

GREATER YELLOWSTONE COALITION, INC.

AUDITED FINANCIAL STATEMENTS

September 30, 2022 and 2021



AMATICS
CPA GROUP

**GREATER YELLOWSTONE COALITION, INC.
CONTENTS**

AUDITED FINANCIAL STATEMENTS	<u>Page</u>
Independent auditors' report	3 - 4
Statements of financial position	5
Statements of activities	6 - 7
Statements of functional expenses	8 - 9
Statements of cash flows	10
Notes to financial statements	11 - 26



INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Greater Yellowstone Coalition, Inc.
Bozeman, MT**

Opinion

We have audited the accompanying financial statements of Greater Yellowstone Coalition, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 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 Greater Yellowstone Coalition, Inc. as of September 30, 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 for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Yellowstone Coalition, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Greater Yellowstone Coalition, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greater Yellowstone Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Yellowstone Coalition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Bozeman, Montana
February 2, 2023

**GREATER YELLOWSTONE COALITION, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	September 30	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 1,318,564	\$ 824,428
Board designated cash and cash equivalents	17,359	-
Investments	5,295,311	4,441,174
Board designated investments	4,192,103	4,016,416
Unconditional promises to give	445,400	50,700
Other receivables	16,653	-
Prepaid expenses	95,315	30,539
Retirement plan forfeitures	2,197	13,732
Fixed assets, net of accumulated depreciation	2,373,781	2,421,438
Assets held for sale	142,368	370,709
Endowment fund investments	3,204,556	4,100,556
Total assets	\$ 17,103,607	\$ 16,269,692

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 60,575	\$ 44,351
Other liabilities	50,268	16,897
Refundable advance	-	13,250
Accrued compensated absences	96,425	93,894
Retirement contributions payable	1,362	53,987
Gift annuity obligations	65,258	68,100
Notes payable	1,000,000	1,000,000
Total liabilities	1,273,888	1,290,479
NET ASSETS		
Without donor restrictions:		
Undesignated	4,055,492	4,490,116
Board designated - board reserves	3,233,448	2,838,931
Board designated - building reserves	976,014	1,177,485
With donor restrictions	7,564,765	6,472,681
Total net assets	15,829,719	14,979,213
Total liabilities and net assets	\$ 17,103,607	\$ 16,269,692

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Patrons	\$ 2,295,343	\$ 703,482	\$ 2,998,825
Foundation grants	788,846	2,790,006	3,578,852
In-kind contributions	6,595	-	6,595
Special events	14,046	-	14,046
Investment return, net	(1,206,381)	(761,000)	(1,967,381)
Rental income	26,334	-	26,334
Miscellaneous	7,450	-	7,450
Endowment release of restrictions	135,000	(135,000)	-
Satisfaction of program restrictions	1,505,404	(1,505,404)	-
	<u>3,572,637</u>	<u>1,092,084</u>	<u>4,664,721</u>
EXPENSES			
Program services	3,036,917	-	3,036,917
Administration	465,987	-	465,987
Fundraising	311,311	-	311,311
	<u>3,814,215</u>	<u>-</u>	<u>3,814,215</u>
	(241,578)	1,092,084	850,506
CHANGE IN NET ASSETS			
Net assets, beginning of year	<u>8,506,532</u>	<u>6,472,681</u>	<u>14,979,213</u>
NET ASSETS, end of year	<u>\$ 8,264,954</u>	<u>\$ 7,564,765</u>	<u>\$ 15,829,719</u>

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Patrons	\$ 1,851,445	\$ 686,338	\$ 2,537,783
Foundation grants	185,000	1,086,651	1,271,651
Special events	2,403	-	2,403
Investment return, net	397,142	664,228	1,061,370
Rental income	30,910	-	30,910
Miscellaneous	406,637	-	406,637
Endowment release of restrictions	135,000	(135,000)	-
Satisfaction of program restrictions	2,009,127	(2,009,127)	-
	<u>5,017,664</u>	<u>293,090</u>	<u>5,310,754</u>
EXPENSES			
Program services	2,596,700	-	2,596,700
Administration	465,209	-	465,209
Fundraising	214,393	-	214,393
	<u>3,276,302</u>	<u>-</u>	<u>3,276,302</u>
CHANGE IN NET ASSETS	1,741,362	293,090	2,034,452
Net assets, beginning of year	<u>6,765,170</u>	<u>6,179,591</u>	<u>12,944,761</u>
NET ASSETS, end of year	<u><u>\$ 8,506,532</u></u>	<u><u>\$ 6,472,681</u></u>	<u><u>\$ 14,979,213</u></u>

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2022

	<u>Program Services</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 1,881,615	\$ 356,427	\$ 241,395	\$ 2,479,437
Contracted services	279,218	15,539	6,544	301,301
Community outreach	20,191	-	-	20,191
Collaborative projects	384,732	-	-	384,732
Direct fundraising	-	-	14,263	14,263
Marketing and advertising	71,572	405	1,916	73,893
Information technology	58,953	13,070	6,766	78,789
Audit and legal fees	20,117	13,080	4,863	38,060
Insurance	-	28,888	-	28,888
Postage	11,525	539	3,195	15,259
Printing	44,589	1,159	10,708	56,456
Supplies	17,666	3,840	8,166	29,672
Travel	56,041	4,761	3,005	63,807
Training	2,325	1,800	310	4,435
Equipment	16,837	1,057	1,799	19,693
Rent	53,083	286	495	53,864
Interest	20,000	-	-	20,000
Communications	18,031	1,830	2,480	22,341
Miscellaneous	10,590	3,221	3,177	16,988
Utilities	6,541	2,229	2,229	10,999
Depreciation	63,291	17,856	-	81,147
	<u>\$ 3,036,917</u>	<u>\$ 465,987</u>	<u>\$ 311,311</u>	<u>\$ 3,814,215</u>
Total				

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2021

	Program Services	Administration	Fundraising	Total
Personnel	\$ 1,517,628	\$ 339,324	\$ 186,465	\$ 2,043,417
Contracted services	75,574	24,695	739	101,008
Community outreach	686	-	-	686
Collaborative projects	646,087	-	-	646,087
Direct fundraising	-	-	14,033	14,033
Marketing and advertising	24,892	2,088	1,774	28,754
Information technology	69,284	17,388	1,123	87,795
Audit and legal fees	814	11,172	7,218	19,204
Insurance	-	26,234	-	26,234
Postage	20,916	860	300	22,076
Printing	51,008	854	22	51,884
Supplies	13,878	4,867	107	18,852
Travel	11,698	515	33	12,246
Training	1,869	4,215	-	6,084
Equipment	10,908	1,950	569	13,427
Rent	36,947	-	-	36,947
Interest	20,000	-	-	20,000
Communications	9,859	2,446	478	12,783
Miscellaneous	5,995	6,733	759	13,487
Utilities	6,509	5,650	773	12,929
Depreciation	72,148	16,218	-	88,366
Total	\$ 2,596,700	\$ 465,209	\$ 214,393	\$ 3,276,302

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
STATEMENTS OF CASH FLOWS

	Years Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 850,506	\$ 2,034,452
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	81,147	88,366
Loss (gain) on disposal of fixed assets	(7,500)	(3,302)
Loss on sale of assets held for sale	10,634	-
Investment return, net	1,967,381	(1,061,425)
Donated stock	(115,695)	(48,930)
(Increase) decrease in current assets:		
Receivables	(411,353)	441,003
Prepaid expenses	(64,776)	(1,851)
Retirement plan forfeitures	11,535	(3,258)
Increase (decrease) in current liabilities:		
Accounts payable	16,224	8,668
Other liabilities	33,371	(21,544)
Deferred revenues	-	-
Refundable advance	(13,250)	(3,445)
Retirement contributions payable	(52,625)	1,242
Accrued compensated absences	2,531	(2,416)
Gift annuity payable	(2,842)	(3,882)
Paycheck Protection Program loan forgiveness	-	(398,100)
Net cash provided by operating activities	<u>2,305,288</u>	<u>1,025,578</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(25,990)	(132,367)
Proceeds from disposal of fixed assets	-	3,302
Proceeds from sale of assets held for sale	217,707	-
Purchase of investments	(2,620,510)	(1,202,122)
Proceeds from redemption of investments	<u>635,000</u>	<u>260,000</u>
Net cash used by investing activities	<u>(1,793,793)</u>	<u>(1,071,187)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	511,495	(45,609)
Cash and cash equivalents, beginning of year	<u>824,428</u>	<u>870,037</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,335,923</u>	<u>\$ 824,428</u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF:		
Cash and cash equivalents	\$ 1,318,564	\$ 824,428
Board designated cash and cash equivalents	<u>17,359</u>	<u>-</u>
	<u>\$ 1,335,923</u>	<u>\$ 824,428</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Trade in value received for vehicle with \$0 net book value on purchase of new vehicle	<u>\$ 7,500</u>	<u>\$ -</u>
Cash paid for interest	<u>\$ 20,000</u>	<u>\$ 20,000</u>

See the notes to financial statements.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Greater Yellowstone Coalition, Inc. (GYC) was formally organized and incorporated on November 7, 1983, for the purpose of advocating and ensuring the preservation of the Greater Yellowstone Ecosystem.

The GYC Board of Directors hires independent auditors and the Board Audit Committee reviews the annual financial audit with the auditors and reports back to the full Board. All Board members receive a copy of the audited financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are recorded when received, unless susceptible to accrual, and expenses are recognized when incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets of GYC and changes therein are classified as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets to be held for board-designated purposes.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Exempt Organization

Greater Yellowstone Coalition, Inc. qualifies as a publicly supported organization described in Internal Revenue Code Section 509(a)(1) and 170(b)(1)(A)(vi) and, therefore, is not subject to private foundation taxation. GYC is also exempt from federal income tax under Section 501(c)(3). Contributions of grantors and donors qualify for tax deductions. The Organization's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, GYC considers all highly liquid investments with a maturity at purchase of three months or less to be cash equivalents. Cash and cash equivalents is composed of money market, savings, and checking accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments held in securities are protected by the Securities Investor Protection Corporation and additional insurance purchased by the broker-dealers, if the brokerage firm fails.

Receivables

Grants receivable and unconditional promises to give (i.e. pledges receivable) are measured at fair value on the date a written unconditional promise to give is received from the donor. The fair value is measured using an income approach which incorporates inputs including estimated timing of cash receipts and an appropriate present value discount factor if receivables are expected to be collected in future years. Conditional grants and pledges receivable are not recognized until they become unconditional, as in, when the conditions are substantially met. Intentions to give do not have legally enforceable documentation and, as such, are considered conditional and are not recognized until payment is received by GYC. The Organization uses the direct write-off method when a promised receivable is determined to be uncollectible, which is usually upon receipt of notification from the donor. This approximates management's best estimate of an allowance, which is \$0.

Revenue Recognition

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional donor promises to give (i.e. pledges receivable) are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. Contributions of donor-restricted gifts are recognized at the time of the gift. The gifts are reported either as net assets without donor restrictions or net assets with donor restrictions if they were received with donor stipulations that sufficiently limit the use of the donated assets. When donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grants

The Organization receives grants from private organizations and individuals, to be used for specific programs or purposes, which may include general operations. Unconditional grant awards are recorded as revenue and support in the period in which they are awarded. Grants having the existence of a condition, but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted revenue until the conditions are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as refundable advances when received as a cash advance and are recognized as revenue when the awards are expended or other conditions are satisfied. Reimbursable grants are recorded when the qualifying expenditures are incurred.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Events

Revenue from special events consist of receipts from ticket sales and sponsorships for the Winter Wildlife tours and other fundraising events. Ticket sales are comprised of an exchange element based on the values of benefits provided, and a contribution element for the difference between the amount paid for the ticket and the exchange element. Sponsorships are a contribution but for some events that may entitle the sponsor to a specified number of event tickets, in which case a portion of the sponsorship is an exchange transaction similar to a ticket sale and the remainder is a contribution. Management has deemed the exchange element not material to the overall financial statements.

Advertising

Advertising costs are expensed as incurred.

Fixed Assets and Depreciation

Assets over the capitalization policy threshold of \$5,000 are carried at historical cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, GYC reports expirations of donor restrictions when the the donated or acquired assets are placed in service as instructed by the donor. GYC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of capitalized assets is provided over the estimated useful lives of the respective assets on the straight-line method. Estimated useful lives of the fixed assets are as follows:

Office equipment	3-5 years
Vehicles	5 years
Buildings	40 years

Assets Held for Sale

The Organization had assets that met the classification requirements for assets held for sale as of September 30, 2022 and 2021. As of September 30, 2022 and 2021 assets held for sale consisted of land in the amount of \$132,368 and \$360,709, and artwork in the amount of \$10,000 for both years. The total carrying value of the assets held for sale is \$142,368 and \$370,709 as of September 30, 2022 and 2021.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting services. Costs that relate to more than one function and are allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Resources Available and Unavailable for General Expenditure

The Organization has certain donor-restricted net assets that are available for general expenditures within one year of September 30, 2022 and 2021, because the restrictions on the net assets are expected to be met by conducting the normal activities of the programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. The Organization has other assets limited to use for donor-restricted purposes that are not expected to be spent in the coming year, which are not included. Additionally, the Board of Directors has designated certain investments to be held for certain purposes as described in Note 10. Because of the Board of Directors' designation, those investments are not considered to be available for general expenditures within the next year; however, the Board could make them available, if necessary. See Note 16.

Change in Accounting Principle

Effective June 15, 2021, the Organization retroactively adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit* (Topic 958): *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, that impacts the accounting for revenue and support. The new guidance requires the Organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose the amount of contributed nonfinancial assets recognized by category. The additional disclosure requires the Organization to disclose the following for each category: qualitative information; the Organization's policy (if any) about monetizing rather than utilizing the contributed nonfinancial asset; description of donor-imposed restrictions; description of valuation techniques and inputs used to arrive at fair value; and the principal market used to arrive at fair value measure if it is in a market in which the recipient not-for-profit is prohibited by donor-imposed restriction from selling or using the contributed nonfinancial assets. Adoption of this standard did not have a significant impact on the financial statements.

Financial Statement Presentation

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. CONCENTRATION OF CASH DEPOSIT AND UNSECURED CASH BALANCE

Greater Yellowstone Coalition, Inc. manages its credit risk for cash by maintaining deposits in a variety of financial institutions. Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. GYC's cash in bank deposit accounts may, at times, exceed federally insured limits. The Company has not experienced any losses on such accounts. As of September 30, 2022 and 2021, the Company's cash in bank deposits exceeded the federally insured limits by \$1,084,042 and \$456,635, respectively.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at September 30, 2022 and 2021 consist of the following:

	2022	2021
Unconditional promises to give, due in:		
Less than one year	\$ 445,400	\$ 50,700

In addition to the unconditional promises to give recognized above, Greater Yellowstone Coalition, Inc. is named as the beneficiary of conditional gifts and bequests, the fair value of which are not determinable.

4. INVESTMENTS

Investment balances as of September 30, 2022 consist of the following:

	Cost	Unrealized Gains/(Losses)	Fair Value
Marketable securities			
Cash - bank insured deposit	\$ 517,445	\$ -	\$ 517,445
Money market funds	174,455	-	174,455
Bonds - U.S. Treasury bills	2,022,100	9,386	2,031,486
Mutual funds - foreign large blend	52,993	(15,891)	37,102
Mutual funds - intermediate term bonds	1,434,908	(204,260)	1,230,648
Mutual funds - large blend	717,341	(124,794)	592,547
Mutual funds - long term bonds	535,545	(131,613)	403,932
Mutual funds - short term bond	259,476	(25,010)	234,466
Mutual funds - world bond	87,450	(14,220)	73,230
	5,801,713	(506,402)	5,295,311
Marketable securities - board designated			
Money market funds	887,054	-	887,054
Mutual funds - foreign large blend	102,000	(12,277)	89,723
Mutual funds - intermediate term bonds	1,271,283	(167,230)	1,104,053
Mutual funds - large blend	1,082,426	73,511	1,155,937
Mutual funds - large growth	433,216	51,394	484,610
Mutual funds - long term bond	206,229	(55,939)	150,290
Mutual funds - short term bond	346,932	(26,496)	320,436
	4,329,140	(137,037)	4,192,103
Marketable securities - endowment			
Mutual funds - foreign large blend	179,822	(21,644)	158,178
Mutual funds - intermediate term bonds	785,756	(101,035)	684,721
Mutual funds - large growth	689,211	136,312	825,523
Mutual funds - large blend	1,101,844	142,366	1,244,210
Mutual funds - long term bond	130,209	(33,056)	97,153
Mutual funds - short term bond	208,367	(13,596)	194,771
	3,095,209	109,347	3,204,556
	\$ 13,226,062	\$ (534,092)	\$ 12,691,970

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

4. INVESTMENTS (Continued)

Investment balances as of September 30, 2021 consist of the following:

	<u>Cost</u>	<u>Unrealized Gains/(Losses)</u>	<u>Fair Value</u>
Marketable securities			
Money market funds	\$ 2,478,328	\$ -	\$ 2,478,328
Mutual funds - foreign large blend	400,598	(4,214)	396,384
Mutual funds - intermediate term bonds	240,459	(2,574)	237,885
Mutual funds - large blend	361,109	(17,257)	343,852
Mutual funds - large growth	-	-	-
Mutual funds - long term bonds	120,305	(2,756)	117,549
Mutual funds - short term bond	640,584	(5,217)	635,367
Mutual funds - world bond	241,269	(9,460)	231,809
	<u>4,482,652</u>	<u>(41,478)</u>	<u>4,441,174</u>
Marketable securities - board designated			
Money market funds	47,508	-	47,508
Mutual funds - foreign large blend	636,451	105,379	741,830
Mutual funds - intermediate term bonds	863,910	12,805	876,715
Mutual funds - large blend	505,479	254,246	759,725
Mutual funds - large growth	435,474	183,945	619,419
Mutual funds - long term bond	150,743	(3,316)	147,427
Mutual funds - short term bond	284,527	3,837	288,364
Mutual funds - world bond	526,361	9,067	535,428
	<u>3,450,453</u>	<u>565,963</u>	<u>4,016,416</u>
Marketable securities - endowment			
Mutual funds - foreign large blend	733,595	240,415	974,010
Mutual funds - intermediate term bonds	595,824	14,060	609,884
Mutual funds - large growth	722,741	378,803	1,101,544
Mutual funds - large blend	467,787	347,757	815,544
Mutual funds - long term bond	86,118	(1,707)	84,411
Mutual funds - short term bond	153,461	2,083	155,544
Mutual funds - world bond	251,143	108,476	359,619
	<u>3,010,669</u>	<u>1,089,887</u>	<u>4,100,556</u>
	<u>\$ 10,943,774</u>	<u>\$ 1,614,372</u>	<u>\$ 12,558,146</u>

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

5. FAIR VALUE MEASUREMENTS (Continued)

The standards describe a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value, which are the following.

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2- Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Further, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Marketable securities - fair value is based on quoted market prices for those securities

Unconditional promises to give - fair value is the discounted net present value of expected future cash flows

The following table sets forth the Organization's assets at fair value as of September 30, 2022 and 2021, by level within the fair value hierarchy:

	<u>2022</u>	<u>2021</u>
Mutual funds - Level 1	\$ 9,081,530	\$ 10,032,310
Bonds - U.S. Treasury bills - Level 1	\$ 2,031,486	\$ -
Unconditional promises to give - Level 3	\$ 445,400	\$ 50,700

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

5. FAIR VALUE MEASUREMENTS (Continued)

The reconciliation of the change in pledges receivable measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

	2022	2021
Unconditional promises to give, beginning of year	\$ 50,700	\$ 491,703
Additional promises	445,400	50,700
Payments received	(50,700)	(491,703)
Net present value of unconditional promises to give, end of year	\$ 445,400	\$ 50,700

6. ENDOWMENT

As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions. During the years ended September 30, 2022 and 2021, fees paid for management of endowment funds were \$7,993 and \$11,382, respectively.

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, and because the primary donor's gift document states "the income only is to be applied for such qualified projects as its Board of Directors shall determine..." As a result of this interpretation, GYC retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by GYC in a manner consistent with the standard of prudence prescribed by MUPMIFA.

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

- (1) The duration and preservation of the fund;
- (2) The purposes of GYC and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of GYC; and
- (7) The investment policies of GYC.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

6. ENDOWMENT (Continued)

As of September 30, 2022 and 2021, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
September 30, 2022:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 2,011,792	\$ 2,011,792
Accumulated investment earnings	-	1,192,764	1,192,764
	\$ -	\$ 3,204,556	\$ 3,204,556
September 30, 2021:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 2,011,792	\$ 2,011,792
Accumulated investment earnings	-	2,088,764	2,088,764
	\$ -	\$ 4,100,556	\$ 4,100,556

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 GYC to retain as a fund of perpetual direction. GYC has a General Endowment Fund and several Montana Endowment Funds (associated with planned gifts received as a result of the Montana Endowment Tax Credit Law). As of the September 30, 2022 and 2021, the General Endowment Fund and the Montana Endowment Fund have no such deficiencies.

Return Objectives and Risk Parameters

GYC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that GYC must hold in perpetuity or for a donor-specified period(s). GYC 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, GYC 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 endowment fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Organization.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

6. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

For the purpose of making distributions, the fund shall make use of a total-return-based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments. The distribution of endowment fund assets will be permitted to the extent that such distributions do not exceed a level that would erode the Endowment Fund's real assets over time. The Board will seek to reduce the variability of annual endowment fund distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Board will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the endowment fund's spending policy, its target asset allocation, or both.

Greater Yellowstone General Endowment Fund: It is Greater Yellowstone Coalition's policy to distribute an amount, not to exceed 5% annually, of a trailing three-year average of the endowment's total asset value, with the understanding that this spending rate plus inflation will not normally exceed total return from investment over a ten-year time horizon.

Change in endowment net assets for the years ended September 30, 2022 and 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Balances, September 30, 2020	\$ -	\$ 3,571,328	\$ 3,571,328
Investment return:			
Investment return, net	-	664,228	664,228
Released for expenditure	-	(135,000)	(135,000)
Balances, September 30, 2021	-	4,100,556	4,100,556
Investment return:			
Investment return, net	-	(761,000)	(761,000)
Released for expenditure	-	(135,000)	(135,000)
Balances, September 30, 2022	<u>\$ -</u>	<u>\$ 3,204,556</u>	<u>\$ 3,204,556</u>

7. FIXED ASSETS

Fixed assets at September 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 600,000	\$ 600,000
Buildings	2,426,140	2,426,140
Office equipment	18,593	33,369
Vehicles	157,407	148,209
	3,202,140	3,207,718
Less: accumulated depreciation	(828,359)	(786,280)
	<u>\$ 2,373,781</u>	<u>\$ 2,421,438</u>

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

8. PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, Greater Yellowstone Coalition, Inc. was granted a \$398,100 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The Organization initially recorded the loan as a refundable advance in fiscal year 2020. The loan was forgiven in June 2021 and the Organization recognized the revenue and it has been included in miscellaneous revenue for the year ended September 30, 2021.

9. NOTES PAYABLE

In April 2015, Greater Yellowstone Coalition, Inc. received the opportunity to participate in a program-related investment (PRI) in the amount of \$1,500,000. PRIs are investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. Foundations make PRIs to further some aspect of their charitable mission. For the recipient, the primary benefit of a PRI is access to capital at lower rates than may otherwise be available. For the funder, the principal benefit is that the repayment of equity can be recycled for another charitable purpose. PRIs are valued as a means of leveraging philanthropic dollars.

These program-related investment funds were provided to GYC in the form of two loans. These loans are dated April 30, 2015 and were due in five years on April 30, 2020 (at which point the loans can be called or rolled over), with 2% simple interest due annually. This funding provides the basis for two components of the Grizzly Campaign: \$1,000,000 to set up a revolving fund for private lands conservation and \$500,000 to set up a revolving fund for grazing allotment retirement the year ended September 30, 2021. During 2019, the remaining balance of the \$500,000 PRI loan was forgiven based on terms of the agreement. On December 2, 2019, the \$1,000,000 loan's maturity date was extended to April 30, 2025.

10. BOARD DESIGNATED NET ASSETS

Net assets the Board of Directors has designated and may not be spent without the permission of the Board of Directors as of September 30, 2022 and 2021 are as follows:

	2022	2021
Board reserve	\$ 3,233,448	\$ 2,838,931
Building reserve	976,014	1,177,485
	\$ 4,209,462	\$ 4,016,416

The Board reserve was established to assure that the Organization has flexibility to launch new initiatives, undertake long term endeavors, and provide a cushion against fluctuations in cash flow. The building reserve was established to provide funds for normal repair and long term maintenance of the Organization's headquarters building in Bozeman, Montana.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30, 2022 and 2021 consist of the following:

	2022	2021
Subject to passage of time:		
Unconditional promises to give, not restricted by donors but are unavailable for expenditure until received	\$ 445,400	\$ -
Subject to expenditure for specific purpose:		
Land	1,636,183	88,178
Tribal conservation work	30,066	-
Water	34,611	129,094
Wildlife	2,213,949	2,104,153
Unconditional promises to give, the proceeds from which have been restricted by donors for		
Wildlife	-	50,000
General support	-	700
Endowment earnings	<u>1,192,764</u>	<u>2,088,764</u>
	<u>5,552,973</u>	<u>4,460,889</u>
Endowment to be held in perpetuity	<u>2,011,792</u>	<u>2,011,792</u>
	<u>\$ 7,564,765</u>	<u>\$ 6,472,681</u>

12. RELATED PARTIES

During the years ended September 30, 2022 and 2021, \$267,189 and \$331,745 were contributed to GYC by board members.

13. DEFERRED CHARITABLE GIFT ANNUITY SPLIT-INTEREST AGREEMENTS

GYC has received several charitable gift annuities that are restricted to GYC's Montana Endowment Fund and are deposited to separate accounts as required by Board policy. Under the annuity agreements, GYC agrees to pay the donor an annual sum, commencing on an agreed-upon date, for the remainder of the donor's life. The value is calculated based upon the discount rate at the time of the gift and the estimated amount of payments expected based upon actuarial tables.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

13. DEFERRED CHARITABLE GIFT ANNUITY SPLIT-INTEREST AGREEMENTS (Continued)

The following summarizes the deferred charitable annuity obligations at September 30, 2022 and 2021:

<u>Contributions Received</u>		<u>Annuity Obligation</u>			
<u>Fiscal year</u>	<u>Amount</u>	<u>Annual Payment</u>	<u>First Payment Date</u>	<u>Present Value of Obligation 2022</u>	<u>Present Value of Obligation 2021</u>
2000	\$ 22,000	\$1,650	12/31/2024	\$ 13,350	\$ 11,551
2000	28,239	8,218	9/30/2020	21,927	29,733
2001	22,000	1,650	12/31/2024	13,350	11,551
2002	10,000	2,420	12/31/2025	16,631	15,265
	<u>\$ 115,739</u>			<u>\$ 65,258</u>	<u>\$ 68,100</u>

14. RETIREMENT PLAN

In 1996, GYC adopted a defined contribution pension plan that covers all employees that have worked at least one year (and 1,000 hours) for GYC. The amount contributed each year is at the discretion of the Board of Directors. Vesting occurs in a six year graduating schedule starting with 20% after two years or upon attaining age 59 and 1/2, whichever comes first. The contribution formula provides for a contribution allocated in the same ratio that each participant's compensation for the plan year bears to the total compensation of all participants (i.e. a percentage of compensation). GYC recognized \$67,189 in contribution expense for the year ended September 30, 2021 under this plan.

Effective January 1, 2022, GYC adopted a defined contribution profit sharing plan that covers all eligible employees. Eligible employees have attained the age of 21 and have completed six consecutive months of service or 1,000 hours during the year. GYC will make safe harbor contributions of 3% of plan compensation. GYC may elect, in its sole discretion, to make matching contributions or other non-elective contributions. Participants are fully vested in all contributions, except for participants terminated prior to plan adoption of January 1, 2022. Then the vesting schedule was a 2-6 year graded schedule for employer non-elective accounts. GYC recognized \$55,707 in contribution expense for the year ended September 30, 2022.

15. OPERATING LEASES

Equipment Leases

GYC leases office equipment under short term operating lease agreements.

Occupancy Leases

GYC leases office space in Jackson, Wyoming, under an operating lease agreement through July 2023. Future minimum lease payments for this space are \$18,214 for the fiscal year 2023.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

15. OPERATING LEASES (continued)

GYC leases office space in Driggs, Idaho. The lease term is month-to-month with 30 days advance notice of termination. The lease payments for this space are \$550 per month from beginning September 1, 2021.

GYC leases office space in Lander, Wyoming, under an operating lease agreement through March 2022. The lease payments for this space are \$350 per month. Beginning April 1, 2022, this lease is month-to-month, with 30 days advance notice of termination. Lease payments going forward are \$375 per month.

GYC leases office space in Fort Washakie, Wyoming, under an operating lease agreement through August 2022. The lease was renewed through August 2023. The lease payments for this space are \$850 per month.

GYC leases office space in Cody, WY under an operating lease agreement through November 2023. Lease payments for this space are \$600 per month. Future minimum lease payments for this lease are \$7,200 and \$1,200 for the fiscal years 2023 and 2024, respectively.

Subleases

GYC leases space in its Bozeman, Montana building. In addition, GYC subleases space in its Jackson, Wyoming office to another tenant. Rental revenue is recognized as rent is due. The lease terms range from month-to-month to three years and monthly payments range from \$350 to \$1,850. GYC received \$26,334 and \$30,910 in rental income for the years ended September 30, 2022 and 2021, respectively.

16. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 1,335,923	\$ 824,428
Unconditional promises to give	445,400	50,700
Other receivables	16,653	-
Retirement plan forfeitures	2,197	13,732
Investments	<u>12,691,970</u>	<u>12,558,146</u>
	14,492,143	13,447,006
Unavailable for general expenditure in one year		
Board designated funds	2,709,462	3,723,416
Donor restricted endowment funds	2,011,792	2,011,792
Donor restricted endowment fund earnings	1,042,764	1,953,764
Donor restricted funds	<u>1,363,314</u>	<u>1,281,659</u>
	<u>7,127,332</u>	<u>8,970,631</u>
Total financial resources available for general expenditure	<u>\$ 7,364,811</u>	<u>\$ 4,476,375</u>

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

16. LIQUIDITY AND AVAILABILITY (continued)

The Organization's endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is subject to appropriation by the Board (see Note 6). Board-designated funds are not considered available for general expenditure in the next year, but would be available as determined by the Board if necessary. As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

17. CONTRIBUTED NONFINANCIAL ASSETS

Greater Yellowstone Coalition, Inc. records various types of in-kind support. The fair value of donated services and goods included as contributions in the financial statements for the year ended September 30, 2022, are as follows:

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Artwork	\$ -	\$ 4,000	\$ -	\$ 4,000
Books	-	418	-	418
Subscriptions	-	264	-	264
Miscellaneous	<u>1,506</u>	<u>174</u>	<u>233</u>	<u>1,913</u>
	<u>\$ 1,506</u>	<u>\$ 4,856</u>	<u>\$ 233</u>	<u>\$ 6,595</u>

For the year ended September 30, 2021, Greater Yellowstone Coalition, Inc. did not have donated goods or services.

Artwork

Contributed artwork is valued at estimated fair value based on an independent appraisal.

Subscriptions

Contributed subscriptions are valued at the estimated fair value based on current rates for similar subscriptions.

Miscellaneous and Books

Contributed miscellaneous goods and books are valued at estimated fair value on the basis of estimates of wholesale values that would be received for selling similar items in the United States.

18. COMMITMENTS

In October 2021, the Organization entered into an agreement with the option to purchase mining leases and other attributable mining rights. The agreement requires payments to secure the option to purchase. If the Organization exercises this option, it will have the right to purchase the mining leases and other attributable mining rights at a price of \$6,250,000. The option to purchase the property remains in effect until October 1, 2023. The total paid for the year ended September 30, 2022 related to this commitment was \$135,000 and is included in collaborative projects expenses.

GREATER YELLOWSTONE COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2022 and 2021

19. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through February 2, 2023, the date on which the financial statements were available to be issued.