The accompanying financial statements and report are intended for the original recipient. They must be presented in their entirety and may not be modified in any manner.

anderson ZURMUEHLEN

YELLOWSTONE ASSOCIATION

FINANCIAL REPORT

For the Five Month Period Ended
February 29, 2016

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anderson ZURMUEHLEN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Yellowstone Association
Gardiner, Montana

We have audited the accompanying financial statements of the Yellowstone Association (a nonprofit organization), which comprise the statement of financial position as of February 29, 2016, and the related statements of activities and change in net assets, functional expenses, and cash flows for the five month period 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the Yellowstone Association as of February 29, 2016, and the changes in its net assets and cash flows for the five month period then ended in accordance with accounting principles generally accepted in the United States of America.

Anderson ZurMuehlen & Co., P.C.

Bozeman, Montana
June 6, 2016

F I N A N C I A L S T A T E M E N T S

YELLOWSTONE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
February 29, 2016

	Operating Fund	Plant Fund	Endowment Fund	2016 Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 541,559	$ -	$ -	$ 541,559
Investments	1,212,597	-	-	1,212,597
Accounts receivable	272,762	-	-	272,762
Pledges receivable	500,000	-	-	500,000
Inventory	636,213	-	-	636,213
Prepaid expenses	275,934	-	-	275,934
Due from other funds*	-	124,145	-	-
Total current assets	3,439,065	124,145	-	3,439,065
PROPERTY AND EQUIPMENT, AT COST				
Land, buildings, equipment, and improvements	-	14,238,967	-	14,238,967
Accumulated depreciation	-	(4,003,499)	-	(4,003,499)
Property and equipment, net	-	10,235,468	-	10,235,468
LONG-TERM ASSETS				
Non-operating cash	-	185,585	-	185,585
Endowment holdings	-	-	891,286	891,286
Total long-term assets	-	185,585	891,286	1,076,871
Total assets	$ 3,439,065	$ 10,545,198	$ 891,286	$ 14,751,404
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 378,594	$ -	$ -	$ 378,594
Deferred revenues	415,264	-	-	415,264
Lines of credit	-	181,228	-	181,228
Education and research grants payable	116,125	-	-	116,125
Due to other funds*	124,145	-	-	-
Total current liabilities	1,034,128	181,228	-	1,091,211
NET ASSETS				
Unrestricted	1,768,469	-	-	1,768,469
Unrestricted: capital assets	-	10,363,970	-	10,363,970
Temporarily restricted	636,468	-	(3,745)	632,723
Permanently restricted	-	-	895,031	895,031
Total net assets	2,404,937	10,363,970	891,286	13,660,193
Total liabilities and net assets	$ 3,439,065	$ 10,545,198	$ 891,286	$ 14,751,404

*Inter-fund activity is not totaled in the total column.

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Five Month Period Ended February 29, 2016

	Operating Fund	Plant Fund	Endowment Fund	2016 Total
UNRESTRICTED REVENUES AND SUPPORT				
Educational product sales - NPS Stores	$ 550,497	$ -	$ -	$ 550,497
Less: Cost of goods sold	(258,734)	-	-	(258,734)
	291,763	-	-	291,763
Educational product sales - FS Stores	135	-	-	135
Less: Cost of goods sold	-	-	-	-
	135	-	-	135
Contributions, gifts, and memberships earned	885,568	7,146	-	892,714
Visitor education program	470,111	-	-	470,111
Investment earnings	482	-	-	482
Other revenues	22,862	(10,831)	-	12,031
	1,379,023	(3,685)	-	1,375,338
Total revenues before releases	1,670,921	(3,685)	-	1,667,236
Net assets released from restriction	1,635	-	-	1,635
Total unrestricted revenues and support	1,672,556	(3,685)	-	1,668,871
EXPENSES				
Program Services:				
Aid to National Park Service	420,811	3,790	-	424,601
Aid to U.S. Forest Service	31	-	-	31
Aid to Gardiner Community	906	2	-	908
Educational product sales	547,839	138,112	-	685,951
Visitor education	543,616	84,757	-	628,373
Volunteer program	54,836	1,596	-	56,432
Member education	128,430	1,325	-	129,755
Total program services	1,696,469	229,582	-	1,926,051
Supporting Services:				
Fundraising	95,816	14,784	-	110,600
Administration	9,017	601	-	9,618
Total supporting services	104,833	15,385	-	120,218
Total operating expenses	1,801,302	244,967	-	2,046,269
Net income before transfers	(128,746)	(248,652)	-	(377,398)
Transfers between funds	(244,967)	244,967	-	-
Change in net assets	(373,713)	(3,685)	-	(377,398)
Unrestricted net assets, beginning of year	2,142,182	10,367,655	-	12,509,837
Unrestricted net assets, end of year	$ 1,768,469	$ 10,363,970	$ -	$ 12,132,439

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
For the Five Month Period Ended February 29, 2016

	Operating Fund	Plant Fund	Endowment Fund	2016 Total
TEMPORARILY RESTRICTED ACTIVITY				
Contributions, gifts, and memberships earned	$ 621,567	$ -	$ -	$ 621,567
Investment earnings	-	-	10,710	10,710
Total temporarily restricted revenues	621,567	-	10,710	632,277
Net assets released from restrictions	(1,635)	-	-	(1,635)
Change in temporarily restricted net assets	619,932	-	10,710	630,642
Net assets, beginning of year	16,536	-	(14,455)	2,081
Net assets, end of year	$ 636,468	$ -	$ (3,745)	$ 632,723
PERMANENTLY RESTRICTED ACTIVITY				
Contributed additions to endowments	$ -	$ -	$ 380,572	$ 380,572
Total permanently restricted additions	-	-	380,572	380,572
Net assets, beginning of year	-	-	514,459	514,459
Net assets, end of year	$ -	$ -	$ 895,031	$ 895,031
TOTAL CHANGES IN NET ASSETS				
Change in unrestricted net assets	$ (373,713)	$ (3,685)	$ -	$ (377,398)
Change in temporarily restricted net assets	619,932	-	10,710	630,642
Change in permanently restricted net assets	-	-	380,572	380,572
Total change in net assets	246,219	(3,685)	391,282	633,816
Net assets, beginning of year	2,158,718	10,367,655	500,004	13,026,377
Net assets, end of year	$ 2,404,937	$ 10,363,970	$ 891,286	$ 13,660,193

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Five Month Period Ended February 29, 2016

	Program Services				
	Aid to National Park Service	Aid to U.S. Forest Service	Aid to Gardiner Community	Educational Product Sales	Visitor Education
OPERATING FUND EXPENSES					
Aid support	$ 420,811	$ 31	$ 906	$ -	$ -
Compensation and benefits	-	-	-	376,145	386,755
Professional fundraising services	-	-	-	-	-
Marketing	-	-	-	2,747	4,373
Publications and media	-	-	-	-	-
Office expenses	-	-	-	11,114	13,816
Bank and merchant fees	-	-	-	15,949	9,510
Information technology	-	-	-	34,035	17,407
Merchandising	-	-	-	54,250	-
Facilities expenses	-	-	-	31,992	27,904
Insurance	-	-	-	3,609	18,413
Vehicles	-	-	-	4,423	22,475
Member engagement	-	-	-	-	-
Institute program expenses	-	-	-	-	36,211
Employee development, recruitment and training	-	-	-	13,575	6,752
Volunteer engagement	-	-	-	-	-
Total operating fund expenses	420,811	31	906	547,839	543,616
Plant Fund Expenses					
Depreciation expense	3,790	-	2	138,112	84,757
Total expenses	$ 424,601	$ 31	$ 908	$ 685,951	$ 628,373

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES(CONTINUED)
For the Five Month Period Ended February 29, 2016

	Program Services		Supporting Services		
	Volunteer Program	Member Education	Fundraising	Administration	Total
OPERATING FUND EXPENSES					
Aid support	$ -	$ -	$ -	$ -	$ 421,748
Compensation and benefits	30,371	62,543	26,808	7,277	889,899
Professional fundraising services	-	-	11,654	-	11,654
Marketing	-	-	4,327	-	11,447
Publications and media	-	59,590	-	-	59,590
Office expenses	827	742	7,255	660	34,414
Bank and merchant fees	-	-	10,066	-	35,525
Information technology	774	-	15,493	441	68,150
Merchandising	-	-	-	-	54,250
Facilities expenses	476	-	5,006	336	65,714
Insurance	2,872	-	-	-	24,894
Vehicles	1,093	555	52	118	28,716
Member engagement	-	5,000	14,479	-	19,479
Institute program expenses	-	-	-	-	36,211
Employee development, recruitment and training	3,843	-	676	185	25,031
Volunteer engagement	14,580	-	-	-	14,580
Total operating fund expenses	54,836	128,430	95,816	9,017	1,801,302
Plant Fund Expenses					
Depreciation expense	1,596	1,325	14,784	601	244,967
Total expenses	$ 56,432	$ 129,755	$ 110,600	$ 9,618	$ 2,046,269

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF CASH FLOWS
For the Five Month Period Ended February 29, 2016

	Operating Fund	Plant Fund	Endowment Fund	2016 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$ 246,219	$ (3,685)	$ 391,282	$ 633,816
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	-	244,967	-	244,967
Loss on disposal of property and equipment	-	10,831	-	10,831
Unrealized loss on investments	8,037	-	1,317	9,354
Reinvested earnings	-	-	(12,027)	(12,027)
Contributions restricted for long-term investments	-	-	(380,572)	(380,572)
Changes in operating assets and liabilities:				
Accounts receivable	41,694	-	-	41,694
Pledges receivable	(500,000)	-	248,669	(251,331)
Inventories	68,819	-	-	68,819
Prepaid expenses	(146,994)	-	-	(146,994)
Accounts payable and accrued liabilities	(259,427)	-	-	(259,427)
Deferred revenues	231,615	-	-	231,615
Education and research grants payable	(414,380)	-	-	(414,380)
Due to/from other funds*	52,763	(52,763)	-	-
Net cash from operating activities	(671,654)	199,350	248,669	(223,635)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property and equipment	-	(195,293)	-	(195,293)
Proceeds from sale of marketable securities	613,356	-	-	613,356
Payments for purchase of marketable securities	(19,957)	-	(629,241)	(649,198)
Net cash from investing activities	593,399	(195,293)	(629,241)	(231,135)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from external borrowing	-	181,228	-	181,228
Permanently restricted contributions	-	-	380,572	380,572
Net cash from financing activities	-	181,228	380,572	561,800
Net change in cash and cash equivalents	(78,255)	185,285	-	107,030
Cash and cash equivalents, beginning of year	619,814	300	-	620,114
Cash and cash equivalents, end of year	$ 541,559	$ 185,585	$ -	$ 727,144

The Notes to Financial Statements are an integral part of this statement.

YELLOWSTONE ASSOCIATION
STATEMENT OF CASH FLOWS (CONTINUED)
For the Five Month Period Ended February 29, 2016

	Operating Fund	Plant Fund	Endowment Fund	2016 Total
CASH AND CASH EQUIVALENTS PRESENTED ON THE ACCOMPANYING STATEMENTS OF FINANCIAL POSITION				
Cash and cash equivalents	$ 541,559	$ -	$ -	$ 541,559
Non-operating cash	-	185,585	-	185,585
	$ 541,559	$ 185,585	$ -	$ 727,144
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS				
Like kind exchange of property and equipment	$ -	$ (30,000)	$ -	$ (30,000)

*Inter-fund activity is not included in the total column.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES

The Yellowstone Association (the Association) is a nonprofit organization whose purpose is to provide and support educational, historical, and scientific programs for the benefit of Yellowstone National Park (the Park) and its visitors. The Association sells educational materials in the Park's visitor and information centers; Gardiner headquarters' bookstore; Destination Yellowstone bookstore located in the Bozeman Yellowstone International Airport; and several U.S. Forest Service locations in the area. Sales of educational materials are also made through the mail and internet and to wholesale customers. In addition, the Association operates the Yellowstone Association Institute (the Institute), a visitor education program that conducts field seminars in the Park and adjoining areas in both summer and winter. Profit from these activities and proceeds from a contributing membership program, which are not required to fund future operations of the Association, are used to fund education and research projects in Yellowstone National Park.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Financial Statement Presentation
The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as codified by the Financial Accounting Standards Board. Under GAAP, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. Although the Association is permitted to discontinue its use of fund accounting, it has chosen to maintain the principles of fund accounting to ensure observance of limitations and restrictions placed on the use of resources available to the Association. The financial statements of the Association have been prepared on the accrual basis of accounting.

Unrestricted net assets represent funds available for support of the Association's operations. Temporarily restricted net assets represent funds which have been restricted by the donor or other outside parties for a particular purpose. Permanently restricted net assets represent funds subject to donor-imposed stipulations that permanently restrict the use of the assets to be maintained by the Association into perpetuity. Generally, the donors of these assets permit the Association to use income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions of net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, including restricted cash. Endowment holdings consist of cash and mutual funds and are reported as investments instead of cash because the Association holds those funds as an endowment.

Investments and Endowment Holdings
Investments and endowment holdings are reported at their fair value in the accompanying statement of financial position with the annual change in fair value recorded as unrealized gains or losses in the statement of activities.

Accounts Receivable
Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. However, the Association has a variety of credit relationships with its customers and different trade terms are common. Customer account balances with invoices dated over 30 days are considered delinquent. Accounts receivable are stated at face amounts with no allowance for doubtful accounts. Management considers all receivables to be fully collectible.

Pledges Receivable
Pledges to give are recorded at their fair value using a present value approach. This measurement of fair value uses significant unobservable inputs (Level 3 inputs), including estimated timing of receipts and collectability. The accretion of the discount in subsequent years is reported as additional contributions in the net asset class in which the original pledge was recorded. Payments are due based on the underlying donor agreement. Uncollectible pledges are charged to bad debt once all attempts at collection have been exhausted. As of February 29, 2016, management considers all of the pledges to be collectible.

Inventories
Inventories are stated at the lower of cost or market value using the first-in-first-out method of valuation. Inventories consist primarily of books, videos, maps, posters, and other educational products sold in retail outlets, by way of mail/internet sales, or to wholesale dealers.

Property and Equipment
Furniture, fixtures, and equipment in excess of $3,000 with an estimated useful life of over one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range between 3 and 30 years. Purchased property and equipment are recorded at the asset's historical cost. Donations of property and equipment are recorded at the asset's fair value at the time of the donation.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)
Assets are depreciated over their estimated useful lives. Estimated useful lives are estimated as follows:

Land	Not depreciated
Land Improvements	10 years
Buildings	30 years
Building Improvements	20 years
Leasehold Improvements	20 years
Equipment	5-7 years
Vehicles	5 years
Information Technology Equipment	3 years

Marketing Costs
Marketing costs are expensed as incurred unless the useful life of a "branding asset" extends two or more years.

Support
Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Association reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions, which specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-Kind Support
The Association records various types of in-kind support including professional fees and services, instructor fees (along with travel and food allowances), fixed assets, and inventory.

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code §501(c)(3) and has been ruled not to be a private foundation.

With few exceptions, the Association is generally no longer subject to examinations by federal and state tax authorities for years before 2013.

Use of Estimates

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

Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs, using the market value approach. A fair value hierarchy has been established by GAAP, which prioritizes the valuation inputs into three broad levels:

- Level 1 Quoted market prices available through public exchange venues for identical assets or liabilities.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, 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 and liabilities.
- Level 3 Unobservable inputs for the asset or liability due to little or no market activity at the measurement date.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Association's policy for determining the timing of significant transfers between Levels 1, 2, and 3 is at the end of the reporting period.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at February 29, 2016.

Money market fund: Valued at fair value by discounting the related cash flows based on current yields of similar instruments considering the credit-worthiness of the issuer.

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Fair Value (Continued)

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

Pledges receivable: Valued at fair value using present value methodologies.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Association 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.

Subsequent Events

Management has evaluated subsequent events through June 6, 2016, the date which the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for all operating funds as of February 29, 2016, consist of the following:

Cash in checking	$ 523,941
Cash on hand	17,618
	$ 541,559

As of February 29, 2016, a total of $925,839 in interest-bearing bank deposits, based on bank balances, were held in excess of FDIC insurance limits.

NOTE 3. INVESTMENTS AND ENDOWMENT HOLDINGS

The following tables present, by level within the fair value hierarchy, the Association's investment assets at fair value, as of February 29, 2016. As required by GAAP, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

Description	Investments (Operating Fund) Fair Value Level 1	Endowment Holdings (Endowment Fund) Fair Value Level 1
Investment holding cash	$ -	$ 373,832
Mutual funds:		
Large blend	-	129,965
Nontraditional bonds	397,608	205,639
Short-term bonds	814,989	-
Small blend	-	61,693
Mid-cap value	-	58,088
Emerging markets stock	-	62,069
	$ 1,212,597	$ 891,286

The components of total investment earnings for the five month period ended February 29, 2016, are reflected below:

	Operating Fund Unrestricted	Endowment Fund Temporarily Restricted
Dividends and interest	$ 12,004	$ 11,433
Net realized gains (losses)	(3,485)	594
Net unrealized losses	(8,037)	(1,317)
Total investment earnings	$ 482	$ 10,710

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of February 29, 2016:

Institute tuition and fees	$ 155,090
Retail sales	25,263
NPS	85,132
Donations receivable	2,745
Miscellaneous	4,532
	$ 272,762

NOTE 5. PLEDGES RECEIVABLE

Pledges to give, net of present value discounts, at February 29, 2016, are scheduled to be received as follows:

In less than one year	$ 500,000
In one to five years	-
	500,000
Unamortized discount	-
Pledges receivable, net	$ 500,000

The following table demonstrates the effect of the fair value measurements on the 2016 changes in net assets:

New unconditional pledges	$ 500,000
Write off uncollectible pledges	-
Change in unamortized discount	-
Net effect on net assets	$ 500,000

The following table represents a reconciliation of the beginning and ending balances on pledges receivable for the five month period ended February 29, 2016:

Pledges receivable, net, beginning of the year	$ 248,669
New unconditional pledges	500,000
Amounts received from pledges	(250,000)
Change in unamortized discount	1,331
Pledges receivable, net, end of year	$ 500,000

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of February 29, 2016:

	Cost	Accumulated Depreciation	Net Value
Land	$ 2,336,844	$ -	$ 2,336,844
Land improvements	51,449	16,252	35,197
Buildings and improvements	8,174,712	1,857,710	6,317,002
Leasehold improvements	1,201,877	728,395	473,482
Furniture, vehicles and equipment	1,744,296	1,401,142	343,154
Construction in progress	729,789	-	729,789
Total	$ 14,238,967	$ 4,003,499	$ 10,235,468

NOTE 7. ACCOUNTS PAYABLE

Accounts payable consist of the following as of February 29, 2016:

Commercial accounts payable	$ 192,648
Taxes payable	8,038
Accrued payroll and benefits	177,908
	$ 378,594

NOTE 8. DEFERRED REVENUES

Deferred revenues consist of the following as of February 29, 2016:

Unearned visitor education fees	$ 403,334
Unearned society event revenue	10,800
Other unearned revenue	1,130
	$ 415,264

NOTE 9. LINES OF CREDIT

The Association has established two lines of credit with First Interstate Bank. The Association may borrow up to $1,000,000 for operating expenses and the line accrues interest at 4% APR, payable quarterly, with the first quarterly interest payment due April 1, 2016. The Association pledged all inventory, chattel paper, accounts, equipment, and general intangibles as collateral against this line of credit. The line of credit is set to expire December 18, 2016, with all outstanding principal plus accrued interest due at this date. As of February 29, 2016, the Association had drawn $181,228 on this line of credit.

The Association may borrow up to $1,500,000 for merger related expenses and the line accrues interest at 4% APR, payable quarterly, with the first quarterly interest payment due April 1, 2016. The Association pledged the Overlook Field Campus as collateral against this line of credit. The line of credit is set to expire December 18, 2018, with all outstanding principal plus accrued interest due at this date. As of February 29, 2016, the Association had $1,500,000 available on this line of credit.

NOTE 10. COMMITMENTS AND DESIGNATED NET ASSETS

For the calendar year ending December 31, 2016, the annual amounts made available to the National Park Service for the support of educational, historical, and scientific projects in the subsequent calendar year were $949,410.

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of February 29, 2016 are restricted for the following purposes:

Operating Fund	
Institute Sponsored Courses	$ 29,873
US Forest Service Donation Boxes	4,645
YCC Youth Campus	580,000
Canyon Trails	10,000
Trail Maintenance	10,000
Institute and Volunteer Library	1,950
Total operating fund	$ 636,468
Endowment Fund	
Yellowstone Association Education Endowment	$ (1,595)
Landis Endowment	504
Educator Workshop Endowment	(2,654)
Total endowment fund	$ (3,745)

NOTE 12. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of February 29, 2016 are restricted for the following purposes:

YA Education Endowment	$ 474,848
Landis Endowment Fund	20,183
STEAM Education Endowment	400,000
	$ 895,031

NOTE 13. NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets released from restriction were used for the following purposes for the five month period ended February 29, 2016:

Operating Fund	
Institute Sponsored Courses	$ 1,635

NOTE 14. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities of the Association have been presented on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

NOTE 15. EMPLOYEE MEDICAL BENEFIT PLANS

On January 1, 2014, the Association adopted an employer-sponsored Health Insurance Program and an optional employee funded Flexible Spending Account. Through the Health Insurance Program, full-time employees (defined as employees who work 30 hours per week year-round) are eligible to enroll. The Association pays 80% of healthcare insurance premiums for eligible employees and 0% of healthcare insurance premiums for employee dependents. The Association also pays 100% of dental, vision, and life insurance premiums for each eligible employee and the dependents. Total employee contributions and employer costs for the five month period ended February 29, 2016, were:

Employee contributions	$ (34,575)
Healthcare premiums	96,902
Dental, vision, and life insurance premiums	16,243
FSA administration	(8,742)
	$ 69,828

NOTE 16. PENSION PLAN

The Association implemented a 401(k) defined contribution pension plan, effective January 1, 2002, for all employees working 1,000 hours or more in a 12-month period from their hire date anniversary. The Association contributes 6.00% of an eligible employee's gross pay to the plan each month. In addition, employees may contribute tax deferred amounts to the plan, which is matched by the Association at one-half with a limit of 2.00% of an employee's gross wages. Employer contributions, included in the accompanying financial statements for the five month period ended February 29, 2016, were $63,107.

NOTE 17. DONATED FACILITIES

The Association's educational park stores are located in visitor centers owned by Yellowstone National Park. The value of the donated facilities is not reflected in the accompanying financial statements because there is no objective basis available by which to measure their value.

NOTE 18. DONATED SERVICES AND MATERIALS

The Association benefited from the following donated services and materials for the five month period ended February 29, 2016:

Operating Fund	
Professional fees	$ 973
Other supplies and equipment	434
Total operating fund	$ 1,407
Plant Fund	
Land improvements	$ 7,146

NOTE 19. ENDOWMENT NET ASSETS

The Association's endowments consist of three funds managed by the Association. The Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Association classifies as permanently restricted net assets 1) the original value of gifts donated to the permanent endowment, 2) the original value of subsequent gifts to the permanent endowment, and 3) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the fund; 2) the purposes of the Association and the donor-restricted fund; 3) the general economic conditions; 4) the possible effect of inflation and deflation; 5) the expected total return from income; 6) other resources of the Association; and 7) the investment policies of the Association.

Endowment net asset composition by type of fund as of February 29, 2016 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (3,745)	$ 895,031	$ 891,286

NOTE 19. ENDOWMENT NET ASSETS (CONTINUED)

Changes in net asset composition by type of fund for the five month period ended February 29, 2016, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (14,455)	$ 514,459	$ 500,004
Investment Income	10,710	-	10,710
Contributions	-	380,572	380,572
Endowment net assets, end of year	$ (3,745)	$ 895,031	$ 891,286

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The general investment objective is to provide a reasonable current rate of return.

To satisfy its long-term rate of return objectives, the Association relies on a total return strategy in which investment returns are achieved through current yield (interest). Endowment assets are invested in certificates of deposit, augmented by bank accounts for short-term holdings.

NOTE 20. RELATED PARTY TRANSACTIONS

Board members made contributions totaling $532,813, for the five month period ended February 29, 2016. Pledges receivable from board members were $500,000 at February 29, 2016, and are included in pledges receivable on the statement of financial position.

NOTE 21. SUBSEQUENT EVENTS

In April 2016, the Association had drawn the full $1,000,000 on its operating line of credit with First Interstate Bank.

As of March 1, 2016, the Association merged with Yellowstone Park Foundation to create the new Yellowstone Corporation. Both entities have until October 1, 2016, to terminate the merger agreement. Merger related costs totaled $23,566 for the five month period ended February 29, 2016, and are included in Aid to National Park Service in the statement of functional expenses.

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