value hierarchy.

Most investments are carried at estimated fair value using the valuation hierarchy framework and NAV. Certain equity investments without readily determinable fair value presented using the measurement alternative in ASC 320 *Investments-Debt Securities* are valued using the initial investment in the underlying investment adjusted for impairment and observable price changes. As of June 30, 2023 and 2022, based on lack of observable price changes for identical or similar investments of the same issuer, no adjustments have been made.

Contributions

Unconditional donor promises to give cash and other assets are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by The Conservancy. The promises are reported as dues and contributions with donor restrictions if received with donor stipulations that sufficiently limit the use of the donated assets.

The Conservancy recognizes contributed goods and contributed professional services from third parties as revenue and as expense or assets at the fair value of those goods and services when received. During the years ended June 30, 2023 and 2022, contributed goods totaled \$14,021,000 and \$15,788,000, respectively, and contributed services totaled \$42,078,000 and \$28,947,000, respectively, in the accompanying consolidated statements of activities. Contributed goods consisted primarily of donated software used in conservation and marketing work. At times, The Conservancy receives donated assets that are to be sold by The Conservancy for fundraising purposes. Such assets are sold as soon as reasonably practicable. Contributed services consisted primarily of services by professional legal and consulting firms advising The Conservancy on various administrative and mission-related matters. Estimated fair value of contributed services reported in the financial statements is based on the current rates for similar services.

Government grants and contracts are primarily considered to be non-exchange contribution transactions, the majority of which are cost-reimbursable grants. The Conservancy has elected the “simultaneous release” accounting policy option such that grants received and used within the same period are reported in net assets without donor restriction. Revenue, including approved indirect cost recovery, is recognized when allowable costs have been incurred. The Conservancy’s costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the consolidated financial position or consolidated changes in net assets of The Conservancy.

Revenues from exchange transactions with government agencies reflected as other income in the accompanying consolidated statements of activities totaled \$3,198,000 and \$3,414,000 for the years ended June 30, 2023 and 2022, respectively.

Expense Allocation

Operating expenses are allocated to separate program and support categories as defined below. The book values of conservation land and easements sold or donated by The Conservancy are recognized as program expenses on the consolidated statements of activities. See note 14 Conservation Land and Easements.

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The Conservancy accounts for its program and support services expenditures in the following categories:

Conservation—expenditures related to the broad spectrum of activities and actions critical to advancing The Conservancy’s mission. Expenditures related to understanding, monitoring, maintaining, restoring, and managing natural areas owned by The Conservancy and others are included, as well as expenditures for developing and enhancing The Conservancy’s ability to gather and share ecological information and to assess and evaluate threats to natural systems. In addition, this area includes expenditures to mitigate, prevent, or slow the effects of these threats, including investments in the institutional development of domestic and international conservation organizations. Expenditures related to improving public land management and supporting the development of sound global policies, including participating in conferences and events that help establish a common vision for conservation worldwide are included, as well as expenditures associated with community outreach and education of key stakeholders and land users in areas where The Conservancy’s conservation programs reside.

General and Administration—expenditures related to building and maintaining an efficient business infrastructure, including those related to corporate governance, to support and advance the programmatic conservation objectives of The Conservancy.

Fundraising and Membership—expenditures related to fundraising strategies that provide the revenue stream for both operations and capital needs to further the accomplishment of The Conservancy’s mission and objectives, and expenditures related to the acquisition and retention of The Conservancy’s members primarily through the use of a direct-mail program.

The consolidated statements of functional expenses display expenses related to the underlying operations by natural classification. Expenses are allocated directly to program and support services for each functional expense category. Certain expenses are attributable to more than one functional expense category and require allocation on a reasonable basis that is consistently applied. Salaries and other compensation that constitute direct conduct or supervision of program or support functions are allocated on the basis of estimates of time and effort, and employee benefits are allocated proportionately to salaries. Depreciation and amortization are allocated to the functional categories in which the underlying assets are used. Interest expense on external debt is allocated to the functional categories which have benefitted from the proceeds of the external debt.

Other Accounting Policies

Disclosures related to specific items in the consolidated statements of financial position and consolidated statements of activities are included in the footnotes of these items.

Income Taxes

The Conservancy has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has classified The Conservancy as other than a private foundation. The Conservancy pays income tax relating to its unrelated business income activities, which were primarily generated by income from alternative investments in partnerships. The Conservancy takes no tax positions that it considers to be uncertain.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimated amounts.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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Retirement Plans

The Conservancy's employees are eligible after one month of service to participate in The Nature Conservancy Savings and Retirement Plan (the "Plan"), in which employees can make voluntary, tax-deferred contributions within specified limits. The Plan was established under the provision of Internal Revenue Code Section 401(k) and has received a favorable determination as to its tax status from the Internal Revenue Service. Certain employees are also eligible to participate in a non-qualified deferred compensation plan created pursuant to the Internal Revenue Code Section 457(b). The Conservancy's contributions to the plans were \$24,485,000 and \$22,870,000 for the years ended June 30, 2023 and 2022, respectively.

Subsequent Events

All subsequent events were evaluated through December 20, 2023, which is the date the financial statements were issued.

Contingencies

The Conservancy is a party to various litigation arising out of the normal conduct of its operations. In the opinion of management, the ultimate resolution of these matters will not materially affect the financial positions, changes in net assets, or cash flows of The Conservancy as of and for the years ended June 30, 2023 and 2022.

Related Party Transactions

The Conservancy recorded \$2,968,000 and \$2,483,000 in contribution revenues from current and former Board members during the years ended June 30, 2023 and 2022, respectively, and \$102,000 and \$704,000, respectively, as pledges receivable from current and former Board members as of June 30, 2023 and 2022 in the accompanying consolidated statements of financial position. The Conservancy has an unsecured \$10,000,000 zero-interest loan agreement payable in full in 2026 to a current Board member reflected in notes payable in the accompanying consolidated statements of financial position.

There are no conditional pledges from current and former Board members included in the accompanying consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 and subsequent amendments require financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022 (fiscal year 2024). Early adoption is permitted. The Conservancy is currently assessing the effect that this standard (as amended) will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. ASU 2018-15 provides guidance related to implementation, setup, and other costs incurred in a cloud computing arrangement that is hosted by a vendor and thus deemed a service contract. Under the new guidance, capitalization requirements for implementation costs associated with cloud computing arrangements have been aligned with the capitalization requirements for internal-use software governed by ASC 350-40, *Internal-Use Software*. The amendment dictates that certain costs incurred during the application development stage, such as configuration and customization costs, may be capitalized. Costs incurred in the preliminary project stage or the post implementation stage are not eligible for capitalization and must be expensed as incurred.

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The amendment also addresses the financial statement presentation of capitalized costs as well as amortization and impairment considerations. ASU 2018-15 was effective for fiscal years beginning after December 15, 2020 (fiscal year 2022). The Conservancy adopted this standard as of June 30, 2022 and noted no material impact on its consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of contributed nonfinancial assets by category along with qualitative information about the monetization of such assets, donor restrictions, and valuation techniques. ASU 2020-07 was effective for fiscal years beginning after June 15, 2021 (fiscal year 2022). The Conservancy adopted this standard as of June 30, 2022 and noted no material impact on its consolidated financial statements.

Note 2. Liquidity

Financial assets and liquidity resources available within one year for general expenditure such as operating expenses, scheduled principal payments on debt, and land acquisition are as follows as of June 30 (in thousands):

	2023		2022
Cash and cash equivalents	73,323	\$	71,815
Government grants and contracts receivable	39,455		33,052
Current notes and other receivables for operations	56,140		40,598
Pledge payments available for operations	125,026		128,368
Working capital investments	289,544		220,731
Board approved appropriation for endowment spending	76,486		73,516
Total financial assets available within one year	\$ 659,974	\$	568,080
Additional liquidity resources:			
Bank line of credit	\$ 17,000	\$	64,000
Private foundation line of credit	634		634
Total financial assets and liquidity resources available within one year	\$ 677,608	\$	632,714

The Conservancy's endowment funds consist of donor-restricted and Board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and therefore is not available for general expenditure. Although The Conservancy does not intend to spend from its Board-designated endowment funds other than amounts appropriated for general expenditure as part of the annual budget process as described in the schedule above, the total \$996,071,000 and \$977,998,000 of unrestricted Board-designated net assets as of June 30, 2023 and 2022, respectively, could be made available with Board or designee approval.

The Conservancy's cash flows have seasonal variations due to a concentration of contributions received at calendar year end, and financial assets are structured to be available as general expenditures, liabilities, and other obligations come due. To help manage seasonal cash flows or meet unanticipated liquidity needs—such as for opportunistic acquisition of conservation land and easements—The Conservancy maintains lines of credit with a bank and a private foundation that are drawn upon as needed. The limit on the bank line of credit was \$100,000,000, and the limit on the private foundation line of credit was \$20,000,000 at both June 30, 2023 and 2022. As of June 30, 2023 and 2022, there were outstanding balances of \$83,000,000 and \$36,000,000,

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respectively, on the bank line of credit, and there was an outstanding balance of \$19,366,000 at both June 30, 2023 and 2022 on the private foundation line of credit.

Note 3. Cash and Cash Equivalents

Cash represents working capital held in bank accounts in high quality financial institutions in the United States and 39 other countries. The cash in most non-U.S. accounts is uninsured but is limited per country to amounts that—in the opinion of management—are not material to the financial statements. Cash equivalents represent short-term, highly liquid investments with maturities of three months or less when purchased that do not have donor-imposed restrictions that limit their use to long-term investment, such as endowment funds.

Financial instruments that potentially subject The Conservancy to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2023 and 2022, The Conservancy had \$97,869,000 and \$75,504,000, respectively, in excess of the FDIC insured limit.

The balances of cash and cash equivalents and restricted cash and cash equivalents reported within the statements of financial position sum to the total amount of cash, cash equivalents, and restricted cash at end of year as reported on the consolidated statements of cash flows. These amounts are as follows as of June 30 (in thousands):

	2023	2022
Cash and cash equivalents	\$ 73,323	\$ 71,815
Restricted cash and cash equivalents	85,814	61,220
Total cash, cash equivalents, and restricted cash	\$ 159,137	\$ 133,035

Note 4. Restricted Cash and Cash Equivalents and Restricted Short-Term Investments

Restricted cash, cash equivalents, and short-term investments represent monies segregated to meet requirements of specific conservation project agreements. Restricted short-term investments are considered Level 1 investments.

Restricted cash and cash equivalents and restricted short-term investments consist of the following as of June 30 (in thousands):

	2023	2022
Cash held in trust for mitigation agreements	\$ 85,814	\$ 61,220
Total restricted cash and cash equivalents	\$ 85,814	\$ 61,220
Certificates of deposit held in trust for mitigation agreements	\$ 30,109	\$ 30,111
Certificates of deposit to satisfy reserve requirements under charitable gift annuity agreement	250	250
Highly liquid U.S. government and cash instruments under collateral arrangement	6,000	5,071
Total restricted short-term investments	\$ 36,359	\$ 35,432

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Note 5. Government Grants and Contracts Receivable

The Conservancy receives grants and contracts from federal, state, and local agencies to be used for specific programs or land purchases. The excess of reimbursable expenditures over cash receipts is included in government grants receivable, and any excess of cash receipts over reimbursable expenditures is included in deferred revenue and refundable advances. Government receivables are expected to be realized within one year.

Unspent advances from government grants and contracts including both exchange and contribution transactions of \$19,230,000 and \$14,801,000 as of June 30, 2023 and 2022, respectively, are reflected within deferred revenue and refundable advances on the consolidated statements of financial position.

The Conservancy had \$497,388,000 and \$315,035,000 in conditional government grants and contracts as of June 30, 2023 and 2022, respectively.

Note 6. Notes and Other Receivables

Notes and other receivables consist of the following as of June 30 (in thousands):

	2023	2022
Notes receivable, net allowance for doubtful accounts and accrued interest	\$ 390,644	\$ 391,809
Advances to federal, state, and local grant subaward recipients	5,115	1,280
Bequests receivable	16,600	11,250
Other receivables, net allowance for doubtful accounts	36,890	28,214
Total notes and other receivables	\$ 449,249	\$ 432,553

The Conservancy's consolidated affiliate, Belize Blue Investment Company, LLC ("BzBIC"), which is a wholly owned subsidiary of Blue Investments for Nature Inc. ("BIN"), a wholly owned subsidiary of The Conservancy, holds a note receivable from the country of Belize totaling \$364,000,000 with a per-annum interest rate of 3.00% from issuance in November 2021 through October 2022, 3.55% from October 2022 to October 2023, 5.15% from October 2023 to October 2025, and 6.04% from October 2025 through maturity. The note receivable matures in October 2040. Interest payments are due semi-annually in April and October. Principal payments will be due semi-annually in April and October, beginning April of 2032. The payment terms of this note receivable are aligned with the terms of a related loan payable as described in Note 16 under The Conservancy's Blue Bonds for Ocean Conservation Program.

The Conservancy is a named irrevocable beneficiary under various wills, trusts, and non-probate gifts. Bequest receivables are recognized for significant incoming gifts which have matured and are known but for which The Conservancy has not yet received the funds.

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Notes receivable are expected to be realized in the following periods (in thousands):

	2023	2022
Less than one year	\$ 3,250	\$ 1,734
One to five years	5,242	7,421
More than five years	379,797	379,978
	388,289	389,133
Plus: Accrued interest receivable	2,355	2,676
Total notes receivable and accrued interest	\$ 390,644	\$ 391,809

Advances to federal, state, and local grant subaward recipients, bequests receivable, and other receivables are expected to be realized within one year.

Management regularly assesses the adequacy of the allowance for doubtful accounts by performing evaluations of accounts receivable and notes receivable, including factors such as the financial condition of borrowers and the existence of any guarantees. Balances are written off when deemed uncollectable.

Note 7. Deposits, Prepaid Expenses, and Other Assets

Deposits, prepaid expenses, and other assets consist of the following as of June 30 (in thousands):

	2023	2022
Deposits on conservation land and easements	\$ 1,087	\$ 1,175
Prepaid expenses	11,997	9,595
Other assets	29,058	25,367
Total deposits, prepaids and other assets	\$ 42,142	\$ 36,137

Note 8. Pledges Receivable

Pledges receivable represent unconditional promises to give and are reported at fair value by discounting the expected future pledge payments at a risk-adjusted rate at the balance sheet date, and accordingly are categorized as Level 3 assets. The primary unobservable input used in the fair value measurement of The Conservancy's pledges receivable is the discount rate. Significant fluctuations in the discount rate could result in a material change. The discount rate used in the present value technique to determine fair value of pledges receivable is based on the U.S. Prime rate and is revised at each measurement date to reflect current market conditions and the creditworthiness of donors. In addition, management evaluates payment history and market conditions to estimate allowances for doubtful pledges.

Changes in the fair value of pledges receivable are reported in the consolidated statements of activities as contribution revenue except for changes in the allowance which are reported as program expenses at each subsequent reporting date. Net pledge activity resulted in \$11,668,000 and \$7,026,000 of decreases in pledges receivable reflected in the accompanying statements of financial position as of June 30, 2023 and 2022, respectively. 2023 and 2022 activities comprised of new pledges of \$184,930,000 and \$195,954,000, pledge payments of \$191,821,000 and \$197,780,000, and \$4,681,000 and \$3,980,000 net increases in pledge

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discount and allowance, respectively.

Unconditional pledges are expected to be received in the following periods (in thousands):

	2023	2022
Less than one year	\$ 126,599	\$ 137,996
One to five years	110,553	105,915
More than five years	1,168	1,396
	238,320	245,307
Less: Discount of 8.25% in 2023 and 4.75% in 2022	(13,656)	(9,038)
Less: Allowance for doubtful accounts	(9,497)	(9,434)
Total pledges receivable, net	\$ 215,167	\$ 226,835

Unconditional pledges receivable had the following donor-imposed restrictions as of June 30 (in thousands):

	2023	2022
Conservation programs and activities	\$ 192,940	\$ 205,868
Conservation land and easement acquisition and stewardship	17,765	9,080
Endowment	1,880	10,995
Other operating activities	2,582	892
Total pledges receivable, net	\$ 215,167	\$ 226,835

In addition, as of June 30, 2023 and 2022, The Conservancy had received promises to give that are conditioned upon the occurrence of specified future and uncertain events, such as The Conservancy raising matching gifts or acquiring certain conservation lands. Conditional promises to give are recognized as contribution revenue when the donor-imposed conditions are substantially met.

Conditional pledges had the following conditions as of June 30 (in thousands):

	2023	2022
Raised matching funds	\$ 25,117	\$ 31,441
Land acquisition	11,888	18,171
Completion of conservation projects	36,957	18,778
Other	10,612	11,256
Total conditional pledges	\$ 84,574	\$ 79,646

Note 9. Securities Lending Agreement

The Conservancy lends certain securities in its investment portfolio to qualified borrowers on a short-term, fully collateralized basis in exchange for interest to help offset custodial fees. Collateral in the form of cash in US dollars, securities issued or guaranteed by the US government, or irrevocable letters of credit issued by banks independent of the borrowers is marked to market on a daily basis, and the borrower is required to deliver the difference between the daily market value of the collateral and 102% of the loaned securities original fair market value if denominated in US dollars or 105% if denominated in foreign currency. The lending agent, in its agreement with The Conservancy, guarantees the repayment of the loan in the event the borrower defaults. The Conservancy retains all the benefits of ownership including rights to dividends, interest, and other cash distributions pertaining to the loaned securities. The Conservancy also retains the right to redeem the loaned securities prior to

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the stipulated redemption date.

As of June 30, 2022, The Conservancy recorded \$61,186,000 in securities pledged under its securities lending agreement and an equal amount payable to the borrowers under the agreement. These amounts are reflected in assets and liabilities in the consolidated statements of financial position. The Conservancy had terminated this agreement as of June 30, 2023.

Note 10. Repurchase Agreements

The Conservancy may enter into repurchase agreements, under the terms of a Master Repurchase Agreement, with selected commercial banks and broker-dealers, under which The Conservancy acquires securities as collateral (debt obligation) subject to an obligation of the counterparty to repurchase and The Conservancy to resell the securities (obligation) at an agreed upon time and price. The Conservancy, through the custodian or a tri-party custodian, receives delivery of the underlying securities collateralizing repurchase agreements. The Conservancy requires the custodian to take possession, to have legally segregated in the Federal Reserve Book Entry System, or to have segregated within the custodian's vault, all securities held as collateral for repurchase agreements. The Conservancy and the counterparties are permitted to sell, re-pledge, or use the collateral associated with the transaction. It is The Conservancy's policy that the market value of the collateral be at least equal to 100% of the repurchase price in the case of a repurchase agreement of one-day duration and 102% of the repurchase price in the case of all other repurchase agreements. Upon an event of default under the terms of the Master Repurchase Agreement, both parties have the right to set-off. If the seller defaults or enters into an insolvency proceeding, realization of the collateral by The Conservancy may be delayed, limited, or wholly denied.

As of June 30, 2023 and 2022, The Conservancy had investments in repurchase agreements with total gross values of \$62,141,000 and \$53,363,000, respectively, which are included as part of investments in the consolidated statements of financial position. The market value of the collateral is 102% of the face value of the repurchase agreements.

Note 11. Non-Conservation Lands

Real property with little or no ecological value acquired through contributions or in an exchange of conservation land is sold to provide funds for The Conservancy's conservation work. These assets are recorded at fair value in the consolidated statements of activities in the period received. During the years ended June 30, 2023 and 2022, contributed non-conservation lands as reflected in the accompanying consolidated statements of activities totaled \$36,216,000 and \$9,694,000, respectively. Fair value is generally determined by appraisal at the time of acquisition. The input to the fair value estimate is classified in Level 3 of the fair value hierarchy. The value of non-conservation lands is reduced to the net realizable value at fiscal year-end, and the change in value is reported in the consolidated statements of activities.

Changes in the fair value of non-conservation lands were as follows for the years ended June 30 (in thousands):

	2023	2022
Fair value beginning of year	\$ 12,758	\$ 10,712
Transfers-in	19,190	9,585
Sales	(13,259)	(6,593)
Realized gain/(loss)	(130)	(537)
Unrealized gain/(loss)	-	(409)
Fair value end of year	<u><u>\$ 18,559</u></u>	<u><u>\$ 12,758</u></u>

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Note 12. Investments

The Conservancy's investments are held in three distinct categories:

Capital fund—excess working capital and funds held primarily for the future acquisition of conservation land, easements, and for funding other conservation projects.

Endowment fund—funds held as long-term capital to generate income for The Conservancy's operations.

Split interest arrangements—funds and other assets held in trust by The Conservancy under agreements that include other beneficiaries or by third-party trustees representing The Conservancy's beneficial interests.

The overall investment objective of The Conservancy is to invest its assets in a prudent manner to preserve and grow the purchasing power of these funds so that they are available to support The Conservancy's global operations and conservation projects. The Conservancy manages investment activities in accordance with established policies and with oversight from the Board's Investment Committee as of February 2022 (previously overseen by the Board's Finance Committee). The amount of Endowment income provided each year for operations is established by the Finance Committee through its adoption of an annual endowment spending rate and spending rate base. The spending rate for the year ended June 30, 2022 was 5% of the average fair market value of the previous 60 months. As of July 1, 2022, the spending rate changed to 5.75% of the average fair market value of the previous 36 months.

The Conservancy recognizes that risk must be assumed to achieve its stated long-term investment objectives. Therefore, asset allocations and ranges are necessarily diverse and consider liquidity needs. The Conservancy has considered its ability to withstand short and intermediate term variability and concluded that the portfolio can tolerate some interim fluctuations in market values and rates of return in order to achieve its objectives. However, The Conservancy realizes that market performance varies and that the portfolio's investment objectives may not be achievable during short-term periods.

The Conservancy has chosen not to manage its underlying assets directly, but to utilize independent investment managers. To maintain prudent diversification and to manage risk, The Conservancy's portfolio is divided among 100 to 110 separate managers. To mitigate concentration of credit risk, The Conservancy's excess cash is invested with high quality institutions, the largest concentrations of which are invested in commercial paper (44% and 30%), repurchase agreements (31% and 37%), certificates of deposit (15% and 21%), U.S. Treasuries (8% and 8%), corporate bonds and notes (2% and 3%), and asset-backed securities (0% and 1%) as of June 30, 2023 and 2022, respectively.

Pursuant to its investment policy, The Conservancy's investments cannot have more than 10% of their assets at market value in securities of any one issuer, be they short-term or long-term, other than the U.S. Government and its Agencies. As of June 30, 2023 and 2022, the largest exposures in the Capital and Endowment Fund long term investments are 4% and 3%, respectively, in a single issuer.

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Investments are presented in the fair value hierarchy and consist of the following as of June 30 (in thousands):

June 30, 2023	Level 1	Level 2	Level 3	NAV	Total
Capital and endowment investments					
Short-term investments	\$ 12,358	\$ 909	\$ -	\$ -	\$ 13,267
Repurchase agreements	-	62,141	-	-	62,141
Fixed income	18,074	287,605	-	71,712	377,391
Exchange traded stock	72,817	-	-	-	72,817
Exchange traded funds	44,942	-	-	-	44,942
Closed end funds	51	-	-	-	51
Comingled equity funds	-	-	-	943,563	943,563
Comingled bond funds	-	-	-	1,139	1,139
Hedge funds	-	-	-	914,402	914,402
Private equity investments	-	-	-	491,506	491,506
Private debt investments	-	-	-	76	76
Private real estate funds	-	-	-	121,012	121,012
Total capital and endowment investments	\$148,242	\$350,655	\$ -	\$ 2,543,410	\$ 3,042,307
Split interest arrangements					
Split interest trustee					
U.S. Agency Bonds	\$ 2	\$ -	\$ -	\$ -	\$ 2
Mutual Funds	137,055	-	-	-	137,055
Real Estate	-	-	29,944	-	29,944
U.S. Treasuries	9,438	-	-	-	9,438
Short Term Investments	29,969	-	-	-	29,969
Exchange Traded Funds	112,248	-	-	-	112,248
Commingled Equity Funds	-	-	-	4,746	4,746
Split interest, non-trusted	-	-	36,391	-	36,391
Total split interest arrangements	\$ 288,712	\$ -	\$66,335	\$ 4,746	\$ 359,793
Total investments measured at fair value or using NAV as a practical expedient					\$ 3,402,100

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June 30, 2022	Level 1	Level 2	Level 3	NAV	Total
Capital and endowment investments					
Short-term investments	\$ 104,400	\$ 922	\$ -	\$ -	\$ 105,322
Repurchase agreements	-	53,363	-	-	53,363
Fixed income	24,995	347,359	-	76,426	448,780
Preferred securities	1,686	-	-	-	1,686
Exchange traded stock	104,805	-	-	-	104,805
Exchange traded funds	35,057	-	-	-	35,057
Closed end funds	57,888	-	-	-	57,888
Comingled equity funds	-	-	-	826,306	826,306
Comingled bond funds	-	-	-	1,109	1,109
Hedge funds	-	-	-	838,656	838,656
Private equity investments	-	-	-	443,209	443,209
Private real estate funds	-	-	-	139,099	139,099
Total capital and endowment investments	\$328,831	\$401,644	\$ -	\$2,324,805	\$ 3,055,280
Split interest arrangements					
Split interest trustee					
U.S. Agency Bonds	\$ 3	\$ 1,490	\$ -	\$ -	\$ 1,493
Mutual Funds	132,364	-	-	-	132,364
Real Estate	-	-	21,366	-	21,366
U.S. Treasuries	22,706	-	-	-	22,706
Short Term Investments	14,888	-	-	-	14,888
Exchange Traded Funds	110,639	-	-	-	110,639
Commingled Equity Funds	-	-	-	4,753	4,753
Split interest, non-trusted	-	-	35,881	-	35,881
Total split interest arrangements	\$280,600	\$ 1,490	\$57,247	\$ 4,753	\$ 344,090
Total investments measured at fair value or using NAV as a practical expedient					\$ 3,399,370

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Of the \$3,471,939,000 and \$3,370,373,000 total investments in the accompanying consolidated statements of financial position as of June 30, 2023 and 2022, respectively, net investments not measured at fair value or reflected in the table above are as follows (in thousands):

	2023	2022
Equity method investment	\$ 22,126	\$ 21,960
Equity investment valued using the measurement alternative in ASC 320	12,419	11,853
Net investment receivables/payables and other	35,294	(62,810)
Total investments not measured at fair value	\$ 69,839	\$ (28,997)

The Conservancy's investment funds are valued by the following valuation techniques: equity securities and exchange traded funds are typically valued at the last sale price or official closing price on the exchange or principal market where the security trades; debt obligations are valued based on the evaluated price provided by an independent pricing vendor or broker-dealer; real estate investment properties are valued based on results from an independent appraisal and a professional third-party market valuation; future contracts are typically valued at the last traded price on the exchange on which they trade. The value of certain alternative investments not included in the fair value hierarchy represents the ownership interest in the NAV of the respective partnership. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The Conservancy has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value.

Investments valued using NAV as a practical expedient consist of the following as of June 30 (in thousands):

June 30, 2023		Unfunded	Redemption	Redemption
Category of Investments	Fair Value	Commitments	Frequency	Notice Period
				30 days, 45 days, 60
Domestic equity funds	\$ 364,699	\$ 25,000	Monthly, Quarterly	days, 90 days
				5 business days, 7
			Weekly, monthly,	days, 30 days, 120
Global equity funds	336,122	-	quarterly, annually	days
			Monthly, quarterly,	60 days, 90 days, 180
International equity funds	235,565	-	semi-annually	days
Bond Funds	71,712	4,000	Quarterly	90 days
Hedge funds	914,402	9,750	Quarterly, annually	60-120 days
Private equity funds	491,506	357,171	N/A	N/A
Real estate funds	121,012	28,281	N/A	N/A
Commingled equity funds	11,923	-	N/A	N/A
Commingled bond funds	1,215	-	N/A	N/A
Total investments valued using NAV	\$ 2,548,156	\$ 424,202		

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June 30, 2022				
Category of Investments	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity funds	\$ 330,433	\$ 25,000	Monthly, Quarterly	30-60 days
				5 business days, 7
			Weekly, monthly,	days, 30 days, 90 days,
Global equity funds	337,691	-	quarterly, annually	120 days
				10 business days, 30
			Monthly, quarterly,	days, 60 days, 90 days,
International equity funds	150,374	-	semi-annually	180 days
Bond Funds	76,426	8,500	Quarterly	90 days
Hedge funds	838,656	1,500	Quarterly, annually	60-120 days
Private equity funds	443,209	288,847	N/A	N/A
Real estate funds	139,099	28,034	N/A	N/A
Commingled equity funds	12,561	-	N/A	N/A
Commingled bond funds	1,109	-	N/A	N/A
Total investments valued using NAV	\$ 2,329,558	\$ 351,881		

Otherwise, redeemable investments valued using NAV are typically subject to lock-up periods and rates that may vary from quarterly to 5 years or longer based on contractual agreement, and there are no otherwise significant restrictions on the ability to sell investments in this portfolio.

The Conservancy's investment policy allows for the use of derivatives by investment managers and at the portfolio-level to assist in managing asset allocation and exposures. These derivative exposures are exchange-traded and are reported in the fair value of the overall portfolio within Level 1. The use of derivative instruments involves the risk of imperfect correlation in movement in the price of the instruments, interest rates, and the underlying hedged assets. As a result, The Conservancy may not achieve the anticipated benefits of hedging strategies. The Conservancy's derivative contracts held as of June 30, 2023 and 2022 are not accounted for as hedging instruments under GAAP.

The Conservancy's interest rate swap arrangements have inputs which can generally be corroborated by observable market data and are therefore classified within Level 2. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. The valuation methods described above may produce fair value calculations that may not be indicative of net realized value or reflective of future fair values. The Conservancy believes the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The fair value of these interest rate swap agreements is reflected in the accompanying consolidated statements of financial position as accounts payable and accrued liabilities. No collateral is required to be posted/received for the interest rate swaps.

Swap contracts expose The Conservancy to credit risk arising from the potential inability of counterparties to perform under the terms of the contracts. The notional amounts of these contracts do not represent The Conservancy's risk of loss due to counterparty nonperformance. The Conservancy's exposure to credit risk associated with counterparty nonperformance for these contracts is limited to the fair value of such contracts and any related collateral placed with the counterparty, after enforcing any master netting agreements with counterparties that allow The Conservancy to offset amounts owed by the counterparty with amounts payable to the same counterparty. The International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreements that govern and establish terms for the over-the-counter swaps provide The Conservancy with legal right of setoff that is enforceable under law.

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The Conservancy has no active interest rate swap agreements as of June 30, 2023. Activity and balances related to swap instruments held are as follows as of June 30, 2022:

Counterparty	Original Notional	Notional at 6/30/2022	Type	Trade Date	Maturity Date	Fixed Rate	Floating Rate	Fair Value (in thousands)*
Morgan Stanley	62,000,000	62,000,000	IRS - Fixed/Pay	4/4/2019	2/1/2029	4.2%	100% of 3 mo USD LIBOR	\$ (4,603)
Total Fair Value of Swaps								\$ (4,603)

*Includes credit valuation adjustment

Note 13. Property and Equipment

Property and equipment valued at \$50,000 or more is capitalized. Purchased property and equipment is carried at cost, and donated property and equipment is recognized at fair value at the date of contribution. Depreciation and amortization are computed using the straight-line method for all depreciable assets over the estimated useful lives of the assets, ranging from 5 to 30 years for building and building improvements, 3 to 5 years for computer equipment and software, and 4 to 25 years for furniture, fixtures, and others. Costs associated with construction in progress are held until the asset is placed in service, at which point the asset is transferred to the applicable asset category and depreciated over its estimated useful life. Assets totaling \$72,866,000 and \$66,513,000 were fully depreciated as of June 30, 2023 and 2022, respectively. Expenditures for maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Property and equipment consist of the following as of June 30 (in thousands):

	2023	2022
Land for operations	\$ 8,016	\$ 8,016
Construction in progress	12,272	26,444
Buildings and improvements	220,045	196,604
Computer equipment and software	44,180	41,437
Furniture, fixtures, and other	44,586	34,472
	329,099	306,973
Less: Accumulated depreciation and amortization	(168,873)	(155,789)
Total property and equipment, net	\$ 160,226	\$ 151,184

Note 14. Conservation Land and Easements

Conservation land is real property with significant ecological value. These properties are either managed in an effort to protect the natural biological diversity of the property or transferred to other organizations to manage in a similar fashion.

The Conservancy records land and land interests at cost if purchased or at fair value at the date of acquisition if all or part of the land was received as a donation. Fair value is generally determined by appraisal at the time of acquisition and is not subsequently adjusted. Upon sale or gift, the book value of the land or land interest is reported as a program expense and the related proceeds, if any, are reported as revenue in the consolidated statements of activities.

Conservation easements are comprised of listed rights and/or restrictions over the owned property that are conveyed by a property owner to The Conservancy—almost always in perpetuity—in order to protect the owned property as a significant natural area, as defined in federal tax regulations. These intangible assets may be sold or transferred to others so long as the assignee

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agrees to carry out, in perpetuity, the conservation purposes intended by the original grantor.

The Conservancy has entered into contracts for the purchase of land and other purchase commitments that have not closed totaling \$209,260,000 and \$141,488,000 as of June 30, 2023 and 2022, respectively.

Note 15. Leases

The Conservancy has entered into both non-cancelable lessor and lessee commitments. The Conservancy determines if a contract contains a lease at the inception of a contract. A contract is determined to contain a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. The Conservancy has elected the practical expedients to allow the lease and non-lease components not to be separated in the event the contract contains both and to not record leases with an initial term of 12 months or less on the consolidated statements of position.

Lessor commitments

The Conservancy's lessor commitments primarily consist of operating leases for the use of its owned premises. Leases may include options to renew at the end of the lease term. Lease payments received under these commitments include fixed payments for the rental space as well as variable payments based on usage of services and escalating costs of building operations. Total lease income was \$4,303,000 and \$2,899,000 for the years ended June 30, 2023 and 2022, respectively.

Future fixed lease income under noncancelable operating leases is as follows as of June 30, 2023 (in thousands):

2024	\$ 2,918
2025	1,928
2026	1,783
2027	1,233
2028	1,043
Thereafter	4,568
Total	\$ 13,473

Lessee commitments

The Conservancy's lessee commitments predominantly consist of operating leases for office buildings and equipment. Right-of-use assets were \$38,058,000 and \$38,711,000, and lease liabilities were \$43,327,000 and \$44,771,000 as of June 30, 2023 and 2022, respectively. The weighted-average discount rate used to calculate the present value of future minimum lease payments was 3.49% for 2023 and 3.50% for 2022.

Lease terms may contain renewal and extension options and early termination features. The weighted-average lease terms were 5.81 and 6.55 years as of June 30, 2023 and 2022, respectively.

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Lease expenses consist of the following for the years ended June 30 (in thousands):

	2023	2022
Operating lease expense (cost resulting from lease payments)	\$ 13,401	\$ 12,873
Short-term lease expense	794	516
Variable lease expense	1,263	1,220
Less: Sublease income	(1,651)	(964)
Total lease expense	\$ 13,807	\$ 13,645

The total cash payments for operating leases were \$16,095,000 and \$14,561,000, and noncash additions to operating lease assets were \$6,591,000 and \$5,351,000 for the years ended June 30, 2023 and 2022, respectively.

Maturity analysis of future minimum lease payments for all operating leases are shown as follows as of June 30, 2023 (in thousands):

2024	\$ 11,296
2025	8,841
2026	7,158
2027	6,485
2028	4,677
Thereafter	9,877
	48,334
Less: net present value adjustment	(5,007)
Present value of total minimum lease payments	\$ 43,327

As of June 30, 2023, The Conservancy has an additional operating lease that has not yet commenced for an office building with an estimated right-of-use asset and lease liability of approximately \$239,000 to be recognized upon the anticipated lease commencement in August 2023.

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Note 16. Bonds and Notes Payable

Bonds and notes payable consist of the following as of June 30 (in thousands):

	Interest Rate	Maturity	2023	2022
Revenue Bonds				
Series 2019A, Taxable, Unsecured	4.50%	February 2049	\$ 40,000	\$ 40,000
Series 2019B, Taxable, Unsecured	6.38%	February 2024	62,000	62,000
Series 2021A, Taxable, Unsecured	0.47%-1.86%	July 2022-July 2033	109,878	119,738
Series 2022A Green Bonds, Taxable, Unsecured	3.96%	March 2052	350,000	350,000
Series 2022B, Taxable, Unsecured	2.45%-3.32%	March 2025-March 2033	62,000	62,000
Mortgages and loans	0%-5.87%	2023-2041	153,130	108,992
Bonds and notes payable - recourse			777,008	742,730
Notes payable - non-recourse	2.10%	October 2040	364,000	364,000
Total bonds and notes payable			\$ 1,141,008	\$ 1,106,730

Debt is reported at carrying value. Certain of The Conservancy's debt agreements include covenants that require The Conservancy to meet various reporting and financial metrics. The most restrictive financial covenants include maintaining minimum bond ratings, minimum liquidity ratios, and limits on total debt. The Conservancy was in compliance with all financial debt covenants as of June 30, 2023 and 2022.

Recourse bonds and notes payable are those for which the lenders can hold The Conservancy liable if the bond or payable is defaulted upon.

In March 2022, The Conservancy issued Series 2022A Green Bonds ("Green Bonds") totaling \$350,000,000 and Series 2022B bonds totaling \$62,000,000. Proceeds from the Green Bonds issuance are used to fund eligible green projects that advance priorities for achieving sustainable development goals. Eligible green projects may include but are not limited to environmentally sustainable land use, biodiversity, water management, climate change adaptation, energy efficiency, and renewable energy.

In fiscal year 2022, a consolidated affiliate of The Conservancy entered into a transaction to purchase the debt of the country of Belize. The affiliate is Belize Blue Investment Company, LLC ("BzBIC"), which is a wholly owned subsidiary of Blue Investments for Nature Inc. ("BIN"), a wholly owned subsidiary of The Conservancy. The transaction involved BzBIC obtaining a funding facility from a financial institution. BzBIC then in turn loaned those funds to the country of Belize for use in cancelling certain outstanding debt obligations. As a result of this transaction, the country of Belize pledged to commit significantly more resources to marine protection.

As part of this transaction, BzBIC obtained a loan from a financial institution totaling \$364,000,000 with a per-annum interest rate of 1.60% from issuance in November 2021 through October 2022, 2.10% from October 2022 to October 2023, 3.60% from October 2023 to October 2025, and 4.47% from October 2025 through maturity. The loan matures in October 2040. Interest payments are due semi-annually in April and October. Principal payments will be due semi-annually in April and October, beginning April of 2032. This note is categorized as non-recourse to The Conservancy because liability in the event of default is limited to BzBIC.

Additionally, BzBIC issued a note receivable to the country of Belize as described in Note 6 with payment terms aligned with the payment terms of the loan.

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The following schedule of amounts due is based on the maturity dates per the debt agreements (in thousands):

2024	\$	175,904
2025		21,731
2026		35,176
2027		22,140
2028		18,456
Thereafter		867,601
Total bonds and notes payable	\$	1,141,008

Interest expense incurred on total bonds and notes payable for the years ended June 30, 2023 and 2022 was \$32,550,000 and \$17,057,000, respectively.

Note 17. Split Interest Arrangements

The Conservancy enters into split interest arrangements whereby donations are held in trust by The Conservancy or third-party trustees. Agreed-upon amounts or percentages of invested funds are payable to the donor or the donor's designee for a specified period of time or until the donor's death. In the case of retained life estates, the donor contributes real estate in which the donor or designee retains the life interest to use the property for a specified period or until the donor's death. Upon termination, The Conservancy may use the assets for operations or a restricted use specified by the donor. Total contributions received for split interest arrangements were \$32,860,000 and \$33,946,000 for the years ended June 30, 2023 and 2022, respectively.

The donated trust asset investments are recorded at fair value based on the latest available information and are included in investments following the fair value hierarchy. The marketable securities and exchange traded funds are priced using unadjusted market quotes. Debt obligations are valued based on the evaluated prices provided by an independent pricing vendor or broker-dealer. Alternative investments are valued based on NAV as a practical expedient, and real properties are valued by market-based appraisals. For split interest arrangements where The Conservancy is not the trustee, valuations are based on the values reported by third-party trustees. There is no market for these arrangements, and therefore, they are classified within Level 3. See Note 12 Investments for the fair value hierarchy of investments from split interest arrangements.

Changes in the fair value of split interest investments classified as Level 3 financial instruments are shown as follows for the years ended June 30 (in thousands):

	2023	2022
Fair value beginning of year	\$57,247	\$56,156
Purchases	1,740	432
Transfers-in	9,824	6,066
Sales	(2,675)	(4,466)
Realized gain/(loss)	(311)	449
Unrealized gain/(loss)	510	(1,390)
Fair value end of year	\$ 66,335	\$ 57,247

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A liability for split interest obligations is recorded for the actuarially determined present value of the estimated future payments to be made to the beneficiaries or the donor's real estate usage under a retained life estate.

The Conservancy utilizes the 2012 Individual Annuity Reserving table to actuarially calculate the liability associated with the estimated donor interests under these arrangements. The Conservancy determines the discount rate to be used in the month the split interest arrangements are entered into with the donor and these rates have ranged from 1% to 9%. The present value of the actuarially determined liability resulting from these gifts is recorded at the date of gift and adjusted annually thereafter to reflect fair value. The change in value of split interest arrangements included in non-operating activities in the accompanying consolidated statements of activities was an increase of \$7,611,000 and a decrease of \$43,884,000 for the years ended June 30, 2023 and 2022, respectively.

Split interest arrangements payable consist of the following as of June 30 (in thousands):

	2023	2022
Payable under charitable gift annuities	\$ 97,750	\$ 102,484
Payable under charitable remainder trusts	83,658	81,252
Payable under pooled income funds	1,527	2,111
Payable under retained life estates	9,489	25,396
Total split interest arrangements payable	\$ 192,424	\$ 211,243

Note 18. Net Assets

The Conservancy's net assets as of June 30 include the following (in thousands):

	Without Donor	With Donor	
June 30, 2023	Restrictions	Restrictions	Total
Undesignated	\$ 275,939	\$ -	\$ 275,939
Board-designated funds functioning as endowment	996,071	24,008	1,020,079
Land preservation fund	235,417	183,308	418,725
Land, easements, and capital funds	4,614,672	347,628	4,962,300
Restricted for specific purposes	-	476,076	476,076
Split interest arrangements	5,379	141,539	146,918
Contributed long-lived assets to create permanent endowments	-	560	560
Invested in perpetuity, subject to endowment spending policy	-	503,856	503,856
Total net assets before other	6,127,478	1,676,975	7,804,453
Non-controlling interests	62,215	-	62,215
Total net assets	\$ 6,189,693	\$ 1,676,975	\$ 7,866,668

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	Without Donor	With Donor	
	Restrictions	Restrictions	Total
June 30, 2022			
Undesignated	\$ 342,893	\$ -	\$ 342,893
Board-designated funds functioning as endowment	977,998	-	977,998
Land preservation fund	210,239	178,202	388,441
Land, easements, and capital funds	4,465,193	308,587	4,773,780
Restricted for specific purposes	-	461,735	461,735
Split interest arrangements	5,379	131,140	136,519
Contributed long-lived assets to create permanent endowments	-	996	996
Invested in perpetuity, subject to endowment spending policy	-	461,552	461,552
Total net assets before other	6,001,702	1,542,212	7,543,914
Non-controlling interests	62,585	-	62,585
Total net assets	\$ 6,064,287	\$ 1,542,212	\$ 7,606,499

The Board has approved management's interpretation of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted by the Council of the District of Columbia. UPMIFA requires the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The Conservancy's endowment includes funds designated by the Board to function as endowment and donor-restricted endowment funds. Board-designated funds functioning as endowment are classified as net assets with or without donor restriction based on the underlying net asset class of the funds at the time of designation. Over time, donor restrictions are met as appropriations, subject to the spending policy, are spent on the restricted purpose. Donor-restricted endowment funds with donor requirements that they be held in perpetuity include the original value of gifts donated and accumulations made in accordance with the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment funds that are not required to be held in perpetuity are classified in donor-restricted net assets until those amounts are appropriated for expenditure by The Conservancy in accordance with the spending policy stated in Note 12.

The Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the endowment fund,
- The purpose of the institution and the endowment funds,
- General economic conditions,
- The possible effect of inflation or deflation,
- The expected total return from income and appreciation of investments,
- Other resources of the institution, and
- The investment policy of the institution.

THE NATURE CONSERVANCY
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Endowment funds are categorized as follows in net asset classes as of June 30 (in thousands):

	Without Donor	With Donor	
	Restrictions	Restrictions	Total
June 30, 2023			
Invested in perpetuity, subject to endowment spending policy	\$ -	\$ 503,856	\$ 503,856
Board-designated funds functioning as endowment	996,071	24,008	1,020,079
Total endowment funds	\$ 996,071	\$ 527,864	\$ 1,523,935

	Without Donor	With Donor	
	Restrictions	Restrictions	Total
June 30, 2022			
Invested in perpetuity, subject to endowment spending policy	\$ -	\$ 461,552	\$ 461,552
Board-designated funds functioning as endowment	977,998	-	977,998
Total endowment funds	\$ 977,998	\$ 461,552	\$ 1,439,550

Changes in endowment net assets are summarized as follows for the years ended June 30 (in thousands):

	Without Donor	With Donor	
	Restrictions	Restrictions	Total
2023			
Endowment funds beginning of year	\$ 977,998	\$ 461,552	\$ 1,439,550
Investment returns on endowments, net	103,926	51,515	155,441
Contributions and pledge payments received	(130)	10,388	10,258
Matching fund to donor restricted true endowment	-	760	760
Transfers to create funds functioning as endowment	875	(15)	860
Allocation of endowment spending	(83,640)	-	(83,640)
Net assets released from restrictions	(1,523)	1,523	-
Total endowment funds before reclassification	997,506	525,723	1,523,229
Reclassification and transfer of net assets	(1,435)	2,141	706
Total endowment funds	\$ 996,071	\$ 527,864	\$ 1,523,935

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	Without Donor	With Donor	
	Restrictions	Restrictions	Total
2022			
Endowment funds beginning of year	\$ 1,128,318	\$ 528,612	\$ 1,656,930
Investment returns on endowments, net	(107,330)	(75,206)	(182,536)
Contributions and pledge payments received	(424)	24,389	23,965
Transfers to create funds functioning as endowment	5,819	4,404	10,223
Allocation of endowment spending	(69,138)	-	(69,138)
Net assets released from restrictions	20,753	(20,753)	-
Total endowment funds before reclassification	977,998	461,446	1,439,444
Reclassification and transfer of net assets	-	106	106
Total endowment funds	\$ 977,998	\$ 461,552	\$ 1,439,550

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires The Conservancy to retain as principal in perpetuity. Deficiencies of this nature existed in eight and twenty-two donor-restricted endowment funds as of June 30, 2023 and 2022, respectively, which together had an original gift value of \$3,145,000 and \$14,223,000, current fair values of \$2,920,000 and \$13,047,000, and deficiencies of \$225,000 and \$1,176,000, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and authorized appropriation that was deemed prudent.

The Conservancy has a policy that permits spending from underwater endowment funds up to the Board-approved annual endowment spending rate in accordance with UPMIFA's prudence standard.

Note 19. Guarantee Liability

In September 2022, The Conservancy entered into a co-guarantee structure with the Inter-American Development Bank (IADB) that enabled the Government of Barbados (Barbados) to pay down certain of its existing debt with the proceeds from a new term loan issuance with more favorable financing terms. Barbados has agreed to direct a portion of the savings gained from this refinancing to marine conservation under The Conservancy's Blue Bonds for Ocean Conservation Program. The Conservancy and IADB act as co-guarantors of the payment risk on Barbados' \$150,000,000 term loan, of which IADB guaranteed \$100,000,000, and The Conservancy guaranteed \$50,000,000. The maximum amount that The Conservancy could be required to pay under the guarantee was \$50,000,000 as of June 30, 2023. This amount decreases over time as Barbados makes payments on the loan and is expected to reach zero in 2030. As of June 30, 2023, Barbados was up to date on required payments. The agreement is subject to a counter-guarantee agreement with Barbados, and The Conservancy has obtained reinsurance over the full guaranteed amount. As of June 30, 2023, the fair value of the related guarantee liability was approximately \$1,838,000, which is included in accounts payable and accrued liabilities in the accompanying consolidated statements of financial position.

Note 20. Noncontrolling Interests

The Conservancy is a general partner in partnerships in which third parties have noncontrolling equity investments, which are separately presented on the consolidated statements of position as a component of net assets without donor restriction.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Changes in consolidated net assets without donor restrictions are summarized as follows for the years ended June 30 (in thousands):

	Controlling	Noncontrolling	
	Interests	interests	Total
2023			
Net assets without donor restrictions beginning of year	\$ 6,001,702	\$ 62,585	\$ 6,064,287
Change in net assets from operating activities	(1,710)	(783)	(2,493)
Distributions to noncontrolling interests	-	(370)	(370)
Other changes in net assets from non-operating activities	127,486	783	128,269
Total net assets without donor restrictions	\$ 6,127,478	\$ 62,215	\$ 6,189,693
	Controlling	Noncontrolling	
	Interests	interests	Total
2022			
Net assets without donor restrictions beginning of year	\$ 6,184,371	\$ 67,205	\$ 6,251,576
Change in net assets from operating activities	105,161	(849)	104,312
Distributions to noncontrolling interests	-	(4,620)	(4,620)
Other changes in net assets from non-operating activities	(287,830)	849	(286,981)
Total net assets without donor restrictions	\$ 6,001,702	\$ 62,585	\$ 6,064,287

**Schedule of Expenditures of Federal Awards, Notes to Schedule
of Expenditures of Federal Awards, Schedule of Indirect Cost
Rate Computation and Schedule of Fringe Benefit Rate
Calculation, and Reports under OMB Uniform Guidance and
Section 4-3-304(8), Tennessee Code Annotated**

The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
RESEARCH AND DEVELOPMENT CLUSTER					
Direct Awards					
10.001	Agricultural Research_Basic and Applied Research	DIRECT	58-2070-2-003	\$ -	\$ 43,603
10.001	Agricultural Research_Basic and Applied Research	DIRECT	58-2070-7-003	-	55,202
10.001 R&D Total				-	98,805
11.431	Climate and Atmospheric Research	DIRECT	NA21QAR4310286	-	66,337
11.431 R&D Total				-	66,337
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F20AC11276-00	-	2,440
15.657 R&D Total				-	2,440
43.001	Science	DIRECT	80NSSC19K0188	-	106,250
43.001 R&D Total				-	106,250
R&D Direct Awards Total				-	273,832
Federal Pass-Through					
10.215	Sustainable Agriculture Research and Education	SOUTH DAKOTA STATE UNIVERSITY	3TH147	-	9,083
10.215	Sustainable Agriculture Research and Education	The Mid-Atlantic 4R Nutrient Stewardship Association	MA4RNSA-TNC 030121	-	20,408
10.215 R&D Total				-	29,491
10.310	Agriculture and Food Research Initiative (AFRI)	Utah State University	203341-746	-	19,206
10.310	Agriculture and Food Research Initiative (AFRI)	Purdue University	F9000315202083	-	32,875
10.310 R&D Total				-	52,081
10.652	Forestry Research	University of Vermont	AWD00000637SUB00000345	-	67,291
10.652 R&D Total				-	67,291
10.902	Soil and Water Conservation	SOUTH DAKOTA STATE UNIVERSITY	3TC362	-	15,448
10.902 R&D Total				-	15,448
11.417	Sea Grant Support	Board of Regents of the University System of Georgia by and on behalf of the University of Georgia	SUB00002786	-	6,340
11.417	Sea Grant Support	University of Delaware Sea Grant Program	UDR0000246	-	4,350
11.417 R&D Total				-	10,690
11.419	Coastal Zone Management Administration Awards	University of Michigan	SUBK00016386	13,151	46,017
11.419 R&D Total				13,151	46,017
11.431	Climate and Atmospheric Research	UNIVERSITY OF MINNESOTA	H009085801	14,184	64,752
11.431 R&D Total				14,184	64,752
12.630	Basic, Applied, and Advanced Research in Science and Engineering	The Rector and Visitors of the University of Virginia	GG12423.169007	-	10,791
12.630 R&D Total				-	10,791
15.560	SECURE Water Act Research Agreements	Board of Regents, NV System Higher Education-DRI	GR11495	-	1,580
15.560 R&D Total				-	1,580
15.634	State Wildlife Grants	Oklahoma Department of Wildlife Conservation	T-117-M-1	-	10,269
15.634 R&D Total				-	10,269
15.678	Cooperative Ecosystem Studies Units	TX A&M University	M2100318	-	38,125
15.678 R&D Total				-	38,125
15.820	National Climate Change and Wildlife Science Center	UNIVERSITY OF MINNESOTA	P009481403	-	10,028
15.820 R&D Total				-	10,028
47.041	Engineering Grants	TX A&M University	M2103397-28-520060-00007	-	2,995
47.041	Engineering Grants	Board of Regents, NSHE University of Nevada, Reno	UNR-22-112	-	10,966
47.041 R&D Total				-	13,961
47.074	Biological Sciences	Yale University	GR107021 CON-80001839	-	16,018
47.074 R&D Total				-	16,018
47.076	Education and Human Resources	Board of Regents NSHE - Nevada State College	NSC 21-02 GR13762	-	4,289
47.076 R&D Total				-	4,289
47.083	Integrative Activities	Rutgers University	2072	-	23,460
47.083	Integrative Activities	Woods Hole Oceanographic Institution	A101562	-	16,359
47.083	Integrative Activities	Woods Hole Oceanographic Institution	A101601 / 83073400	-	55,303
47.083 R&D Total				-	95,122
66.469	Great Lakes Program	Michigan State University	RC1108608	-	62,994
66.469 R&D Total				-	62,994
81.135	Advanced Research Projects Agency - Energy	Marine Biological Laboratory	54335	-	11,146
81.135 R&D Total				-	11,146
Pass Through R&D Awards Total				27,335	560,093
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				27,335	833,925

The accompanying notes are an integral part of this schedule.

The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
Fish and Wildlife Cluster					
15.605	Sport Fish Restoration Program	Rhode Island Dept of Environmental Management	3374051	\$ - \$	23,528
15.605	Sport Fish Restoration Program	Rhode Island Dept of Environmental Management	3425240	-	12,724
15.605	Sport Fish Restoration Program	Rhode Island Dept of Environmental Management	3481879	-	20,579
15.605	Sport Fish Restoration Program	Rhode Island Dept of Environmental Management	3755310	-	161,736
15.605 Total				-	218,567
15.611	Wildlife Restoration and Basic Hunter Education	Georgia Department of Natural Resources	012523MOODYFOREST15	-	24,722
15.611	Wildlife Restoration and Basic Hunter Education	OR Department of Fish and Wildlife	061522 JUNIPER CUTS 22	-	15,078
15.611	Wildlife Restoration and Basic Hunter Education	Ohio Department of Natural Resources	2022-1780	-	10,390
15.611	Wildlife Restoration and Basic Hunter Education	Rhode Island Dept of Environmental Management	3610720	-	44,913
15.611	Wildlife Restoration and Basic Hunter Education	Pennsylvania Game Commission	4000022236	-	-
15.611	Wildlife Restoration and Basic Hunter Education	Tennessee Wildlife Resources Agency	65092	-	55,242
15.611	Wildlife Restoration and Basic Hunter Education	Tennessee Wildlife Resources Agency	65138	-	18,916
15.611	Wildlife Restoration and Basic Hunter Education	Tennessee Wildlife Resources Agency	73946	-	101,245
15.611	Wildlife Restoration and Basic Hunter Education	Guam Dept of Agriculture, DAWR	F20AF12005	-	33,529
15.611	Wildlife Restoration and Basic Hunter Education	Board of Regents, NSHE University of Nevada, Reno	UNR-23-55	-	14,600
15.611 Total				-	318,635
TOTAL FISH AND WILDLIFE CLUSTER				-	537,202
Forest Service Schools and Road Cluster					
10.665	Schools and Roads - Grants to States	DIRECT	22-CS-11061700-072	24,694	30,226
10.665 Total				24,694	30,226
TOTAL FOREST SERVICE SCHOOLS AND ROAD CLUSTER				24,694	30,226
Other Awards					
10.025	Plant and Animal Disease, Pest Control, and Animal Care	DIRECT	AP21PPQH0000C010	-	1,721
10.025	Plant and Animal Disease, Pest Control, and Animal Care	DIRECT	AP21PPQH0000C018	-	(6,817)
10.025	Plant and Animal Disease, Pest Control, and Animal Care	DIRECT	AP22PPQH0000C020	-	75,629
10.025	Plant and Animal Disease, Pest Control, and Animal Care	DIRECT	AP22PPQH0000C023	-	136,646
10.025 Total				-	207,179
10.069	Conservation Reserve Program	DIRECT	10012B	-	9,065
10.069	Conservation Reserve Program	National Fish and Wildlife Foundation	2503.18.062045	457	5,733
10.069	Conservation Reserve Program	DIRECT	69-6740-17-024	-	9,864
10.069 Total				457	24,662
10.072	Wetlands Reserve Program	DIRECT	68-5C16-17-015	552,857	640,140
10.072	Wetlands Reserve Program	DIRECT	NR177217XXXXC008	-	10,741
10.072	Wetlands Reserve Program	DIRECT	NR194423XXXXC025	-	338,471
10.072	Wetlands Reserve Program	DIRECT	WRP6652KY0800MFK	-	7,719
10.072	Wetlands Reserve Program	DIRECT	NR194423XXXXC025	-	14,911
10.072 Total				552,857	1,011,982
10.129	Wildfires and Hurricanes Indemnity Program Plus	Florida Forest Service	5999	-	10,785
10.129 Total				-	10,785
10.310	Agriculture and Food Research Initiative (AFRI)	DIRECT	2019-67012-29720	-	6,970
10.310	Agriculture and Food Research Initiative (AFRI)	The Ohio State University	60065334	-	52,269
10.310 Total				-	59,239
10.664	Cooperative Forestry Assistance	Wyoming State Forestry Division	09142021 TENSLEEP FUELS	-	5,600
10.664	Cooperative Forestry Assistance	DIRECT	17-DG-11062765-705	-	268,719
10.664	Cooperative Forestry Assistance	DIRECT	17-DG-11062765-709	95,627	105,459
10.664	Cooperative Forestry Assistance	Longleaf Alliance	18.2021.00.00	-	3,980
10.664	Cooperative Forestry Assistance	DIRECT	18DG11420004268	-	80,999
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.18.059583	-	10,185
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.19.063721	2,539	4,679
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.20.067309	-	26,182
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.20.067328	-	2,466
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.20.067629	-	6,149
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.20.067684	-	7,392
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.21.071241	2,909	12,511
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.21.071246	-	66,142
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.21.071266	13,737	21,363
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.21.071390	-	89,758.00
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.22.074889	-	3,917
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.22.074891	-	16,681
10.664	Cooperative Forestry Assistance	National Fish and Wildlife Foundation	1903.22.074898	-	16,697
10.664	Cooperative Forestry Assistance	DIRECT	19-DG-11420000-166	-	50,125
10.664	Cooperative Forestry Assistance	DIRECT	20-DG-11094200-011	-	19,257

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Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
10.664	Cooperative Forestry Assistance	DIRECT	20-DG-11094200-050	\$ -	\$ 10,689
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-004	-	6,859
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-033	-	28,507
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-036	-	30,960
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-051	-	93,627
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-052	41,928	273,271
10.664	Cooperative Forestry Assistance	DIRECT	21-DG-11094200-185	-	83,788
10.664	Cooperative Forestry Assistance	DIRECT	22-DG-11094200-006	31,195	36,518
10.664	Cooperative Forestry Assistance	Tennessee Department of Agriculture	73007	-	7,956
10.664	Cooperative Forestry Assistance	WA Department of Natural Resources	93-104649	6,250	17,515
10.664	Cooperative Forestry Assistance	AZ Department of Forestry and Fire Management	CCG 21-104	21,450	33,422
10.664	Cooperative Forestry Assistance	Nevada Division of Forestry	CPG18-20 UF23-002	-	14,874
10.664	Cooperative Forestry Assistance	MD Department of Natural Resources	K00P2601412	-	16,683
10.664	Cooperative Forestry Assistance	MT Department of Natural Resources and Conservation	LSR-19-002	-	166,130
10.664	Cooperative Forestry Assistance	MT Department of Natural Resources and Conservation	LSR-22-001	-	3,428
10.664 Total				215,635	1,644,488
10.674	Forest Products Lab: Technology Marketing Unit (TMU)	DIRECT	18-DG-11062765-739	26,438	32,658
10.674	Forest Products Lab: Technology Marketing Unit (TMU)	DIRECT	19-DG-11083150-023	20,500	3,921
10.674 Total				46,938	36,579
10.675	Urban and Community Forestry Program	DIRECT	20-DG-11132544-037	10,000	99,509
10.675 Total				10,000	99,509
10.676	Forest Legacy Program	DIRECT	17-CA-11052021-216	-	13,124
10.676 Total				-	13,124
10.680	Forest Health Protection	DIRECT	18-CA-11132546-031	-	39,373
10.680	Forest Health Protection	DIRECT	21-CA-11132546-027	-	172,280
10.680 Total				-	211,653
10.683	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0405.20.069980	-	11,413
10.683	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	50118090163	-	18
10.683	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	1906.22.073606	-	15,141
10.683	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2008.19.063552	28,176	61,578
10.683 Total				28,176	88,150
10.684	International Forestry Programs	DIRECT	19-DG-11132762-223	-	72,319
10.684	International Forestry Programs	DIRECT	20-DG-11132762-321	53,000	113,427
10.684	International Forestry Programs	DIRECT	22-CA-11132762-164	-	45,341
10.684	International Forestry Programs	DIRECT	22-DG-11132762-416	-	1,377
10.684 Total				53,000	232,464
10.689	Community Forest and Open Space Conservation Program (CFP)	DIRECT	21-DG-11094200-195	-	417,000
10.689 Total				-	417,000
10.693	Watershed Restoration and Enhancement Agreement Authority	DIRECT	20-PA-11080500-223	-	148,987
10.693 Total				-	148,987
10.697	Hazardous Fuel Reduction Program	DIRECT	22-DG-11094200-074	-	181,577
10.697 Total				-	181,577
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	18-CA-11132543-039	-	-
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	18-CA-11132543-049	-	26,377
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	19-DG-11420000-205	10,190	37,396
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	20-DG-11094200-105	7,562	28,231
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	21-CA-11132543-096	1,550,518	3,715,797
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	21-DG-11094200-079	-	68,995
10.698	State & Private Forestry Cooperative Fire Assistance Program	DIRECT	22-CA-11132543-010	-	747,412
10.698 Total				1,568,270	4,624,208
10.703	Cooperative Fire Protection Agreement	DIRECT	21-PA-11080200-247	-	18,140
10.703	Cooperative Fire Protection Agreement	DIRECT	22-PA-11092100-007	-	4,066
10.703 Total				-	22,206
10.724	Infrastructure investment and Jobs Act National Priority Large Landscapes	DIRECT	22-CS-11060100-019	-	37,849
10.724	Infrastructure investment and Jobs Act National Priority Large Landscapes	DIRECT	23-PA-11040200-009	-	37,936
10.724 Total				-	75,785
10.755	Rural Innovation Stronger Economy	Spruce Root INC	SR00-2022-294	-	40,000
10.755 Total				-	40,000
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	0405.20.069980	-	15,297
10.902	Soil and Water Conservation	Longleaf Alliance	18.2021.00.00	-	10,746
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	1903.19.063692	-	177
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	1903.20.067684	-	29,569

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The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	1903.21.071241	\$ 8,726	\$ 37,534
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	1903.21.071266	27,473	42,726
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	1903.22.074891	-	24,823
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	2004.21.072356	-	65,088
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	2503.18.062009	-	6,867
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	2503.18.062045	1,386	17,387
10.902	Soil and Water Conservation	National Fish and Wildlife Foundation	2505.20.070703	13,502	16,527
10.902	Soil and Water Conservation	GA Forestry Commission	420 40600	-	16,950
10.902	Soil and Water Conservation	DIRECT	69-6740-17-024	-	8,009
10.902	Soil and Water Conservation	Natural Resources Conservation Service	E19-67	-	19,506
10.902	Soil and Water Conservation	DIRECT	NR177217XXXXC008	-	5,591
10.902	Soil and Water Conservation	DIRECT	NR196740XXXXG004	-	19,361
10.902	Soil and Water Conservation	DIRECT	NR203A750023C024	-	42,890
10.902	Soil and Water Conservation	DIRECT	NR206322XXXXC009	18,075	71,926
10.902	Soil and Water Conservation	DIRECT	NR206526XXXXG001	-	7,271
10.902	Soil and Water Conservation	DIRECT	NR206526XXXXG003	4,553	5,573
10.902	Soil and Water Conservation	DIRECT	NR2152KYXXXXC002	-	32,853
10.902	Soil and Water Conservation	DIRECT	NR216526XXXXC018	-	5,816
10.902 Total				73,715	502,487
10.912	Environmental Quality Incentives Program	National Fish and Wildlife Foundation	0405.20.069980	-	2,899
10.912	Environmental Quality Incentives Program	National Fish and Wildlife Foundation	1903.19.063692	-	177
10.912	Environmental Quality Incentives Program	National Fish and Wildlife Foundation	1903.22.074898	-	7,105
10.912	Environmental Quality Incentives Program	National Fish and Wildlife Foundation	2503.18.062009	-	7,322
10.912	Environmental Quality Incentives Program	National Fish and Wildlife Foundation	2503.18.062045	503	6,314
10.912	Environmental Quality Incentives Program	SOUTH DAKOTA STATE UNIVERSITY	3TB089	-	1,257
10.912	Environmental Quality Incentives Program	DIRECT	69-3A75-17-288	-	26,714
10.912	Environmental Quality Incentives Program	DIRECT	NR184423XXXXC051	-	15,268
10.912	Environmental Quality Incentives Program	DIRECT	NR184741XXXXC002	-	47,357
10.912	Environmental Quality Incentives Program	DIRECT	NR196740XXXXG004	-	19,361
10.912	Environmental Quality Incentives Program	DIRECT	NR203A750013G025	179,909	337,858
10.912	Environmental Quality Incentives Program	DIRECT	NR204310XXXXC027	(5,000)	8,818
10.912	Environmental Quality Incentives Program	DIRECT	NR206526XXXXG001	-	25,447
10.912	Environmental Quality Incentives Program	DIRECT	NR206526XXXXG003	1,035	1,267
10.912	Environmental Quality Incentives Program	DIRECT	NR209104XXXXG003	12,546	30,961
10.912	Environmental Quality Incentives Program	DIRECT	NR216526XXXXC018	-	8,723
10.912	Environmental Quality Incentives Program	DIRECT	NR221320XXXXG002	-	34,837
10.912	Environmental Quality Incentives Program	DIRECT	NR222D37XXXXG004	-	11,016
10.912	Environmental Quality Incentives Program	DIRECT	NR223A750013G038	-	94,287
10.912	Environmental Quality Incentives Program	DIRECT	NR224742XXXXC006	-	20,128
10.912	Environmental Quality Incentives Program	Huna Totem Corporation	052319-HTCO	-	472,576
10.912	Environmental Quality Incentives Program	DIRECT	745F48211V6	-	1,586
10.912 Total				188,993	1,181,078
10.924	Conservation Stewardship Program	National Fish and Wildlife Foundation	1903.19.063692	-	177
10.924	Conservation Stewardship Program	National Fish and Wildlife Foundation	1903.22.074898	-	14,210
10.924	Conservation Stewardship Program	National Fish and Wildlife Foundation	2503.18.062009	-	8,543
10.924	Conservation Stewardship Program	National Fish and Wildlife Foundation	2503.18.062045	587	7,366
10.924	Conservation Stewardship Program	National Fish and Wildlife Foundation	2505.20.070703	10,229	12,520
10.924	Conservation Stewardship Program	DIRECT	NR196740XXXXG004	-	58,084
10.924	Conservation Stewardship Program	DIRECT	NR200325XXXXG002	31,623	127,022
10.924	Conservation Stewardship Program	DIRECT	NR203A750023C024	-	129,594
10.924	Conservation Stewardship Program	DIRECT	NR204310XXXXC027	(5,000)	8,818
10.924	Conservation Stewardship Program	DIRECT	NR206322XXXXC009	18,075	71,926
10.924	Conservation Stewardship Program	DIRECT	NR206526XXXXG001	-	47,380
10.924	Conservation Stewardship Program	DIRECT	NR206526XXXXG003	8,460	10,356
10.924	Conservation Stewardship Program	DIRECT	NR216526XXXXC018	-	43,616
10.924 Total				63,974	539,612
10.928	Emergency Watershed Protection Program - Floodplain Easements Disaster Relief Appropriations Act	DIRECT	68-2C31-17-200	-	351,258
10.928 Total				-	351,258
10.931	Agricultural Conservation Easement Program	National Fish and Wildlife Foundation	0405.20.069980	-	4,499
10.931	Agricultural Conservation Easement Program	National Fish and Wildlife Foundation	1903.19.063692	-	177
10.931	Agricultural Conservation Easement Program	National Fish and Wildlife Foundation	1903.22.074898	-	14,210
10.931	Agricultural Conservation Easement Program	US Endowment for Forestry and Communities	22-00400	-	106,348
10.931	Agricultural Conservation Easement Program	National Fish and Wildlife Foundation	2503.18.062045	457	5,733
10.931	Agricultural Conservation Easement Program	National Fish and Wildlife Foundation	2505.20.070703	17,185	21,034
10.931	Agricultural Conservation Easement Program	DIRECT	5403251901RKB	-	4,875,000
10.931	Agricultural Conservation Easement Program	DIRECT	5403252217T	-	307,500
10.931	Agricultural Conservation Easement Program	DIRECT	548805211NI	-	2,833,500
10.931	Agricultural Conservation Easement Program	DIRECT	69-6740-17-024	-	9,997

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ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
10.931	Agricultural Conservation Easement Program	DIRECT	NR177217XXXXC008	\$ -	\$ 3,756
10.931	Agricultural Conservation Easement Program	DIRECT	NR185C16XXXXC004	23,919	1,865,201
10.931	Agricultural Conservation Easement Program	DIRECT	NR193B19XXXXC008	-	11,115
10.931	Agricultural Conservation Easement Program	DIRECT	NR200325XXXXG002	30,479	122,429
10.931	Agricultural Conservation Easement Program	DIRECT	NR207103XXXXC036	-	326,664
10.931	Agricultural Conservation Easement Program	DIRECT	NR227217XXXXC020	-	65,309
10.931 Total				72,040	10,572,472
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	1859-A-0185	14,439	18,116
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	2265-A-0326	-	2,548
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	68-1218-18-003	59,809	124,347
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	NR181320XXXXC017	10,892	12,842
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	NR185C16XXXXC004	-	59,482
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	NR185C16XXXXC011	-	45,175
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	SUPPLEMENTAL-1977-A-0490	-	5,275
10.932	(Department of Agriculture) NRCS Regional Conservation Partnership	DIRECT	SUPPLEMENTAL-2306-A-0437	18,991	123,744
10.932 Total				104,131	391,529
10.937	Partnerships for Climate-Smart Commodities	DIRECT	NR233A750004G005	-	48,600
10.937 Total				-	48,600
10.U01	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.18.059583	-	10,185
10.U02	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.19.064305	-	6,670
10.U03	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.20.067577	2,857	3,616
10.U04	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.20.067629	-	1,809
10.U05	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.21.071246	-	8,534
10.U06	Department of Agriculture / UNKNOWN	National Fish and Wildlife Foundation	1903.22.074889	-	17,050
10.U07	Department of Agriculture / UNKNOWN	US Endowment for Forestry and Communities	21-00219	-	52,764
10.U08	Department of Agriculture / UNKNOWN	HI Department of Land and Natural Resources	71069	-	2,887
U.S. DEPARTMENT OF AGRICULTURE TOTAL				2,981,043	22,840,128
11.012	Integrated Ocean Observing System (IOOS)	Southeast Coastal Ocean Observing Regional Association	IOOS.23(81)TNC.MC.TOPIC2.	-	22,775
11.012 Total				-	22,775
11.022	Bipartisan Budget Act of 2018	Govt. of the USVI - Department of Planning & Natural Resources	SA_NA19NMF0220004	-	356,532
11.022 Total				-	356,532
11.417	Sea Grant Support	University of Rhode Island	00086-2/05192020	-	8,406
11.417	Sea Grant Support	Mississippi State University	010500.320572.01	-	5,557
11.417	Sea Grant Support	Northeastern University	505183-78050	-	7,435
11.417 Total				-	21,398
11.419	Coastal Zone Management Administration Awards	NH Department of Environmental Services	04072021 CROSSINGS III	-	98,522
11.419	Coastal Zone Management Administration Awards	NH Department of Environmental Services	08182021 NHCP PHILBRICK	-	38,947
11.419	Coastal Zone Management Administration Awards	Virginia DEQ Coastal Zone Management	NA19NQS4190163 73.02	-	6,912
11.419	Coastal Zone Management Administration Awards	Green Bay Metropolitan Sewerage District	TNC-ER-PSA-200901-5523	-	48,000
11.419 Total				-	192,281
11.429	Marine Sanctuary Program	National Marine Sanctuary Foundation	0302.21.071732	-	100,001
11.429 Total				-	100,001
11.431	Climate and Atmospheric Research	University of Rhode Island	0009489/110121	-	31,794
11.431	Climate and Atmospheric Research	CONSERVATION SCIENCE PARTNERS	SC-TNC-NOAA202012	-	158,031
11.431 Total				-	189,825
11.434	Cooperative Fishery Statistics	El Departamento de Recursos Naturales y Ambientales de Puerto Rico	2022-000093	-	21,150
11.434 Total				-	21,150
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	Idaho Office of Species Conservation	012 20 SA	-	3,889
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	Washington State Recreation and Conservation Office	19-1522	-	136,905
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	Oregon Watershed Enhancement Board	222 7000 22831	-	1,965
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	Idaho Office of Species Conservation	PCSRF 019 19 SA	-	1,224
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	California Department of Fish and Wildlife	Q1910520	-	244,133
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	California Department of Fish and Wildlife	Q2050906	-	249,702
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	California Department of Fish and Wildlife	Q2110503	-	537,428
11.438 Total				-	1,175,246
11.454	Unallied Management Projects	DIRECT	NA20NMF4540078	11,009	92,538
11.454 Total				11,009	92,538
11.457	Chesapeake Bay Studies	DIRECT	NA18NMF4570274	-	38,311
11.457 Total				-	38,311
11.463	Habitat Conservation	WA State Department of Fish and Wildlife	19-15089	-	225,281
11.463	Habitat Conservation	DIRECT	NA17NMF4630296	-	152,366
11.463	Habitat Conservation	DIRECT	NA17NMF4630301	-	55,902
11.463	Habitat Conservation	DIRECT	NA18NMF4630223	-	37,243
11.463	Habitat Conservation	DIRECT	NA19NMF4630075	49,683	375,255
11.463	Habitat Conservation	DIRECT	NA19NMF4630256	-	223,580
11.463	Habitat Conservation	DIRECT	NA19NMF4630261	-	89,408

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Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
11.463	Habitat Conservation	DIRECT	NA19NMF4630281	\$ -	\$ 718,726
11.463	Habitat Conservation	DIRECT	NA21NMF4630545	44,375	318,092
11.463	Habitat Conservation	DIRECT	NA21NMF4630551	370,363	3,112,824
11.463	Habitat Conservation	DIRECT	NA22NMF4630179	-	18,360
11.463	Habitat Conservation	DIRECT	NA23NMF4630008	-	1,758
11.463	Habitat Conservation	DIRECT	NA23NMF4630074	-	1,053
11.463	Habitat Conservation	DIRECT	NA23NMF4630056	-	7,529
11.463	Habitat Conservation	DIRECT	NA23NMF4630081	-	2,258
11.463	Habitat Conservation	DIRECT	NA23NMF4630057	-	677
11.463	Habitat Conservation	DIRECT	NA23NMF4630014	-	808
11.463 Total				464,421	5,341,120
11.469	Congressionally Identified Awards and Projects	Hawaii Department of Land and Natural Resources	C32488	-	18,720
11.469	Congressionally Identified Awards and Projects	DIRECT	NA22NMF4690327	-	77,442
11.469	Congressionally Identified Awards and Projects	DIRECT	NA22NOS4690206	28,118	120,887
11.469 Total				28,118	217,049
11.472	Unallied Science Program	National Fish and Wildlife Foundation	0303.22.073554	-	6,884
11.472	Unallied Science Program	Gulf of Maine Research Institute	20-MAXREM-22-TNC	-	25,966
11.472 Total				-	32,450
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.18.062087	42,659	53,087
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.18.062246	122,759	221,711
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.19.065706	71,923	150,723
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.19.065991	-	177,571
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.19.066847	-	553,188
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.20.069532	59,726	250,858
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.22.072700	-	33,973
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.22.073433	5,330	44,178
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.22.074228	-	36,123
11.473	Coastal Services Center	National Fish and Wildlife Foundation	0318.23.075734	-	10,679
11.473	Coastal Services Center	National Fish and Wildlife Foundation	68899	30,862	66,628
11.473	Coastal Services Center	HI Department of Land and Natural Resources	70141	-	22,039
11.473 Total				333,259	1,620,758
11.478	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	GEORGE MASON UNIVERSITY	E2049263	-	20,575
11.478 Total				-	20,575
11.482	Coral Reef Conservation Program	National Fish and Wildlife Foundation	66888	-	1,881
11.482	Coral Reef Conservation Program	Hawaii Department of Land and Natural Resources	C20833	-	33,632
11.482	Coral Reef Conservation Program	Hawaii Department of Land and Natural Resources	C30350	-	44,100
11.482	Coral Reef Conservation Program	DIRECT	NA20NOS4820134	-	574,109
11.482	Coral Reef Conservation Program	DIRECT	NA22NOS4820123	-	172,359
11.482 Total				-	826,081
U.S. DEPARTMENT OF COMMERCE TOTAL				836,807	10,268,090
12.017	Readiness and Environmental Protection Integration (REPI) Program	National Fish and Wildlife Foundation	0318.22.073433	202,530	1,678,777
12.017	Readiness and Environmental Protection Integration (REPI) Program	National Fish and Wildlife Foundation	1903.22.074891	-	35,994
12.017	Readiness and Environmental Protection Integration (REPI) Program	National Fish and Wildlife Foundation	1903.22.074898	-	17,762
12.017 Total				202,530	1,732,533
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Maine Department of Defense, Veterans and Emergency Management	15A.202006194004	-	3,000
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	22-PSC-01-F	-	127,679
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Department of Defense	23-PSC-01-F	-	243,728
12.401 Total				-	374,407
12.610	Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	DIRECT	W9124J-15-2-0003	-	3,360,983
12.610 Total				-	3,360,983
12.632	Legacy Resource Management Program/DOD	Longleaf Alliance	18.2021.00.00	-	14,328
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.19.063721	2,751	5,069
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.20.067328	-	2,496
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.20.067577	7,143	9,039
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.20.067684	-	36,962
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.21.071241	5,817	25,022
12.632	Legacy Resource Management Program/DOD	National Fish and Wildlife Foundation	1903.21.071377	-	14,504
12.632	Legacy Resource Management Program/DOD	Natural Resources Conservation Service	E19-67	-	2,038
12.632 Total				15,711	109,428
12.U01	Department of Defense / UNKNOWN	Natural Resources Conservation Service	E19-67	-	13,973
12.U02	Department of Defense / UNKNOWN	DIRECT	N62473-19-RP-00196	-	(278)
12.U03	Department of Defense / UNKNOWN	DIRECT	W9124J-15-2-0005	-	1,290,553
U.S. DEPARTMENT OF DEFENSE TOTAL				218,241	6,881,599
15.035	Forestry on Indian Lands	Confederated Salish & Kootenai Tribes	M18-046	-	17,597
15.035	Forestry on Indian Lands	Confederated Salish & Kootenai Tribes	M22-039	-	146,724
15.035 Total				-	164,321

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Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
15.231	Fish, Wildlife and Plant Conservation Resource Management	National Fish and Wildlife Foundation	2503.18.062009	\$ -	\$ 2,775
15.231	Fish, Wildlife and Plant Conservation Resource Management	DIRECT	L17AC00150	3,233	10,142
15.231 Total				3,233	12,917
15.233	Forests and Woodlands Resource Management	DIRECT	L19AC00170	-	114
15.233	Forests and Woodlands Resource Management	DIRECT	L19AC00298	3,535	69,262
15.233	Forests and Woodlands Resource Management	DIRECT	L22AC00489	-	12,585
15.233 Total				3,535	81,961
15.236	Environmental Quality and Protection Resource Management	Wyoming Department of Environmental Quality	72318 AML NATIVE PLANTS	-	6,586
15.236 Total				-	6,586
15.245	Plant Conservation and Restoration Management	DIRECT	L17AC00150	16,380	51,379
15.245	Plant Conservation and Restoration Management	DIRECT	L19AC00290	-	14,867
15.245	Plant Conservation and Restoration Management	DIRECT	L20AC00316	-	15,279
15.245	Plant Conservation and Restoration Management	DIRECT	L22AC00232-00	-	8,563
15.245	Plant Conservation and Restoration Management	DIRECT	L22AC00509-00	-	7,948
15.245 Total				16,380	98,036
15.247	Wildlife Resource Management	National Fish and Wildlife Foundation	2503.19.066490	-	14,555
15.247	Wildlife Resource Management	DIRECT	L19AC00107	-	47,074
15.247	Wildlife Resource Management	DIRECT	L20AC00523	-	16,768
15.247	Wildlife Resource Management	DIRECT	L22AC00234-00	-	22,504
15.247	Wildlife Resource Management	DIRECT	L22AC00400	-	3,934
15.247 Total				-	104,835
15.252	Abandoned Mine Land Reclamation (AMLR) Program	VA Department of Mines, Minerals and Energy	012120 AML PILOT	-	19,503
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Wyoming Department of Environmental Quality	72318 AML NATIVE PLANTS	-	6,586
15.252 Total				-	26,089
15.255	Science and Technology Projects Related to Coal Mining and Reclamation	DIRECT	S21AC10091-00	5,657	102,861
15.255 Total				5,657	102,861
15.507	WaterSMART (Sustaining and Manage America's Resources for Tomorrow)	DIRECT	R22AP00603-00	-	1,083
15.507 Total				-	1,083
15.508	Providing Water to At-Risk Natural Desert Terminal Lakes	DIRECT	R17AP00014	84,513	765,401
15.508 Total				84,513	765,401
15.517	Fish and Wildlife Coordination Act	Tule Basin Land and Water Conservation Trust	102122-CAPINERCRCRESTPLAN	-	131,903
15.517 Total				-	131,903
15.535	Upper Colorado River Basin Fish and Wildlife Mitigation Program	Utah Reclamation and Mitigation Commission	21FC-UT-2480	-	29,206
15.535 Total				-	29,206
15.554	Cooperative Watershed Management Program	DIRECT	R19AP00268	-	21,169
15.554 Total				-	21,169
15.557	Desert and Southern Rockies Landscape Conservation Cooperatives	DIRECT	R23AP00024-00	-	1,231
15.557 Total				-	1,231
15.564	Central Valley Project Conservation Program	DIRECT	R20AP00045	-	8,523
15.564 Total				-	8,523
15.608	Fish and Wildlife Management Assistance	DIRECT	F18AC00392	-	7,447
15.608	Fish and Wildlife Management Assistance	DIRECT	F19AP00530	-	11,225
15.608	Fish and Wildlife Management Assistance	DIRECT	F20AP00129	-	14,409
15.608	Fish and Wildlife Management Assistance	DIRECT	F20AP10447-00	-	742
15.608	Fish and Wildlife Management Assistance	DIRECT	F20AP10835	-	37,906
15.608	Fish and Wildlife Management Assistance	DIRECT	F20AP11013	-	50,000
15.608	Fish and Wildlife Management Assistance	DIRECT	F21AC02380	-	11,669
15.608	Fish and Wildlife Management Assistance	DIRECT	F21AC03262-00	-	18,537
15.608	Fish and Wildlife Management Assistance	DIRECT	F21AP03428-00	-	27,742
15.608	Fish and Wildlife Management Assistance	DIRECT	F22AC02675-00	-	29,199
15.608	Fish and Wildlife Management Assistance	DIRECT	F22AP00000-00	-	50,000
15.608	Fish and Wildlife Management Assistance	DIRECT	F22AP00001	-	26,722
15.608	Fish and Wildlife Management Assistance	DIRECT	F22AP00052-00	-	116,192
15.608	Fish and Wildlife Management Assistance	DIRECT	F23AP00267	-	2,305
15.608 Total				-	404,095
15.614	Coastal Wetlands Planning, Protection and Restoration Act	State Coastal Conservancy	21-107	-	22,269
15.614	Coastal Wetlands Planning, Protection and Restoration Act	Hawaii Department of Land and Natural Resources	C20530	-	11,597
15.614 Total				-	33,866
15.615		Mississippi Department of Wildlife Fisheries & Parks	2022GF	-	38,089

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For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
15.615	Cooperative Endangered Species Conservation Fund	Mississippi Department of Wildlife Fisheries & Parks	2023GF	\$ -	\$ 34,357
15.615	Cooperative Endangered Species Conservation Fund	Tennessee Wildlife Resources Agency	72937	-	8,212
15.615	Cooperative Endangered Species Conservation Fund	Arkansas Game and Fish Commission	AREF18AP00064	-	441,278
15.615	Cooperative Endangered Species Conservation Fund	Oregon Parks & Recreation Department	FY21-E30TW28	-	37,050
15.615	Cooperative Endangered Species Conservation Fund	California Department of Fish and Wildlife	Q2120100	-	33,167
15.615	Cooperative Endangered Species Conservation Fund	HI Department of Land and Natural Resources	70493	-	1,801,175
15.615 Total				-	2,393,328
15.623	North American Wetlands Conservation Fund	Ducks Unlimited, Inc.	04292019 UMR MIGRATION	-	187
15.623	North American Wetlands Conservation Fund	DIRECT	F17AP00266	-	248,344
15.623	North American Wetlands Conservation Fund	DIRECT	F18AP00414	-	284
15.623	North American Wetlands Conservation Fund	DIRECT	F19AP00664	135,000	135,000
15.623	North American Wetlands Conservation Fund	DIRECT	F21AP0114700	173,877	217,340
15.623	North American Wetlands Conservation Fund	North Carolina Coastal Land Trust	F22AP01206	-	167,732
15.623	North American Wetlands Conservation Fund	DIRECT	F22AP01624	-	80,500
15.623	North American Wetlands Conservation Fund	Ducks Unlimited	IL-193-12	-	119,463
15.623	North American Wetlands Conservation Fund	Ducks Unlimited, Inc.	US-KS-28-14	-	48,925
15.623	North American Wetlands Conservation Fund	Ducks Unlimited, Inc.	US-KS-28-9	-	150,000
15.623	North American Wetlands Conservation Fund	DIRECT	WIPLO-21-053	-	13,000
15.623	North American Wetlands Conservation Fund	DIRECT	WIPLO-21-054	-	10,500
15.623 Total				308,877	1,191,275
15.630	Coastal Program	DIRECT	F18AC00714	-	54,102
15.630	Coastal Program	DIRECT	F20AC00108	-	17,810
15.630	Coastal Program	DIRECT	F20AC10773-00	-	12,031
15.630	Coastal Program	DIRECT	F21AC03830	-	24,991
15.630 Total				-	108,934
15.631	Partners for Fish and Wildlife	DIRECT	01152020USFWS PFH PETRI 2	-	6,644
15.631	Partners for Fish and Wildlife	Driftless Area Land Conservancy	03252022 STRAUBHAAR	-	11,100
15.631	Partners for Fish and Wildlife	DIRECT	F16AC00992	-	5,379
15.631	Partners for Fish and Wildlife	DIRECT	F17AC00746	-	1,521
15.631	Partners for Fish and Wildlife	DIRECT	F17AC00783	-	1,089
15.631	Partners for Fish and Wildlife	DIRECT	F18AC00376	-	19,501
15.631	Partners for Fish and Wildlife	DIRECT	F18AC00392	-	20,825
15.631	Partners for Fish and Wildlife	DIRECT	F18AC00633	-	4,934
15.631	Partners for Fish and Wildlife	DIRECT	F18AC00679	-	42,845
15.631	Partners for Fish and Wildlife	DIRECT	F19AC00789	-	4,788
15.631	Partners for Fish and Wildlife	DIRECT	F19AC00801	-	14,298
15.631	Partners for Fish and Wildlife	DIRECT	F19AC00825	-	123,557
15.631	Partners for Fish and Wildlife	DIRECT	F20AC00246	-	291,120
15.631	Partners for Fish and Wildlife	DIRECT	F20AC10763-00	-	223
15.631	Partners for Fish and Wildlife	DIRECT	F20AC10972-00	-	3,417
15.631	Partners for Fish and Wildlife	Longleaf Alliance	F20AC11223-004	-	15,400
15.631	Partners for Fish and Wildlife	DIRECT	F21AC02020-00	-	69,410
15.631	Partners for Fish and Wildlife	DIRECT	F22AC02358	-	20,000
15.631	Partners for Fish and Wildlife	DIRECT	F22AC02588	7,897	23,883
15.631	Partners for Fish and Wildlife	DIRECT	F22AC02791	-	15,991
15.631	Partners for Fish and Wildlife	DIRECT	ILPLO-FY22-EMQBOTOMLANDS	-	11,054
15.631 Total				7,897	706,979
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	03102020 SWG T94	-	51,652
15.634	State Wildlife Grants	Minnesota Department of Natural Resources	189004/3000183189	-	75,492
15.634	State Wildlife Grants	Florida Fish and Wildlife Conservation Commission	20001	-	227,378
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	2023-005	-	2,744
15.634	State Wildlife Grants	Minnesota Department of Natural Resources	3000197359	-	57,736
15.634	State Wildlife Grants	Rhode Island Dept of Environmental Management	3203667	-	48,148
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	3242020 SWG T-95	-	7,732
15.634	State Wildlife Grants	Rhode Island Dept of Environmental Management	3749998	-	19,919
15.634	State Wildlife Grants	MAINE DEPT OF INLAND FISHERIES AND WILDLIFE	FOCUS AREAS UPDATE	-	635
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T-107	3,415	3,814
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T-110	36,992	50,514
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T-111	-	15,136
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T-115	-	6,612
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T120	-	28,444
15.634	State Wildlife Grants	Arkansas Game and Fish Commission	T123	-	24,574
15.634 Total				40,407	620,630
15.635	Neotropical Migratory Bird Conservation	DIRECT	F21AP01680-00	-	141,750

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ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
15.635 Total				\$ -	\$ 141,750
15.637	Migratory Bird Joint Ventures	DIRECT	F20AC10718	-	17,991
15.637	Migratory Bird Joint Ventures	DIRECT	F22AC02713-00	-	16,832
15.637	Migratory Bird Joint Ventures	Pheasants Forever	PCSR-FWS 2021-01	-	9,087
15.637	Migratory Bird Joint Ventures	Pheasants Forever	PCSR-FWS 2021-02	-	54,976
15.637 Total				-	98,886
15.651	Wildlife Without Borders-Africa Program	DIRECT	F17AP00435	-	(14)
15.651 Total				-	(14)
15.654	Visitor Facility Enhancements - Refuges and Wildlife	DIRECT	F21AC03195	-	77,943
15.654 Total				-	77,943
15.655	Migratory Bird Monitoring, Assessment and Conservation	DIRECT	F22AC02804	-	13,770
15.655 Total				-	13,770
15.657	Endangered Species Conservation Recovery Implementation Funds	National Fish and Wildlife Foundation	1903.21.071246	-	21,336
15.657	Endangered Species Conservation Recovery Implementation Funds	National Fish and Wildlife Foundation	1903.21.071746	-	27,537
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F19AP00221	-	19,922
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F20AC10811	-	67,537
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F20AC11120-00	-	22,149
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F21AC03263	-	96,016
15.657	Endangered Species Conservation Recovery Implementation Funds	DIRECT	F22AC01266-00	-	28,002
15.657	Endangered Species Conservation Recovery Implementation Funds	Oregon Desert Land Trust	ORFO-092622-01JG	-	37,483
15.657 Total				-	319,982
15.658	Natural Resource Damage Assessment, Restoration and Implementation	Mississippi State University	015900.341559.01	-	3,430
15.658 Total				-	3,430
15.662	Great Lakes Restoration	Oswego County Soil and Water Conservation District	031509-FLOWPA AIS	6,525	44,482
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.19.064495	18,771	23,038
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.19.064501	37,373	82,098
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.20.067748	-	69,556
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.21.071857	-	32,460
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.21.071888	-	85,046
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.21.071891	242,971	326,820
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.21.071994	-	397,621
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.22.075039	-	8,556
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	0501.22.075054	-	4,709
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	50118060163	-	466
15.662	Great Lakes Restoration	Great Lakes Commission	05112021AISPHASEIV	38,351	101,583
15.662	Great Lakes Restoration	Door County Soil and Water Conservation Department	07062020 DOOR SWCD	-	24,228
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	2005.23.077095	-	8,806
15.662	Great Lakes Restoration	National Fish and Wildlife Foundation	2008.19.063552	-	40,778
15.662	Great Lakes Restoration	DIRECT	F18AC00017	-	23,842
15.662	Great Lakes Restoration	Great Lakes Commission	F22AP02769-00	-	1,240
15.662	Great Lakes Restoration	Michigan State University	646673	-	11,873
15.662 Total				343,991	1,287,202
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0111.20.067055	-	2,045
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0111.21.071123	-	2,433
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0302.21.071732	-	52,463
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0407.19.066264	65,048	88,120
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0602.19.065721	256	4,870
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0603.18.062874	-	8,922
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	0801.17.059739	14,398	17,915
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	1903.20.067328	-	24,663
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	1903.21.071246	-	21,336
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	1906.22.073606	-	15,141
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2007.20.069745	-	9,888
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2007.23.075479	-	11,738
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2503.18.062009	-	27,279
15.663	National Fish and Wildlife Foundation	National Fish and Wildlife Foundation	2505.20.070703	11,632	14,238
15.663 Total				91,334	301,051
15.664	Fish and Wildlife Coordination and Assistance Programs	DIRECT	F20AP00217	-	152,440
15.664 Total				-	152,440
15.670	Adaptive Science	Wildlife Management Institute	208	-	15,000
15.670	Adaptive Science	National Fish and Wildlife Foundation	0403.18.063182	1,115	86,269
15.670	Adaptive Science	National Fish and Wildlife Foundation	0403.20.068523	-	317,592
15.670	Adaptive Science	National Fish and Wildlife Foundation	0403.21.072033	-	232,451
15.670	Adaptive Science	National Fish and Wildlife Foundation	0403.22.075123	-	21,745
15.670	Adaptive Science	National Fish and Wildlife Foundation	0403.22.075186	-	44,509

The accompanying notes are an integral part of this schedule.

The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
15.670	Adaptive Science	DIRECT	F21AC01957	\$ -	\$ 27,331
15.670 Total				1,115	744,697
15.677	Hurricane Sandy Disaster Relief Activities-FWS	DIRECT	F18AC00026	30,464	55,315
15.677 Total				30,464	55,315
15.678	Cooperative Ecosystem Studies Units	DIRECT	F18AC00992	-	2,324
15.678 Total				-	2,324
15.808	U.S. Geological Survey_ Research and Data Collection	DIRECT	G23AC00291-00	-	275
15.808 Total				-	275
15.875	Economic, Social, and Political Development of the Territories	DIRECT	D22AP00217-00	-	43,820
15.875 Total				-	43,820
15.944	Natural Resource Stewardship	DIRECT	P17AC01110	-	5,339
15.944	Natural Resource Stewardship	DIRECT	P17AC01684	-	19,984
15.944	Natural Resource Stewardship	DIRECT	P18AC00179	-	31,129
15.944	Natural Resource Stewardship	DIRECT	P22AC00266-00	-	204,679
15.944 Total				-	261,131
15.945	Cooperative Research and Training Programs Resources of the National Park System	DIRECT	P18AC00108	-	3,396
15.945	Cooperative Research and Training Programs Resources of the National Park System	DIRECT	P20AC00948	-	476,634
15.945	Cooperative Research and Training Programs Resources of the National Park System	DIRECT	P22AC02126	-	2,031,835
15.945 Total				-	2,511,865
15.U01	Department of the Interior / UNKNOWN	U.S. Fish and Wildlife Service	140F0621P0494	-	50,440
15.U02	Department of the Interior / UNKNOWN	Bureau of Land Management	140L1721P0017	-	14,880
15.U03	Department of the Interior / UNKNOWN	Leech Lake Band of Ojibwe	2019073	-	49,781
15.U04	Department of the Interior / UNKNOWN	Bureau of Land Management	BLM-HASSONIPA	-	55,550
15.U05	Department of the Interior / UNKNOWN	Wildlife Management Institute	RCN GSA 00151	-	41,356
U.S. DEPARTMENT OF INTERIOR TOTAL				937,403	13,243,003
20.U01	Department of the Transportation / UNKNOWN	California Department of Transportation	07A3844	-	28,233
20.205	Highway Planning and Construction	Arkansas Department Of Transportation	61733	-	1,377
20.205 Total				-	1,377
20.219	Recreational Trails Program	Oklahoma Tourism and Recreation Dept.	21-08	-	115,444
20.219 Total				-	115,444
U.S. DEPARTMENT OF TRANSPORTATION TOTAL				-	145,054
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	Bay County, Florida	2023-R07	-	10,515
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	Monroe County, FL	62419 MONROE CTY RESTORE	97,034	120,457
21.015 Total				97,034	130,972
21.027	Coronavirus State and Local Fiscal Recovery Funds	Utah Department Of Agriculture and Food	231041	-	67,012
21.027	Coronavirus State and Local Fiscal Recovery Funds	NH Department of Environmental Services	CW-334412-01	-	217,390
21.027 Total				-	284,402
U.S. DEPARTMENT OF THE TREASURY TOTAL				97,034	415,374
43.001	Science	DIRECT	80NSSC22K1816	-	64,951
43.001 Total				-	64,951
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TOTAL				-	64,951
66.129	Southeast New England Coastal Watershed Restoration	Rhode Island Dept of Environmental Management	3717348	-	5,816
66.129	Southeast New England Coastal Watershed Restoration	University of Southern Maine	SNEP01-02	-	17,546
66.129 Total				-	23,362
66.130	Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component	DIRECT	00D80221	-	259,311
66.130 Total				-	259,311
66.204	Multipurpose Grants to States and Tribes	Nevada Division of Natural Heritage	CETS 23887	-	12,857
66.204 Total				-	12,857
66.437	Long Island Sound Program	National Fish and Wildlife Foundation	1401.22.073323	29,437	69,115
66.437	Long Island Sound Program	National Fish and Wildlife Foundation	1401.22.073767	59,867	120,715
66.437 Total				89,304	189,830
66.456	National Estuary Program	Roger Williams University	SG-2232008-007-NCRI	-	113,122
66.456	National Estuary Program	Audubon Society of Rhode Island	TNC03012022	-	1,617
66.456 Total				-	114,739
66.460	Nonpoint Source Implementation Grants	NH Department of Environmental Services	177785-B002	-	3,436
66.460	Nonpoint Source Implementation Grants	DIRECT	21(H)EPA-26/TNC-FD31921	-	21,180
66.460	Nonpoint Source Implementation Grants	Department of Health - Clean Water Branch	ASO LOG NO. 20-165	-	11,160
66.460	Nonpoint Source Implementation Grants	NV Div. of Environmental Protection	DEPS 21-020	-	6,346
66.460	Nonpoint Source Implementation Grants	MO Department of Natural Resources	G19-NPS-04	-	(7,914)
66.460	Nonpoint Source Implementation Grants	MO Department of Natural Resources	G19-NPS-09	-	5,711

The accompanying notes are an integral part of this schedule.

The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
66.460	Nonpoint Source Implementation Grants	MO Department of Natural Resources	G22-NPS-04	\$ -	\$ 13,365
66.460	Nonpoint Source Implementation Grants	Clinch-Powell Resource Conservation and Development Council	RCD-TNC 040221	-	7,197
66.460	Nonpoint Source Implementation Grants	NH Department of Environmental Services	R-21-C-01	897	15,710
66.460	Nonpoint Source Implementation Grants	Arkansas Natural Resources Commission	22-1500	27,679	29,179
66.460	Nonpoint Source Implementation Grants	Arkansas Natural Resources Commission	SGA 20-1500	100,000	124,341
66.460	Nonpoint Source Implementation Grants	Arkansas Natural Resources Commission	SGA 20-900	-	2,943
66.460 Total				128,576	232,656
66.461	Regional Wetland Program Development Grants	Nevada Natural Heritage Program	CD-99T39201-1	-	8,122
66.461 Total				-	8,122
66.466	Chesapeake Bay Program	Sustainable Chesapeake	022723-SUS CHES NFWF 7520	-	4,541
66.466	Chesapeake Bay Program	National Fish and Wildlife Foundation	0602.19.065721	9,623	183,301
66.466	Chesapeake Bay Program	National Fish and Wildlife Foundation	0603.18.062874	-	22,853
66.466	Chesapeake Bay Program	National Fish and Wildlife Foundation	0603.20.068841	-	32,134
66.466	Chesapeake Bay Program	National Fish and Wildlife Foundation	0603.22.075637	15,000	41,700
66.466	Chesapeake Bay Program	The Mid-Atlantic 4R Nutrient Stewardship Association	068263-003	-	65,250
66.466	Chesapeake Bay Program	The Mid-Atlantic 4R Nutrient Stewardship Association	2038B-002	-	3,721
66.466	Chesapeake Bay Program	Stroud Water Research Center	370072	-	11,452
66.466 Total				24,623	364,952
66.469	Great Lakes Program	Indiana Department of Natural Resources	60866	-	330,361
66.469	Great Lakes Program	Ohio Department of Natural Resources	00E02810	62,743	283,805
66.469	Great Lakes Program	Ohio Department of Natural Resources	20191211 ODNR EPA MBSP	-	182,795
66.469	Great Lakes Program	Michigan Department of Natural Resources	2022-1815	-	8,210
66.469	Great Lakes Program	Michigan Department of Natural Resources	FISH 2022-11	-	1,979
66.469 Total				62,743	807,150
66.475	Gulf of Mexico Program	DIRECT	02D19222	65,906	97,605
66.475	Gulf of Mexico Program	DIRECT	02D19322	-	86,023
66.475	Gulf of Mexico Program	DIRECT	MX-00D92119-0	-	153,352
66.475 Total				65,906	336,980
66.481	Lake Champlain Basin Program	VT Department of Environmental Conservation	2019-LCBP-WER-01	-	2,506
66.481 Total				-	2,506
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	DIRECT	96378601	-	29,499
66.818 Total				-	29,499
ENVIRONMENTAL PROTECTION AGENCY TOTAL				371,182	2,381,964
81.U01	Department of Energy / UNKNOWN	DIRECT	CLN201483	-	234,733
U.S. DEPARTMENT OF ENERGY TOTAL				-	234,733
87.052	RESTORE Council Oil Spill Impact Program	MS Department of Environmental Quality	20-00077	-	29,471
87.052 Total				-	29,471
GULF COAST ECOSYSTEM RESTORATION COUNCIL TOTAL				-	29,471
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	DIRECT	PA-02-VL-4340-PW-00632(0)	-	289
97.036 Total				-	289
97.039	Hazard Mitigation Grant	Vitema (Virgin Islands Territorial Emergency Management Agency)	HMGP 4335-0009	-	135,830
97.039 Total				-	135,830
97.045	Cooperating Technical Partners	DIRECT	EMF-2020-CA-00006	-	18,668
97.045	Cooperating Technical Partners	DIRECT	EMF-2021-CA-00007	-	179,751
97.045	Cooperating Technical Partners	DIRECT	EMF-2022-CA00016	-	22,522
97.045	Cooperating Technical Partners	DIRECT	EMN-2021-CA-00013-S01	-	35,852
97.045	Cooperating Technical Partners	DIRECT	EMN-2022-CA-00013-S01	-	12,834
97.045 Total				-	269,627
DEPARTMENT OF HOMELAND SECURITY TOTAL				-	405,746
98.001	USAID Foreign Assistance for Programs Overseas	DT Global International Development Inc	4752-001-CRA-002	-	427,130
98.001	USAID Foreign Assistance for Programs Overseas	DIRECT	72052321CA00001	1,277,911	3,907,934
98.001	USAID Foreign Assistance for Programs Overseas	DIRECT	72061121CA00003	942,981	2,196,488
98.001	USAID Foreign Assistance for Programs Overseas	DIRECT	72067422CA00002	16,604	387,049
98.001	USAID Foreign Assistance for Programs Overseas	DIRECT	720FDA19CA00029	49,800	337,245
98.001	USAID Foreign Assistance for Programs Overseas	Sociedad Peruana de Derecho Ambiental	DOC-2805/005-2021	-	16,543
98.001	USAID Foreign Assistance for Programs Overseas	Micronesia Conservation Trust	MCT1088PAF202287	-	37,443

The accompanying notes are an integral part of this schedule.

The Nature Conservancy

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2023

ASSISTANCE LISTING NUMBER	PROJECT TITLE/PROJECT NAME	PASS-THROUGH GRANTOR	AGREEMENT ID#	PASSED TO SUBRECIPIENT	FY 2023 TOTAL FEDERAL EXPENDITURES
98.001	USAID Foreign Assistance for Programs Overseas	Yayasan Keanekaragaman Hayati (KEHATI)	001/KHT/LGL/SUB-AGRMNT	\$ -	\$ 201,276
98.001 Total				2,287,296	7,511,108
98.U01	Agency for International Development / UNKNOWN	The Nature Conservancy	EKZ/TEP/USAID/4/2022	-	44,728
98.U02	Agency for International Development / UNKNOWN	Chemonics International Inc.	FO-TM-002	-	203,252
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT TOTAL				2,287,296	7,759,088
Total All Other Federal Expenditures				7,753,670	65,236,629
Total Federal Expenditures				7,781,005	66,070,554

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Schedule of Expenditures of Federal Awards and
State of Tennessee Financial Assistance
For the year ended June 30, 2023

The Nature Conservancy (Tennessee Office)
Schedule of Expenditures of Federal and State Financial Assistance
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor	Assistance Listing	Contract Number	Expenditures	Passed through to Subrecipients
<u>Federal Awards</u>				
U.S. Department of Agriculture/Cooperative Forestry Assistance	10.644	73007	7,956	-
Total Program 10.644			\$ 7,956	-
U.S. Department of Agriculture/NRCS	10.912	NR184741XXXXC002	47,357	-
		NR224742XXXXC006	20,128	-
Total Program 10.912			\$ 67,486	\$ -
U.S. Department of the Interior/TN Wildlife Resources Agency	15.611	65138	\$ 18,916	\$ -
		65092	\$ 55,242	\$ -
		72937	\$ 8,211	-
		73946	\$ 101,244	\$ -
Total Program 15.611			\$ 183,613	\$ -
U.S. Department of the Interior/National Fish and Wildlife Foundation	15.663	0801.17.059739	17,915	14,398
Total Program 15.663			\$ 17,915	\$ 14,398
TOTAL FEDERAL AWARDS			\$ 276,970	\$ 14,398
<u>State Awards</u>				
TN Department of Environment and Conservation	N/A	52485	(65)	-
West TN River Basin Authority	N/A	56866	(17)	-
TN Department of Environment and Conservation	N/A	68653	31,195	-
TN Wildlife Resources Agency	N/A	72725	3,000	-
West TN River Basin Authority	N/A	75535	55,676	-
TN Department of Agriculture	N/A	75587	12,886	-
TN Heritage Conservation Trust Fund	N/A	2023_03_TFB Tract	387,045	-
TOTAL STATE AWARDS			\$ 489,720	\$ -
TOTAL FEDERAL AND STATE AWARDS			\$ 766,690	\$ 14,398

The accompanying notes are an integral part of this schedule.

The Nature Conservancy
Notes to Schedule of Expenditures of Federal Awards and
Schedule of Expenditures of Federal Awards and State of
Tennessee Financial Assistance
For the year ended June 30, 2023

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Expenditures of Federal Awards and State of Tennessee Financial Assistance (the Schedules) summarize the federal expenditures of The Nature Conservancy (the Conservancy) under programs of the U.S. federal government and state of Tennessee for the year ended June 30, 2023. The amounts reported as federal expenditures and state financial assistance were obtained from the Conservancy's financial system. Because the Schedules present only a selected portion of the operations of the Conservancy, they are not intended to and do not present the consolidated financial position, changes in net assets and cash flows of the Conservancy.

The Schedules include all grants, contracts, and similar agreements entered into directly between the Conservancy and agencies and departments of the U.S. federal government or passed through directly to the Conservancy through agencies receiving federal funding and by the state of Tennessee, respectively. The schedules also include the amounts awarded to sub recipients, which include approximately \$7.8 million of sub awards to organizations assisting in project implementation in FY 2023.

The Conservancy has a negotiated indirect cost rate agreement with Department of the Interior as the cognizant agency for indirect costs. As such, the Conservancy is not eligible to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.

2. Summary of significant accounting policies

For the purpose of the Schedules, expenditures for federal award programs and state financial assistance are recognized on the accrual basis of accounting. Negative amounts on the Schedules are adjustments to expenditures reported in the prior year in the course of normal business. Full Assistance Listing and pass through numbers are presented when available.

The Nature Conservancy
Schedule of Indirect Cost Rate Computation
For the year ended June 30, 2023

Elements of Cost	Costs for Indirect Cost Rate Calculation
Personnel (Salaries and Fringe Benefits)	553,668,911
Contract, professional fees	218,980,560
Grants and subawards	80,031,509
Travel	24,375,285
Publication, printing and postage	45,892,540
Supplies and equipment	34,400,599
Depreciation and amortization	14,856,711
Interest expenses	-
Occupancy	15,119,212
Contributed goods & services non-cash expenses	-
All other	72,764,575
Book value of donated conservation land & easements	-
<i><u>Total Costs for Indirect Cost Rate Calculation</u></i>	<i>1,060,089,902</i>
Exclusions	189,320,807
Unallowables	24,896,021
<i><u>Total Expenses</u></i>	<i><u>214,216,828</u></i>
Direct Costs before Exclusions	1,059,703,478
Indirect Costs before Exclusions	214,603,253
<i><u>The Nature Conservancy's Preliminary Total Expenses</u></i>	<i><u>1,274,306,731</u></i>
Direct Costs before Exclusions	1,059,703,478
Less: Exclusions to Direct Costs	(189,320,807)
Total Direct After Exclusions	870,382,671
Indirect Costs before Exclusions	214,603,253
Less: Exclusions to Indirect Costs	-
Less: Unallowables to Indirect Costs	(24,896,021)
Indirect Cost Pool After Exclusions and Unallowables	189,707,232
Indirect Cost Rate	21.80%

Excluded from the computation of the allowable indirect costs are unallowable costs totaling \$24,896,021 as of June 30, 2023. Exclusions from the computation of the total direct cost base are primarily composed of external transfers of land and the value of land sold or donated to government agencies and other conservation organizations totaling \$189,320,807, because their inclusion distorts the assessment of indirect costs.

The Nature Conservancy
Schedule of Fringe Benefit Rate Calculation
For the year ended June 30, 2023

Fringe Benefit Account	Fringe benefit expense - regular employees	Fringe benefit expense - short - term employees	Fringe benefit expense - foreign employees	Total
ACCRUED VACATION EXPENSE – US	\$ 25,061,955	\$ -	\$ -	\$ 25,061,955
SICK, HOL, ADMIN LEAVE & NON-TERM LIMIT				
MANDATORY SEVERANCE – NON-US	5,906		\$	5,906
VACATION EXPENSE – NON-US	4,607		\$	4,607
SICK LEAVE EXPENSE – US	8,500,979	25,182	\$	8,526,161
HOLIDAY LEAVE EXPENSE – US	20,109,689	59,570	\$	20,169,259
MILITARY LEAVE EXPENSE – US	5,926		\$	5,926
HEALTH PLAN EXPENSE – US	37,042,499		\$	37,042,499
LIFE INSURANCE – US	392,810		\$	392,810
ACCIDENTAL DEATH/DISMEMBERMENT - US	106,244		\$	106,244
DISABILITY INSURANCE – US	982,076		\$	982,076
TRAVEL ACCIDENT INSURANCE			\$	-
WORKERS' COMPENSATION – US	180,513	2,158	\$	182,671
FICA TAX – US	26,644,322	318,540	\$	26,962,863
PENSION PLANS – US	24,244,553	72,315	\$	24,316,868
STATE EMPLOYMENT TAXES – US	177,419	3,752	\$	181,171
EXPATRIATE ALLOWANCES			\$	-
MEDICAL INSURANCE EXPENSE – NON-US			3,578,043	3,578,043
PENSION/SS TAX EXPENSE – NON-US			4,552	4,552
OTHER SOCIAL TAX/EXPENSE – NON-US			27,762	27,762
WORKERS' COMPENSATION – NON-US			\$	-
SAVINGS PLAN EXPENSE – NON-US			2,624,827	2,624,827
LIFE INSURANCE – NON-US			920,077	920,077
EDUCATIONAL ASSISTANCE			\$	-
EMPLOYEE RELOCATION (MOVING EXPENSES)	85,408		\$	85,408
PROFESSIONAL FEES	874,609		\$	874,609
TOTAL FRINGE BENEFITS CHARGES	\$ 144,419,516	\$ 481,517	\$ 7,155,259	\$ 152,056,293
TOTAL SALARIES EXPENSE	\$ 322,982,898	\$ 3,861,348	\$ 51,029,011	\$ 377,873,256
FRINGE BENEFIT EXPENSE AS A PERCENTAGE	44.71%	12.47%	14.02%	



**Report of Independent Auditors 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 of The Nature Conservancy:

We have audited, 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, the consolidated financial statements of The Nature Conservancy and its affiliates (the "Conservancy"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, of functional expenses, and of cash flows for the year then ended, including the related notes (collectively referred to as the consolidated financial statements), and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Conservancy'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Conservancy'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 the Conservancy's consolidated 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 Conservancy'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 Conservancy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Princeton University

Washington, DC
December 20, 2023



Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Board of Directors of The Nature Conservancy:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Nature Conservancy's (the Conservancy'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 each of the Conservancy's major federal programs for the year ended June 30, 2023. The Conservancy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Conservancy 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 June 30, 2023.

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 (US 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 the Conservancy 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 the Conservancy'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 the Conservancy'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 the Conservancy'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 US 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 the Conservancy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US 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 the Conservancy'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 the Conservancy'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 the Conservancy'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 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.

Principally Known Computer

Washington, DC
December 20, 2023

Schedule of Findings and Questioned Costs

The Nature Conservancy

Schedule of Findings and Questioned Costs

For the year ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___yes ___x__no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___yes ___x__none reported

Noncompliance material to financial statements noted?

___yes ___x__no

Federal Awards

Internal control over major programs

- Material weakness(es) identified? ___yes ___x__no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___yes ___x__none reported

Type of auditor's report issued on compliance for major programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___yes ___x__no

Identification of major programs:

Assistance Listing Numbers:

Name of Federal Program of Cluster

98.001	Federal Assistance Programs
10.931	Agricultural Conservation Easement Program
12.017	Readiness and Environmental Protection Integration
15.945	Cooperative Research and Training Programs
11.438	Pacific Coast Salmon Recovery Pacific Salmon Treaty Program
12.610	Community Economic Adjustment

Dollar threshold used to distinguish between type A and type B programs:

\$1,982,117

Auditee qualified as low-risk auditee?

___yes ___x__no

The Nature Conservancy
Schedule of Findings and Questioned Costs
For the year ended June 30, 2023

Section II – Financial Statement Findings

None identified.

Section III – Federal Award Findings and Questioned Costs

None identified.

Schedule of Status of Prior Audit Findings

The Nature Conservancy
Summary Schedule of Status of Prior Audit Findings
For the year ended June 30, 2023

Summary Schedule of Status of Prior Audit Findings

None identified.