



Grand Teton National Park Foundation

Financial Report
September 30, 2021 and 2020

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RUDD & COMPANY^{INC.}

certified public accountants | business consultants

Independent Auditors' Report

To the Board of Directors
Grand Teton National Park Foundation
P.O. Box 249
Moose, WY 83012

We have audited the accompanying financial statements of Grand Teton National Park Foundation (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.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Teton National Park Foundation 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.

Rudd & Company, PLLC

Bozeman, Montana
January 13, 2022

IDAHO FALLS | REXBURG | DRIGGS | BOZEMAN | WEST YELLOWSTONE | HELENA

3805 Valley Commons Drive, Suite 7 | Bozeman, MT 59718 | 406-585-3393 | www.ruddco.com

Grand Teton National Park Foundation

Statements of Financial Position September 30, 2021 and 2020

| Assets | 2021 | 2020 |
|---|----------------------|----------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 7,343,582 | \$ 7,605,136 |
| Pledges receivable, current (see Note 4) | 2,505,263 | 2,420,559 |
| Prepays and other current assets | 108,409 | 58,456 |
| Total Current Assets | 9,957,254 | 10,084,151 |
| Long-term Assets: | | |
| Pledges receivable, one to five years (net of discount) (see Note 4) | 871,953 | 1,875,821 |
| Equipment (net of accumulated depreciation) (see Note 7) | 104,941 | 117,203 |
| Investments at market value (see Note 5) | 4,839,162 | 2,460,250 |
| Total Long-term Assets | 5,816,056 | 4,453,274 |
| Total Assets | \$ 15,773,310 | \$ 14,537,425 |
| Liabilities and Net Assets | | |
| Current Liabilities: | | |
| Accounts payable | \$ 220,806 | \$ 21,934 |
| Accrued expenses (see Note 8) | 207,310 | 151,591 |
| Line of credit (see Note 12) | - | 78,000 |
| Refundable advance (see Note 13) | - | 135,000 |
| Packard loan - current (see Note 14) | - | - |
| Total Current Liabilities | 428,116 | 386,525 |
| Packard loan - long term (see Note 14) | 642,100 | 1,626,513 |
| Total Liabilities | 1,070,216 | 2,013,038 |
| Net Assets: | | |
| Without donor restrictions | 2,532,396 | 1,790,328 |
| With donor restrictions | 12,170,698 | 10,734,059 |
| Total Net Assets | 14,703,094 | 12,524,387 |
| Total Liabilities and Net Assets | \$ 15,773,310 | \$ 14,537,425 |

The Accompanying Notes are an Integral Part
of the Financial Statements.

Grand Teton National Park Foundation

Statements of Activities September 30, 2021 and 2020

| September 30, 2021 | Without Donor Restrictions | With Donor Restrictions | Total 2021 |
|--|---------------------------------------|------------------------------------|-----------------------|
| Support: | | | |
| Contributions and grants | \$ 2,218,175 | \$ 4,407,718 | \$ 6,625,893 |
| Satisfaction of program restrictions | 3,338,962 | (3,338,962) | - |
| Total Support | 5,557,137 | 1,068,756 | 6,625,893 |
| Revenue: | | | |
| Net realized and unrealized gains and losses | (28,883) | 324,595 | 295,712 |
| Interest and dividend income | 40,167 | 43,288 | 83,455 |
| Total support and revenue | 5,568,421 | 1,436,639 | 7,005,060 |
| Expenses: | | | |
| Program Services: | | | |
| Grants and programs | 3,205,973 | - | 3,205,973 |
| Support Services: | | | |
| Management and general | 739,703 | - | 739,703 |
| Fundraising | 880,677 | - | 880,677 |
| Total support services | 1,620,380 | - | 1,620,380 |
| Total expenses | 4,826,353 | - | 4,826,353 |
| Change in Net Assets | 742,068 | 1,436,639 | 2,178,707 |
| Net assets: | | | |
| Beginning | 1,790,328 | 10,734,059 | 12,524,387 |
| Ending | \$ 2,532,396 | \$ 12,170,698 | \$ 14,703,094 |
| September 30, 2020 | Without Donor Restrictions | With Donor Restrictions | Total 2020 |
| Support: | | | |
| Contributions and grants | \$ 1,894,502 | \$ 3,677,404 | \$ 5,571,906 |
| Satisfaction of program restrictions | 6,888,606 | (6,888,606) | - |
| Total Support | 8,783,108 | (3,211,202) | 5,571,906 |
| Revenue: | | | |
| Net realized and unrealized gains and losses | (6,957) | 240,364 | 233,407 |
| Interest and dividend income | 61,688 | 65,391 | 127,079 |
| Total support and revenue | 8,837,839 | (2,905,447) | 5,932,392 |
| Expenses: | | | |
| Program Services: | | | |
| Grants and programs | 6,911,080 | - | 6,911,080 |
| Support Services: | | | |
| Management and general | 693,493 | - | 693,493 |
| Fundraising | 899,024 | - | 899,024 |
| Total support services | 1,592,517 | - | 1,592,517 |
| Total expenses | 8,503,597 | - | 8,503,597 |
| Change in Net Assets | 334,242 | (2,905,447) | (2,571,205) |
| Net assets: | | | |
| Beginning | 1,456,086 | 13,639,506 | 15,095,592 |
| Ending | \$ 1,790,328 | \$ 10,734,059 | \$ 12,524,387 |

The Accompanying Notes are an Integral Part
of the Financial Statements.

Grand Teton National Park Foundation

Statements of Functional Expenses September 30, 2021 and 2020

| September 30, 2021 | Program Services | Management and General | Fundraising | Total |
|------------------------------------|---------------------|---------------------------|-------------------|---------------------|
| Grants to National Park Service | \$ 2,664,542 | \$ - | \$ - | \$ 2,664,542 |
| Salaries and related expenses | 469,029 | 507,350 | 670,670 | 1,647,049 |
| Office rent and utilities | 15,106 | 120,854 | 15,106 | 151,066 |
| Campaign fundraising expenses | 16,896 | - | 50,687 | 67,583 |
| Technology and information | 3,453 | 18,559 | 21,149 | 43,161 |
| Publications and newsletter | 16,053 | - | 24,081 | 40,134 |
| Office expense | 2,656 | 14,279 | 16,271 | 33,206 |
| Bank charges | 3,631 | 3,631 | 25,751 | 33,013 |
| Appreciation and cultivation | 1,166 | 5,829 | 16,323 | 23,318 |
| Outside services | 4,686 | 7,669 | 8,946 | 21,301 |
| Insurance | - | 19,751 | - | 19,751 |
| Professional fees and consulting | 3,266 | 6,016 | 7,908 | 17,190 |
| Postage | 4,189 | 3,723 | 7,603 | 15,515 |
| Board expense | 918 | 7,191 | 7,191 | 15,300 |
| Professional development | - | 6,739 | 4,308 | 11,047 |
| Travel | 382 | 811 | 3,579 | 4,772 |
| Total expenses before depreciation | 3,205,973 | 722,402 | 879,573 | 4,807,948 |
| Depreciation | - | 17,301 | 1,104 | 18,405 |
| Total expenses | \$ 3,205,973 | \$ 739,703 | \$ 880,677 | \$ 4,826,353 |

| September 30, 2020 | Program Services | Management and General | Fundraising | Total |
|------------------------------------|---------------------|---------------------------|-------------------|---------------------|
| Grants to National Park Service | \$ 6,466,421 | \$ - | \$ - | \$ 6,466,421 |
| Salaries and related expenses | 372,383 | 477,985 | 693,516 | 1,543,884 |
| Office rent and utilities | 13,096 | 104,769 | 13,096 | 130,961 |
| Campaign fundraising expenses | 18,439 | - | 55,316 | 73,755 |
| Technology and information | 3,484 | 18,726 | 21,339 | 43,549 |
| Publications and newsletter | 16,704 | - | 25,057 | 41,761 |
| Office expense | 2,350 | 12,635 | 14,396 | 29,381 |
| Bank charges | 2,808 | 2,808 | 19,912 | 25,528 |
| Outside services | 5,119 | 8,377 | 9,773 | 23,269 |
| Insurance | - | 21,091 | - | 21,091 |
| Postage | 5,261 | 4,676 | 9,548 | 19,485 |
| Appreciation and cultivation | 801 | 4,006 | 11,217 | 16,024 |
| Professional development | - | 8,949 | 5,721 | 14,670 |
| Professional fees and consulting | 2,754 | 5,074 | 6,668 | 14,496 |
| Board expense | 830 | 6,500 | 6,500 | 13,830 |
| Travel | 630 | 1,339 | 5,908 | 7,877 |
| Total expenses before depreciation | 6,911,080 | 676,935 | 897,967 | 8,485,982 |
| Depreciation | - | 16,558 | 1,057 | 17,615 |
| Total expenses | \$ 6,911,080 | \$ 693,493 | \$ 899,024 | \$ 8,503,597 |

The Accompanying Notes are an Integral Part
of the Financial Statements.

Grand Teton National Park Foundation

Statements of Cash Flows September 30, 2021 and 2020

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 2,178,707 | \$ (2,571,205) |
| Depreciation expense | 18,405 | 17,615 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Net unrealized gains and losses | 295,712 | 233,407 |
| Decrease (increase) in Moulton Ranch Cabins | - | 4,455,042 |
| Decrease (increase) in pledges receivable | 919,164 | 1,929,141 |
| Decrease (increase) in prepaid assets | (49,953) | 1,001,378 |
| Increase (decrease) in refundable advance | (135,000) | 135,000 |
| Increase (decrease) in accounts payable | 198,872 | (92,810) |
| Increase (decrease) in accrued expenses | 55,719 | 32,967 |
| Net cash provided by operating activities | 3,481,626 | 5,140,535 |
| Cash Flows from Investing Activities | | |
| Acquisition of property and equipment | (6,143) | (5,486) |
| Purchase of investments | (3,064,486) | (615,306) |
| Disposal of investments | 389,862 | 102,262 |
| Net cash used by investing activities | (2,680,767) | (518,530) |
| Cash Flows from Financing Activities | | |
| Packard loan | (984,413) | (1,973,487) |
| Payments on line of credit | (78,000) | (430,776) |
| Net cash used by financing activities | (1,062,413) | (2,404,263) |
| Net increase (decrease) in cash | (261,554) | 2,217,742 |
| Cash and Cash Equivalents | | |
| Beginning | 7,605,136 | 5,387,394 |
| Ending | <u>\$ 7,343,582</u> | <u>\$ 7,605,136</u> |
| Supplemental Disclosure of Cash Flow Information | | |
| Non cash gift-in-kind donations | <u>\$ 1,744</u> | <u>\$ 14,041</u> |
| Cash paid for interest expense | <u>\$ 18,888</u> | <u>\$ 43,928</u> |

The Accompanying Notes are an Integral Part
of the Financial Statements.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Grand Teton National Park Foundation (the Foundation) is a private, nonprofit organization whose mission is to fund projects and programs that preserve and enhance Grand Teton National Park's cultural, historic, and natural resources and to help others learn about and protect the park's unique features. Budget limitations, combined with increasing visitation, led the National Park Service to create partnerships with organizations like the Foundation to raise private money for special park needs. The Foundation initiates improvements, critical research, and projects that improve visitors' experiences, creating a solid future for Grand Teton. Since 1997, the organization has raised funds for efforts that connect youth to nature, preserve cultural resources, protect wildlife and natural resources, and enhance visitor experiences. In addition, the Foundation has completed capital projects such as construction of the Craig Thomas Discovery and Visitor Center, the conservation of 640 acres of critical wildlife habitat that was formerly owned by the state of Wyoming, the renewal of trails and visitor services at Jenny Lake, and the purchase and protection of the last privately-held acre on the Mormon Row Historic District.

Wildlife:

Climate change, invasive species, land use and development patterns, and changing visitation all threaten to disrupt the sensitive ecological relationships that characterize Grand Teton today. Projects supported by the Foundation's wildlife and natural resources initiative make significant strides toward ensuring the long-term ecological integrity of Grand Teton National Park and the Greater Yellowstone Ecosystem. In 2021, the Foundation funded efforts focused on long-distance wildlife migration corridors, gray wolf ecology, ungulate monitoring, climate change impacts, sagebrush/grassland habitat restoration, bear-resistant food storage lockers, and native fish habitat conservation.

Youth (all):

A priority for Grand Teton National Park is to engage future park stewards by providing an introduction to the outdoors, conservation, and careers through in-depth programs. Five impactful efforts funded through the Foundation's youth initiative introduce Grand Teton to a younger, more diverse audience and offer educational and employment opportunities that keep participants actively involved in the outdoors as they begin to make career decisions:

- Youth Conservation Program, a summer teen work-and-learn program that improves heavily-used trails while providing participants with an outdoor education
- Pura Vida, a multicultural program that brings local Latino students into the park for education, mentoring, and recreation
- NPS Academy, an internship program for college students from diverse backgrounds
- Mountains to Main Street brings urban students to Grand Teton for workshops and leadership training
- Tribal Youth Corps provides month-long internships in trail work and historic preservation for regional Native American teens.

Mormon Row:

In partnership with Grand Teton, the Foundation launched a multi-year project to renew the Mormon Row Historic District—the park's most popular cultural destination—with the goals of preserving remaining structures and providing visitors with meaningful opportunities to connect with park history. This effort will, for the first time, holistically address preservation needs in the district and improve the ways visitors learn about and experience the remarkable legacy of these buildings—bringing the history of this place to life. Work began in 2021 by building a new foundation and repairing damaged stucco on the Pink House and will continue in summer 2022.

Snake River Gateways:

Grand Teton National Park Foundation, in partnership with Grand Teton National Park, completed work at the first of three project sites as part of our multi-year campaign to address inadequate facilities and resource degradation at three popular access points on the Snake River. The Snake River Gateways campaign is enhancing visitors' experiences at Jackson Lake Dam, Pacific Creek, and Moose Landing. Project work was completed at Pacific Creek Landing in November 2021 and will continue at Jackson Lake Dam in 2022 and Moose Landing in 2023. The goal at each site is to blend access, education, safety, and sustainability to create a sense of arrival that encourages visitors to engage with the river as a spectacular and essential natural resource. Priorities will support significant improvements adapted to the needs of

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

visitors, river conditions, and surrounding terrain that include: functional improvements to support visitors and recreationists of all abilities; restoration and resilience of shoreline habitats; and educational elements to inspire mindful discovery and stewardship.

Winter and Summer Trails:

The Foundation funds grooming three times per week of the 14-mile stretch of road between Taggart Lake Trailhead and Signal Mountain on the Teton Park Road. Regular grooming allows visitors to easily explore on Nordic skis, snowshoes, or foot to experience this special season in Grand Teton National Park. In the summer months, the Foundation is funding a multiyear effort to renew key destinations along the Teton Crest Trail—a 45-mile route through the park's high country that was originally constructed by the Civilian Conservation Corps in the 1930s. Summer 2021 marked the second year of project work on the Crest Trail. Improvements were completed in the south fork of Cascade Canyon and at Paintbrush Divide, making it more safe for hikers to these remote alpine areas.

A brief description of the foundation's programs and supporting services follows:

Program services: The Foundation provides private philanthropic support in the form of direct grants to Grand Teton, as well as procurement of construction, design, and other services that achieve program goals and generally fulfill its mission. In executing its partnership work, close coordination with park managers is required to assure that programs align with donor interest, and that funds are spent consistent with donor intentions.

Management and general: Management and general consists of finance, accounting, human resources, information systems, risk management, support and coordination of the Foundation's governing board and volunteers, and other activities associated with the general operations and functioning of the organization.

Fundraising: First and foremost, the Foundation is a fundraising organization. As such, the Foundation identifies, cultivates, solicits, and stewards over 1,600 annual gifts (in FY20), and also maintains and adds to a list of donor prospects in relation to its many partnership fundraising projects that benefit the park. The Foundation develops detailed fundraising plans for large campaigns, annual recurring programs and gifts to its annual fund. In so doing, the Foundation develops print, digital, video, and other collateral to convey the scope of the various partnership initiatives it is supporting in the park. Grant writing, grant administration, planned gifts from estates, corporate giving, family foundations, and individual donors all represent areas of specialized work that the Foundation's professional staff engages in. All members of the Foundation team are a part of the fundraising process. In executing the full range of its fundraising work, the Foundation necessarily incurs expenses in order to achieve its numerous goals.

A summary of the Foundation's significant accounting policies follows:

Basis of presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Account Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Support and revenue recognition: All contribution support is considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Functional allocation of expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Whenever possible, costs are included in a function on a basis of specific identification. When that is not practical, certain costs are allocated amount the functions benefited. The expenses are allocated on a reasonable basis that is consistently applied.

Cash and Cash Equivalents: For the purpose of reporting cash flows, the Foundation considers demand deposits, money market accounts and all other investments with an original maturity of three months or less to be cash and cash equivalents.

Investments: Investments in debt securities and equity securities with readily determinable market values are presented at fair market value and unrealized gains are recognized in the statement of activities in accordance with FASB ASC 958-320.

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

Income Taxes: The Foundation is exempt from federal income taxes under Internal Revenue Code Section 509(a)(1) and, therefore, has made no provision for federal income taxes. The Foundation files form 990 and did not incur any excise or unrelated business income taxes in 2021 or 2020. The years ended September 30, 2020, 2019, and 2018 remain open to tax examination.

Donated Services, Materials, Property and Facilities: The financial statements of the Foundation reflect in-kind donations as revenues in the period received and as assets, expenses or decreases of liabilities, depending on the type of benefit received. Donations are measured at estimated fair market values. Donations received with donor restrictions for future periods are reported as increases in temporarily restricted net assets. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For 2021, in-kind donations were \$1,744, which was all expensed. For 2020, in-kind donations were \$14,041, which was all expensed.

Property and Equipment: Acquisitions of property and equipment in excess of \$500 are capitalized. Equipment is stated at cost net of accumulated depreciation. Depreciation is provided using the straight-line method over estimated useful lives of five years. Depreciation expense for the years ended September 30, 2021 and 2020 was \$18,405 and \$17,615, respectively.

Property and equipment are recorded at historical cost or, if donated, at the estimated fair market values at the date of donation based on independent appraisals. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions.

Note 2. Related Party Transactions

The Foundation receives donations from members of the Board of Directors. All donations from Board members are handled in accordance with normal course of business operations and consistent with Foundation policy before being recognized on the books as income. Related party revenues were \$593,825 and \$540,029 for 2021 and 2020, respectively. Pledge receivables from related parties at September 30, 2021 and 2020 were \$430,550 and \$661,000, respectively.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 3. Concentration of Credit Risk

Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist principally of cash and cash equivalents. The Foundation is aware of the risk and actively works to reduce or eliminate it by depositing cash and cash equivalents with various financial institutions. However, due to the unpredictable nature of donations and program disbursements, there are times when the deposits exceed the \$250,000 FDIC per institution limitation. At September 30, 2021, the Foundation had cash and investment bank balances of \$7,338,687, book balances of \$7,343,582, and was \$472,171 in excess of the FDIC insurance coverage at the financial institutions. At September 30, 2020, the Foundation had cash bank balances of \$7,454,991, book balances of \$7,605,136, and was \$283,299 in excess of the FDIC insurance coverage at the financial institutions.

Note 4. Pledges Receivable

Pledges receivable consist of signed pledge forms from various private donors. The total amount of pledge receivables is \$3,435,651 and \$4,448,755 for 2021 and 2020, respectively. The time frame for collecting varies from one to five years depending on the pledge. The long-term portion is shown net of discounts of \$58,435 and \$152,375 for 2021 and 2020, respectively. The rate used to calculate the discounts is the mid-term Applicable Federal Rate (AFR) for the month the pledge becomes a signed receivable. The allowance for doubtful pledge receivables is included in the discount amount above.

Note 5. Investments

A long term investment policy was adopted in 2015 and is specific to capital reserve funds that support the Craig Thomas Discovery and Visitor Center and only those net assets with donor restrictions are invested in debt and equity securities.

| | September 30, 2021 | | September 30, 2020 | |
|-------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|
| | Cost | Approximate Market Value | Cost | Approximate Market Value |
| Vanguard | \$ 1,001,181 | \$ 1,260,691 | \$ 963,264 | \$ 1,441,938 |
| Family Management Securities | 1,194,847 | 1,569,271 | 1,037,168 | 1,018,312 |
| Wind River Capital Management | 2,000,000 | 2,009,200 | - | - |
| | \$ 4,196,028 | \$ 4,839,162 | \$ 2,000,432 | \$ 2,460,250 |

Unrealized gains and losses on investment securities at September 30 are as follows:

| | 2021 | 2020 |
|----------------------------------|------------|------------|
| Net unrealized gains | \$ 643,134 | \$ 459,818 |
| Amount recognized in prior years | (534,313) | (332,335) |
| Net realized gains | 186,891 | 106,731 |
| Net realized losses | - | (807) |
| | \$ 295,712 | \$ 233,407 |

In accordance with FASB ASC 958-320, the unrealized gains on debt and equity securities with readily determinable market values are reported in the statement of activities.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 6. Fair Value Measurement

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 should maximize the use of observable inputs and minimize the use of unobservable inputs.

Although the Foundation 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.

Assets at Fair Value as of September 30, 2021

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------------|-------------|-------------|---------------------|
| Cash reserves | \$ 49,142 | \$ - | \$ - | \$ 49,142 |
| Mutual funds | | | | |
| Index funds | 1,852,331 | - | - | 1,852,331 |
| Fixed Income | 2,098,667 | - | - | 2,098,667 |
| Equity | 839,022 | - | - | 839,022 |
| Total assets at fair value | <u>\$ 4,839,162</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,839,162</u> |

Assets at Fair Value as of September 30, 2020

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------------|-------------|-------------|---------------------|
| Cash reserves | \$ 37,719 | \$ - | \$ - | \$ 37,719 |
| Exchange-Traded Products | 95,411 | | | 95,411 |
| Mutual funds | | | | |
| Index funds | 1,441,938 | - | - | 1,441,938 |
| Equity funds | 93,740 | - | - | 93,740 |
| Specialty funds | 791,442 | - | - | 791,442 |
| Total assets at fair value | <u>\$ 2,460,250</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,460,250</u> |

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 7. Property and Equipment

Property and equipment at September 30, 2021 and 2020 consist of the following:

| | |
|--|-----------|
| Equipment (net of \$138,164 depreciation) 2021 | \$104,941 |
| Equipment (net of \$119,759 depreciation) 2020 | \$117,203 |

Note 8. Accrued Expenses

Accrued expenses consist of payroll liabilities, accrued expenses, and other short-term liabilities.

| | 2021 | 2020 |
|------------------------|-------------------|-------------------|
| Payroll liabilities | \$ 179,446 | \$ 124,073 |
| Accrued expenses | 27,864 | 27,518 |
| Total Accrued Expenses | <u>\$ 207,310</u> | <u>\$ 151,591</u> |

Note 9. Retirement Plan

As of January 1, 2009, the Foundation adopted a qualifying "Safe Harbor 401(k) Plan" under which employees become eligible to participate upon reaching age 21. The Foundation will contribute to the Plan on the employees' behalf an amount between 3% to 5% of employee compensation. Safe Harbor employer contributions are fully vested. The expense for the years ended September 30, 2021 and 2020 was \$49,482 and \$49,845, respectively.

Note 10. Interest Expense

The Foundation had interest expense of \$18,888 and \$43,928 for the years ended September 30, 2021 and 2020, respectively.

Note 11. Net Assets

Net assets without donor restrictions

The net assets without donor restriction are to be used to fund general operations of the Foundation, as well as to supplement the funding of its major programs. In addition, the Foundation's Board of Directors has set aside, or designated, certain unrestricted net assets such as an operating reserve which can only be used under the direction and approval of the Board. The operating reserve amount totaled \$1,364,938 and \$1,091,562 at September 30, 2021 and 2020, respectively.

Net assets with donor restrictions

As of September 30, 2021, the Foundation has net assets with donor restriction of \$12,170,698. During the year ended September 30, 2021, net assets with donor restrictions of \$3,338,962 were released from donor restrictions by incurring qualifying expenses which satisfied the donor restricted purpose.

As of September 30, 2020, the Foundation has net assets with donor restriction of \$10,734,059. During the year ended September 30, 2020, net assets with donor restrictions of \$6,888,606 were released from donor restrictions by incurring qualifying expenses which satisfied the donor restricted purpose.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 12. Line of Credit

In October 2014, the Foundation acquired an unsecured campaign line of credit with Rocky Mountain Bank to facilitate the construction funding for the Jenny Lake Trails project. The line was capped at \$1,000,000 with an interest rate fixed at four (4.0%) percent per annum. The Foundation also has an unsecured operating line of credit with Wells Fargo. The line shall not exceed \$200,000 with an interest rate fixed at four and 5/100 (4.05%) percent per annum. There was not any borrowing on the operating line of credit at Wells Fargo through 2021. During 2020 and 2021, there was borrowing activity on the campaign line of credit at Rocky Mountain Bank resulting in a balance of \$78,000 at September 30, 2020 and a balance of \$-0- as of September 30, 2021. The campaign line of credit currently has a limit of \$1,500,000.

Note 13. Refundable Advance – Paycheck Protection Program (PPP) Loan

The Foundation was granted a \$135,000 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation was legally released from the entire loan obligation by the SBA in December 2020, and has recorded loan forgiveness income for the same amount for the year ending September 30, 2021.

Note 14. Long-term Debt

During the 2019 year, the Foundation purchased the Moulton Ranch Cabins located within the Grand Teton National Park boundaries. This purchase was facilitated with a loan from the David and Lucile Packard Foundation, a California nonprofit public benefit corporation. The loan is for \$3,600,000 with 1% interest and annual payments due January 15. Final payment is due January 15, 2023. The loan is secured by a single pledge receivable. Scheduled principal repayments on long-term debt obligations for the next two years are as follows:

| <u>Date of Payment</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|-------------------|-----------------|-------------------|
| January 15, 2022 | \$ - | \$ - | \$ - |
| January 15, 2023 | 642,100 | 6,421 | 648,521 |
| | <u>\$ 642,100</u> | <u>\$ 6,421</u> | <u>\$ 648,521</u> |

Note 15. Liquidity

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirement in short-term investments. As described in Note 12 above, the Foundation has committed lines of credit which it could draw upon if needed for both planned and unanticipated liquidity needs.

For the year ended September 30, 2021, the Foundation had \$14,688,007 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$7,343,582, investments of \$4,839,162, and pledges receivable of \$2,505,263. None of the financial assets were subject to donor or other contractual restrictions which made them unavailable for general expenditure within one year of the balance sheet date.

For the year ended September 30, 2020, the Foundation had \$12,485,945 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$7,605,136, investments of \$2,460,250, and pledges receivable of \$2,420,559. None of the financial assets were subject to donor or other contractual restrictions which made them unavailable for general expenditure within one year of the balance sheet date.

Grand Teton National Park Foundation

Notes to the Financial Statements September 30, 2021 and 2020

Note 16. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 13, 2022, the date the financial statements were available to be issued.

Note 17. Implication of COVID-19 Pandemic

During the COVID-19 pandemic, the Foundation has continued to fund projects and programs that enhance and preserve the Grand Teton National Park, though some activities have been limited. As the situation continues to evolve, the Foundation is closely monitoring the impact of the COVID-19 pandemic on all aspects of its services business, including how it impacts donors and employees, in addition to how the COVID-19 pandemic impacts the ability to provide services and resources to Grand Teton National Park. The Foundation believes the ultimate impact of the COVID-19 pandemic on its operating results, cash flows and financial condition is likely to be determined by factors which are uncertain, unpredictable and outside of its control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially adversely impact the Foundation's operations.