



FINANCIAL REPORT

February 28, 2021 and February 29, 2020



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Yellowstone Forever
Bozeman, Montana

We have audited the accompanying financial statements of Yellowstone Forever (a nonprofit organization), which comprise the statements of financial position as of February 28, 2021 and February 29, 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yellowstone Forever as of February 28, 2021 and February 29, 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Anderson Zurmuehlen & Co, P.C.

Bozeman, Montana
July 14, 2021

FINANCIAL STATEMENTS

YELLOWSTONE FOREVER
STATEMENTS OF FINANCIAL POSITION
February 28, 2021 and February 29, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,419,886	\$ 112,653
Accounts receivable	54,220	137,777
Pledges receivable	1,378,520	2,229,085
Inventory	1,248,785	983,080
Prepaid expenses	<u>217,438</u>	<u>213,002</u>
Total current assets	<u>8,318,849</u>	<u>3,675,597</u>
PROPERTY AND EQUIPMENT		
Land, buildings, equipment, and improvements	14,391,572	16,146,526
Accumulated depreciation	<u>(6,160,227)</u>	<u>(6,654,916)</u>
Total property and equipment, net	<u>8,231,345</u>	<u>9,491,610</u>
OTHER ASSETS		
Endowment	1,771,603	1,770,586
Pledges receivable, net of discount	<u>1,541,069</u>	<u>1,886,466</u>
Total other assets	<u>3,312,672</u>	<u>3,657,052</u>
Total assets	<u>\$19,862,866</u>	<u>\$16,824,259</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 511,930	\$ 1,350,150
Deferred revenue	75,363	481,411
Grants payable	8,517	5,128
Line of credit	1,900,000	3,250,000
Short-term notes payable	<u>2,351,002</u>	<u>-</u>
Total current liabilities	<u>4,846,812</u>	<u>5,086,689</u>
NET ASSETS		
Without donor restrictions	7,702,565	5,947,345
With donor restrictions	<u>7,313,489</u>	<u>5,790,225</u>
Total net assets	<u>15,016,054</u>	<u>11,737,570</u>
Total liabilities and net assets	<u>\$19,862,866</u>	<u>\$16,824,259</u>

The Notes to Financial Statements are an integral part of these statements.

YELLOWSTONE FOREVER
STATEMENT OF ACTIVITIES
Year Ended February 28, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Educational product sales, net of discounts	\$ 1,731,577	\$ -	\$ 1,731,577
Less - cost of goods sold	<u>(915,137)</u>	<u>-</u>	<u>(915,137)</u>
Educational product sales, net	816,440	-	816,440
Contributions and gifts	7,388,550	2,525,651	9,914,201
Educational tuition and fees	101,542	-	101,542
Investment earnings, net	84,935	95,350	180,285
Gain on disposal of property and equipment	422,819	-	422,819
Other revenues	<u>85,946</u>	<u>-</u>	<u>85,946</u>
Total revenues before releases	8,900,232	2,621,001	11,521,233
Net assets released from restriction	<u>1,097,737</u>	<u>(1,097,737)</u>	<u>-</u>
Total revenues and support	<u>9,997,969</u>	<u>1,523,264</u>	<u>11,521,233</u>
EXPENSES			
Program Services:			
National Park Service grants	2,135,080	-	2,135,080
Educational product sales	1,282,792	-	1,282,792
Institute	<u>547,687</u>	<u>-</u>	<u>547,687</u>
Total program services	<u>3,965,559</u>	<u>-</u>	<u>3,965,559</u>
Supporting Services:			
Philanthropy	2,224,946	-	2,224,946
Administration	<u>2,052,244</u>	<u>-</u>	<u>2,052,244</u>
Total supporting services	<u>4,277,190</u>	<u>-</u>	<u>4,277,190</u>
Total expenses	<u>8,242,749</u>	<u>-</u>	<u>8,242,749</u>
Change in net assets	1,755,220	1,523,264	3,278,484
Net assets, beginning of year	<u>5,947,345</u>	<u>5,790,225</u>	<u>11,737,570</u>
Net assets, end of year	<u>\$ 7,702,565</u>	<u>\$ 7,313,489</u>	<u>\$15,016,054</u>

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

YELLOWSTONE FOREVER
STATEMENT OF ACTIVITIES
Year Ended February 29, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Educational product sales, net of discounts	\$ 5,028,671	\$ -	\$ 5,028,671
Less - cost of goods sold	<u>(2,456,949)</u>	<u>-</u>	<u>(2,456,949)</u>
Educational product sales, net	2,571,722	-	2,571,722
Contributions and gifts	6,312,781	4,019,917	10,332,698
Educational tuition and fees	2,014,188	-	2,014,188
Investment earnings, net	16,391	83,955	100,346
Gain on disposal of property and equipment	31,180	-	31,180
Other revenues	<u>78,892</u>	<u>-</u>	<u>78,892</u>
Total revenues before releases	11,025,154	4,103,872	15,129,026
Net assets released from restriction	<u>3,360,247</u>	<u>(3,360,247)</u>	<u>-</u>
Total revenues and support	<u>14,385,401</u>	<u>743,625</u>	<u>15,129,026</u>
EXPENSES			
Program Services:			
National Park Service grants	6,210,811	-	6,210,811
Educational product sales	3,105,359	-	3,105,359
Institute	<u>2,615,023</u>	<u>-</u>	<u>2,615,023</u>
Total program services	<u>11,931,193</u>	<u>-</u>	<u>11,931,193</u>
Supporting Services:			
Philanthropy	3,887,953	-	3,887,953
Administration	<u>2,150,694</u>	<u>-</u>	<u>2,150,694</u>
Total supporting services	<u>6,038,647</u>	<u>-</u>	<u>6,038,647</u>
Total expenses	<u>17,969,840</u>	<u>-</u>	<u>17,969,840</u>
Change in net assets	(3,584,439)	743,625	(2,840,814)
Net assets, beginning of year	<u>9,531,784</u>	<u>5,046,600</u>	<u>14,578,384</u>
Net assets, end of year	<u>\$ 5,947,345</u>	<u>\$ 5,790,225</u>	<u>\$11,737,570</u>

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

YELLOWSTONE FOREVER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended February 28, 2021

	Program Services			Supporting Services		Total Expenses
	National Park Service	Educational	Institute	Philanthropy	Administration	
	Support Grants	Product Sales				
Advertising and promotion	\$ 47,718	\$ 96,084	\$ 95,436	\$ 2,986	\$ 238,589	\$ 480,813
Bank and merchant fees	-	50,856	806	56,373	13,267	121,302
Board meetings and recognition	-	-	-	-	2,894	2,894
Depreciation	-	114,037	61,146	62,514	560,306	798,003
Direct mail, donor engagement, and stewardship	176,906	917	-	1,002,470	-	1,180,293
Educational programs	-	-	42,536	-	-	42,536
Events	-	-	-	35,256	-	35,256
Fleet and facility expenses	12,876	37,445	35,997	483	143,686	230,487
Grants	917,713	6,634	-	-	-	924,347
Human resources	7,211	9,009	4,114	12,563	28,091	60,988
Information technology	-	51,443	4,692	175,280	149,023	380,438
Interest	-	-	-	-	151,052	151,052
Office expenses	2,344	60,286	17,095	57,846	164,858	302,429
Professional fees	6,342	16,252	14,553	23,216	95,854	156,217
Retail and merchandising	-	6,969	-	-	-	6,969
Travel	660	7,494	1,537	4,313	5,352	19,356
Wages and benefits	<u>963,310</u>	<u>825,366</u>	<u>269,775</u>	<u>791,646</u>	<u>499,272</u>	<u>3,349,369</u>
Total expenses	<u>\$ 2,135,080</u>	<u>\$ 1,282,792</u>	<u>\$ 547,687</u>	<u>\$ 2,224,946</u>	<u>\$ 2,052,244</u>	<u>\$ 8,242,749</u>

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

YELLOWSTONE FOREVER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended February 29, 2020

	Program Services			Supporting Services		Total Expenses
	National Park Service Support Grants	Educational Product Sales	Institute	Philanthropy	Administration	
Advertising and promotion	\$ -	\$ 134,085	\$ 86,285	\$ 310,147	\$ 62,113	\$ 592,630
Bank and merchant fees	18,345	146,814	15,826	59,307	2,214	242,506
Board meetings and recognition	694	13,933	6,187	18,509	37,296	76,619
Depreciation	9,745	389,527	268,616	150,475	275,167	1,093,530
Direct mail, donor engagement, and stewardship	620,364	6,737	10,111	713,931	13,841	1,364,984
Educational programs	-	352	348,730	313	162	349,557
Events	-	-	-	231,213	-	231,213
Fleet and facility expenses	12,930	175,313	152,571	49,211	159,128	549,153
Grants	4,077,390	4,805	-	-	-	4,082,195
Human resources	3,404	40,840	39,080	32,401	22,021	137,746
Information technology	7,809	145,356	112,876	263,191	198,843	728,075
Interest	83,408	41,663	34,801	51,954	28,873	240,699
Office expenses	15,247	93,028	70,471	82,892	73,003	334,641
Professional fees	43,194	84,454	37,790	179,597	104,672	449,707
Retail and merchandising	-	11,469	-	-	-	11,469
Travel	15,722	27,295	61,320	29,041	13,954	147,332
Wages and benefits	<u>1,302,559</u>	<u>1,789,688</u>	<u>1,370,359</u>	<u>1,715,771</u>	<u>1,159,407</u>	<u>7,337,784</u>
Total expenses	<u>\$ 6,210,811</u>	<u>\$ 3,105,359</u>	<u>\$ 2,615,023</u>	<u>\$ 3,887,953</u>	<u>\$ 2,150,694</u>	<u>\$17,969,840</u>

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

YELLOWSTONE FOREVER
STATEMENTS OF CASH FLOWS
For the Years Ended February 28, 2021 and February 29, 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,278,484	\$ (2,840,814)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	798,003	1,093,529
Gain on disposal of property and equipment	(422,819)	(31,180)
Construction in progress written off	28,385	-
Net unrealized gain on investments	(200,838)	(20,597)
Reinvested investment earnings	(30,957)	(73,311)
Present value adjustment of discount on pledges	5,068	(44,703)
Contributions with perpetual donor restrictions	(97,477)	(103,882)
Changes in operating assets and liabilities:		
Accounts receivable	83,557	(32,824)
Pledges receivable	1,190,894	283,987
Inventory	(265,705)	(248,344)
Prepaid expenses	(4,436)	217,332
Accounts payable and accrued liabilities	(838,220)	645,668
Deferred revenue	(406,048)	79,041
Grants payable	<u>3,389</u>	<u>2,459</u>
Net cash flows from operating activities	<u>3,121,280</u>	<u>(1,073,639)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	-	(120,105)
Proceeds from sale of property and equipment	856,696	56,345
Proceeds from sale of investments	600,000	1,000,970
Payments for purchase of investments	<u>(369,222)</u>	<u>(348,803)</u>
Net cash flows from investing activities	<u>1,087,474</u>	<u>588,407</u>

The Notes to Financial Statements are an integral part of these statements.

YELLOWSTONE FOREVER
 STATEMENTS OF CASH FLOWS (CONTINUED)
 For the Years Ended February 28, 2021 and February 29, 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	3,251,002	5,000,000
Payments on external borrowings	(2,250,000)	(4,550,000)
Contributions with perpetual donor restrictions	<u>97,477</u>	<u>103,882</u>
Net cash flows from financing activities	<u>1,098,479</u>	<u>553,882</u>
Net change in cash and cash equivalents	5,307,233	68,650
Cash and cash equivalents, beginning of year	<u>112,653</u>	<u>44,003</u>
Cash and cash equivalents, end of year	<u>\$ 5,419,886</u>	<u>\$ 112,653</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	<u>\$ 151,052</u>	<u>\$ 240,699</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES		
Construction in progress placed in service	<u>\$ -</u>	<u>\$ 74,911</u>

The Notes to Financial Statements are an integral part of these statements.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS
February 28, 2021 and February 29, 2020

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

Yellowstone Forever (the Organization) is the official non-profit partner of Yellowstone National Park (the Park). As the official non-profit partner of the Park, the Organization's mission is to protect, preserve and enhance the Park through education and philanthropy. The Organization accomplishes its philanthropic purpose by funding priority projects that protect, preserve, and enhance the Park and fundraising for the Organization's educational operations. The Organization's philanthropic efforts focus on the three initiatives: protect Yellowstone's ecosystem and wildlife; preserve the park's heritage, history, and trails; and enhance visitor experiences and education. Wildlife grant funding supported native fish restoration, grizzly bear and cougar research, the Yellowstone Wolf Project, and a variety of species of birds that are critical to Yellowstone's natural ecosystem. The Canyon Trails and Overlooks project has improved the trails and viewing platforms at the iconic Grand Canyon of the Yellowstone, making them safer for visitors and also creating better traffic flow, helping to preserve this incredible feature into the future. Yellowstone Forever worked with the park to enhance visitor experiences and education through financial support of youth education initiatives and the visitor and wildlife safety program.

The Organization also accomplishes this purpose by providing in-kind aid through the operation of the Organization's Institute, the Organization's eleven Park Stores and one US Forest Service Store in and around the Park through the engagement of visitors and communities in and around the Park.

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 (FASB). Under GAAP, the Organization reports information regarding its financial position and activities according to two classes: net assets without donor restrictions and net assets with donor restrictions.

Net assets are reported as follows:

- *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

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

Financial Statement Presentation (Continued)

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of net assets with donor restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets in the period in which the restrictions are satisfied.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Endowment holdings consist of cash and mutual funds and are reported as investments instead of cash because the Organization holds those funds as an endowment.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. However, the Organization 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.

Investments and Endowment Holdings

Investment and endowment holdings are reported at fair value in the accompanying statements of financial position with the annual change in fair value due to realized and unrealized gains and losses recorded in the line item, investment earnings, net, on the statements of activities. Investment earnings are recorded net of investments fees. For the years ended February 28, 2021 and February 29, 2020, investment fees were \$22,071 and \$14,608, respectively.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

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

Pledges Receivable

The Organization has elected to measure pledges receivable at fair value. Pledges receivable that are expected to be collected within one year are recorded as current assets on the statements of financial position. Pledges receivable that are expected to be collected in future years are recorded as long-term assets on the statements of financial position. The fair value of the noncurrent pledges receivable is discounted to present value using the Internal Revenue Service Applicable Federal Rate Long-Term (AFR) at the time of the pledge. The AFR rate ranged from 1.00% to 3.31% for the years ended February 28, 2021 and February 29, 2020.

This measurement of fair value of pledges receivable 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 an additional contribution in the net asset class in which the original pledge was recorded. Payments are based on the underlying donor agreement. Uncollectible pledges are charged to bad debt once all attempts at collection have been exhausted. For the years ended February 28, 2021 and February 29, 2020, there were no significant pledge write-offs. Management considers all pledges as of February 28, 2021 to be collectible.

Inventory

Inventories are stated at the lower of cost or net realizable 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. For the years ended February 28, 2021 and February 29, 2020, inventories amounting to \$4,369 and \$55,792 were written off, respectively, due to shrinkage, damage, and declines in market values below cost or net realizable value due to obsolescence of the product. The write-offs are included in the cost of goods sold line item on the statements of activities.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification categories of expenses by function. Accordingly, certain costs have been allocated amongst the programs and supporting services benefited using an appropriate basis consistently applied. These expenses include executive management, finance, marketing, technology, fleet, facilities and fundraising programs. Depreciation and amortization are allocated based on square footage and all other costs are allocated based on programs and the amount of time and effort that is associated with those programs.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

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

Property and Equipment

Property, buildings, furniture, fixtures, equipment, and improvements costing at least \$5,000 with an estimated useful life of over one year are capitalized. Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded at the asset's estimated fair value at the time of the donation. Assets are depreciated on a straight-line basis over their estimated useful lives. Estimated useful lives are estimated as follows:

Land	Not depreciated
Land improvements	20 years
Buildings	40 years
Building improvements	15 years
Leasehold improvements	up to 20 years
Equipment	5 to 10 years
Vehicles	5 years
Technology equipment	5 years

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred.

Revenue Recognition

The Organization's significant revenue sources are: (1) educational product sales, (2) contributions and gifts, and (3) educational tuition and fees. For exchange transactions, revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. The Organization's contracts do not contain significant refund-type provisions.

Educational Product Sales

The Organization sells various retail products at its park stores and online. The Organization recognizes revenue on its retail sales at the point of sale. Online orders are shipped free on board (FOB) shipping point. The Organization has made the accounting policy election to not account for shipping and handling activities as a separate performance obligation. Any shipping and handling charges that are billed to customers are included as a component of revenue. Costs incurred by the Organization for shipping and handling charges are included in cost of goods sold.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

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

Revenue Recognition (Continued)

Contributions and Gifts

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets as of the date of contribution. The Organization reports gifts of cash and other assets as restricted support if they are received with a donor stipulation 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements 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. Conditional contributions and promises to give are not included as support until such time as the conditions are substantially met.

The Organization 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 on how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization records various types of in-kind support including professional service fees and services, instructor fees, fixed assets, and inventory. Contributed professional services are recognized as in-kind support if the services (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 by donations. In accordance with GAAP, the Organization does not record volunteer time as in-kind support.

Educational Tuition and Fees Revenue

Educational tuition and fees revenue include course tuitions and tour bookings. These revenue streams are recognized upon completion of the course or tour, or when the performance obligation is satisfied.

Income Taxes

The Organization 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. Additionally, the Organization is recognized as a public charity under Internal Revenue Code 509(a)(1) and 170(b)(1)(A)(vi), meaning it is an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

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

Deferred Revenue

Revenue from course tuition and cabin rentals is reported as income in the period the revenue is earned. Deferred revenue represents advance payments that will be recognized in subsequent periods as income when earned.

Compensated Absences

Permanent employees working at least fifteen hours per week accrue paid time off based on length of continuous service with the Organization. Employees may accumulate unused paid time off up to forty hours over the employee's annual accrual based upon service years.

As of February 28, 2021 and February 29, 2020, accrued compensated absences amounted to \$125,525 and \$247,765, respectively. These amounts are included in the accompanying statements of financial position with accrued liabilities.

New Accounting Pronouncement

Effective March 1, 2020, the Organization adopted the provisions of FASB Accounting Standards Update (ASU) No. 2014-09 (Topic 606) – *Revenue from Contracts with Customers*, including the subsequent revisions (collectively referred to as Topic 606). This accounting standard was issued to create a single framework for recognizing revenue from contracts with customers that fall within its scope. Implementation of the standard had no effect on the Organization's existing revenue recognition policies, nor required an adjustment of activity reported in a prior period.

Reclassification

Certain amounts in the 2020 financial statements have been reclassified to conform to the presentation of the 2021 financial statements. These reclassifications had no effect on the reported net assets and change in net assets.

Subsequent Events

Management has evaluated subsequent events through July 14, 2021, the date which the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in bank accounts, as well as investments in money market funds. The Organization deposits cash with several financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Company (FDIC) up to an insured limit of \$250,000. At times, the Organization's cash and cash equivalents may exceed federally insured limits.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

Although the Organization bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the quality of the institutions where the deposits are held. As of February 28, 2021 and February 29, 2020, the Organization's bank deposits exceeded the insured limits by \$4,919,772 and \$-0-, respectively.

NOTE 3. INVESTMENTS

In accordance with GAAP, the Organization uses a fair value hierarchy that prioritizes the inputs for valuation techniques to measure fair value. The three levels of inputs in the hierarchy used to measure fair values are:

- Level 1: Quoted market prices available through public markets 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 or liabilities.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

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. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at February 28, 2021 and February 29, 2020, and there were no transfers between levels.

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

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds and are required to publish their daily net asset values (NAV) of shares and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 3. INVESTMENTS (CONTINUED)

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

The following describes investments based on fair value hierarchy and risk as of February 28, 2021 and February 29, 2020:

<u>Description (Level 1 Inputs)</u>	<u>2021</u>	<u>2020</u>
Money market funds	\$ 16,740	\$ 62,398
Fixed income mutual funds	1,162,489	1,082,979
Equity mutual funds	<u>592,374</u>	<u>625,209</u>
Total investments	<u>\$ 1,771,603</u>	<u>\$ 1,770,586</u>

Investment earnings consist of the following for the years ended February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Net realized and unrealized gains	\$ 171,400	\$ 41,643
Interest and dividends	30,956	73,311
Investment management fees	<u>(22,071)</u>	<u>(14,608)</u>
Total investment earnings, net	<u>\$ 180,285</u>	<u>\$ 100,346</u>

As of February 28, 2021 and February 29, 2020, investment deposits exceeded insured limits by \$1,755,416 and \$1,708,357, respectively.

NOTE 4. LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

In addition, the Organization receives support without donor restrictions and investment income without donor restrictions. The Organization also generates earnings from program activities, such as educational product sales and tuition revenues. These amounts are available to meet cash needs for general expenditures.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 4. LIQUIDITY AND AVAILABILITY (CONTINUED)

The following reflects the Organization's financial assets as of February 28, 2021 and February 29, 2020, net of amounts not available for general use within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 5,419,886	\$ 112,653
Accounts receivable	54,220	137,777
Pledges receivable, net of discount	2,919,589	4,115,551
Endowment	<u>1,771,603</u>	<u>1,770,586</u>
Total financial assets	<u>10,165,298</u>	<u>6,136,567</u>
Less amounts not available to use within one year:		
Endowment	(1,771,603)	(1,770,586)
Pledges receivable to be collected after one year, net of discount	<u>(1,541,069)</u>	<u>(1,886,466)</u>
Total financial assets not available to be used within one year	<u>(3,312,672)</u>	<u>(3,657,052)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 6,852,626</u>	<u>\$ 2,479,515</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 5. PLEDGES RECEIVABLE

Pledges receivable, net of present value discounts, at February 28, 2021, are scheduled to be received in subsequent fiscal years as follows:

	<u>For the fiscal years ending</u>
2022	\$ 1,378,520
2023	634,500
2024	598,750
2025	402,500
2026	<u>56,250</u>
Total gross pledges receivable	3,070,520
Unamortized present value discount	<u>(150,931)</u>
Pledges receivable, net	<u>\$ 2,919,589</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 5. PLEDGES RECEIVABLE (CONTINUED)

The following table represents a reconciliation of the beginning and ending balances on pledges receivable for the years ended February 28, 2021 and February 29, 2020:

Pledges receivable, net, March 1, 2020	\$ 4,115,551
New unconditional pledges	1,341,250
Amounts received from pledges	(2,532,144)
Change in unamortized discount	<u>(5,068)</u>
Pledges receivable, net, February 28, 2021	2,919,589
Current portion	<u>1,378,520</u>
Long-term portion, net of discount	<u>\$ 1,541,069</u>
Pledges receivable, net, March 1, 2019	\$ 4,354,835
New unconditional pledges	1,524,877
Amounts received from pledges	(1,808,864)
Change in unamortized discount	<u>44,703</u>
Pledges receivable, net, February 29, 2020	4,115,551
Current portion	<u>2,229,085</u>
Long-term portion, net of discount	<u>\$ 1,886,466</u>

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of February 28, 2021 and February 29, 2020:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2021:			
Land	\$ 2,284,844	\$ -	\$ 2,284,844
Land improvements	193,451	(59,951)	133,500
Buildings and improvements	8,187,312	(3,280,459)	4,906,853
Leasehold improvements	1,524,813	(1,048,875)	475,938
Furniture, vehicles, and equipment	<u>2,201,152</u>	<u>(1,770,942)</u>	<u>430,210</u>
Total	<u>\$14,391,572</u>	<u>\$ (6,160,227)</u>	<u>\$ 8,231,345</u>
2020:			
Land	\$ 2,336,844	\$ -	\$ 2,336,844
Land improvements	212,980	(50,519)	162,461
Buildings and improvements	8,443,501	(3,138,786)	5,304,715
Leasehold improvements	1,725,858	(1,144,350)	581,508
Furniture, vehicles, and equipment	3,398,958	(2,321,261)	1,077,697
Construction in progress	<u>28,385</u>	<u>-</u>	<u>28,385</u>
Total	<u>\$16,146,526</u>	<u>\$ (6,654,916)</u>	<u>\$ 9,491,610</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 6. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense amounted to \$798,003 and \$1,093,529 for the years ended February 28, 2021 and February 29, 2020, respectively.

NOTE 7. OPERATING LEASES

The Organization leases 3,985 square feet of office space from an unrelated party effective February 1, 2018. The lease requires monthly payments of \$5,297 during the term of the lease of 24 months. Effective February 1, 2020, this lease was renewed for an additional 24 months, requiring monthly payments of \$5,479.

In February 2018, the Organization entered into an operating lease to rent 455 square feet of office space from an unrelated party effective March 1, 2018 for a period of twelve months with the option to extend the lease on a monthly basis thereafter. The lease required monthly payments of \$1,750. This lease was extended on a month-to-month basis, effective March 1, 2019, with monthly payments of \$1,750, and was subsequently terminated in July 2019.

The Organization entered into a lease effective February 1, 2018 to rent a retail store facility at the Bozeman Yellowstone International Airport totaling 767 square feet for a period of 60 months. Monthly rent payments are based on the greater of the minimum annual guarantee of \$17,000, or 10% of the annual gross sales derived from the retail store. In September 2020, the Organization subleased the space to an airport concessionaire for the remainder of the lease.

Additionally, the Organization has entered into various, insignificant leases for storage units, a residential duplex, postage meters, and a digital mailing system. Rent expense also includes small expenditures with no lease agreements for one-time rentals of equipment and month-to-month housing rentals for employees.

Rent expense for the years ended February 28, 2021 and February 29, 2020 totaled \$82,212 and \$113,525, respectively.

As of February 28, 2021, the future minimum annual lease payments under the terms of all non-cancelable lease agreements with initial lease terms greater than one year were as follows:

<u>For the years ending February 28,</u>	
2022	\$ 74,209
2023	<u>5,662</u>
	<u>\$ 79,871</u>

YELLOWSTONE FOREVER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 February 28, 2021 and February 29, 2020

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 279,201	\$ 714,424
Accrued payroll	88,224	166,174
Accrued vacation liability	125,525	247,765
Accrued sales and use taxes	12,285	158,584
Miscellaneous	<u>6,695</u>	<u>63,203</u>
Total	<u>\$ 511,930</u>	<u>\$ 1,350,150</u>

NOTE 9. LINE OF CREDIT

The Organization has established a line of credit with the following terms and balances as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Line of credit up to \$4,000,000 with First Security Bank, maturing December 19, 2021 at an interest rate of 5.25% per annum. The line of credit is secured by all inventory, chattel paper, accounts, equipment, general intangibles, and real property located in Gardiner, MT.	\$ 1,900,000	\$ 3,250,000

NOTE 10. SHORT-TERM NOTES PAYABLE

In March 2020, the global economy was disrupted by the novel coronavirus (COVID-19) pandemic, including the industry in which the Organization operates. Management is carefully monitoring the situation. On April 15, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$1,500,500 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first sixteen months. The Organization has applied for loan forgiveness with the SBA and believes that its use of the loan proceeds have met the conditions for forgiveness. As of February 28, 2021, the outstanding balance of this obligation amounted to \$1,500,500.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 10. SHORT-TERM NOTES PAYABLE (CONTINUED)

On February 9, 2021, the Organization received loan proceeds in the amount of \$850,502 under the second draw of the PPP. The second draw of the PPP was funded through the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), which provides loans to qualifying organizations for amounts up to 2.5 times of the monthly payroll expenses for the qualifying business up to \$2 million. The loans and accrued interest are forgivable after the covered period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs and covered worker protection expenditures, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the second draw PPP loan is payable over five years at an interest rate of 1% per annum, with a deferral of payments for ten months after the covered period ends. The Organization intends to use the proceeds for purposes consistent with the PPP. The Organization has applied for loan forgiveness with the SBA and believes that its use of the loan proceeds have met the conditions for forgiveness, but final approval from the SBA has not been received. As of February 28, 2021, the outstanding balance of this obligation amounted to \$850,502.

NOTE 11. ENDOWMENT

The State of Montana adopted the Uniform Prudent Management of Institutional Funds Act (MUPMIFA) 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.

Accordingly, the Organization classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment and accumulated earnings associated with a specific gift, if required by donors. Although accumulated endowment earnings have not been restricted by the donor, the Organization's board has designated the earnings for the endowment fund until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Montana law and the provisions of the endowment policy.

The Organization's endowment includes previously accumulated net assets without donor restrictions for which the board of directors has designated for long-term investment. These assets and their appreciation are referred to as the quasi-endowment.

YELLOWSTONE FOREVER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 February 28, 2021 and February 29, 2020

NOTE 11. ENDOWMENT (CONTINUED)

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- Preservation of the funds;
- Purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation, deflation or other economic trends and expected total return from income and appreciation of investments;
- Other resources available to the Organization;
- Investment policies adopted by the Organization.

Endowment net asset composition by type of fund as of February 28, 2021 and February 29, 2020, is as follows:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total Endowment
<u>2021</u>			
Board designated endowment fund	\$ 43,945	\$ -	\$ 43,945
Donor-restricted endowment fund	<u>-</u>	<u>1,727,658</u>	<u>1,727,658</u>
	<u>\$ 43,945</u>	<u>\$ 1,727,658</u>	<u>\$ 1,771,603</u>
<u>2020</u>			
Board designated endowment fund	\$ 1,270,755	\$ -	\$ 1,270,755
Donor-restricted endowment fund	<u>-</u>	<u>1,534,831</u>	<u>1,534,831</u>
	<u>\$ 1,270,755</u>	<u>\$ 1,534,831</u>	<u>\$ 2,805,586</u>

The following is a reconciliation of endowment net assets to endowment holdings reported on the statements of financial position as of February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Endowment net assets, end of year	\$ 1,771,603	\$ 2,805,586
Loan from board designated quasi-endowment	-	(1,000,000)
Accrued interest on loan from board designated quasi-endowment	<u>-</u>	<u>(35,000)</u>
Endowment holdings	<u>\$ 1,771,603</u>	<u>\$ 1,770,586</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 11. ENDOWMENT (CONTINUED)

The following describes the changes in endowment net assets for the years ended February 28, 2021 and February 29, 2020:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total Endowment
March 1, 2020	\$ 1,270,755	\$ 1,534,831	\$ 2,805,586
Donor restricted contributions	-	97,477	97,477
Investment earnings, net	78,945	95,350	174,295
Board designated quasi-endowment loan and accrued interest forgiven	<u>(1,305,755)</u>	<u>-</u>	<u>(1,305,755)</u>
February 28, 2021	<u>\$ 43,945</u>	<u>\$ 1,727,658</u>	<u>\$ 1,771,603</u>
March 1, 2019	\$ 1,141,575	\$ 1,397,395	\$ 2,538,970
Board designated contributions	32,224	-	32,224
Donor restricted contributions	-	103,882	103,882
Investment earnings, net	96,956	83,957	180,913
Programmatic spending	<u>-</u>	<u>(50,403)</u>	<u>(50,403)</u>
February 29, 2020	<u>\$ 1,270,755</u>	<u>\$ 1,534,831</u>	<u>\$ 2,805,586</u>

The Organization 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 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 Organization relies on a total return strategy in which investment returns are achieved through current yield.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of February 28, 2021 and February 29, 2020.

In June 2019, the Board of Directors approved a \$1,000,000 loan from the board designated quasi-endowment fund. The loan proceeds were used to pay the principal balance of the line of credit held by First Security Bank. The endowment loan is to be paid in ten years with the option to pay interest-only for the first five years. Interest was calculated at the market rate based on the First Security Bank line of credit at prime plus 0.05%. On April 3, 2020, the Board of Directors approved an additional \$600,000 loan from the board designated quasi-endowment fund with the same terms. The loan proceeds were used to fund operations. On February 24, 2021, the Board of Directors authorized forgiveness of the balance of the loan and accrued interest.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 12. NET ASSETS

Net Assets without Donor Restrictions

Net assets without donor restrictions as of February 28, 2021 and February 29, 2020, consist of both designated and undesignated balances, as follows:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 7,658,620	\$ 4,676,590
Board designated quasi-endowment	<u>43,945</u>	<u>1,270,755</u>
Total	<u>\$ 7,702,565</u>	<u>\$ 5,947,345</u>

For the year ended February 28, 2021, the activity in net assets with donor restrictions was as follows:

	<u>March 1, 2020</u>	<u>Support with Donor Restrictions</u>	<u>Releases from Restriction</u>	<u>February 28, 2021</u>
Purpose Restricted:				
Protect Yellowstone's Ecosystem and Wildlife:				
Yellowstone wolf project	\$ 516,964	\$ 356,888	\$ (360,949)	\$ 512,903
Native fish conservation	22,807	292,905	(137,035)	178,676
Bison	-	110,695	-	110,695
Cougars	19,389	56,343	(43,905)	31,827
Bears	383,362	205,209	(100,713)	487,858
Birds	72,360	56,514	(60,841)	68,033
Other wildlife	25,977	110,993	(69,225)	67,745
Preserve Yellowstone's Heritage, History and Trails:				
Canyon trails and overlooks	2,765,390	922,790	-	3,688,180
Trails and boardwalks	-	19,214	-	19,214
History and cultural treasures	-	1,000	(95)	905
Park ranger projects and programs	64,928	59,334	(102,636)	21,626
Other	161	3,595	-	3,756
Enhance Visitor Experiences and Education:				
Youth education and initiatives	224,757	29,775	(75,657)	178,875
Visitor and wildlife safety programs	-	-	-	-
Exhibits, signage and collections	28,975	2,888	-	31,863
Digital classrooms	-	-	-	-
Resource funds	45,430	2,525	(2,732)	45,223
Other	26,108	77,443	(64,587)	38,964
Yellowstone Forever Education Projects	18,416	31,159	-	49,575
Yellowstone Forever Other Projects	40,371	9,615	(417)	49,569
Endowment Funds:				
Education	49,339	118,442	(78,945)	88,836
Landis	8,407	1,907	-	10,314
Educator workshop	49,600	27,931	-	77,531
Gateway community youth	4,656	12,714	-	17,370
Educator workshop financial aid	380	645	-	1,025
Kresja family	<u>5,611</u>	<u>13,000</u>	-	<u>18,611</u>
Total purpose restricted	<u>4,373,388</u>	<u>2,523,524</u>	<u>(1,097,737)</u>	<u>5,799,174</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 12. NET ASSETS (CONTINUED)

	March 1, 2020	Support with Donor Restrictions	Releases from Restriction	February 28, 2021
Perpetual in Nature:				
Endowment Funds:				
Education	580,908	-	-	580,908
Landis	22,283	-	-	22,283
Educator workshop	400,000	-	-	400,000
Gateway community youth	200,000	-	-	200,000
Educator workshop financial aid	10,000	-	-	10,000
Kresja family	<u>203,647</u>	<u>97,477</u>	-	<u>301,124</u>
Total perpetual in nature	<u>1,416,838</u>	<u>97,477</u>	-	<u>1,514,315</u>
Total	<u>\$ 5,790,226</u>	<u>\$ 2,621,001</u>	<u>\$ (1,097,737)</u>	<u>\$ 7,313,489</u>

For the year ended February 29, 2020, the activity in net assets with donor restrictions was as follows:

	March 1, 2019	Support with Donor Restrictions	Releases from Restriction	February 29, 2020
Purpose Restricted:				
Protect Yellowstone's Ecosystem and Wildlife:				
Yellowstone wolf project	\$ 697,576	\$ 292,564	\$ (473,176)	\$ 516,964
Native fish conservation	-	151,101	(128,294)	22,807
Cougars	42,011	25,870	(48,492)	19,389
Bears	230,024	439,450	(346,600)	322,874
Birds	104,697	57,767	(90,104)	72,360
Other wildlife	4,961	64,538	(42,383)	27,116
Preserve Yellowstone's Heritage, History and Trails:				
Canyon trails and overlooks	1,535,336	1,601,765	(371,711)	2,765,390
Trails and boardwalks	38,883	324,665	(363,548)	-
History and cultural treasures	7,514	1,572	(9,086)	-
Park ranger projects and programs	270,559	10,654	(216,285)	64,928
Other	141,502	93,413	(234,754)	161
Enhance Visitor Experiences and Education:				
Youth education and initiatives	159,444	115,643	(50,330)	224,757
Visitor and wildlife safety programs	39,409	131,298	(110,219)	60,488
Exhibits, signage and collections	58,372	329,055	(358,452)	28,975
Resource funds	53,975	7,450	(15,995)	45,430
Other	29,253	165,967	(170,252)	24,968
Yellowstone Forever Other Projects	235,689	103,261	(280,163)	58,787
Endowment Funds:				
Education	-	49,339	-	49,339
Landis	7,293	1,114	-	8,407
Educator workshop	73,262	19,423	(43,085)	49,600
Gateway community youth	3,884	7,250	(6,478)	4,656
Educator workshop financial aid	-	785	(405)	380
Kresja family	-	<u>6,046</u>	<u>(435)</u>	<u>5,611</u>
Total purpose restricted	<u>3,733,644</u>	<u>3,999,990</u>	<u>(3,360,247)</u>	<u>4,373,387</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 12. NET ASSETS (CONTINUED)

	March 1, 2019	Support with Donor Restrictions	Releases from Restriction	February 29, 2020
Perpetual in Nature:				
Endowment Funds:				
Education	580,908	-	-	580,908
Landis	22,283	-	-	22,283
Educator workshop	400,000	-	-	400,000
Gateway community youth	200,000	-	-	200,000
Educator workshop financial aid	10,000	-	-	10,000
Kresja family	<u>99,765</u>	<u>103,882</u>	-	<u>203,647</u>
Total perpetual in nature	<u>1,312,956</u>	<u>103,882</u>	-	<u>1,416,838</u>
Total	<u>\$ 5,046,600</u>	<u>\$ 4,103,872</u>	<u>\$ (3,360,247)</u>	<u>\$ 5,790,225</u>

NOTE 13. PENSION PLAN

The Organization adopted the Association's 401(k) defined contribution pension plan effective October 2, 2016. All employees working 1,000 hours or more in a 12-month period from their hire date anniversary are eligible to participate. The Organization contributes 3% of an eligible employee's gross pay to the plan each month. In addition, employees may contribute tax-deferred amounts to the plan, for which the Organization contributes a match of 50% with an annual limit of 2% of an employee's annual gross wages. Employer contributions, included in the accompanying financial statements for the years ended February 28, 2021 and February 29, 2020 were \$122,942 and \$226,383, respectively.

NOTE 14. EMPLOYEE MEDICAL BENEFIT PLANS

The Organization provides an employer-sponsored Health Insurance Program and an optional employee funded Flexible Spending Account (FSA). Through the Health Insurance Program, full-time employees (defined as employees who work 30 hours per week year-round) are eligible to enroll. The Organization pays 100% of healthcare, dental, and vision insurance premiums for eligible employees and 50% of healthcare premiums for employee dependents. The Organization's contribution for health insurance is limited to the cost for high-deductible health insurance plans. Employees pay the difference between the cost for the high-deductible and traditional health insurance plans. The Organization also pays 100% of the life, short-term disability, accidental death and dismemberment insurance premiums for each eligible employee.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 14. EMPLOYEE MEDICAL BENEFIT PLANS (CONTINUED)

Total employee contributions and employer costs for the years ended February 28, 2021 and February 29, 2020 were:

	<u>2021</u>	<u>2020</u>
Employee contributions	\$ (49,649)	\$ (100,068)
Healthcare premiums	309,899	579,665
Dental, vision and other insurance premiums	40,862	134,542
FSA administration	<u>610</u>	<u>603</u>
Total	<u>\$ 301,722</u>	<u>\$ 614,742</u>

NOTE 15. DONATED FACILITIES

The Organization's park stores, the Haynes Photo Shop, and the Lamar Buffalo Ranch are facilities owned by the United States Federal Government. 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. Improvements made by the Organization to these facilities are recorded as leasehold improvements and are depreciated over their estimated useful lives.

NOTE 16. DONATED SERVICES AND MATERIALS

The Organization recognized as support the following donated services and materials for the years ended February 28, 2021 and February 29, 2020:

	<u>2021</u>	<u>2020</u>
Retail products	\$ 5,832	\$ 23,976
Institute programmatic gifts	4,891	8,626
Marketing and promotion	1,549	3,752
Google Web Optimization services	467,318	461,362
Donated equipment granted to the		
National Park Service	66,447	78,252
Administrative support	18,861	16,059
Event support	<u>-</u>	<u>72,220</u>
Total	<u>\$ 564,898</u>	<u>\$ 664,247</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2021 and February 29, 2020

NOTE 17. RELATED PARTIES

Board members and their employers made contributions totaling \$2,709,765 and \$2,158,255 for the years ended February 28, 2021 and February 29, 2020, respectively, which are included within contributions and gifts with and without donor restrictions. Pledges receivable from board members and their employers were \$1,850,866 and \$2,330,157 at February 28, 2021 and February 29, 2020, respectively, and are included in pledges receivable on the statements of financial position.

NOTE 18. CONCENTRATIONS

The Organization has a concentration of risk related to pledges receivable. As of February 28, 2021, 56% of the Organization's pledges receivable were from three donors. As of February 29, 2020, 58% of the Organization's pledges receivable were from two donors.

NOTE 19. SUBSEQUENT EVENT

In June 2021, the Organization's PPP loan in the amount of \$1,500,500 was forgiven and the loan proceeds were recorded as support.



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