American Prairie Foundation dba American Prairie

Consolidated Financial Statements

Year Ended December 31, 2022

AMERICAN PRAIRIE

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Independent Auditor's Report

Board of Directors
American Prairie Foundation dba American Prairie
Bozeman, Montana

Opinion

We have audited the accompanying consolidated financial statements of American Prairie Foundation dba American Prairie (the "Organization"), a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Prairie Foundation dba American Prairie as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of American Prairie Foundation dba American Prairie and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Prairie Foundation dba American Prairie's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 American Prairie Foundation dba American Prairie’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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Prairie Foundation dba American Prairie'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.

Other Matter

The consolidated financial statements of American Prairie Foundation dba American Prairie for the year ended December 31, 2021, were audited by another auditor, whose report dated April 12, 2022 expressed an unmodified opinion on those consolidated financial statements.

Wipfli LLP

Wipfli LLP

Helena, Montana
July 18, 2023

American Prairie Foundation dba American Prairie

Consolidated Statements of Financial Position

As of December 31,	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,635,224	$ 22,437,509
Accounts receivable	920,819	337,720
Pledges receivable - current	22,800,000	15,480,786
Prepaid expenses	97,658	150,444
Other current assets	25,873	32,909
Total current assets	38,479,574	38,439,368
Property and equipment:		
Buildings	5,994,284	5,720,003
Kestrel Camp	1,515,684	1,515,684
Furniture and fixtures	109,605	108,235
Equipment	4,410,667	3,769,783
Enrico Science and Education Center	1,112,794	1,112,794
National Discovery Center	6,553,149	-
Huts	875,749	874,519
Campground	2,671,186	2,615,867
Construction in progress	26,084	6,452,584
Total property and equipment	23,269,202	22,169,469
Less accumulated depreciation	(7,532,856)	(6,394,647)
Total property and equipment, net	15,736,346	15,774,822
Other assets:		
Pledges receivable - net of current and net of discount	19,058,325	4,856,309
Right of use asset - operating	196,370	-
Non-depreciable artwork	471,855	471,855
Animals, at cost	54,046	71,697
Investments	9,387,600	3,214,287
Conservation lands	85,948,053	80,895,058
Total other assets	115,116,249	89,509,206
TOTAL ASSETS	$ 169,332,169	$ 143,723,396

American Prairie Foundation dba American Prairie

Consolidated Statements of Financial Position (Continued)

As of December 31,	2022	2021
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 228,837	$ 133,949
Accrued expenses	113,953	239,348
Accrued salary and benefits	171,600	101,144
Flex spending liability	18,785	15,147
Accrued interest	173,464	90,953
Lease liability - operating	41,037	-
Current maturities of long-term debt	47,770	48,840
Total current liabilities	795,446	629,381
Long-term liabilities:		
Long-term debt	14,682,455	32,688,977
Lease liability, net of current	158,233	-
Total long-term liabilities	14,840,688	32,688,977
Total liabilities	15,636,134	33,318,358
Net assets:		
Net assets without donor restrictions	107,780,277	85,420,114
Net assets with donor restrictions	45,915,758	24,984,924
Total net assets	153,696,035	110,405,038
TOTAL LIABILITIES AND NET ASSETS	$ 169,332,169	$ 143,723,396

See accompanying notes to consolidated financial statements.

American Prairie Foundation dba American Prairie

Consolidated Statement of Activities

	2022		
Year Ended December 31,	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions, net of discounts	$ 7,266,148	$ 44,512,739	$ 51,778,887
Other income	842,597	-	842,597
Visitation income	135,298	-	135,298
Special events, net	372,841	-	372,841
Contributed non-financial assets	859,597	-	859,597
Rental income	483,226	-	483,226
Investment loss, net	(506,712)	(176,619)	(683,331)
Interest earned on investments	338,550	-	338,550
Royalty income	2,233	-	2,233
Operations income	108,767	-	108,767
Net assets released from restrictions	23,405,286	(23,405,286)	-
Total support and revenue	33,307,831	20,930,834	54,238,665
Expenses:			
Program services	8,394,718	-	8,394,718
Management and general	1,343,686	-	1,343,686
Fundraising	1,243,163	-	1,243,163
Total expenses	10,981,567	-	10,981,567
Total support and revenue in excess of expenses	22,326,264	20,930,834	43,257,098
Other changes in net assets:			
Gain on sale of assets	33,899	-	33,899
Total other changes in net assets	33,899	-	33,899
Changes in net assets	22,360,163	20,930,834	43,290,997
Net assets, beginning of year	85,420,114	24,984,924	110,405,038
Net assets, end of year	$ 107,780,277	$ 45,915,758	$ 153,696,035

See accompanying notes to consolidated financial statements.

American Prairie Foundation dba American Prairie

Consolidated Statement of Activities

Year Ended December 31,	2021 Without Donor Restrictions	2021 With Donor Restrictions	2021 Total
Support and revenue:			
Contributions, net of discounts	$ 18,821,738	$ 20,461,900	$ 39,283,638
Visitation income	187,150	-	187,150
Special events, net	490,246	-	490,246
Contributed non-financial assets	473,105	-	473,105
Investment return, net	435,833	125,658	561,491
Interest earned on investments	77,570	-	77,570
Operations income	1,233,387	-	1,233,387
Net assets released from restrictions	34,763,373	(34,763,373)	-
Total support and revenue	56,482,402	(14,175,815)	42,306,587
Expenses:			
Program services	6,903,317	-	6,903,317
Management and general	1,177,963	-	1,177,963
Fundraising	978,406	-	978,406
Total expenses	9,059,686	-	9,059,686
Total support and revenue in excess of expenses	47,422,716	(14,175,815)	33,246,901
Other changes in net assets:			
Gain on sale of assets	35,800	-	35,800
Total other changes in net assets	35,800	-	35,800
Changes in net assets	47,458,516	(14,175,815)	33,282,701
Net assets, beginning of year	37,961,598	39,160,739	77,122,337
Net assets, end of year	$ 85,420,114	$ 24,984,924	$ 110,405,038

See accompanying notes to consolidated financial statements.

American Prairie Foundation dba American Prairie

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022	Program Services	Management and General	Fundraising	Total
Wildlife and field expenses	$ 655,241	$ 22,401	$ -	$ 677,642
Salaries and wages	2,284,418	571,197	557,466	3,413,081
Payroll benefits	366,771	107,979	72,334	547,084
Payroll taxes	163,675	35,952	37,175	236,802
Occupancy	5,420	79,976	-	85,396
Professional fees	930,407	118,333	150,730	1,199,470
Advertising and promotion	272,901	46,262	9,746	328,909
Conferences, conventions and meetings	140,344	67,619	124,795	332,758
Debt service interest expense	1,481,078	-	-	1,481,078
Depreciation	1,222,267	-	-	1,222,267
Dues and subscriptions	64,029	78,098	19,709	161,836
Financial institution service charges	4,871	1,956	98,581	105,408
Insurance	195,815	45,335	1,257	242,407
Bad debt expense	-	-	42,541	42,541
Office expenses	9,487	25,983	584	36,054
Printing and publications	35,220	1,404	52,017	88,641
Postage and delivery	9,397	14,153	38,009	61,559
Repairs and maintenance	21,890	6,077	-	27,967
Taxes	195,737	1,975	-	197,712
Telecommunications	34,579	35,762	5	70,346
Travel	301,171	83,224	38,214	422,609
Total	$ 8,394,718	$ 1,343,686	$ 1,243,163	$ 10,981,567

See accompanying notes to consolidated financial statements.

American Prairie Foundation dba American Prairie

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021	Program Services	Management and General	Fundraising	Total
Wildlife and field expenses	$ 717,718	$ 6,613	$ 999	$ 725,330
Salaries and wages	1,883,383	510,569	591,432	2,985,384
Payroll benefits	328,159	159,975	88,375	576,509
Payroll taxes	136,286	32,374	39,276	207,936
Occupancy	1,340	151,041	-	152,381
Professional fees	1,080,905	43,474	187,776	1,312,155
Advertising and promotion	185,126	9,787	1,523	196,436
Conferences, conventions and meetings	17,737	1,135	-	18,872
Debt service interest expense	800,574	-	-	800,574
Depreciation	1,127,348	-	-	1,127,348
Dues and subscriptions	52,287	82,983	9,848	145,118
Financial institution service charges	7,530	9,925	40,111	57,566
Insurance	143,054	37,085	1,191	181,330
Interest expense	-	7,738	-	7,738
Office expenses	27,833	10,829	66	38,728
Printing and publications	57,605	3,869	1,292	62,766
Postage and delivery	9,102	12,880	5,950	27,932
Repairs and maintenance	1,953	11,655	-	13,608
Taxes	167,513	1,144	192	168,849
Telecommunications	22,605	38,573	-	61,178
Travel	135,259	46,314	10,375	191,948
Total	$ 6,903,317	$ 1,177,963	$ 978,406	$ 9,059,686

See accompanying notes to consolidated financial statements.

American Prairie Foundation dba American Prairie

Consolidated Statements of Cash Flows

Years Ended December 31,	2022	2021
Cash flows from operating activities:		
Receipts from donors	$ 30,001,675	$ 21,236,891
Other cash receipts	1,795,048	2,768,653
Payments for salaries and related costs	(4,311,998)	(3,940,932)
Payments to vendors	(4,689,087)	(4,612,489)
Net cash flows from operating activities	22,795,638	15,452,123
Cash flows from investing activities:		
Payments for property and equipment	(994,160)	(747,228)
Payments for construction in progress	(120,239)	(3,599,215)
Payments for conservation lands	(3,012,033)	(5,606,218)
Proceeds from sale of property and equipment	95,156	49,676
Purchase of investments	(5,770,626)	-
Purchase of CDs	(747,467)	-
Proceeds from sale of investments	-	3,559,113
Net cash flows from investing activities	(10,549,369)	(6,343,872)
Cash flows from financing activities:		
Principal payments on notes payable	(48,554)	(909,593)
Principal payments on revolving line of credit	(20,000,000)	-
Net cash flows from financing activities	(20,048,554)	(909,593)
Net change in cash	(7,802,285)	8,198,658
Cash and cash equivalents - Beginning of year	22,437,509	14,238,851
Cash and cash equivalents - End of year	$ 14,635,224	$ 22,437,509

Continued

American Prairie Foundation dba American Prairie

Consolidated Statements of Cash Flows (Continued)

Years Ended December 31,	2022	2021
Reconciliation of change in net assets to cash flows from operating activities:		
Changes in net assets	$ 43,290,997	$ 33,282,701
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	1,222,267	1,127,348
Donated property	(112,999)	-
Interest earned on investments	(338,550)	-
Loss (gain) on disposal of property	(33,899)	(35,800)
Gains on forgiveness of debt	-	(739,664)
Reinvestment of gains on investments	-	(3,967,731)
Loss on investments	683,331	-
(Increase) decrease in		
Accounts receivable	(583,099)	(337,257)
Pledges receivable, net of discount	(21,521,230)	(13,679,832)
Prepaid expenses	52,786	95,148
Other current assets	7,036	(10,683)
Right of use asset - operating lease	(196,370)	-
Non-depreciable artwork	-	(471,855)
Increase (decrease) in		
Accounts payable	94,888	3,970
Accrued expenses	(125,395)	171,761
Accrued salary and benefits	70,456	(3,676)
Flex spending liability	3,638	5,146
Lease liability - operating	199,270	-
Accrued interest	82,511	12,547
Net cash flows from operating activities	$ 22,795,638	$ 15,452,123

Supplemental disclosure of non-cash activities and interest payments:		
Debt paid through issuance of line of credit	$ 1,825,543	$ 23,824,121
Conservation lands acquired through issuance of debt	$ 215,419	$ 7,945,811
Paycheck Protection Program loan forgiveness	$ -	$ 761,300
Debt issuance costs paid through issuance of line of credit	$ -	$ 256,911
Cash paid for interest	$ 1,266,059	$ 788,028

See accompanying notes to consolidated financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The American Prairie Foundation dba American Prairie (the "Organization") is a tax-exempt organization as provided by Section 501(c)(3) and Section 509 of the Internal Revenue Code. The Organization's mission is to create the largest nature reserve in the contiguous United States, a refuge for people and wildlife preserved forever as part of America's heritage.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") applicable to nonprofit organizations as codified by the Financial Accounting Standards Board.

Use of Estimates

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of American Prairie Foundation dba American Prairie and its wholly-owned affiliate, 5 Mountain Ranch, LLC (a Montana limited liability company in which the Organization is the sole member). All inter-entity transactions and accounts are eliminated.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist of receivables for amounts owed to the Organization on a royalty contract, rental income from grazing contracts, and receivables for the Employee Retention Tax Credit. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed. The Organization considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded.

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

The Organization's carry investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and Equipment

All acquisitions and improvements of property and equipment of $1,000 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Options

Options payments refer to payments to obtain the right to purchase property at a set price at a specified time in the future or under specified conditions. These payments remain in the option account until the Organization legally gains possession of the asset or the option expires.

Conservation Lands and Easements

The Organization records all land and land interest at cost, if purchased, or at fair value at the date of acquisition, if all or part of the land was received as a donation. Fair value is generally determined by appraisal. Conservation lands represent real property with significant ecological value. Some of the conservation lands may be purchased subject to conservation easements, or the Organization may grant conservation easements on some of its land. These properties are managed in an effort to protect the natural biological diversity of the property in perpetuity.

Advertising and Promotion

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was $328,909 and $196,436 for the years ended December 31, 2022 and 2021, respectively.

Functional Allocation of 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 and estimates of time and effort. The Ken Burns American Heritage Prize event expenses are all reported as fundraising, other than direct donor benefits.

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses (Continued)

In 2022, the Organization utilized $20,434,771 of donor contributions toward land and other capital expenditures and made $20,048,554 in debt service principal payments. These expenditures all went directly into program services. In 2021, the Organization utilized $10,044,980 of donor contributions toward land and other capital expenditures and made $909,593 in debt service principal payments. These expenditures all went directly into program services.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported 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 in perpetuity for a board-designated endowment and for land and building acquisitions.
>
> **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. 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.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Revenue Recognition

Revenues received are recorded as donor restricted or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. When a restriction expires, such stipulated time restriction ends or a purpose restriction is accomplished, donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Special Events

The Organization holds one special event. This is the Ken Burns American Heritage Prize Event, which is held annually in New York City. Supporters of the Organization purchase tickets for the events through the Organization. The performance obligations are stated in the event information which include the date of the event and what is included with the ticket purchase. The transaction price is $305 per ticket, with the option to choose a level of sponsorship: Bronze for $15,000, which includes 10 tickets ($3,050 for ticket cost) with the remaining amount considered a contribution; Silver for $25,000; Gold for $50,000, which includes 10 tickets ($3,050 for ticket cost) with the remaining amount considered a contribution; Platinum for $100,000, which includes 20 tickets ($6,100 for ticket cost) with the remaining amount considered a contribution.

Revenue is recognized upon receipt.

Rental Income

The Organization has individual contracts with ranchers and farmers that permit cattle to graze on certain plots of land. Contracts are signed for a one-year term. Grazing periods are usually over the summer and fall months. The price per contract varies, with a down payment paid upon signing of the contract, typically in April, and the final payment typically coming in November.

Revenue is recognized upon receipt. Any amounts not collected are recorded as a receivable.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Lodging Revenue

The Organization offers nightly RV, tent, and cabin stays at various campgrounds. Visitors can reserve multiple nights at stated prices. Cancellation is only available for cabin reservations if requested 14 days in advance. Revenue is deferred until the night of the reservation.

Revenue is recognized at the time of the stay, unless a cancellation is processed.

In-Kind Contributions

The Organization records various types of in-kind support including professional services and property and equipment used in operations in the statement of activities in accordance with a financial accounting standards which requires only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded.

Contributed professional 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. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. 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 donor restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Total amount of in-kind contributions recognized was $859,597 for the year ended December 31, 2022, and $473,105 for the year ended December 31, 2021.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation on unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations.

Penalties and interest assessed by income taxing authorities are included in management and general expenses, if applicable. The Organization has no interest and penalties related to income taxes for the year ended December 31, 2022.

Note 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 December 31, 2022, 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 (Note 13). 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 other investments to be held in perpetuity, which are more fully described in Note 9. Because of the Board of Director's designation, those investments are not considered available for general expenditures within the next year; however, the Board could make them available, if necessary.

Change in Accounting Policy

The Organization recently adopted the following Accounting Standards Updates (ASU) issued by the Financial Accounting Standards Board (FASB):

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted this guidance for the year ended December 31, 2022 with modified retrospective application to January 1, 2022. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, the Organization did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, the Organization recognized the following ROU assets and lease liabilities as of January 1, 2022.

ROU asset - operating lease	$238,604
Lease obligation - operating lease	$238,604

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy (Continued)

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). The amendments in this update will require entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The Organization adopted this guidance as of January 1, 2022 and applied Topic 958 on a modified retrospective basis. See Note 8 below for more information on the impacts of implementation.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through July 18, 2023, which is the date the financial statements were available to be issued.

Note 2: Reclassification

Certain reclassifications have been made to the 2021 financial statements to conform to the 2022 presentation to maintain consistency. The reclassifications had no impact on previously reported net assets.

Note 3: Concentration of Credit Risk

The Organization maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. The Organization also maintains cash in money market fund accounts where the accounts are insured by the Securities Investor Protection Corporation (SIPC) for up to $500,000. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any credit risk on cash and cash equivalents. As of December 31, 2022 and 2021, funds exceeded federally insured limits by $11,872,973 and $13,811,876, respectively. As of December 31, 2022 and 2021, funds exceeded SIPC limits by $9,708,564 and $7,973,709, respectively.

Note 4: Promises to Give

Pledges receivable (unconditional promises to give) are as follows:

As of December 31,	2022	2021
Amounts due in:		
Less than one year	$ 22,800,000	$ 15,480,786
One to five years	28,751,292	5,755,713
Total amounts due	51,551,292	21,236,499
Discount to present value	(9,692,967)	(899,404)
Pledges receivable, net of discount	41,858,325	20,337,095
Less current portion	(22,800,000)	(15,480,786)
Pledges receivable, net of discount and current portion	$ 19,058,325	$ 4,856,309

The Organization also has $63,800,000 in conditional promises to give that will be recognized as contributions with donor restrictions when the conditions are substantially met. These conditional promises are expected to be received as follows: $63,800,000 in one to five years.

Note 5: Investments

Investments at December 31, 2022 consisted of the following:

	Cost	Fair Value	Gross Unrealized Gains
Certificates of deposit	$ 832,452	$ 832,452	$ -
Money market funds	269,210	269,210	-
Mutual funds	8,237,166	8,285,938	48,772
Total	$ 9,338,828	$ 9,387,600	$ 48,772

Investments at December 31, 2021 consisted of the following:

	Cost	Fair Value	Gross Unrealized Gains
Certificates of deposit	$ 84,985	$ 84,985	$ -
Money market funds	80,296	80,296	-
Mutual funds	2,283,001	3,049,006	766,005
Total	$ 2,448,282	$ 3,214,287	$ 766,005

Note 6: Fair Value Measurements

The Organization has adopted the accounting pronouncement for measuring fair value under GAAP. This pronouncement defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels:

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

Level 2 - Observable inputs other than Level 1 prices, such as quoted 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 that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

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

Certificates of deposit: Valued at the cost of the investment plus accumulated earnings, which approximates fair value due to the short-term nature of these investments.

Money market: Valued at the quoted market prices in active markets.

Pledges receivable: Unconditional promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Organization elected the fair value option in accordance with GAAP. Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates. The change in fair value of unconditional promises expected to be collected in more than one year is reported as contribution revenue.

Note 6: Fair Value Measurements (Continued)

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 8,285,938	$ 8,285,938	$ -	$ -
Certificates of deposit	832,452	-	832,452	-
Money market funds	269,210	269,210	-	-
Pledges receivable	41,858,325	-	-	41,858,325
Total	$ 51,245,925	$ 8,555,148	$ 832,452	$ 41,858,325

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 3,049,006	$ 3,049,006	$ -	$ -
Certificates of deposit	84,985	-	84,985	-
Money market funds	80,296	80,296	-	-
Pledges receivable	20,337,095	-	-	20,337,095
Total	$ 23,551,382	$ 3,129,302	$ 84,985	$ 20,337,095

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

	2022	2021
Pledges receivable, beginning of year	$ 20,337,095	$ 6,657,263
Additional pledges	52,370,000	17,175,000
Payments received	(22,055,208)	(3,065,668)
Change in discount (contribution revenue)	(8,793,562)	(429,500)
Pledges receivable, end of year	$ 41,858,325	$ 20,337,095

Note 7: Notes Payable

The Organization has the following notes payable:

As of December 31,	2022	2021
Revolving line of credit loan through a financial institution; dated November 29, 2021; due November 2026; interest calculated at LIBOR plus 2.5%; maximum amount available of $50,000,000; secured by real estate.	$ 13,852,086	$ 32,026,543
Note payable to an individual at 2.19% interest; due September 2030; annual payments of $73,539; secured by first mortgage on property.	1,081,942	1,130,096
Total debt	14,934,028	33,156,639
Less current portion	(47,770)	(48,840)
Less unamortized debt issuance costs	(203,803)	(418,822)
Long-term debt	$ 14,682,455	$ 32,688,977

Scheduled principal payments on long-term debt at December 31, 2022, including current maturities, are summarized as follows:

2023	$ 47,770
2024	50,992
2025	52,109
2026	14,157,882
2027	59,891
Thereafter	565,384
Total	$ 14,934,028

Note 8: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

Years Ended December 31,	2022	2021
Professional fees	$ 138,481	$ 1,250
Non-depreciable artwork	-	471,855
Property and equipment	698,999	-
Books and puzzles	22,117	-
Total	$ 859,597	$ 473,105

Note 8: Contributed Nonfinancial Assets (Continued)

The Organization recognizes contributed nonfinancial assets within revenue, including contributed services, artwork, equipment, and books and puzzles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise professional services from attorneys advising the Organization on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services. Contributed property and equipment, artwork, and books and puzzles are recorded as support at their estimated fair value and used at various properties for visitors' use.

Note 9: Board Designated Net Assets

The American Prairie Foundation dba American Prairie's Board of Directors has designated net assets to be held in perpetuity for the following purposes as of December 31, 2022, and 2021:

	2022	2021
Board designated funds to be held in perpetuity		
Endowment	$ 7,769,148	$ 2,166,683
Land and building acquisitions	104,110,859	51,569,380
Less debt associated with acquisitions	(14,934,028)	(33,156,639)
Designated net assets	96,945,979	20,579,424
Net assets not designated	9,991,701	64,840,690
Total	$ 106,937,680	$ 85,420,114

Note 10: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

As of December 31,	2022	2021
Subject to expenditure for specific purpose:		
Campground	$ 200,000	$ 200,000
Education and economic activities	937,766	866,890
Wildlife Restoration	348,303	-
Land acquisition	149,157	-
National Discovery Center	1,636,206	1,718,915
Promises to give, proceeds of which have been restricted:		
American Wildlife Forever fund	1,554,920	2,394,124
Indigenous communities projects	60,000	75,000
Land acquisition	21,451,372	15,950,000
Discount on pledge receivable	(1,769,739)	-
Total subject to expenditure for specific purpose	24,567,985	21,204,929
Subject to passage of time:		
Promises to give with no donor restrictions	28,485,000	2,817,375
Discount on pledge receivable	(7,923,228)	-
Total subject to passage of time	20,561,772	2,817,375
Endowments:		
Income on donor restricted funds subject to spending policy	391,313	567,932
Donor-restricted investments held in perpetuity	394,688	394,688
Total endowments	786,001	962,620
Total net assets with donor restrictions	$ 45,915,758	$ 24,984,924

Note 10: Net Assets with Donor Restriction (Continued)

Conservation lands of $31,255,867 were previously considered to be restricted, but upon further review, the net assets are deemed to have no donor restrictions and were therefore reclassified to net assets without donor restrictions. This reclassification had no affect on prior year ending net asset balances as a whole.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

As of December 31,	2022	2021
Expiration of time restrictions	$ 1,452,376	$ 1,495,000
Satisfaction of purpose restrictions:		
National Discovery Center	244,961	118,963
Conservation lands	20,434,771	31,255,867
Education and economic activities	1,273,178	1,893,543
Total	$ 23,405,286	$ 34,763,373

Note 11: Endowment Funds

The Organization's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The Organization's Board of Directors has interpreted the Montana Uniform Prudent Management of Institutional Funds Act ("MUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including fair value of promises to give) donated to the endowment and (b) any accumulation to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by MUPMIFA. The Finance Committee is responsible for recommending and reviewing investment policies and objectives, monitoring the performance of the portfolio, and overseeing certain administrative duties, including providing regular reports to the Board of Directors. In accordance with MUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(a) The duration and preservation of the fund;
(b) The purposes of the Organization and the donor-restricted endowment fund;
(c) General economic conditions;
(d) The possible effect of inflation and deflation;
(e) The expected total return from income and the appreciation of investments;
(f) Other resources of the Organization; and
(g) The investment policies of the Organization.

Note 11: Endowment Funds (Continued)

As of December 31, 2022 and 2021, respectively, the Organization had the following endowment net asset composition:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	$ 7,769,148	$ -	$ 7,769,148
Donor-restricted endowment funds			
Original donor-restricted gifts required to be maintained in perpetuity by donor	-	394,688	394,688
Accumulated investment gains	-	391,313	391,313
Total	$ 7,769,148	$ 786,001	$ 8,555,149

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	$ 2,166,683	$ -	$ 2,166,683
Donor-restricted endowment funds			
Original donor-restricted gifts required to be maintained in perpetuity by donor	-	394,688	394,688
Accumulated investment gains	-	567,932	567,932
Total	$ 2,166,683	$ 962,620	$ 3,129,303

Return Objectives and Risk Parameters

The Organization envisions that the project will eventually be largely supported by an endowment, which will produce sufficient income to pay for the general maintenance of the private acres included in the project. Many contributions will be specifically directed to land acquisition or other program expenditures. Unrestricted donations will be used as deemed appropriate by the Board and Management of the Foundation to further the goals of the Organization. However, it is the Organization's intention over time that approximately one quarter of total funds raised will be allocated to our endowment fund.

The Organization has a policy to enhance its endowment by promoting practices that permit the most flexibility in long-term planning, utilization, and investment. Therefore, the Organization seeks endowments that least restrict the principal and income as well as the investment of the principal.

Note 11: Endowment Funds (Continued)

Investment and Spending Policies

The Finance Committee of the Board is authorized to oversee the administration and investment of the endowment. The Board of Directors will review, at least annually, an accounting of the assets, income and expenditures of the Endowment. Board-designated endowment funds shall be considered and used as part of the entire endowment fund corpus, unless the Board of Directors votes unanimously those funds should be used because of extraordinary circumstances. The income and/or gain earned by the Endowment Fund is considered unrestricted revenue and may be distributed to the Organization as general support revenue for its programs. On an annual basis, the Finance Committee of the Board will calculate an amount equal to 4% of the average value of the Endowment Fund over the previous 3 years. As of December 31, 2022, the Finance Committee has not designated any income from the endowment to be used for general operations.

Changes in endowment net assets for the year ended December 31, 2022 and 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, December 31, 2020	$ 1,883,849	$ 836,962	$ 2,720,811
Investment return, net	282,834	125,658	408,492
Endowment net assets, December 31, 2021	2,166,683	962,620	3,129,303
Investment loss, net	(397,535)	(176,619)	(574,154)
Additional funds designated by board	6,000,000	-	6,000,000
Endowment net assets, December 31, 2022	$ 7,769,148	$ 786,001	$ 8,555,149

Note 12: Leases

The Organization leases office space, equipment, and a storage unit. The building lease entered into includes an option to renew. The renewal terms can extend the lease term up to nine years. The exercise of lease renewal options is at the Organization's sole discretion.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

Note 12: Leases (Continued)

Components of lease expense were as follows for the year ended December 31, 2022:

Lease cost:		
Interest	$	2,618
Amortization of right-of-use asset		42,234
Operating lease cost		85,396
Total lease cost	$	130,248

Supplemental cash flow information related to leases is as follows for the year December 31, 2022

Weighted-average remaining lease term - Operating leases	4.50 years
Weighted-average discount rate - Operating leases	1.21%

Maturities of lease liabilities are as follows:

Years Ended December 31,		
2023	$	43,211
2024		44,507
2025		45,843
2026		47,218
2027		23,958
Total lease payments		204,737
Less: imputed interest		(5,467)
Total	$	199,270

Maturities of operating lease liabilities, under Topic 840 (prior guidance), were as follows as of December 31, 2021:

Years Ended December 31,		2021
2022	$	41,333
2023		42,573
2024		43,850
2025		45,166
2026		46,521
Thereafter		47,916
Total	$	267,359

Note 13: Liquidity and Availability of Financial Resources

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

	2022	2021
Financial assets		
Cash and cash equivalents	$ 14,635,224	$ 22,437,509
Accounts receivable	920,819	337,720
Pledges receivable	41,858,325	20,337,095
Investments	9,387,600	3,214,287
Total financial assets	66,801,968	46,326,611
Unavailable for general expenditure in one year		
Board designated endowment funds	7,769,148	2,166,683
Donor restricted permanent endowment funds	394,688	394,688
Donor restricted endowment fund earnings	391,313	567,932
Pledge payments due in more than one year	19,058,325	4,856,309
Donor restricted funds	2,201,426	2,267,443
Total amounts unavailable for expenditure in one year	29,814,900	10,253,055
Total	$ 36,987,068	$ 36,073,556

The Organization's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is subject to appropriation by the Finance Committee (see Note 11). Board-designated endowment funds shall be considered and used as part of the entire endowment fund corpus, unless the Board of Directors votes unanimously those funds should be used because of extraordinary circumstances. The income and/or gain earned by the endowment fund is considered unrestricted revenue and may distributed to the Organization as general support revenue for its programs, as directed by the Finance Committee. As of December 31, 2022, the Finance Committee has not designated any income from the endowment to be used for general operations.

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. In the event of an unanticipated liquidity need, the Organization could draw against the revolving line of credit, and if needed, the Organization could draw upon the Board designated endowment funds.

Note 14: Retirement Plan

The Organization offers employees the opportunity for participation in a contributory retirement plan. Under the plan, employees are allowed to contribute up to the IRS contribution limits, with additional contribution amounts allowed for employees over age 50. Management may determine the Organization's match percentage annually. For the years ended December 31, 2022 and 2021, the Organization made employer match contributions of $83,080 and $77,439, respectively.

Note 15: Concentration of Contributions or Grants

The Organization is supported by contributions from the public and granting agencies. For the year ended December 31, 2022, six major contributors provided 64% of the Organization's combined revenues. The pledges outstanding from these contributors as of December 31, 2022 totaled $49,856,292. For the year ended December 31, 2021, eight major contributors provided 50% of the Organization's combined revenues. The pledges outstanding from these contributors as of December 31, 2021 totaled $13,894,124.

Note 16: Related Parties

During the years ended December 31, 2022 and 2021, $29,982,611 and $3,739,683 were contributed and/or pledged to the Organization by board members. All of these contributions were recorded as revenue.

As of December 31, 2022 and 2021, the balance of outstanding pledges from related parties was $29,154,920 and $3,446,665, respectively.

Note 17: Commitments

The Organization was in the process of constructing the National Discovery Center in Lewistown, Montana during 2021. Costs of $6,426,625 were incurred through December 31, 2021 and are presented in construction in progress. Construction was completed in 2022, and it was placed into service.

Note 18: Employee Retention Tax Credit (ERTC)

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act created and funded the Employee Retention Tax Credit (ERTC) to aid employers that were negatively impacted by the COVID-19 pandemic. The ERTC was designed to provide an incentive to retain employees throughout the pandemic. The Organization qualified for the credit in various quarters of 2020 and 2021 through a significant decline in revenue.

The Organization applied for and received a credit in the amount of $842,597 during the year. The Organization has recognized $842,597 as other income in the accompanying 2022 statement of activities.

Laws and regulations concerning government programs, including the ERTC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization’s claim to the ERTC, and it is not possible to determine the impact (if any) this would have upon the Organization.