

**GREATER YELLOWSTONE COALITION, INC.**

**AUDITED FINANCIAL STATEMENTS**

**September 30, 2021 and 2020**



**AMATICS**  
CPA GROUP

**GREATER YELLOWSTONE COALITION, INC.  
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## 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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Yellowstone Coalition, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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, including omissions, 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.

**Amatics CPA Group**  
Bozeman, Montana  
January 21, 2022

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

**ASSETS**

	<b>September 30</b>	
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 824,428	\$ 847,594
Board designated cash and cash equivalents	-	22,443
Investments	4,441,174	3,853,670
Board designated investments	4,016,416	3,080,974
Unconditional promises to give	50,700	491,703
Prepaid expenses	30,539	28,688
Retirement plan forfeitures	13,732	10,474
Fixed assets, net of accumulated depreciation	2,421,438	2,747,843
Assets held for sale	370,709	-
Endowment fund investments	4,100,556	3,571,328
 Total assets	 \$ 16,269,692	 \$ 14,654,717

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 44,351	\$ 35,683
Other liabilities	16,897	38,441
Refundable advance	13,250	16,695
Accrued compensated absences	93,894	96,310
Retirement contributions payable	53,987	52,745
Paycheck protection program loan	-	398,100
Gift annuity obligations	68,100	71,982
Notes payable	1,000,000	1,000,000
 Total liabilities	 1,290,479	 1,709,956
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	4,490,116	3,661,753
Board designated - board reserves	2,838,931	2,124,903
Board designated - building reserves	1,177,485	978,514
With donor restrictions	6,472,681	6,179,591
 Total net assets	 14,979,213	 12,944,761
 Total liabilities and net assets	 \$ 16,269,692	 \$ 14,654,717

See the notes to financial statements.

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
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>
<b>EXPENSES</b>			
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>
<b>CHANGE IN NET ASSETS</b>	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>
<b>NET ASSETS, end of year</b>	<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 ACTIVITIES**  
**Year Ended September 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Patrons	\$ 1,609,113	\$ 542,539	\$ 2,151,652
Foundation grants	589,928	1,403,080	1,993,008
Special events	17,391	-	17,391
Investment return, net	277,175	357,233	634,408
Rental income	27,060	-	27,060
Miscellaneous	40,851	-	40,851
Endowment release of restrictions	110,000	(110,000)	-
Satisfaction of program restrictions	1,590,993	(1,590,993)	-
	<u>4,262,511</u>	<u>601,859</u>	<u>4,864,370</u>
<b>EXPENSES</b>			
Program services	3,178,810	-	3,178,810
Administration	445,076	-	445,076
Fundraising	348,523	-	348,523
	<u>3,972,409</u>	<u>-</u>	<u>3,972,409</u>
<b>CHANGE IN NET ASSETS</b>	290,102	601,859	891,961
Net assets, beginning of year	<u>6,475,068</u>	<u>5,577,732</u>	<u>12,052,800</u>
<b>NET ASSETS, end of year</b>	<u>\$ 6,765,170</u>	<u>\$ 6,179,591</u>	<u>\$ 12,944,761</u>

See the notes to financial statements.

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

	<b>Program Services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
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	12,932
Depreciation	72,148	16,218	-	88,366
	<u>\$ 2,596,700</u>	<u>\$ 465,209</u>	<u>\$ 214,393</u>	<u>\$ 3,276,302</u>
Total				

See the notes to financial statements.



**GREATER YELLOWSTONE COALITION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2020**

	<b>Program Services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
Personnel	\$ 1,706,868	\$ 328,331	\$ 213,410	\$ 2,248,609
Contracted services	104,871	57,863	23,439	186,173
Community outreach	20,605	1,369	781	22,755
Collaborative projects	968,228	-	-	968,228
Direct fundraising	4,269	208	9,019	13,496
Marketing and advertising	40,482	1,598	2,185	44,265
Information technology	61,504	10,424	14,223	86,151
Audit and legal fees	755	10,669	6	11,430
Insurance	28,017	10,124	2,144	40,285
Postage	6,664	277	5,348	12,289
Printing	18,971	116	49,744	68,831
Supplies	20,010	2,009	1,722	23,741
Travel	28,282	4,600	3,385	36,267
Training	2,053	(20)	301	2,334
Equipment	17,076	1,407	1,466	19,949
Rent	38,557	243	169	38,969
Interest	20,000	-	-	20,000
Communications	12,387	861	1,536	14,784
Miscellaneous	8,939	1,446	1,407	11,792
Utilities	9,778	1,367	954	12,099
Depreciation	60,494	12,184	17,284	89,962
<b>Total</b>	<b>\$ 3,178,810</b>	<b>\$ 445,076</b>	<b>\$ 348,523</b>	<b>\$ 3,972,409</b>

See the notes to financial statements.

**GREATER YELLOWSTONE COALITION, INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended September 30</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,034,452	\$ 891,961
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	88,366	89,962
Gain on disposal of fixed assets	(3,302)	(5,520)
Investment return, net	(1,061,425)	(634,408)
Donated stock	(48,930)	(19,182)
(Increase) decrease in current assets:		
Receivables	441,003	(302,064)
Prepaid expenses	(1,851)	26,773
Retirement plan forfeitures	(3,258)	2,250
Increase (decrease) in current liabilities:		
Accounts payable	8,668	(31,649)
Other liabilities	(21,544)	(144,700)
Deferred revenues	-	(90,650)
Refundable advance	(3,445)	16,695
Retirement contributions payable	1,242	(3,684)
Accrued compensated absences	(2,416)	12,436
Gift annuity payable	(3,882)	(5,841)
Paycheck Protection Program loan forgiveness	(398,100)	-
Net cash provided (used) by operating activities	<u>1,025,578</u>	<u>(197,621)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(132,367)	(45,578)
Proceeds from disposal of fixed assets	3,302	5,520
Purchase of investments	(1,202,122)	(848,731)
Proceeds from redemption of investments	<u>260,000</u>	<u>1,099,235</u>
Net cash provided (used) by investing activities	<u>(1,071,187)</u>	<u>210,446</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>398,100</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(45,609)	410,925
Cash and cash equivalents, beginning of year	<u>870,037</u>	<u>459,112</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 824,428</u>	<u>\$ 870,037</u>
<b>CASH AND CASH EQUIVALENTS IS COMPRISED OF:</b>		
Cash and cash equivalents	\$ 824,428	\$ 847,594
Board designated cash and cash equivalents	<u>-</u>	<u>22,443</u>
	<u>\$ 824,428</u>	<u>\$ 870,037</u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
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, 2021 and 2020**

**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, 2021 and 2020**

**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, 2021 and 2020**

**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.

**In-Kind Contributions**

The Organization records various types of in-kind support including donated merchandise, services, property and equipment. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions are reported in members and patrons revenue on the statement of activities.

**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

**GREATER YELLOWSTONE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets Held for Sale**

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

**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, 2021 and 2020, 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.

**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, 2021 and 2020, the Company's cash in bank deposits exceeded the federally insured limits by \$456,635 and \$785,137, respectively.

**GREATER YELLOWSTONE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**3. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give at September 30, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Unconditional promises to give, due in:		
Less than one year	\$ 50,700	\$ 491,703

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, 2021 consist of the following:

	<b>Cost</b>	<b>Unrealized Gains/(Losses)</b>	<b>Fair Value</b>
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	481,414	(20,013)	461,401
Mutual funds - large growth	240,459	(2,574)	237,885
Mutual funds - long term bonds	240,339	(875)	239,464
Mutual funds - short term bond	400,245	(4,342)	395,903
Mutual funds - world bond	241,269	(9,460)	231,809
	4,482,652	(41,478)	4,441,174
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
	3,450,453	565,963	4,016,416
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
	3,010,669	1,089,887	4,100,556
	\$ 10,943,774	\$ 1,614,372	\$ 12,558,146

**GREATER YELLOWSTONE COALITION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021 and 2020**

**4. INVESTMENTS (Continued)**

Investment balances as of September 30, 2020 consist of the following:

	<u>Cost</u>	<u>Unrealized Gains/(Losses)</u>	<u>Fair Value</u>
Marketable securities			
Money market funds	\$ 3,853,670	\$ -	\$ 3,853,670
Marketable securities - board designated			
Money market funds	431,753	-	431,753
Mutual funds - foreign large blend	574,060	(5,256)	568,804
Mutual funds - intermediate term bonds	526,306	40,368	566,674
Mutual funds - large blend	403,563	109,916	513,479
Mutual funds - large growth	287,638	79,194	366,832
Mutual funds - long term bond	82,496	4,671	87,167
Mutual funds - short term bond	196,822	6,430	203,252
Mutual funds - world bond	323,640	19,373	343,013
	<u>2,826,278</u>	<u>254,696</u>	<u>3,080,974</u>
Marketable securities - endowment			
Mutual funds - foreign large blend	833,211	86,841	920,052
Mutual funds - intermediate term bonds	554,426	38,857	593,283
Mutual funds - large growth	528,915	199,687	728,602
Mutual funds - large blend	524,271	183,170	707,441
Mutual funds - long term bond	67,489	3,358	70,847
Mutual funds - short term bond	201,437	4,623	206,060
Mutual funds - world bond	327,835	17,208	345,043
	<u>3,037,584</u>	<u>533,744</u>	<u>3,571,328</u>
	<u>\$ 9,717,532</u>	<u>\$ 788,440</u>	<u>\$ 10,505,972</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.



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**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, 2021 and 2020, by level within the fair value hierarchy:

	<u>2021</u>	<u>2020</u>
Mutual funds - Level 1	\$ 10,032,310	\$ 6,220,549
Unconditional promises to give - Level 3	\$ 50,700	\$ 491,703

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**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:

	<b>2021</b>	<b>2020</b>
Unconditional promises to give, beginning of year	\$ 491,703	\$ 186,570
Additional promises	50,700	428,486
Payments received	(491,703)	(123,353)
Net present value of unconditional promises to give, end of year	\$ 50,700	\$ 491,703

**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, 2021 and 2020, fees paid for management of endowment funds were \$11,382 and \$9,719, 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.

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**6. ENDOWMENT (Continued)**

As of September 30, 2021 and 2020, endowment net asset composition by type of fund is as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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
	<b>\$ -</b>	<b>\$ 4,100,556</b>	<b>\$ 4,100,556</b>
September 30, 2020:			
Donor-restricted endowment funds			
Original donor-restricted gift amounts to be maintained in perpetuity	\$ -	\$ 2,011,792	\$ 2,011,792
Accumulated investment earnings	-	1,559,536	1,559,536
	<b>\$ -</b>	<b>\$ 3,571,328</b>	<b>\$ 3,571,328</b>

*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, 2021 and 2020, 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.

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**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, 2021 and 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Balances, September 30, 2019	\$ -	\$ 3,324,095	\$ 3,324,095
Investment return:			
Investment return, net	-	357,233	357,233
Released for expenditure	-	(110,000)	(110,000)
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	<u>\$ -</u>	<u>\$ 4,100,556</u>	<u>\$ 4,100,556</u>

**7. FIXED ASSETS**

Fixed assets at September 30, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 600,000	\$ 828,341
Buildings	2,426,140	2,426,140
Office equipment	33,369	33,369
Vehicles	148,209	164,834
	3,207,718	3,452,684
Less: accumulated depreciation	(786,280)	(704,841)
	<u>\$ 2,421,438</u>	<u>\$ 2,747,843</u>

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**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, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Board reserve	\$ 2,838,931	\$ 2,124,903
Building reserve	1,177,485	978,514
	<b>\$ 4,016,416</b>	<b>\$ 3,103,417</b>

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.

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**11. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of September 30, 2021 and 2020 consist of the following:

	<b>2021</b>	<b>2020</b>
Subject to passage of time:		
Unconditional promises to give, not restricted by donors but are unavailable for expenditure until received	\$ -	\$ 475,500
Subject to expenditure for specific purpose:		
Land	88,178	71,559
Water	129,094	5,000
Wildlife	2,104,153	2,040,001
Unconditional promises to give, the proceeds from which have been restricted by donors for		
Land	-	3,717
Wildlife	50,000	12,486
General support	700	-
Endowment earnings	<u>2,088,764</u>	<u>1,559,536</u>
	<u>4,460,889</u>	<u>3,692,299</u>
Endowment to be held in perpetuity	<u>2,011,792</u>	<u>2,011,792</u>
	<u>\$ 6,472,681</u>	<u>\$ 6,179,591</u>

**12. RELATED PARTIES**

During the years ended September 30, 2021 and 2020, \$331,745 and \$223,526 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.

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

The following summarizes the deferred charitable annuity obligations at September 30, 2021 and 2020:

<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 2021</u>	<u>Present Value of Obligation 2020</u>
2000	\$ 22,000	\$1,650	12/31/2024	\$ 11,551	\$ 10,755
2000	28,239	8,218	9/30/2020	29,733	35,482
2001	22,000	1,650	12/31/2024	11,551	10,755
2002	10,000	2,420	12/31/2025	15,265	-
2002	23,500	1,763	12/31/2024	-	14,458
2011	10,000	720	3/31/2011	-	532
	<u>\$ 115,739</u>			<u>\$ 68,100</u>	<u>\$ 71,982</u>

**14. PENSION 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 and \$70,175 in contribution expense for the years ended September 30, 2021 and 2020, respectively.

**15. OPERATING LEASES**

Equipment Leases

GYC leases office equipment under short term operating lease agreements.

Occupancy Leases

GYC leases office space in Cody, Wyoming, under an operating lease agreement through November 2019. After November 2019, the lease continued on a month-to-month basis at \$500 per month.

GYC leases office space in Jackson, Wyoming, under an operating lease agreement through July 2023. Future minimum lease payments for this space are \$19,488 and \$16,240 for the fiscal years 2022 and 2023, respectively.

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 \$500 per month from October 2020 to August 2021. Beginning September 1, 2021, the lease payments for this space are \$550 per month.

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. Future minimum lease payments for this space is \$1,750 for fiscal year 2022.

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**15. OPERATING LEASES (continued)**

GYC leases office space in Fort Washakie, Wyoming, under an operating lease agreement through August 2022. The lease payments for this space are \$850 per month. Future minimum lease payments for this space is \$9,350 for fiscal year 2022.

Subleases

GYC leases space to two tenants 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 \$30,910 and \$27,060 in rental income for the years ended September 30, 2021 and 2020, 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:

	<b>2021</b>	<b>2020</b>
Financial assets		
Cash and cash equivalents	\$ 824,428	\$ 870,037
Unconditional promises to give	50,700	491,703
Retirement plan forfeitures	13,732	10,474
Investments	12,558,146	10,505,972
	13,447,006	11,878,186
Unavailable for general expenditure in one year		
Board designated funds	3,723,416	3,103,417
Donor restricted endowment funds	2,011,792	2,011,792
Donor restricted endowment fund earnings	1,953,764	1,449,536
Donor restricted funds	1,281,659	1,555,744
	8,970,631	8,120,489
Total financial resources available for general expenditure	\$ 4,476,375	\$ 3,757,697

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.



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**17. SUBSEQUENT EVENTS**

In October 2021, the Organization entered into an agreement with the option to purchase property. The agreement requires payments to secure the option to purchase. If the Organization exercises this option, it will have the right to purchase the property at a price of \$6,250,000. The option to purchase the property remains in effect until October 1, 2023.

Date of Management Evaluation

Management has evaluated subsequent events through January 21, 2022, the date on which the financial statements were available to be issued.