

# Glacier National Park Conservancy

Columbia Falls, Montana

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

December 31, 2022 and 2021



K C O E  
I S O M

# Glacier National Park Conservancy

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December 31, 2022 and 2021

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Glacier National Park Conservancy  
Columbia Falls, Montana

### ***Opinion***

We have audited the accompanying financial statements of Glacier National Park Conservancy (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Glacier National Park Conservancy as of December 31, 2022 and 2021, 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 Auditors' Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Glacier National Park Conservancy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

## INDEPENDENT AUDITORS' REPORT

(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 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 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, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that were identified during the audits.

*KCoe Jam, LLP*

May 26, 2023  
Missoula, Montana

## **FINANCIAL SECTION**

**Glacier National Park Conservancy**  
STATEMENTS OF FINANCIAL POSITION

December 31	2022	2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 780,646	\$ 6,544,627
Employee retention tax credit receivable	-	121,986
Current portion of promises to give - net	147,000	130,140
Prepaid expenses and other current assets	174,577	166,904
Inventory	917,030	379,787
<b>Total Current Assets</b>	<b>2,019,253</b>	<b>7,343,444</b>
<b>Other Assets</b>		
Investments	7,457,669	1,773,683
Right-of-use assets	20,309	-
Promises to give - net of discount and current portion	28,267	22,908
<b>Total Other Assets</b>	<b>7,506,245</b>	<b>1,796,591</b>
<b>Restricted Cash and Investments</b>	<b>146,366</b>	<b>139,034</b>
<b>Property and Equipment - Net</b>	<b>628,489</b>	<b>672,237</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,300,353</b>	<b>\$ 9,951,306</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 22,159	\$ 27,721
Accrued expenses	82,066	81,418
Agency funding payable	49,289	53,208
Funds held on behalf of agency	136,366	139,034
Grants payable - current portion	3,493,530	2,680,107
Current portion of operating leases	17,270	-
<b>Total Current Liabilities</b>	<b>3,800,680</b>	<b>2,981,488</b>
<b>Non-Current Liabilities</b>		
Operating lease liabilities - net of current portion	2,800	-
Grants payable - net of current portion	556,352	556,352
<b>Total Non-Current Liabilities</b>	<b>559,152</b>	<b>556,352</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	453,875	422,109
Board-designated	4,461,806	4,833,291
<b>Total Without Donor Restrictions</b>	<b>4,915,681</b>	<b>5,255,400</b>
With donor restrictions	1,024,840	1,158,066
<b>Total Net Assets</b>	<b>5,940,521</b>	<b>6,413,466</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,300,353</b>	<b>\$ 9,951,306</b>

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

**Glacier National Park Conservancy**  
STATEMENT OF ACTIVITIES

Year Ended December 31, 2022	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Merchandise sales - net of discounts	\$ 4,553,782	\$ -	\$ 4,553,782
Less: Cost of goods sold	(2,196,476)	-	(2,196,476)
<b>Net Merchandise Sales</b>	2,357,306	-	2,357,306
Contributions and other public support	2,478,488	1,053,451	3,531,939
Contributed non-financial assets	37,223	-	37,223
Contributed services	-	56,870	56,870
Other revenue	31,379	-	31,379
Investment loss - net	(80,493)	(115,828)	(196,321)
<b>Net Assets Released From Restrictions</b>			
Time restriction releases	128,140	(128,140)	-
Purpose restriction releases	999,579	(999,579)	-
<b>Funds Available For Program and Supporting Services</b>	5,951,622	(133,226)	5,818,396
<b>Expenses</b>			
<b>Program Services</b>			
Glacier	5,014,918	-	5,014,918
Agency	15,280	-	15,280
<b>Total Program Services</b>	5,030,198	-	5,030,198
<b>Funds Available For Supporting Services</b>	921,424	(133,226)	788,198
<b>Supporting Services</b>			
Fundraising	674,732	-	674,732
Administrative	586,411	-	586,411
<b>Total Supporting Services</b>	1,261,143	-	1,261,143
<b>Total Expenses</b>	6,291,341	-	6,291,341
<b>Change in Net Assets</b>	(339,719)	(133,226)	(472,945)
<b>Net Assets</b>			
Beginning of year	5,255,400	1,158,066	6,413,466
End of year	\$ 4,915,681	\$ 1,024,840	\$ 5,940,521

The accompanying notes are an integral part of this financial statement.

**Glacier National Park Conservancy**  
STATEMENT OF ACTIVITIES

Year Ended December 31, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and Revenue</b>			
Merchandise sales - net of discounts	\$ 4,635,326	\$ -	\$ 4,635,326
Less: Cost of goods sold	(2,102,443)	-	(2,102,443)
<b>Net Merchandise Sales</b>	2,532,883	-	2,532,883
Contributions and other public support	2,207,422	898,191	3,105,613
Contributed non-financial assets	42,251	-	42,251
Contributed services	-	28,398	28,398
COVID-19 grant revenue	211,928	-	211,928
Other revenue	18,796	-	18,796
Investment income - net	21,083	91,808	112,891
<b>Net Assets Released From Restrictions</b>			
Time restriction releases	259,335	(259,335)	-
Purpose restriction releases	828,777	(828,777)	-
<b>Funds Available For Program and Supporting Services</b>	6,122,475	(69,715)	6,052,760
<b>Expenses</b>			
<b>Program Services</b>			
Glacier	3,855,023	-	3,855,023
Agency	14,414	-	14,414
<b>Total Program Services</b>	3,869,437	-	3,869,437
<b>Funds Available For Supporting Services</b>	2,253,038	(69,715)	2,183,323
<b>Supporting Services</b>			
Fundraising	531,358	-	531,358
Administrative	432,942	-	432,942
<b>Total Supporting Services</b>	964,300	-	964,300
<b>Total Expenses</b>	4,833,737	-	4,833,737
<b>Change in Net Assets</b>	1,288,738	(69,715)	1,219,023
<b>Net Assets</b>			
Beginning of year	3,966,662	1,227,781	5,194,443
End of year	\$ 5,255,400	\$ 1,158,066	\$ 6,413,466

The accompanying notes are an integral part of this financial statement.



# Glacier National Park Conservancy

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022	Program Services		Supporting Services		Total
	Glacier	Agency	Fundraising	Administrative	
<b>Expenses</b>					
Grants and awards	\$ 3,524,617	\$ 11,000	\$ -	\$ -	\$ 3,535,617
In-kind gifts	15,705	-	65,328	4,667	85,700
Salaries and wages	743,527	-	343,900	350,962	1,438,389
Payroll taxes and employee benefits	108,688	-	63,020	60,950	232,658
Board	-	-	-	35,855	35,855
Computer	56,012	-	25,907	26,439	108,358
Occupancy	152,292	2,478	5,597	31,530	191,897
Office	174,786	55	43,394	22,414	240,649
Outreach	104,193	-	104,193	-	208,386
Professional services	-	-	9,558	21,270	30,828
Selling supplies	6,334	-	-	-	6,334
Staff development	5,842	-	2,702	2,757	11,301
Insurance	53,613	872	1,970	11,100	67,555
Travel	15,538	-	7,187	7,334	30,059
<b>Total Expenses Before Depreciation</b>	<b>4,961,147</b>	<b>14,405</b>	<b>672,756</b>	<b>575,278</b>	<b>6,223,586</b>
Depreciation	53,771	875	1,976	11,133	67,755
<b>Total Expenses</b>	<b>\$ 5,014,918</b>	<b>\$ 15,280</b>	<b>\$ 674,732</b>	<b>\$ 586,411</b>	<b>\$ 6,291,341</b>

The accompanying notes are an integral part of this financial statement.

# Glacier National Park Conservancy

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021	Program Services		Supporting Services		Total
	Glacier	Agency	Fundraising	Administrative	
<b>Expenses</b>					
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
<b>Total Expenses Before Depreciation</b>	<b>3,795,137</b>	<b>13,357</b>	<b>528,519</b>	<b>427,262</b>	<b>4,764,275</b>
Depreciation	59,886	1,057	2,839	5,680	69,462
<b>Total Expenses</b>	<b>\$ 3,855,023</b>	<b>\$ 14,414</b>	<b>\$ 531,358</b>	<b>\$ 432,942</b>	<b>\$ 4,833,737</b>

The accompanying notes are an integral part of this financial statement.

# Glacier National Park Conservancy

## STATEMENTS OF CASH FLOWS

Years Ended December 31	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (472,945)	\$ 1,219,023
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	67,755	69,462
Unrealized loss (gain) on investments - net	273,878	(70,713)
Realized loss (gain) on investments - net	(73)	785
Loss on disposal of property and equipment	-	1,253
Contributions to be held in perpetuity	(120,940)	(5,950)
Non-cash contributions of investments	(62,673)	(32,612)
Amortization of right-of-use assets	29,153	-
Changes in operating assets and liabilities:		
Employee retention tax credit receivable	121,986	(3,858)
Promises to give - net	(22,219)	163,021
Prepaid expenses and other current assets	(7,673)	(82,393)
Inventory	(537,243)	71,377
Accounts payable	(5,562)	13,952
Accrued expenses	648	22,726
Agency funding payable	(3,919)	7,372
Operating lease liabilities	(29,392)	-
Grants payable	813,423	770,211
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>44,204</b>	<b>2,143,656</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for the purchase of investments	(6,676,745)	(1,333,570)
Cash received from the sale or maturity of investments	778,959	3,309,334
Cash paid for the purchase of property and equipment	(24,007)	(26,760)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(5,921,793)</b>	<b>1,949,004</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions to be held in perpetuity	120,940	5,950
Repayment of Economic Injury Disaster Loan	-	(149,900)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>120,940</b>	<b>(143,950)</b>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(5,756,649)</b>	<b>3,948,710</b>
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<b>6,683,661</b>	<b>2,734,951</b>
<b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<b>\$ 927,012</b>	<b>\$ 6,683,661</b>
<b>AS REFLECTED IN THE ACCOMPANYING BALANCE SHEETS</b>		
Cash and cash equivalents	\$ 780,646	\$ 6,544,627
Restricted cash and investments	146,366	139,034
<b>Totals</b>	<b>\$ 927,012</b>	<b>\$ 6,683,661</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Contribution of investments	\$ 62,673	\$ 32,612
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Right-of-use assets in exchange for operating lease liability	\$ 49,462	\$ -

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

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

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### 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 three visitor centers 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 funds transformative programs that preserve and protect Glacier National Park for current and future generations.

The Conservancy's grant making is organized around three core program areas that align with our three strategic Working Groups. These Working Groups are comprised of Conservancy and Glacier National Park leadership:

- ❖ *Wilderness* – The Conservancy funds projects and programs that preserve Glacier National Park's wilderness character to provide an authentic, sustainable, and accessible wilderness experience for visitors to Glacier National Park.
- ❖ *Wildlife* – The Conservancy funds priority projects for Glacier National Park that preserve, monitor and promote biodiversity, connectivity, and healthy wildlife populations. Glacier National Park is a thriving home to over 240 bird species and 65 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.
- ❖ *Wonder* – The Conservancy supports strategic education initiatives designed to engage current and future Glacier National Park stewards of all ages. In this context, education is viewed in a broad sense to include work being done through curriculum-based education, interpretation, environmental education, science education, and community engagement. Projects seek to educate and inspire visitors about conservation, preservation, stewardship, safety, and respect for the cultural and natural resources and wildlife in the Park and surrounding areas.

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.

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).

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**New Accounting Standards** The Conservancy adopted the following Accounting Standards Updates (ASU) in 2022:

- ASU No. 2016-02, “Leases”. This ASU required the Conservancy to recognize on the statement of financial position the asset and liability for the rights and obligations created by leases with a term of more than 12 months. The Conservancy elected several available practical expedients, including to not reassess the classification of existing leases, any initial direct costs associated with the leases, or whether any existing contracts are or contain leases. The Conservancy adopted the provisions of the update using a modified retrospective approach for all lease contracts. This ASU had the effect of increasing right-of-use assets and operating lease liabilities by \$49,462, effective January 1, 2022.
- ASU No. 2020-07, “Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets” improves GAAP by increasing the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU was applied on a retrospective basis and certain reclassifications were made to the 2021 financial statements to conform with the 2022 presentation. The adoption of this ASU did not have, and is not expected to have, a material impact on the Conservancy’s financial position, results of operations or cash flows, or its business processes, system and controls.

**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 per financial institution. From time to time, certain bank accounts may exceed their insured limits. At December 31, 2022 and 2021, \$258,485 and \$17,587 of the Conservancy’s accounts were uninsured, respectively.

**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 it qualified for an ERTC in the amount of \$118,128 as of December 30, 2020 and accrued interest of \$3,858 during 2021. The ERTC receivable was collected in 2022.

**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, 2022 or 2021. Conditional pledges are not recorded in the accounting records until all donor conditions are met. As of December 31, 2022 and 2021, the Conservancy did not have any conditional pledges.

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**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.

**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 statements 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 costing \$2,000 or more to be capitalized. 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, 2022 and 2021 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 statements 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 statements 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 statements 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 THE FINANCIAL STATEMENTS

(Continued)

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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, along with other net assets for projects or uses identified at December 31, 2022 and 2021. In addition to the operating reserve, the Board has designated \$3,825,340 and \$4,191,667 of net assets for projects and other purposes at December 31, 2022 and 2021, respectively, and has created a board-designated endowment in the amount of \$36,466 and \$41,624 at December 31, 2022 and 2021, respectively.

**Contributed Services** 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. Donated services totaled \$56,870 and \$28,398 in 2022 and 2021, respectively.

**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. Salaries and wages, payroll taxes, employee benefits, professional services, 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 \$19,084 and \$12,897 in 2022 and 2021, respectively, and is included in Outreach in the accompanying statements of functional expenses.

**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.

**Subsequent Events** Management has evaluated subsequent events through May 26, 2023, the date which the financial statements were available for issue.

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 2. INVESTMENTS

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

December 31	2022	2021
Interest and dividends	\$ 91,087	\$ 47,974
Net unrealized gain (loss) - net	(273,878)	70,713
Net realized gain (loss) - net	73	(785)
Investment expenses	(13,603)	(5,011)
<b>Total Investment Income (Loss)</b>	<b>\$ (196,321)</b>	<b>\$ 112,891</b>

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, 2022 and 2021.

*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 THE FINANCIAL STATEMENTS

(Continued)

A summary of the cost and fair value of investments and restricted cash and investments follows:

December 31, 2022	Amortized Cost or Cost	Unrealized Losses	Fair Value
<b>Level 1</b>			
Money Market Funds	\$ 3,381,500	\$ -	\$ 3,381,500
Mutual Funds			
Foreign Large Blend	276,038	(45,440)	230,598
Large Growth	309,371	(88,965)	220,406
Large Value	333,452	(18,484)	314,968
Mid-Cap Growth	23,015	(4,080)	18,935
Mid-Cap Value	37,182	(4,344)	32,838
Small Growth	71,618	(14,130)	57,488
Small Value	128,855	(16,773)	112,082
Diversified Emerging Market	29,117	(8,483)	20,634
World Allocation	21,673	(1,383)	20,290
Intermediate Core Bond	174,950	(19,557)	155,393
Intermediate Term Bond	26,072	(2,989)	23,083
Short-Term Bond	228,259	(12,913)	215,346
Floating Rate Fund	53,476	(3,002)	50,474
<b>Total Level 1</b>	<b>5,094,578</b>	<b>(240,543)</b>	<b>4,854,035</b>
<b>Level 2</b>			
Debt Securities			
Brokered Certificates of Deposit	2,750,000	-	2,750,000
<b>Total Level 2</b>	<b>2,750,000</b>	<b>-</b>	<b>2,750,000</b>
<b>Totals</b>	<b>\$ 7,844,578</b>	<b>\$ (240,543)</b>	<b>\$ 7,604,035</b>

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

December 31, 2021	Amortized Cost or Cost	Unrealized Gains	Fair Value
<b>Level 1</b>			
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	91,015	48,139	139,154
<b>Total Level 1</b>	<b>1,187,437</b>	<b>257,816</b>	<b>1,445,253</b>
<b>Level 2</b>			
Debt Securities			
Municipal Bonds	15,074	105	15,179
Brokered Certificates of Deposit	450,000	2,285	452,285
<b>Total Level 2</b>	<b>465,074</b>	<b>2,390</b>	<b>467,464</b>
<b>Totals</b>	<b>\$ 1,652,511</b>	<b>\$ 260,206</b>	<b>\$ 1,912,717</b>

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 \$136,366 and \$139,034 as of December 31, 2022 and 2021, respectively.

### 3. PROMISES TO GIVE

Promises to give consist of:

December 31	2022	2021
Promises to give	\$ 177,000	\$ 155,140
Less: Discount	(1,733)	(2,092)
<b>Totals</b>	<b>\$ 175,267</b>	<b>\$ 153,048</b>

The Conservancy held promises to give of \$175,267 and \$153,048 as of December 31, 2022 and 2021, respectively. One pledge received by the Conservancy in 2022 was to be collected from 2022 to 2024 in the amount of \$30,000 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, 2022, two pledges represented 79% of the total promises to give. At December 31, 2021, two pledges represented 82% of the total promises to give.

## Glacier National Park Conservancy

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The table below summarizes the changes in fair value of promises to give:

December 31	2022	2021
<b>Balance - Beginning of Year</b>	\$ 153,048	\$ 316,069
New pledges	150,000	98,140
Payments received	(128,140)	(259,335)
Discount adjustments	359	(1,826)
<b>Balance - End of Year</b>	175,267	153,048
Current portion	(147,000)	(130,140)
<b>Promises to Give - Net of Discount and Current Portion</b>	\$ 28,267	\$ 22,908

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

December 31	2022	2021
Building	\$ 684,986	\$ 684,986
Vehicles	43,971	43,971
Furniture and equipment	553,931	529,926
Leasehold improvements	47,192	47,192
Land	170,000	170,000
<b>Property and Equipment</b>	1,500,080	1,476,075
Accumulated depreciation	(871,591)	(803,838)
<b>Property and Equipment - Net</b>	\$ 628,489	\$ 672,237

Depreciation expense totaled \$67,755 and \$69,462 for the years ended December 31, 2022 and 2021, respectively.

#### 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.

## Glacier National Park Conservancy

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### *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 2022 or 2021.

#### *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.

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### *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 follows:

December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
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	-	470,583	470,583
Accumulated investment gains	15,509	214,295	229,804
<b>Total</b>	<b>\$ 36,465</b>	<b>\$ 684,878</b>	<b>\$ 721,343</b>

December 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
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	20,668	330,122	350,790
<b>Total</b>	<b>\$ 41,624</b>	<b>\$ 679,765</b>	<b>\$ 721,389</b>

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Changes in the endowment net asset composition by fund type follows:

	Without Donor Restriction	With Donor Restriction	Total
<b>Endowment Net Assets - January 1, 2021</b>	\$ 36,121	\$ 578,007	\$ 614,128
Investment gain - net	5,503	91,808	97,311
Contributions	-	9,950	9,950
<b>Endowment Net Assets - December 31, 2021</b>	41,624	679,765	721,389
Investment loss - net	(5,159)	(115,827)	(120,986)
Contributions	-	120,940	120,940
<b>Endowment Net Assets - December 31, 2022</b>	\$ 36,465	\$ 684,878	\$ 721,343

## 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes or time:

December 31	2022	2021
Purpose restrictions:		
Celebrate Fund	\$ 72,334	\$ 64,325
Wonder Fund	44,955	27,862
Wilderness Fund	44,111	212,377
Wildlife Fund	690	18,084
Building Fund	2,605	2,605
Unappropriated endowment earnings	214,295	330,122
Time restriction:		
Pledges receivable	175,267	153,048
Perpetual in nature:		
Theresa Williams Memorial	59,810	59,810
Red Bus Endowment	45,948	45,948
Backcountry Endowment	75,650	65,050
General Endowment	158,575	55,235
Trails Endowment	2,835	2,835
Robbins Endowment	45,215	40,215
Case Family Endowment	65,855	63,855
Discover Endowment	16,695	16,695
<b>Net Assets With Donor Restrictions</b>	<b>\$ 1,024,840</b>	<b>\$ 1,158,066</b>

# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 7. CONTRIBUTED NON-FINANCIAL ASSETS

Contributed non-financial assets recognized within the statements of activities included:

December 31	2022	2021
Recreational camper	\$ 6,240	\$ -
Household goods	2,416	1,825
Food and beverages	18,604	-
Non-food items	9,963	40,426
<b>Contributed Non-Financial Assets</b>	<b>\$ 37,223</b>	<b>\$ 42,251</b>

The Conservancy recognized contributed non-financial assets within revenue based upon fair value at the time of receipt of the item as a contribution. When the item is utilized it is recognized as an expense. Contributed non-financial assets did not have any donor-imposed restrictions.

Contributed food and beverage items were utilized in fundraising and community events. Contributed household goods were used in seasonal employee housing locations. Non-food items were used as auction items at fundraising events. In valuing items, the Conservancy used the fair value provided by the donor or estimated values that would be received for selling similar products in the United States.

### 8. LEASE OBLIGATIONS

**Operating Leases** The Conservancy leases a building and two vehicles for use in operations under operating lease agreements. The operating leases may include renewal options.

The Conservancy's operating leases generally do not specify an implicit interest rate. Therefore, the risk-free rate was used based on information available at the commencement date, to determine the present value of future payments when capitalizing the operating lease right-of-use-assets and operating lease liabilities.

The Conservancy's lease expense was as follows:

Year Ended December 31, 2022		
Operating lease cost	\$	29,415
Short-term lease cost		-
<b>Total</b>	<b>\$</b>	<b>29,415</b>

## Glacier National Park Conservancy

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The aggregate minimum annual lease payments under operating arrangements and discount factors used in calculating minimum lease payments of right-of-use-assets; are as follows:

Years Ending December 31		<b>Operating Leases</b>
2023	\$	17,334
2024		2,803
Thereafter		-
<b>Subtotal</b>		<b>20,137</b>
Less: Amount representing interest		(67)
<b>Present Value of Minimum Lease Payments</b>		<b>20,070</b>
Less: Current maturities of leases		17,270
<b>Leases - Net of Current Maturities</b>	<b>\$</b>	<b>2,800</b>
Weighted-average remaining lease term:		
Operating leases		0.87 years
Weighted-average discount rate:		
Operating leases		0.78%

## 9. FUNDRAISING EXPENSES

Fundraising expenses in 2022 and 2021 totaled \$674,732 and \$531,538, respectively, representing approximately 10.7% and 11.0% of total expenses, respectively.

## 10. 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, 2022, 20 employees participated in the plan. During the year end December 31, 2021, 16 employees participated in the plan. The total retirement contribution amounts paid by the Conservancy were \$41,577 and \$25,183, in 2022 and 2021, respectively.



# Glacier National Park Conservancy

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 11. LIQUIDITY AND AVAILABILITY

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.

The Conservancy Board of Directors has also established an operating reserve policy of \$600,000 which is maintained to address any short fall in cash for operations.

The following financial assets were expected to be available to support the Conservancy:

December 31	2022	2021
Cash and cash equivalents	\$ 780,646	\$ 6,544,627
Promises to give - net	175,267	153,048
Employee retention tax credit receivable	-	121,986
Investments	7,457,669	1,773,683
Inventory	917,030	379,787
Property and equipment - net	628,489	672,237
Prepaid expenses and other assets	174,577	166,904
Restricted cash and investments	146,366	139,034
<b>Total Assets</b>	<b>10,280,044</b>	<b>9,951,306</b>
Less: Illiquid assets		
Inventory, property and equipment, and prepaid expenses and other current assets	(1,720,096)	(1,218,928)
<b>Total Financial Assets</b>	<b>8,559,948</b>	<b>8,732,378</b>
Less: Restricted assets		
Board-designated net assets	(4,461,806)	(4,833,291)
Endowment net assets with donor restrictions	(684,878)	(679,765)
Agency funding payable	(49,289)	(53,208)
Restricted cash and investments	(146,366)	(139,034)
Donor-restricted assets	(339,962)	(478,301)
<b>Total Restricted Assets</b>	<b>(5,682,301)</b>	<b>(6,183,599)</b>
Less: Grants committed to be paid within one year	(3,493,530)	(2,680,107)
<b>Available Financial Assets (Liabilities)</b>	<b>\$ (615,883)</b>	<b>\$ (131,328)</b>