



FINANCIAL REPORT

December 31, 2021 and 2020



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Glacier National Park Conservancy
Columbia Falls, Montana

Opinion

We have audited the accompanying financial statements of the Glacier National Park Conservancy (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Glacier National Park Conservancy as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Glacier National Park 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Glacier National Park 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Glacier National Park 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, amount other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that were identified during the audit.

Anderson Zurmuehlen & Co., P.C.

Missoula, Montana
May 24, 2022

FINANCIAL STATEMENTS

GLACIER NATIONAL PARK CONSERVANCY
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,544,627	\$ 2,696,074
Employee tax retention credit receivable	121,986	118,128
Current portion of promises to give, net	130,140	241,335
Prepaid expenses and other current assets	166,904	84,511
Inventory	<u>379,787</u>	<u>451,164</u>
Total current assets	<u>7,343,444</u>	<u>3,591,212</u>
OTHER ASSETS		
Investments	1,773,683	3,546,750
Promises to give, net of discount and current portion	<u>22,908</u>	<u>74,734</u>
Total other assets	<u>1,796,591</u>	<u>3,621,484</u>
RESTRICTED CASH AND INVESTMENTS	<u>139,034</u>	<u>138,877</u>
PROPERTY AND EQUIPMENT, NET	<u>672,237</u>	<u>716,192</u>
Total assets	<u>\$ 9,951,306</u>	<u>\$ 8,067,765</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,721	\$ 13,769
Accrued expenses	81,418	58,692
Agency funding payable	53,208	45,836
Funds held on behalf of Agency	139,034	138,877
Grants payable, current portion	<u>2,680,107</u>	<u>2,290,255</u>
Total current liabilities	<u>2,981,488</u>	<u>2,547,429</u>
NONCURRENT LIABILITIES		
Economic Injury Disaster Loan	-	149,900
Grants payable, net of current portion	<u>556,352</u>	<u>175,993</u>
Total noncurrent liabilities	<u>556,352</u>	<u>325,893</u>
NET ASSETS		
Without donor restrictions		
Undesignated	422,109	880,458
Board-designated	<u>4,833,291</u>	<u>3,086,204</u>
	5,255,400	3,966,662
With donor restrictions	<u>1,158,066</u>	<u>1,227,781</u>
Total net assets	<u>6,413,466</u>	<u>5,194,443</u>
Total liabilities and net assets	<u>\$ 9,951,306</u>	<u>\$ 8,067,765</u>

The Notes to Financial Statements are an integral part of these statements.

GLACIER NATIONAL PARK CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
SUPPORT AND REVENUE			
Merchandise sales, net of discounts	\$ 4,635,326	\$ -	\$ 4,635,326
Less: cost of goods sold	<u>(2,102,443)</u>	<u>-</u>	<u>(2,102,443)</u>
Net merchandise sales	2,532,883	-	2,532,883
Contributions and other public support	2,207,422	898,191	3,105,613
Donated goods and services	-	70,649	70,649
COVID-19 grant revenue	211,928	-	211,928
Other revenue	18,796	-	18,796
Investment income, net	21,083	91,808	112,891
Net assets released from restrictions			
Time restriction releases	259,335	(259,335)	-
Purpose restriction releases	<u>871,028</u>	<u>(871,028)</u>	<u>-</u>
Funds available for program and supporting services	<u>6,122,475</u>	<u>(69,715)</u>	<u>6,052,760</u>
EXPENSES			
Program services			
Glacier	3,855,023	-	3,855,023
Agency	<u>14,414</u>	<u>-</u>	<u>14,414</u>
Total program services	<u>3,869,437</u>	<u>-</u>	<u>3,869,437</u>
Funds available for supporting services	<u>2,253,038</u>	<u>(69,715)</u>	<u>2,183,323</u>
Supporting services			
Fundraising	531,358	-	531,358
Administrative	<u>432,942</u>	<u>-</u>	<u>432,942</u>
Total supporting services	<u>964,300</u>	<u>-</u>	<u>964,300</u>
Total expenses	<u>4,833,737</u>	<u>-</u>	<u>4,833,737</u>
Change in net assets	1,288,738	(69,715)	1,219,023
NET ASSETS			
Beginning of year	<u>3,966,662</u>	<u>1,227,781</u>	<u>5,194,443</u>
End of year	<u>\$ 5,255,400</u>	<u>\$ 1,158,066</u>	<u>\$ 6,413,466</u>

The Notes to Financial Statements are an integral part of this statement.

GLACIER NATIONAL PARK CONSERVANCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Merchandise sales, net of discounts	\$ 1,889,289	\$ -	\$ 1,889,289
Less: cost of goods sold	<u>(890,710)</u>	<u>-</u>	<u>(890,710)</u>
Net merchandise sales	998,579	-	998,579
Contributions and other public support	1,774,497	830,636	2,605,133
Donated goods and services	-	87,555	87,555
COVID-19 grant revenue	375,178	-	375,178
Other revenue	42,998	-	42,998
Investment income, net	74,419	66,129	140,548
Net assets released from restrictions			
Time restriction releases	94,317	(94,317)	-
Purpose restriction releases	<u>547,946</u>	<u>(547,946)</u>	<u>-</u>
Funds available for program and supporting services	<u>3,907,934</u>	<u>342,057</u>	<u>4,249,991</u>
EXPENSES			
Program services			
Glacier	2,042,021	-	2,042,021
Agency	<u>9,872</u>	<u>-</u>	<u>9,872</u>
Total program services	<u>2,051,893</u>	<u>-</u>	<u>2,051,893</u>
Funds available for supporting services	<u>1,856,041</u>	<u>342,057</u>	<u>2,198,098</u>
Supporting services			
Fundraising	566,860	-	566,860
Administrative	<u>327,779</u>	<u>-</u>	<u>327,779</u>
Total supporting services	<u>894,639</u>	<u>-</u>	<u>894,639</u>
Total expenses	<u>2,946,532</u>	<u>-</u>	<u>2,946,532</u>
Change in net assets	961,402	342,057	1,303,459
NET ASSETS			
Beginning of year	<u>3,005,260</u>	<u>885,724</u>	<u>3,890,984</u>
End of year	<u>\$ 3,966,662</u>	<u>\$ 1,227,781</u>	<u>\$ 5,194,443</u>

The Notes to Financial Statements are an integral part of this statement.

GLACIER NATIONAL PARK CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Glacier</u>	<u>Agency</u>	<u>Fundraising</u>	<u>Administrative</u>	
EXPENSES					
Grants and awards	\$ 2,517,080	\$ 11,000	\$ -	\$ -	\$ 2,528,080
In-kind gifts	49,950	-	46,385	3,310	99,645
Salaries and wages	646,247	-	252,552	285,792	1,184,591
Payroll taxes and employee benefits	108,952	-	56,348	63,763	229,063
Computer	56,052	-	21,905	24,788	102,745
Occupancy	85,610	1,511	4,058	8,120	99,299
Office	169,347	23	40,545	22,780	232,695
Outreach	82,941	-	91,892	-	174,833
Professional services	14,573	-	5,695	6,445	26,713
Staff development	6,425	-	2,511	2,841	11,777
Insurance	46,660	823	2,212	4,426	54,121
Travel	11,300	-	4,416	4,997	20,713
Total expenses before depreciation	<u>3,795,137</u>	<u>13,357</u>	<u>528,519</u>	<u>427,262</u>	<u>4,764,275</u>
Depreciation	59,886	1,057	2,839	5,680	69,462
Total expenses	<u>\$ 3,855,023</u>	<u>\$ 14,414</u>	<u>\$ 531,358</u>	<u>\$ 432,942</u>	<u>\$ 4,833,737</u>

The Notes to Financial Statements are an integral part of this statement.

GLACIER NATIONAL PARK CONSERVANCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Glacier</u>	<u>Agency</u>	<u>Fundraising</u>	<u>Administrative</u>	
EXPENSES					
Grants and awards	\$ 1,151,035	\$ -	\$ -	\$ -	\$ 1,151,035
In-kind gifts	3,002	-	65,006	648	68,656
Salaries and wages	445,733	-	273,232	225,336	944,301
Payroll taxes and employee benefits	34,572	-	27,326	22,536	84,434
Computer	47,993	-	29,420	24,262	101,675
Occupancy	60,957	3,797	4,637	7,703	77,094
Office	92,084	125	47,516	24,425	164,150
Outreach	89,770	-	99,362	-	189,132
Professional services	13,131	-	8,049	6,638	27,818
Staff development	1,350	-	828	683	2,861
Insurance	36,727	2,288	2,793	4,641	46,449
Travel	6,873	-	4,213	3,474	14,560
Bad debt	11	-	7	5	23
Total expenses before depreciation	<u>1,983,238</u>	<u>6,210</u>	<u>562,389</u>	<u>320,351</u>	<u>2,872,188</u>
Depreciation	58,783	3,662	4,471	7,428	74,344
Total expenses	<u>\$ 2,042,021</u>	<u>\$ 9,872</u>	<u>\$ 566,860</u>	<u>\$ 327,779</u>	<u>\$ 2,946,532</u>

The Notes to Financial Statements are an integral part of this statement.

GLACIER NATIONAL PARK CONSERVANCY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,219,023	\$ 1,303,459
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	69,462	74,344
Unrealized gain on investments, net	(70,713)	(71,556)
Realized loss (gain) on investments, net	785	(2,108)
Loss (gain) on disposal of property and equipment	1,253	(1,790)
Permanently restricted contributions	(5,950)	(5,500)
Noncash contributions of marketable securities	(32,612)	(46,365)
Changes in operating assets and liabilities:		
Employee retention credit receivable	(3,858)	(118,128)
Promises to give, net	163,021	(164,752)
Prepaid expenses and other current assets	(82,393)	(10,724)
Inventory	71,377	(28,698)
Accounts payable	13,952	(25,657)
Accrued expenses	22,726	(13,583)
Agency funding payable	7,372	301
Grants payable	<u>770,211</u>	<u>(673,396)</u>
Net cash flows from operating activities	<u>2,143,656</u>	<u>215,847</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for the purchase of investments	(1,333,570)	(2,308,401)
Cash received from the sale or maturity of investments	3,309,334	3,625,467
Cash paid for the purchase of property and equipment	(26,760)	(39,271)
Cash received from the sale of property and equipment	<u>-</u>	<u>4,000</u>
Net cash flows from investing activities	<u>1,949,004</u>	<u>1,281,795</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	5,950	5,500
Proceeds (repayment) - Economic Injury Disaster Loan	<u>(149,900)</u>	<u>149,900</u>
Net cash flows from financing activities	<u>(143,950)</u>	<u>155,400</u>
Net change in cash, cash equivalents and restricted cash	3,948,710	1,653,042
Cash, cash equivalents and restricted cash at beginning of year	<u>2,734,951</u>	<u>1,081,909</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 6,683,661</u>	<u>\$ 2,734,951</u>
AS REFLECTED IN THE ACCOMPANYING BALANCE SHEETS		
Cash and cash equivalents	6,544,627	2,696,074
Restricted cash	<u>139,034</u>	<u>38,877</u>
	<u>\$ 6,683,661</u>	<u>\$ 2,734,951</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contribution of marketable securities	<u>\$ 32,612</u>	<u>\$ 46,365</u>

The Notes to Financial Statements are an integral part of these statements.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Glacier National Park Conservancy (the Conservancy), a private nonprofit 501(c)(3) organization, is the official philanthropic and outreach partner for Glacier National Park. It leads philanthropic initiatives and operates park bookstores in ten visitor centers and ranger stations in and around Glacier National Park, as well as bookstores at Grant-Kohrs Ranch National Historic Site, and the Flathead National Forest. Funds are raised through merchandise revenue, donations, and grants. The Conservancy assures the ongoing Glacier National Park experience by funding transformative programs that protect Glacier National Park for current and future generations.

The Conservancy's grant making is organized around three core program areas, which are:

- ❖ *Preservation* – The Conservancy funds projects and programs that preserve Glacier National Park's heritage for all to explore in generations to come. Take a walk on Glacier National Park's trails or a drive along the Going-to-the-Sun Road, and you will pass by historic cabins, native wildflowers, exhibits about park wildlife, and ten visitor centers and ranger stations. With over 700 miles of trail and nearly 400 historic structures, countless artifacts and archaeology sites, and the storied Ptarmigan Tunnel, Glacier National Park stretches across one million acres of forest, prairie, and alpine parkland.
- ❖ *Research* – The Conservancy funds research on priority issues for Glacier National Park and assists in making informed conservation decisions that protect Glacier National Park's future. From climate and wildlife to citizen science and vegetation, Glacier National Park is a thriving laboratory home to over 1,200 plant species, 240 bird species, and 65 species of native mammals. Its habitat extends well beyond Glacier National Park's borders, making the Crown of the Continent one of the most biologically intact ecosystems in North America.
- ❖ *Education* – The Conservancy facilitates strategic education initiatives designed to engage current and future Glacier National Park stewards of all ages by funding programming, transportation, and endowments that ensure our children and grandchildren all have the opportunity to become a part of Glacier National Park's scientific, historic, and conservation story. Each fall and spring, buses arrive in Glacier National Park, dropping off over 7,000 school children eager to develop scientific and leadership skills. Families arrive for multigenerational guided park adventures. Teachers arrive to attend workshops designed to provide hands-on, standards-based curriculum training for classroom and park learning. In the summer, Glacier Youth Corps sets out to repair trails, paint buildings, present public programs, and learn about careers in public lands.

The Conservancy also directs and supports national and local outreach initiatives including events, celebrations, and other activities that activate and expand community investment in Glacier National Park. Each program is designed to provide critical support necessary to help preserve and protect Glacier National Park, its inhabitants, its guests, and its visitors.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

The primary sources of revenue for the Conservancy are merchandise sales and contributions. Individuals and business organizations comprise the majority of contributors. It is at least reasonably possible that national economic conditions could impact contributions in the near term.

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board (FASB).

Cash and Cash Equivalents

The Conservancy considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Conservancy maintains cash balances in several financial institutions. Federal Deposit Insurance Corporation (FDIC) coverage is \$250,000. From time to time, certain bank accounts may exceed their insured limits. At December 31, 2021 and 2020, \$17,587 and \$49,465 of the Conservancy's accounts were uninsured, respectively.

Promises to Give

Unconditional promises to give (pledges) are recorded as receivables and revenue when the pledge is received. The Conservancy distinguishes between pledges received for each net asset category in accordance with donor restrictions, if any. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. Management reviews the individual pledges for collectability. Uncollectible pledges are expected to be insignificant. Accordingly, management has determined no allowance for uncollectible pledges is considered necessary at December 31, 2021 or 2020. Conditional pledges are not recorded in the accounting records until all donor conditions are met. As of December 31, 2021 and 2020, the Conservancy did not have any conditional pledges.

Inventory

Inventory consists primarily of merchandise for resale, including apparel, books, maps, and souvenir goods. Inventory is valued at the lower of cost or net realizable value, determined on a rolling, average-cost basis.

Donated items are recorded at estimated fair value on the date of donation. Amounts used during the year are included in program services expense in the statements of activities. Shipping billed to customers is included in merchandise sales revenue and freight costs are included in cost of goods sold.

Investments and Restricted Investments

Investments and restricted investments are carried at fair value and consist of brokered certificates of deposit, bonds, and mutual funds. Restricted investments represent invested insurance proceeds related to Sperry Chalet held on behalf of Glacier National Park.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Conservancy invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment are recorded at cost if purchased or fair value on the date of the contribution and are depreciated using the straight-line method over estimated useful lives of 3 to 40 years. If a donor stipulates how long the asset must be used or what it must be used for, the contribution is recorded as restricted support and the restriction is released when the asset is placed into service. The Conservancy has no policy for placing time restrictions on donated assets. Leasehold improvements are amortized over the lesser of 10 years or the lease term. The Conservancy's capitalization policy requires expenditures to be capitalized based on various thresholds ranging from \$1,000 to \$5,000 depending on the expenditure's classification. Routine repairs and maintenance are expensed as incurred.

Grants Payable and Agency Funding Payable

The Conservancy grants funding to projects and programs focused on preservation, research, and educational initiatives surrounding Glacier National Park. Unconditional promises to pay (grants payable) are recognized as an expense in the period in which they are approved by the Board of Directors. Cash is released by the Conservancy upon completion of the various projects and programs. While many projects and programs are generally expected to be completed within one year, there is considerable uncertainty of completion dates given the nature of Glacier National Park operations.

The Conservancy's management has reviewed all grants payable as of December 31, 2021 and 2020 and has determined which projects will more than likely be completed and paid within one year. These grants payable have been classified as current on the statement of financial position. Those projects and programs that are not expected to be completed within one year have been classified as long-term on the statement of financial position. In the case a grant is to be paid over a period exceeding one year, the grant is recorded at the net present value of the future cash payments, using an applicable rate determined by management. The Conservancy also controls certain assets for designated programs and projects, primarily for the National Park Service. These are reported on the statement of financial position as "Agency Funding Payable."

Classification of Net Assets

The Conservancy classifies contributions as net assets with donor restrictions or net assets without donor restrictions in accordance with donor stipulations. Net assets with donor restrictions consist of endowed gifts where donors have specified investment in perpetuity to support the Conservancy's mission or gifts restricted as to purpose or time.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

When a donor restriction expires (time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. All expenses are reported in net assets without donor restrictions, after applicable restrictions have been satisfied. The Board of Directors has adopted a policy for designating an operating reserve of \$600,000 and \$500,000, along with other net assets for projects or uses identified at December 31, 2021 and 2020, respectively. In addition to the operating reserve, the Board has designated \$4,191,667 and \$2,550,083 of net assets for projects and other purposes at December 31, 2021 and 2020, respectively, and has created a board-designated endowment in the amount of \$41,624 and \$36,121 at December 31, 2021 and 2020, respectively.

In-Kind Donations

The Conservancy seeks and receives the volunteer efforts of community members to attain its goals. A variety of skilled individuals, including biologists, naturalists, researchers, and others, donate time and services to the Conservancy. The value of donated services, meeting the criteria of GAAP for recognition, is reported as donated services in the statement of activities with a corresponding expense recorded in program expenses. The value of donated services is determined by the donors at the usual fee they would receive for such services in the normal course of their profession.

The Conservancy receives donations of supplies and other materials for use in its activities. These gifts are recorded at their estimated fair value on the date of donation. Donated goods are recorded as revenue without donor restrictions in the statement of activities, unless restricted by the donor.

Expense Allocations

Grant awards and cost of goods sold are allocated to program services according to the portion of cost directly related to the program. Compensation, payroll taxes, employee benefits, professional fees, travel expenses, office expense, and computer-related expenses are allocated to program services according to a time study analyzing the portion of cost benefiting each program, principally on the basis of staff time. Insurance, depreciation, and occupancy are allocated based on square footage and outreach is split between program services and fundraising.

Advertising Costs

The Conservancy expenses the costs of advertising as incurred. Advertising expense totaled \$12,897 and \$9,465 in 2021 and 2020, respectively.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Conservancy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. This code section enables the Conservancy to accept donations that qualify as charitable contributions to the donor. However, income from certain activities not directly related to the Conservancy's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes has been recorded in the accompanying financial statements because management has determined the amount is not significant.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Economic Injury Disaster Loans (EIDL)

In 2020, the Company received an Economic Injury Disaster Loan from the U.S. Small Business Administration in the amount of \$159,900. The loan accrues interest at rate of 2.75% and is payable in monthly installments through 2051. In 2020, \$10,000 of the loan was forgiven and the remaining balance of \$149,900, plus accrued interest, was paid in full during 2021.

Employee Retention Tax Credit (ERTC) Receivable

On December 27, 2020, the Consolidated Appropriations Act, 2021 (CAA) was signed into law which included additional COVID-19 related relief. The CAA substantially and retroactively expanded the ERTC. The ERTC, as it existed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was not available to those who received a Paycheck Protection Program (PPP) loan. The provisions in the CAA removed this barrier and allows entities to qualify to retroactively apply for this credit as long as the same wages are not used for both PPP loan forgiveness and the calculation of qualified wages for the ERTC. The Conservancy determined its eligibility for ERTC, and amended its 2020 payroll tax forms in order to claim the tax credit. The Conservancy determined that it qualified for an ERTC in the amount of \$118,128 as of December 31, 2020 and accrued interest of \$3,858 during 2021. As of December 31, 2021, the ERTC receivable was still outstanding, but is expected to be received in 2022.

Paycheck Protection Program Loan

On April 5, 2021, the Conservancy received loan proceeds in the amount of \$211,262 under the second draw of the PPP Loan program. The second draw of the PPP Loan was funded through the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), which provides loans to qualifying organizations for amounts up to 2.5 times the monthly payroll expenses for the qualifying business up to \$2 million.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paycheck Protection Program Loan (Continued)

The loans and accrued interest are forgivable over the covered period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs and covered worker protection expenditures, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the second draw PPP loan is payable over five years at an interest rate of 1% per annum, with a deferral of payments for ten months after the covered period ends.

The Conservancy met the PPP's eligibility criteria and, therefore, has concluded that the PPP loan represents, in substance, a grant. The Conservancy has accounted for the PPP Loan in accordance with FASB ASC 958-605 as a conditional contribution. During the year ended December 31, 2021, the Conservancy used the entire proceeds for purposes consistent with the PPP, resulting in recognition of the entire PPP loan amount as COVID-19 grant revenue in the accompanying financial statements. On July 29, 2021, the Conservancy obtained forgiveness in the amount of \$211,262.

Subsequent Events

Management has evaluated subsequent events through May 24, 2022, the date which the financial statements were available for issue.

NOTE 2. INVESTMENTS

The following summarizes net investment income in the statements of activities:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 47,974	\$ 70,252
Net unrealized gain	70,713	71,556
Net realized gain (loss)	(785)	2,108
Investment expenses	<u>(5,011)</u>	<u>(3,368)</u>
Total	<u>\$ 112,891</u>	<u>\$ 140,548</u>

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 2. INVESTMENTS (CONTINUED)

There are three general valuation techniques that may be used to measure fair value, as described below:

- *Market Approach* – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources;
- *Cost Approach* – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- *Income Approach* – Uses valuation techniques to convert future amounts to a single preset amount based on current market expectations about the future amounts (includes present value techniques). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Investments are valued using the market approach and are carried at fair value using quoted prices in active markets (Level 1 inputs) or quoted prices in active markets for similar assets that are observable through the measurement date (Level 2 inputs). The Conservancy's policy for determining the timing of significant transfers between Levels 1 and 2 is at the end of the reporting period.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Mutual funds: Valued at daily closing price as reported by the fund. Mutual funds held by the Conservancy are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Conservancy are deemed to be actively traded.

Money market funds: Valued at the daily closing price reported by the fund sponsor from an actively traded exchange.

Debt securities: Valued using pricing models maximizing the use of observable inputs for similar securities. For corporate bonds, this includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Brokered certificates of deposit are valued by discounting the related cash flows based on current yields of similar instruments and considering credit-worthiness of the issuer.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 2. INVESTMENTS (CONTINUED)

A summary of the cost and fair value of investments and restricted cash and investments at December 31, 2021 follows:

	2021		
	Amortized Cost or Cost	Unrealized Gains	Fair Value
Level 1			
Cash	\$ 350,323	\$ -	\$ 350,323
Money Market Funds	405,180	-	405,180
Mutual Funds			
Foreign Large Blend	141,099	21,992	163,091
Large Growth	199,820	187,685	387,505
Small Value	<u>91,015</u>	<u>48,139</u>	<u>139,154</u>
	<u>1,187,437</u>	<u>257,816</u>	<u>1,445,253</u>
Level 2			
Debt Securities			
Municipal Bonds	15,074	105	15,179
Brokered Certificates of Deposit	<u>450,000</u>	<u>2,285</u>	<u>452,285</u>
	<u>465,074</u>	<u>2,390</u>	<u>467,464</u>
	<u>\$ 1,652,511</u>	<u>\$ 260,206</u>	<u>\$ 1,912,717</u>

A summary of the cost and fair value of investments and restricted investments at December 31, 2020 follows:

	2020		
	Amortized Cost or Cost	Unrealized Gains (Losses)	Fair Value
Level 1			
Cash	\$ 107,146	\$ -	\$ 107,146
Mutual Funds			
Foreign Large Blend	92,064	15,440	107,504
Large Growth	153,011	118,768	271,779
Small Value	<u>63,978</u>	<u>31,464</u>	<u>95,442</u>
	<u>416,199</u>	<u>165,672</u>	<u>581,871</u>
Level 2			
Debt Securities			
Corporate Bonds			
BB	15,124	402	15,526
BB+	26,966	(59)	26,907
BBB+	15,586	1,345	16,931
Brokered Certificates of Deposit	<u>3,022,749</u>	<u>21,643</u>	<u>3,044,392</u>
	<u>3,080,425</u>	<u>23,331</u>	<u>3,103,756</u>
	<u>\$ 3,496,624</u>	<u>\$ 189,003</u>	<u>\$ 3,685,627</u>

These investments include funds held on behalf of Glacier National Park to be used in rebuilding the Sperry Chalet. These investments are reflected as funds held on behalf of Agency on the accompanying statements of financial position. Total investments held on behalf of Glacier National Park were \$139,034 and \$138,877 as of December 31, 2021 and 2020, respectively.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 3. PROMISES TO GIVE

Promises to give at December 31, 2021 and 2020, consist of:

	<u>2021</u>	<u>2020</u>
Promises to give	\$ 155,140	\$ 316,335
Less discount	<u>(2,092)</u>	<u>(266)</u>
Total	<u>\$ 153,048</u>	<u>\$ 316,069</u>

The Conservancy held promises to give of \$153,048 and \$316,069 as of December 31, 2021 and 2020, respectively. One pledge received by the Conservancy in 2020 was to be collected from 2021 to 2023 in the amount of \$25,000 per year. All pledges with the exception of this pledge, are expected to be collected within one year and, therefore, are reported as current assets in the accompanying statements of financial position. At December 31, 2021, two pledges represented 82% of the total promises to give. At December 31, 2020, two pledges represented 59% of the total promises to give.

The table below summarizes the changes in fair value of promises to give for 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 316,069	\$ 151,317
New pledges	98,140	259,335
Payments received	(259,335)	(94,317)
Discount adjustments	<u>(1,826)</u>	<u>(266)</u>
Balance, end of year	153,048	316,069
Current portion	<u>(130,140)</u>	<u>(241,335)</u>
Promises to give, net of discount and current portion	<u>\$ 22,908</u>	<u>\$ 74,734</u>

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Building	\$ 684,986	\$ 684,986
Vehicles	43,971	43,971
Furniture and equipment	529,926	505,443
Leasehold improvements	47,192	47,192
Land	<u>170,000</u>	<u>170,000</u>
Property and equipment	1,476,075	1,451,592
Accumulated depreciation	<u>(803,838)</u>	<u>(735,400)</u>
Property and equipment, net	<u>\$ 672,237</u>	<u>\$ 716,192</u>

Depreciation expense totaled \$69,462 and \$74,344 for 2021 and 2020, respectively.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 5. ENDOWMENT

The Conservancy's endowment consists of eight funds established for the purpose of preserving and supporting Glacier National Park, and includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

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

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

- The duration and preservation of the fund;
- The purposes of the fund and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation or deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the fund; and
- The investment policies of the fund.

Funds with Deficiencies

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 MUPMIFA requires the Conservancy to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no funds with deficiencies in 2021 or 2020.

GLACIER NATIONAL PARK CONSERVANCY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2021 and 2020

NOTE 5. ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The Conservancy has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Conservancy must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield of 5%. The Conservancy expects its endowment funds, over time, to provide a reasonable level of current income to support the spending policy authorized by the Board of Directors and to grow equity assets. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Conservancy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conservancy targets a diversified asset allocation including cash equivalents, bonds, and equity securities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Conservancy's spending policy allows for an annual distribution of 90% of the endowment fund annual return on investment for any endowment fund exceeding \$50,000. Investment returns on endowment funds under \$50,000 are maintained in the specific fund until the fund reaches or exceeds \$50,000. The Conservancy expects its spending policy to allow the endowment to grow and to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

The Conservancy adopted the practice of appropriating actual endowment earnings in 2013.

Endowment net asset composition by type of fund as of December 31, 2021, follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 20,956	\$ -	\$ 20,956
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	349,643	349,643
Accumulated investment gains	<u>20,668</u>	<u>330,122</u>	<u>350,790</u>
Total	<u>\$ 41,624</u>	<u>\$ 679,765</u>	<u>\$ 721,389</u>

GLACIER NATIONAL PARK CONSERVANCY
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2021 and 2020

NOTE 5. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

Endowment net asset composition by type of fund as of December 31, 2020, follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 32,041	\$ -	\$ 32,041
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	339,693	339,693
Accumulated investment gains	<u>4,080</u>	<u>238,314</u>	<u>242,394</u>
Total	<u>\$ 36,121</u>	<u>\$ 578,007</u>	<u>\$ 614,128</u>

Changes in the endowment net asset composition by fund type for the years ended December 31, 2021 and 2020, follow:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, January 1, 2020	\$ 32,041	\$ 506,378	\$ 538,419
Investment gain, net	4,080	66,129	70,209
Contributions	<u>-</u>	<u>5,500</u>	<u>5,500</u>
Endowment net assets, December 31, 2020	36,121	578,007	614,128
Investment gain, net	5,503	91,808	97,311
Contributions	<u>-</u>	<u>9,950</u>	<u>9,950</u>
Endowment net assets, December 31, 2021	<u>\$ 41,624</u>	<u>\$ 679,765</u>	<u>\$ 721,389</u>

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes or time as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Celebrate Fund	\$ 64,325	\$ 68,261
Discover Fund	27,862	30,960
Experience Fund	212,377	167,926
Research Fund	18,084	63,953
Building Fund	2,605	2,605
Unappropriated endowment earnings	330,122	238,314
Time restriction:		
Pledges receivable	153,048	316,069
Perpetual in nature:		
Theresa Williams Memorial	59,810	59,810
Red Bus Endowment	45,948	45,948
Backcountry Endowment	65,050	60,050
General Endowment	55,235	55,035
Trails Endowment	2,835	2,835
Robbins Endowment	40,215	37,215
Case Family Endowment	63,855	62,105
Discover Endowment	<u>16,695</u>	<u>16,695</u>
Net assets with donor restrictions	<u>\$ 1,158,066</u>	<u>\$ 1,227,781</u>

NOTE 7. LEASES

The Conservancy leases its administrative facilities under a lease expiring May 31, 2023 and leases property for its retail facility under a lease expiring October 31, 2022. Additionally, the Conservancy leases two vehicles under leases expiring on May 14, 2024. Minimum future lease payments under these agreements are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 94,412
2023	17,162
2024	<u>2,103</u>
Total	<u>\$ 113,677</u>

Rent expense in 2021 and 2020 totaled \$28,301 and \$28,307, respectively.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 8. FUNDRAISING EXPENSES

Fundraising expenses in 2021 and 2020 totaled \$531,358 and \$566,860, respectively, representing approximately 11.0% and 19.2% of total expenses, respectively.

NOTE 9. RETIREMENT PLANS

As a benefit to help provide retirement income, the Conservancy offers to all eligible employees a Simple IRA plan that was established by Board Resolution on January 1, 2019. The retirement benefit, or plan year, is set-up on a calendar year basis extending from January 1 through December 31. The Conservancy will contribute a dollar for dollar match of up to 3% of an eligible employees' compensation, on a monthly basis as a retirement benefit. Employees who are reasonably expected to receive at least \$5,000 in compensation during the plan year are eligible to participate. When an employee becomes eligible, he or she also becomes fully and immediately vested in the benefits arising from all contributions made to his or her respective Simple IRA.

During the year end December 31, 2020, sixteen employees participated in the plan. During the year end December 31, 2021, twenty employees participated in the plan. The total retirement contribution amounts paid by the Conservancy were \$25,183 and \$23,078, in 2021 and 2020, respectively.

NOTE 10. LIQUIDITY AND AVAILABILITY

The Glacier National Park Conservancy is supported by contributions, grants and retail sales. The main retail season is during the summer months and philanthropic contributions, while more consistent historically throughout the year, increase materially in the 4th quarter. The main expenditures at the Conservancy are grants to Glacier National Park. These are seasonal in nature, with the bulk of funding releases coming in predictable blocks. This seasonal flow of revenue and expense has historically not been a challenge to operational liquidity. In 2020 the Conservancy maintained short-term investments, in the amount of approximately \$2.5 million, in a rolling CD ladder with short term maturity dates.

These CD ladders matured in 2021 and the Conservancy chose not to rollover these CD ladders as they had done in prior years. These CD ladders were converted to cash in 2021. The Conservancy Board of Directors has also established an operating reserve policy of \$600,000 and \$500,000 in 2021 and 2020, respectively, which is maintained to address any short fall in cash for operations.

GLACIER NATIONAL PARK CONSERVANCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2021 and 2020

NOTE 10. LIQUIDITY AND AVAILABILITY (CONTINUED)

The following financial assets were expected to be available to support the Conservancy for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,544,627	\$ 2,696,074
Promises to give, net	153,048	316,069
Employee retention credit receivable	121,986	118,128
Investments	1,773,683	3,546,750
Inventory	379,787	451,164
Property and equipment, net	672,237	716,192
Prepaid expenses and other assets	166,904	84,511
Restricted cash and investments	<u>139,034</u>	<u>138,877</u>
Total assets	<u>9,951,306</u>	<u>8,067,765</u>
Less: illiquid assets		
Inventory, property and equipment, and prepaid expenses and other current assets	<u>(1,218,928)</u>	<u>(1,251,867)</u>
Total financial assets	<u>8,732,378</u>	<u>6,815,898</u>
Less: restricted assets		
Board-designated net assets	(4,833,291)	(3,086,204)
Endowment net assets, with donor restrictions	(679,765)	(578,007)
Agency funding payable	(53,208)	(45,836)
Restricted cash and investments	(139,034)	(138,877)
Donor-restricted assets	<u>(478,301)</u>	<u>(649,774)</u>
Total restricted assets	<u>(6,183,599)</u>	<u>(4,498,698)</u>
Less: Economic Injury Disaster Loan	-	(149,900)
Less: grants committed to be paid within one year	<u>(2,680,107)</u>	<u>(2,290,255)</u>
Available financial assets (liabilities)	<u>\$ (131,328)</u>	<u>\$ (122,955)</u>



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