Yellowstone Forever

Financial Statements as of February 28, 2017
and the Year ended February 28, 2017, management's
discussion and analysis, and Independent Auditors'
Report

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INDEPENDENT AUDITORS' REPORT

The Finance Committee
Yellowstone Forever

We have audited the accompanying financial statements of Yellowstone Forever (the "Organization"), which comprise the statement of financial position as of February 28, 2017, and the related statements of changes in net assets, functional expenses, and cash flows for the year 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.

Auditors' 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 Organization'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 Organization'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, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

August 3, 2017

YELLOWSTONE FOREVER

STATEMENT OF FINANCIAL POSITION
AS OF FEBRUARY 28, 2017

	Operating Fund	Capital Fund	Endowment Fund	2017 Total
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 1,297,121	$ 500	$ 500	$ 1,298,121
Investments	3,838,155			3,838,155
Accounts receivable	110,280			110,280
Pledges receivable	1,275,262		75,000	1,350,262
Inventory	806,736			806,736
Prepaid expenses	514,290			514,290
Due from other funds*	92,756		615	-
Total current assets	7,934,600	500	76,115	7,917,844
PROPERTY AND EQUIPMENT—At cost:				
Land, buildings, equipment, and improvements		14,938,584		14,938,584
Accumulated depreciation		(4,444,921)		(4,444,921)
Total property and equipment—net	-	10,493,663	-	10,493,663
LONG-TERM ASSETS:				
Endowment holdings			1,862,178	1,862,178
Pledges receivable—net of discount	1,523,164		48,595	1,571,759
Total long-term assets	1,523,164	-	1,910,773	3,433,937
TOTAL ASSETS	$ 9,457,764	$ 10,494,163	$ 1,986,888	$ 21,845,444
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	$ 1,159,006	$ -	$ -	$ 1,159,006
Deferred revenues	404,553			404,553
Grants payable—NPS	77,915			77,915
Grants payable—USFS	9,553			9,553
Due to other funds*	615	92,756		-
Total current liabilities	1,651,642	92,756	-	1,651,027
NET ASSETS:				
Unrestricted unallocated	3,453,690			3,453,690
Unrestricted allocated		10,401,407	4,695	10,406,102
Total unrestricted net assets	3,453,690	10,401,407	4,695	13,859,792
Temporarily restricted	4,352,432		126,954	4,479,386
Permanently restricted			1,855,239	1,855,239
Total net assets	7,806,122	10,401,407	1,986,888	20,194,417
TOTAL LIABILITIES AND NET ASSETS	$ 9,457,764	$ 10,494,163	$ 1,986,888	$ 21,845,444

*Amounts included herein represent inter-fund activity which eliminates and is therefore excluded from the total.

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

YELLOWSTONE FOREVER

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Operating Fund	Capital Fund	Endowment Fund	2017 Total
UNRESTRICTED REVENUES				
Educational product sales—NPS stores—net of discounts	$ 5,053,900	$ -	$ -	$ 5,053,900
Less cost of goods sold	(2,218,981)			(2,218,981)
	2,834,919	-	-	2,834,919
Educational product sales—USFS stores—net of discounts	88,396			88,396
Less cost of goods sold	(39,982)			(39,982)
	48,414	-	-	48,414
Contributions and gifts	5,929,315	23,691		5,953,006
Educational tuition and fees	1,662,458			1,662,458
Investment earnings—net	269,833		1,233	271,066
Loss on disposal of property and equipment		(34,066)		(34,066)
Other revenues	80,568			80,568
Total unrestricted revenues before releases	10,825,507	(10,375)	1,233	10,816,365
Net assets released from restriction	6,094,864		5,652	6,100,516
TOTAL UNRESTRICTED REVENUES	$ 16,920,371	$ (10,375)	$ 6,885	$ 16,916,881
EXPENSES				
PROGRAM SERVICE EXPENSES:				
National park service grants	$ 8,997,318	$ 55,125	$ -	$ 9,052,443
US forest service grants	24,161	1,260		25,421
Educational product sales	2,176,009	291,742		2,467,751
Educational programming	1,799,755	195,523	349	1,995,627
Volunteer programming	188,386	4,082		192,468
Supporter education	1,048,916	26,485		1,075,401
Visitor and community engagement	200,492	3,928		204,420
Total program expenses	14,435,037	578,145	349	15,013,531
SUPPORTING SERVICES:				
Philanthropic fund development	1,615,310	39,382		1,654,692
Administration	430,697	3,393		434,090
Total supporting services	2,046,007	42,775	-	2,088,782
TOTAL EXPENSES	$ 16,481,044	$ 620,920	$ 349	$ 17,102,313
NET INCOME BEFORE TRANSFERS	439,327	(631,295)	6,536	(185,432)
TRANSFERS BETWEEN FUNDS*	(615,510)	620,920	(5,410)	-
CHANGE IN UNRESTRICTED NET ASSETS	(176,183)	(10,375)	1,126	(185,432)
UNRESTRICTED NET ASSETS—Beginning of year	3,629,873	10,411,782	3,569	14,045,224
UNRESTRICTED NET ASSETS—End of year	$ 3,453,690	$ 10,401,407	$ 4,695	$ 13,859,792

*Amounts included herein represent inter-fund activity which eliminates and is therefore excluded from the total.

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

YELLOWSTONE FOREVER

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Operating Fund	Capital Fund	Endowment Fund	2017 Total
TEMPORARILY RESTRICTED ACTIVITY				
RESTRICTED REVENUES:				
Restricted contributions and gifts	$ 4,673,555	$ -	$ -	$ 4,673,555
Investment earnings—net			136,351	136,351
Present value adjustment of discount on pledges	23,214			23,214
Total restricted revenues	4,696,769	-	136,351	4,833,120
Releases From Restrictions	(6,094,864)		(5,652)	(6,100,516)
CHANGE IN TEMP REST NET ASSETS	(1,398,095)		130,699	(1,267,396)
TEMPORARILY RESTRICTED NET ASSETS—Beginning of year	5,750,527		(3,745)	5,746,782
TEMPORARILY RESTRICTED NET ASSETS—End of year	$ 4,352,432	$ -	$ 126,954	$ 4,479,386
PERMANENTLY RESTRICTED ACTIVITY				
RESTRICTED REVENUES:				
Restricted contributions and gifts	$ -	$ -	$ 947,842	$ 947,842
Present value adjustment of discount on pledges			3,390	3,390
Total restricted revenues	-	-	951,232	951,232
PERMANENTLY RESTRICTED NET ASSETS—Beginning of year			904,007	904,007
PERMANENTLY RESTRICTED NET ASSETS—End of year	$ -	$ -	$ 1,855,239	$ 1,855,239
TOTAL CHANGES IN NET ASSETS:				
Change in unrestricted net assets	$ (176,183)	$ (10,375)	$ 1,126	$ (185,432)
Change in temporarily restricted net assets	(1,398,095)		130,699	(1,267,396)
Change in permanently restricted net assets			951,232	951,232
TOTAL CHANGE IN NET ASSETS	(1,574,278)	(10,375)	1,083,057	(501,596)
TOTAL NET ASSETS—Beginning of year	9,380,400	10,411,782	903,831	20,696,013
TOTAL NET ASSETS—End of year	$ 7,806,122	$ 10,401,407	$ 1,986,888	$ 20,194,417

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

YELLOWSTONE FOREVER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2017

	PROGRAMMATIC SERVICE EXPENSES				
	National Park Service Grants	US Forest Service Grants	Educational Product Sales	Educational Programming	Volunteer Programming
OPERATING FUND EXPENSES:					
Grants and other assistance	$ 6,876,504	$18,926	$ -	$ -	$ -
Compensation and benefits	1,032,168	3,261	1,379,210	1,055,100	81,929
Professional fundraising services	388,066				
Marketing	26,618	16	9,429	10,701	1,335
Publications and media					
Office expenses	123,259	673	79,024	24,033	1,947
Legal fees	9,915	68	3,130	1,994	94
Auditing fees	60,571	417	19,120	12,181	574
Interest expense			6,955		
Conferences and meetings	54,336	297	30,576	18,325	4,438
Bank and merchant account fees	36,491	72	117,011	32,856	99
Technology	64,973	108	133,547	82,835	8,919
Merchandising			156,594		
Royalties			11,434		
Facilities	43,294	77	132,313	99,600	2,171
Insurance	17,888	73	24,381	53,780	1,206
Vehicles	4,429	18	20,416	78,254	1,424
Community, supporter, and visitor engagement	230,761	88	4,026	2,565	121
Educational programming				299,743	
Employee development, recruitment, and training	28,045	67	48,843	27,788	11,612
Volunteer programming					72,517
TOTAL OPERATING FUND EXPENSES	8,997,318	24,161	2,176,009	1,799,755	188,386
CAPITAL FUND EXPENSES—Depreciation expense	55,125	1,260	291,742	195,523	4,082
ENDOWMENT FUND EXPENSES—Bank and merchant fees				349	
TOTAL EXPENSES	$ 9,052,443	$25,421	$ 2,467,751	$ 1,995,627	$ 192,468

YELLOWSTONE FOREVER

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED FEBRUARY 28, 2017

	PROGRAMATIC SERVICE EXPENSES		SUPPORTING SERVICES		
	Supporter Education	Visitor and Community Engagement	Philanthropic Fund Development	Administration	Total
OPERATING FUND EXPENSES:					
Grants and other assistance	$ -	$ -	$ -	$ -	$ 6,895,430
Compensation and benefits	220,101	151,597	614,095	268,264	4,805,725
Professional fundraising services			480,295		868,361
Marketing	89	1,978	18,326	1,299	69,791
Publications and media	318,880				318,880
Office expenses	7,201	1,309	54,598	55,340	347,384
Legal fees	386	48	2,490	5,620	23,745
Auditing fees	2,359	295	15,210	34,333	145,060
Interest expense					6,955
Conferences and meetings	4,226	708	21,108	24,416	158,430
Bank and merchant account fees	409	51	34,813	5,947	227,749
Technology	11,486	15,679	56,720	8,905	383,172
Merchandising					156,594
Royalties					11,434
Facilities	6,812	3,715	23,819	6,314	318,115
Insurance	1,491	671	4,167	5,969	109,626
Vehicles	3,462	2,019	2,006	1,515	113,543
Community, supporter, and visitor engagement	468,473	21,419	273,021	7,230	1,007,704
Educational programming					299,743
Employee development, recruitment, and training	3,541	1,003	14,642	5,545	141,086
Volunteer programming					72,517
TOTAL OPERATING FUND EXPENSES	1,048,916	200,492	1,615,310	430,697	16,481,044
PLANT FUND EXPENSES—Depreciation expense	26,485	3,928	39,382	3,393	620,920
ENDOWMENT FUND EXPENSES—Bank and merchant fees					349
TOTAL EXPENSES	$ 1,075,401	$ 204,420	$ 1,654,692	$ 434,090	$ 17,102,313

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 28, 2017

	Operating Fund	Capital Fund	Endowment Fund	2017 Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	$ (1,574,278)	$ (10,375)	$ 1,083,057	$ (501,596)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation		620,920		620,920
Loss on disposal of property and equipment		34,066		34,066
Unrealized loss (gain) on investments	(233,566)		(21,927)	(255,493)
Present value adjustment of discount on pledges	(4,363)		1,405	(2,958)
Contributions restricted for long-term investments			(947,842)	(947,842)
Changes in operating assets and liabilities:				-
Accounts receivable	178,690		(39)	178,651
Pledges receivable	1,617,379		(125,000)	1,492,379
Inventory	(159,846)			(159,846)
Prepaid expenses	(121,846)			(121,846)
Accounts payable and accrued liabilities	36,205			36,205
Deferred revenues	(10,711)			(10,711)
Grants payable—NPS	(38,210)			(38,210)
Grants payable—USFS	9,553			9,553
Due to/from other funds	(216,286)	216,901	(615)	-
Net cash from operating activities	(517,279)	861,512	(10,961)	333,272
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for property and equipment		(865,369)		(865,369)
Proceeds from sale of investments	2,300,000			2,300,000
Payments for purchase of investments	(1,555,248)		(1,310,213)	(2,865,461)
Net cash from investing activities	744,752	(865,369)	(1,310,213)	(1,430,830)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from external borrowing	1,000,000	27,400		1,027,400
Payments on external borrowing	(1,000,000)	(208,628)		(1,208,628)
Permanently restricted contributions			947,842	947,842
Net cash from financing activities		(181,228)	947,842	766,614
NET CHANGE IN CASH AND CASH EQUIVALENTS	227,473	(185,085)	(373,332)	(330,944)
CASH AND CASH EQUIVALENTS—Beginning of year	1,069,648	185,585	373,832	1,629,065
CASH AND CASH EQUIVALENTS—End of year	$ 1,297,121	$ 500	$ 500	$ 1,298,121

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

1. BASIS OF CONSOLIDATION, NATURE OF OPERATIONS, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations—Yellowstone Forever (the "Organization") is an Internal Revenue Service recognized 501(c)(3) organization that serves as the official non-profit partner of Yellowstone National Park (Park). As the official non-profit partner of the Park, the Organization's purpose is to provide cash and in-kind aid through philanthropic and educational initiatives. The Organization accomplishes its philanthropic purpose by funding cash grants to the National Park Service and US Forest Service, and fundraising for the Organization's educational operations. The Organization's philanthropic initiatives focus on the following areas: Cultural Treasurers, Greenest Park, Wildlife, Ranger Heritage, Visitor Experience, Tomorrow's Stewards, and general park support.

The Organization also accomplishes this purpose by providing in-kind aid through the operation of the Organization's Institute, the Organization's 11 Park Stores and 1 Forest Store in and around the Park, operating a volunteer program, providing publications and online media for visitors and supporters, through the engagement of visitors and communities in and around the Park.

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

Merger—The Organization was formed during FY 2017 through the merger of the Yellowstone Park Foundation ("the Foundation") and Yellowstone Association ("the Association") ("Merger"). The Merger was effected to align the Association and the Foundation in their efforts to support Yellowstone National Park. Previous to the Merger, the Foundation was a nonprofit organization, which supported projects and programs that protect, preserve, and enhance Yellowstone through philanthropic fund raising and the Association was a nonprofit organization which supported Yellowstone through educational, historical, and scientific programs as well as the sale of educational materials in retail locations through Yellowstone and the surrounding area.

On February 5, 2016, the Association and the Foundation signed a consolidation agreement whereby each entity would consolidate into New Yellowstone, a Montana Nonprofit Corporation. As stipulated in the consolidation agreement, all of the assets and liabilities of each entity were transferred to the Organization. The assets and liabilities were transferred to the Organization using the carryover method. In addition, as a result of the Merger, each of the 14 members of the respective boards of the Association and the Foundation were appointed as members of the board of the Organization. The Merger substantially occurred on March 1, 2016 ("Merger Date") subject to certain perfunctory activities that occurred during the fiscal year ended February 28, 2017. The Organization's financial statements have been presented starting as of the Merger Date.

The amounts recognized as of the Merger Date for each major class of assets and liabilities and each class of net assets were as follows (including corrections indicated in the subsequent paragraph):

Operating Fund	Association	Foundation	Organization
Current assets	$ 3,439,065	$ 5,260,977	$ 8,700,042
Property and equipment	10,235,468	47,812	10,283,280
Long-term assets	1,076,871	2,471,238	3,548,109
Total assets	14,751,404	7,780,027	22,531,431
Total liabilities	1,091,211	744,207	1,835,418
Unrestricted net assets	12,132,439	1,912,785	14,045,224
Temporarily restricted net assets	632,723	5,114,059	5,746,782
Permanently restricted net assets	895,031	8,976	904,007

Subsequent to the issuance of the Foundation's financial statements for the fiscal year ended February 29, 2016, and as a result of the merger, the Organization's management identified errors included in the Foundation's financial statements. These errors relate to certain accrued and prepaid expenses and classification of net assets that resulted in a $447,693 overstatement of unrestricted net assets and a $289,769 understatement of temporarily restricted net assets. These errors were corrected in the computation and presentation of opening beginning balances in the financial statements herein. Management believes the effects of the corrections and accounting convention alignment are immaterial to the financial statements as a whole.

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 Organization 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. Although the Organization 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 internal restrictions placed on the use of resources available to the Organization. The financial statements of the Organization have been prepared on the accrual basis of accounting.

Unrestricted net assets represent contributions available for support of the Organization's operations. Temporarily restricted net assets represent contributions, which have been restricted by the donor for a particular purpose or for a particular time period. Permanently restricted net assets represent contributions subject to donor-imposed stipulations that permanently restrict the use of the assets requiring them to be maintained by the Organization in perpetuity. Generally, the donors of these permanently restricted contributions permit the Organization 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 decrease 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 applicable classes of net assets.

Cash and Cash Equivalents—For purposes of the statement of cash flows, the Organization considers all highly liquid investments, such as bank deposits, 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.

Investments and Endowment Holdings—Investment and endowment holdings are reported at fair value in the accompanying statement of financial position with the annual change in fair value due to realized and unrealized gains and losses recorded in the Investment Earnings, net line of the Statement of Changes in Net Assets. Investment fees for the year ended February 28, 2017 were $13,632 and $349 for the operating and endowment investments, respectively, and are recorded as unrestricted operating expenses in the Statement of Changes in Net Assets.

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.

Pledges Receivable—Pledges to give are recorded using a present value approach. Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using the Internal Revenue Service Applicable Federal Rate Long-Term (AFR) rate for 1 year at the time of the calculation of the discount. For the year ended February 28, 2017, pledges were discounted using the AFR of 2.81%

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 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. As of February 28, 2017, management considers all pledges to be collectible.

Inventory—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. During the period of March 1, 2016 to February 28, 2017, inventory costing $78,486 was written off because market value declined below costs due to restructuring of the Organization. The write off is included in the Educational Product Sales program service expense line of the Statement of Changes in Net Assets.

Property and Equipment—Property, buildings, furniture, fixtures, equipment, and improvements with an estimated useful life of over one year are capitalized. Purchased property and equipment are recorded at the asset's 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	10 years
Buildings	30 years
Building improvements	20 years
Leasehold improvements	Up to 20 years
Equipment	5–7 years
Vehicles	5 years
Technology equipment	3 years

Marketing Costs—Marketing costs are expensed as incurred.

Support—Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. 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, temporarily restricted net assets are reclassified to unrestricted net assets and report in the statement of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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-lives 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 only recognizes unconditional contributions received and promises to give. Conditional contributions and promises to give are not included as support until such time as the conditions are substantially met.

In-Kind Support—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 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.

Income Tax Status—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 a 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.

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. For the preparation of these financial statements, estimates were used in:

- The assessment of collectability of accounts and pledges receivable
- The present value discount of future payments on pledges receivable
- The estimated useful lives of capital assets

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 measurable 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 classifies 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 date for substantially the full term of the assets or 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 input that is significant to the fair value measurement. The Organization'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 28, 2017.

Level 1—*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.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-ended 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 Organization are deemed to be actively traded.

Functional Allocation of Expenses—The costs of providing the various programs and other activities of the Organization have been presented on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs benefited. For specific functional areas, costs not specific to a functional area are allocated using the following parameters:

- Finance—allocated based upon the average of revenues and expenses coming into each function
- Administration—allocated based upon estimated time administrative staff spends working with each function
- Employee and Volunteer Engagement—allocated based upon number of employees per function
- Marketing – allocated based upon the projects being undertaken by the marketing team for each function
- Facilities – allocated based upon usage of square footage by each function
- Vehicles – allocated based upon usage of vehicles by each function
- Technology – allocated based upon the number of workstations used by each function
- Contact Center – allocated based upon a weighted average of revenues coming in each function
- Web – allocated based upon total revenues coming in through the website for each function
- Philanthropy – allocated based upon a ratio of funds that are restricted for park projects to total funds raised for each function

Recent Accounting Pronouncements Not Yet Adopted—In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 is intended to enable users of financial statements to better understand and consistently analyze an entity's revenue across industries, transactions, and geographies. Under the ASU, recognition of revenue occurs when a customer obtains control of promised goods or services. In addition, the ASU requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. This standard is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Organization continues to assess the impacts of ASU 2014-09 on its financial statements, including disclosure requirements. At this time, the Organization does not know, and cannot reasonably estimate, the dollar impact of the adoption.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, intended to improve financial reporting about leasing transactions. The ASU significantly changes the accounting model used by lessees to account for leases, requiring that all material leases be presented on the balance sheet. Under the current model, some leases are classified as capital leases and recorded on the balance sheet while other leases classified as operating leases are not recognized on the balance sheet. The new standard is effective for annual reporting periods beginning after December 15, 2019, with early adoption permitted. The standard must be adopted using a modified retrospective approach. The Organization is evaluating the impact of ASU 2016-02 on its financial statements. At this time, the Organization does not know, and cannot reasonably estimate, the dollar impact of the adoption.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230)*, which amends ASC 230 to clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows. The FASB issued the ASU with the intent of reducing diversity in practice with respect to eight types of cash flows. The guidance in ASU 2016-15 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The standard must be adopted retrospectively to all periods presented, unless impracticable to do so. The Organization does not plan to early adopt the standard and does not expect the adoption of this standard to have a material impact on its financial statements.

In August 2016 the FASB issued ASU 2016-14 - *Presentation of Financial Statements of Not-for-Profit Entities* which significantly changes the presentation requirements for financial statements of not-for-profit entities (NFPs). The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and financial statement notes regarding liquidity, financial performance, and cash flows for NFPs. Specifically, the ASU addresses (1) the complexity and understandability of net asset classifications, (2) the lack of consistency in the type of information provided about expenses, and (3) inconsistencies in the reporting of (a) operating information in the statement of activities and (b) operating cash flows in the statement of cash flows. The ASU's amendments are effective for fiscal years beginning after December 15, 2017. The standard must be adopted retrospectively. The Organization is still in the process of evaluating the impact of this standard; however, the standard is expected to have a significant impact on the presentation of the Statement of Changes in Net Assets as well as various footnote disclosures.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for all operating funds as of February 28, 2017, consist of the following:

Cash in checking accounts	$ 1,283,170
Cash on hand	13,951
Total cash	$ 1,297,121

As of February 28, 2017, there were no bank deposits held in excess of Federal Deposit Insurance Corporation insurance limits.

3. INVESTMENTS AND ENDOWMENT HOLDINGS

The following table presents, by level within the fair value hierarchy, the Organization's investment assets at fair value, as of February 28, 2017. 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.

Level 1 Inputs	Operating Fund	Endowment Fund	Total
Money market funds	$ 212,177	$ 51,247	$ 263,424
Us treasury obligations	163,251		163,251
Us government agency bonds	53,604		53,604
Corporate and foreign bonds	185,488		185,488
Short-term bond mutual funds	2,290,333		2,290,333
Fixed-income mutual funds	524,555	586,796	1,111,351
Equity mutual funds	408,747	1,224,135	1,632,882
Total level 1 inputs	3,838,155	1,862,178	5,700,333
Level 2 inputs			-
Level 3 inputs			-
Total holdings	$ 3,838,155	$ 1,862,178	$ 5,700,333

The components of total investment earnings for the year ended February 28, 2017, are reflected below:

	Operating Fund	Endowment Fund	Total
Dividends and interest	$ 70,258	$ 40,346	$110,604
Net realized gains (losses)	(33,991)	79,418	45,427
Net unrealized gains (losses)	233,566	17,820	251,386
Total investment earnings—net	$269,833	$137,584	$407,417

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following as of February 28, 2017:

Institute tuition and fees	$ 77,731
Retail sales	1,644
Donations receivable	12,980
Accrued dividends receivable	3,727
Miscellaneous	14,198
Total	$110,280

5. PLEDGES RECEIVABLE

Pledges to give, net of present value discounts, at February 28, 2017, are scheduled to be received as follows:

	Operating Fund	Endowment Fund	Total
Current year	$1,275,262	$ 75,000	$1,350,262
2018	835,000	50,000	885,000
2019	707,800		707,800
2020	100,000		100,000
Total gross pledges receivable	2,918,062	125,000	3,043,062
Unamortized discount	(119,636)	(1,405)	(121,041)
Pledges receivable—net	$2,798,426	$123,595	$2,922,021

The following table demonstrates the effect of fair value measurements on the 2017 changes in net assets:

	Operating Fund	Endowment Fund	Total
New unconditional pledges	$1,003,000	$200,000	$1,203,000
Write off uncollectible pledges			-
Change in unamortized discount	4,363	(1,405)	2,958
Net effect on net assets	$1,007,363	$198,595	$1,205,958

The following table represents a reconciliation of the beginning and ending balances on pledges receivable for the year ending February 28, 2017:

	Operating Fund	Endowment Fund	Total
Pledges receivable—net—beginning of the year	$ 4,419,466	$ -	$ 4,419,466
New unconditional pledges	1,003,000	200,000	1,203,000
Amounts received from pledges	(2,628,403)	(75,000)	(2,703,403)
Change in unamortized discount	4,363	(1,405)	2,958
Pledges receivable—net—end of year	$ 2,798,426	$123,595	$ 2,922,021

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of February 29, 2017:

	Cost	Accumulated Depreciation	Net Value
Land	$ 2,336,844	$ -	$ 2,336,844
Land improvements	168,084	23,679	144,405
Buildings and improvements	8,235,539	2,161,977	6,073,562
Leasehold improvements	1,231,750	801,591	430,159
Furniture, vehicles, and equipment	2,128,116	1,457,674	670,442
Projects in development	838,251		838,251
Total	$ 14,938,584	$ 4,444,921	$ 10,493,663

Depreciation expense was $620,920 for the year ended February 28, 2017.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following as of February 28, 2017:

Commercial accounts payable	$ 782,641
Accrued payroll	165,892
Accrued vacation liability	202,878
Accrued taxes	2,039
Miscellaneous	5,556
Total	$ 1,159,006

8. DEFERRED REVENUES

Deferred revenues consist of the following as of February 28, 2017:

Deferred tuition and cabin fees	$404,553
Total	$404,553

9. LINES OF CREDIT

The Organization has established two lines of credit with First Interstate Bank. The Organization may borrow up to $1,500,000 for annual inventory purchases. The borrowed principle accrues interest at 4.0% APR, payable quarterly, with the first quarterly interest payment due July 1, 2017. The Organization must pay an annual commitment fee of $1,000. The Organization pledged all inventory, chattel paper, accounts, equipment and general intangibles as collateral against this line of credit. The line of credit expires on February 28, 2018. As of February 28, 2017, the Organization had $1,500,000 available on this line of credit.

The Organization may borrow up to $1,500,000 for merger-related expenses. The line accrued interest at 4.0% APR, payable quarterly, with the first quarterly interest payment due April 1, 2016. No annual commitment fee is required of the Organization. The Organization pledged the Overlook Field Campus as collateral against this line of credit and the line of credit agreement limits or prevents us from liquidating this collateral. The line of credit is set to expire December 18, 2018, with all outstanding principle plus accrued interest due at this date. As of February 28, 2017, the Organization had $1,500,000 available on this line of credit.

10. COMMITMENTS, DESIGNATED NET ASSETS AND CONTINGENCIES

From time to time, the Organization is involved in legal proceedings that arise in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters, it is the opinion of management, based upon the information available at this time, that the current expected outcome of these matters, individually or in the aggregate, will not have a material effect on its business, financial condition, results of operations or cash flows.

For the year ending February 28, 2018, the annual amounts to be made available to the National Park Service for the support of initiatives will be $3,696,119.

As of February 28, 2017, the Organization held one operating lease commitment to First Security Bank for the period of February 2, 2016 to January 31, 2018. The lease obligations for the years ending February 28, 2017 and February 28, 2018 are $63,678 and $56,035, respectively.

11. TEMPORARILY RESTRICTED NET ASSETS

For the year ending February 28, 2017, the activity in temporarily restricted net assets was as follows:

	Ending Balances
OPERATING FUND:	
General park support	$ 28,220
Cultural treasurers	171,125
Greenest park	111,676
Ranger heritage	248,218
Tomorrow's stewards	526,296
Visitor experience	240,668
Wildlife	1,818,247
Yellowstone forever campaign projects	1,207,982
Total	4,352,432
ENDOWMENT FUND:	
Yellowstone Forever education endowment	$ 79,832
Landis endowment fund	3,240
Educator workshop endowment	41,607
Yellowstone gateway community MYA endowment	2,275
Total	126,954
Total all funds	$ 4,479,386

12. PERMANENTLY RESTRICTED NET ASSETS

For the year ending February 28, 2018, the activity in permanently restricted net assets was as follows:

	Ending Balances
ENDOWMENT FUND:	
Yellowstone Forever education endowment	$ 1,234,361
Landis endowment fund	22,283
Educator workshop endowment	400,000
Yellowstone gateway community MYA endowment	198,595
Total	$ 1,855,239

13. EMPLOYEEE MEDICAL BENEFIT PLANS

On November 1, 1998, the Foundation adopted an employer-sponsored Health Insurance Program and an optional employee funded Flexible Spending Account. Through the Health Insurance Program, all employees were eligible to enroll. The Foundation paid 100% of healthcare insurance premiums for eligible employees and 50% of healthcare insurance premiums for employee dependents. The Foundation also pays 100% of dental, vision, and life insurance premiums for each eligible employee and dependents. This plan terminated on October 31, 2016.

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 paid 80% of healthcare insurance premiums for eligible employees and 0% of healthcare insurance premiums for employee dependents. The Association also pays 100% of dental and vision premiums for each eligible employee and the dependents, as wells as 100% of employee premiums for life, accidental death/dismemberment insurance. This plan terminated on October 31, 2016.

On November 1, 2016, in the course of the merger between the Foundation and the Association, the Organization 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 Organization pays 100% of healthcare insurance premiums for eligible employees and 50% of healthcare premiums for employee dependents. The Organization's contribution 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 dental, vision, short-term disability, accidental death and dismemberment, and life insurance plans for each eligible employee and dependent.

Total employee contributions and employer costs for the year ended February 28, 2017 were:

Employee contributions	$ (79,340)
Healthcare premiums	357,757
Dental, vision, and other insurance premiums	68,244
FSA administration	4,867
Net cost	$351,528

14. PENSION PLAN

The Foundation sponsored a Section 403(b) salary reduction plan that covered all full-time employees who were at least 21 years old. Employees may contribute up to $18,000 annually. Each eligible employee could elect to have amounts deducted from their gross wages to contribute to the plan. The Foundation matched 100% of these contributions with a maximum contribution equaling 8.00% of the employee's gross wages for the year ended February 28, 2017. This plan was terminated on October 1, 2016.

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 contributed 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 was matched by the Association at 1:2 with a limit of 2.00% of an employee's gross wages. Effective October 2, 2016, the Organization adopted this plan under these terms for the Organization's employees. Effective April 7, 2017, this plan remained in adoption under a new contract with TIAA, which afforded an open-architecture investment menu. On this date, the Organization also contracted a 3(38) fiduciary investment advisor, CAPTRUST.

Employer contributions, included in the accompanying financial statements for the year ended February 28, 2017 were $274,034.

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 Gallatin Airport Authority owns the facilities used by the Organization at the Gallatin Airfield. 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 the shorter of their estimated useful life or 20 years. The Organization's status as the official non-profit of Yellowstone National Park has a life expectancy of greater than 20 years.

16. DONATED SERVICES AND MATERIALS

The Organization benefitted from the following donated services and materials for the year ending February 28, 2017:

Operating Fund	**Operating Fund**	**Capital Fund**	**Endowment Fund**	**Total**
Retail products	$ 10,161	$ -	$ -	$ 10,161
Institute programmatic gifts	2,600	14,987		17,587
Facility capital improvements		8,704		8,704
Google web optimization services	458,299			458,299
Donated Equipment Granted to the National Park Service	302,391			302,391
Merger support	171,574			171,574
TOTAL	$945,025	$23,691	$ -	$968,716

17. ENDOWMENT NET ASSETS

The Organization's endowments consist of four funds managed by the Organization. The Organization 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 Organization 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, 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, and 4) and undesignated bequests in accordance with the Organization's Institutional Funds and Restricted Donations Protocol. 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 Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization 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 Organization 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 Organization; and 7) the investment policies of the Organization.

Endowment net asset composition by type of fund as of February 28, 2017 is as follows:

Endowment Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Allocated Quasi-Endowment Funds	$ -	$ -	$ -	$ -
Donor-restricted Endowment Funds	4,695	126,954	1,855,239	1,986,888
Total	$ 4,695	$ 126,954	$ 1,855,239	$ 1,986,888

Changes in net asset composition by type of fund for the year ending February 28, 2017 are as follows:

Endowment Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Endowment assets—beginning of year	$ 3,569	$ (3,745)	$ 904,007	$ 903,831
Investment earnings—net	1,233	136,351		137,584
Contributions			947,842	947,842
Present value adjustment on pledges			3,390	3,390
Net assets released from restriction	5,652	(5,652)		-
Management fees	(349)			(349)
Programmatic spending	(5,410)			(5,410)
Total	$ 4,695	$ 126,954	$ 1,855,239	$ 1,986,888

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. Endowment assets are invested under the guidance of the following asset allocation:

Asset Class	Target Allocation	Allocation Range
Cash equivalents	1 %	0–10
Total fixed income	34	24–44
Total equity	54	55–74
Total	100 %	-

18. TRANSFERS BETWEEN FUNDS

For the year ended February 28, 2017, transfers between funds were as follows:

Transfers	Operating Fund	Capital Fund	Endowment Fund	Total
Depreciation funding	$(620,920)	$620,920	$ -	$ -
Endowment programmatic spending	5,410		(5,410)	
Total	$(615,510)	$620,920	$(5,410)	$

19. RELATED PARTY TRANSACTIONS

Board members made contributions totaling $507,437 for the year ended February 28, 2017 which are included within unrestricted and temporarily restricted contributions and gifts. Pledges receivable from board members were $1,721,968 at February 28, 2017 and are include in pledges receivable on the Statement of Net Assets.

20. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the balance sheet date through August 3, 2017, the date at which the financial statements were issued. As of August 3, 2016, the Organization had drawn $1,200,000 of $1,500,000 available on its operating line of credit with First Interstate Bank.

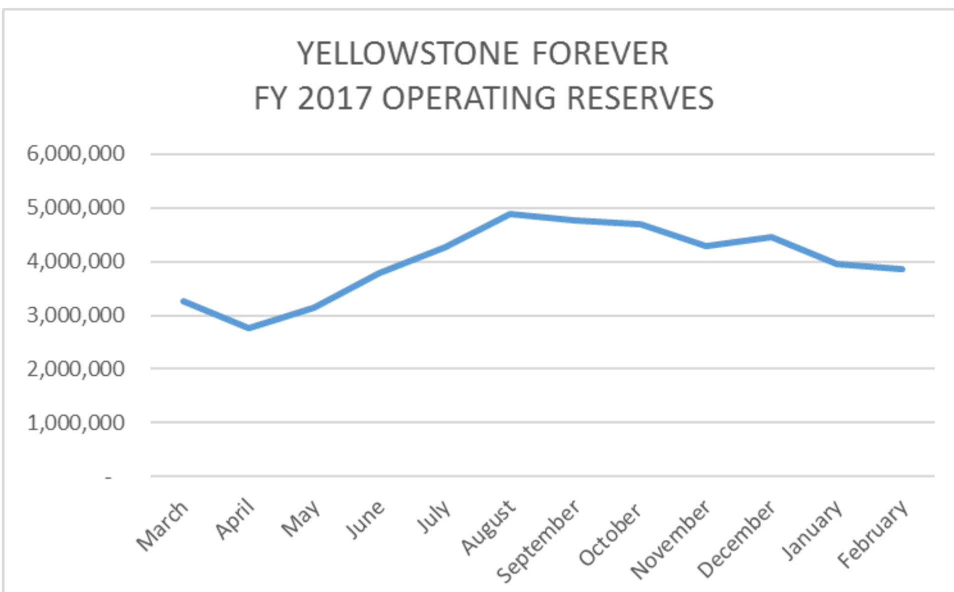
* * * * * *

MANAGEMENT'S DISCUSSION AND ANALYSIS

The President and CEO and the Vice President of Finance present the following Management's Discussion and Analysis (MD&A). As the staff being charged with the oversight and reporting of Yellowstone Forever (the Organization) finances, we have prepared the February 28, 2017 financial statements, along with this narrative overview and analysis of financial activities we wish to highlight. We encourage our readers to consider the information in this MD&A in conjunction with the rest of the financial report.

Operating Reserves

With the merger of the Yellowstone Park Foundation (Foundation) and Yellowstone Association (Association) into Yellowstone Forever (the Organization), management has spent a significant amount of time assessing operating reserve needs. The Organization calculates operating reserves as the sum of Unrestricted Net Assets and Deferred Revenues in the Operating Fund. At February 28, 2017, those reserves totaled $3,858,243. Due to the cyclical natures of cash flow from the Association, a major focus in the next year will be finding the right timing and nature of philanthropic appeals to even out the operating reserve cycle. The Finance Committee has set operating reserve needs at $4,000,000. The Organization maintained that level of reserves for the majority of the year. With the increased investment in staffing, management will continue to monitor the reserve needs of the Organization and update the Finance Committee in the presentation of the FY2019 budget.



Cash Aid

Support to the National Park Service

The primary function of the Organization is to provide support to the National Park Service (NPS) in support of park priorities, as laid out by the Superintendent of Yellowstone National Park. The Organization provides two kinds of support: cash and in-kind. Cash aid refers to cash and other assets disbursed by the Organization directly to the NPS or to a vendor on behalf of the NPS. In-kind aid refers to expenses incurred by the Organization in carrying out mission-directed park priorities on behalf of the park.

For the year ended February 28, 2017, total cash granted to the NPS was $6,876,504. Those funds were derived from two sources: Proceeds from park pass sales and cash grants from the Organization to the NPS.

Cash Grants

For the year ended February 28, 2017, cash grants to the National Park Service came from two different sources: the legacy Yellowstone Association Aid to NPS and the legacy Yellowstone Park Foundation annual call for grants. For the purposes of this MD&A, those two fund sources have been consolidated to represent the total cash grants of $6,640,950 issued to the NPS. The details of those grants are below. For presentation purposes, smaller programs have been consolidated into general line items.

PROJECT OR PROGRAM:	
Yellowstone Youth Campus	$ 1,500,861
Native Fish Restoration	1,127,869
Wolf Research and Interpretation	489,149
100th Anniversary Centennial Celebration	395,071
Canyon Overlook Trails Restoration	381,212
Roosevelt Arch Restoration	304,747
Old Faithful Visitor Education Center Young Scientist Room Restoration	286,102
Yellowstone Forever Merger Grant	224,991
Benzomatic Propane Recycler	220,000
Wildlife Health Research projects	169,662
Trails Restoration	158,973
Ranger Equipment	140,426
Visitor and Wildlife Safety programs	123,572
Greenest Park Sustainability projects	118,625
Heritage Research Center Operations	101,987
Education and Interpretaion programs	95,554
ARCH volunteer program	87,918
Grizzly Bear Research and programs	86,876
Old Faithful Visitor Education Center LEED Recertification	84,145
Black Bear Research	80,000
Slough Creek Fish Barrier	78,000
Michelin Old Faithful Blacktop Phase 2	55,105
Yellowstone science	54,030
Cougar research	51,126
Michelin mobility study	48,069
Archive projects	37,676
Raptor initiative	36,367
Restoring Long Distance Migrations in Yellowstone Bison	24,993
CANON printers	20,734
Native American programs	17,340
Ranger infrastructure projects	16,135
Ranger training	12,779
CANON Research and Education Projects	10,856
Total	$ 6,640,950

Proceeds from Park Pass Sales

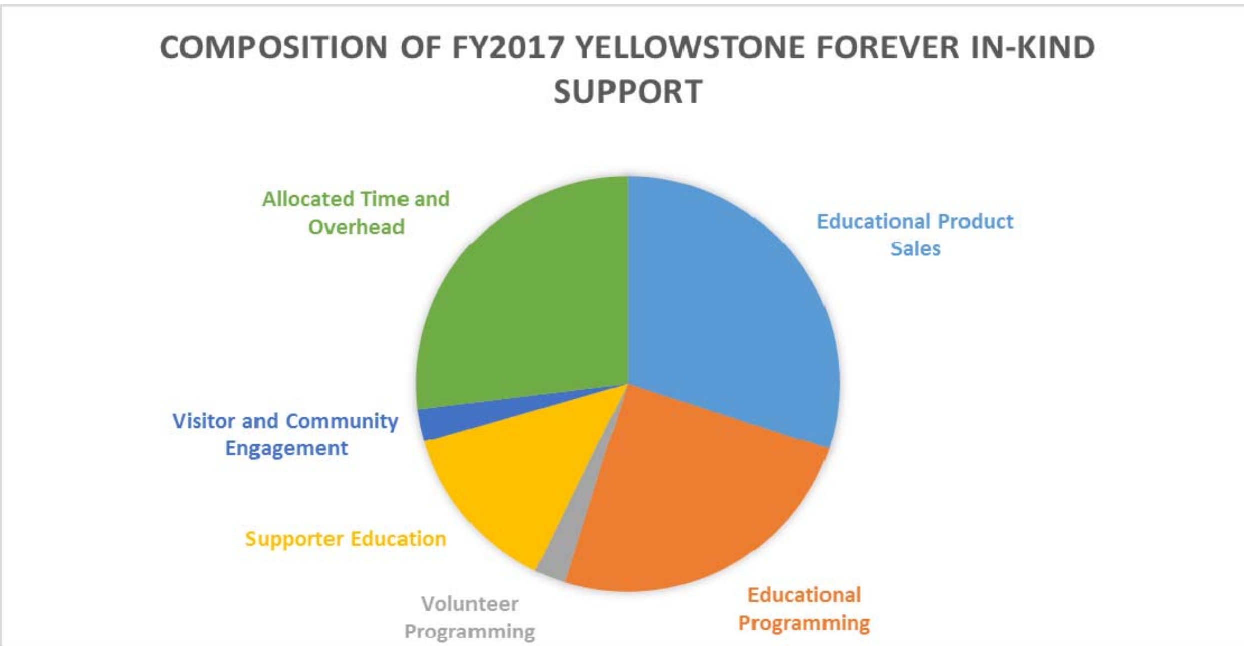
The Organization sells park passes on behalf of the NPS for the purpose of generating more cash support for the park and to help with line congestion at the entrance stations. Since the inception of this program, the Organization has witnessed a significant increase in traffic at the Bozeman Airport and Gardiner stores. The NPS has seen a significant decrease in wait times at the north entrance in correlation to the amount of passes being purchased by visitors prior to entering the park.

For the year ended February 28, 2017, total cash proceeds from park pass sales totaled $235,554. The breakdown of park pass sales are as follows:

Entrance pass sales	$ 103,210
Inter-agency pass sales	132,344
Total	$ 235,554

In-Kind Support

In-kind support represents non-cash contributions of support for the park through Organizational activities carrying out park priorities. In-kind support is broken out into six different functions.



Educational Product Sales

The Organization operates 11 Park Stores in and around the park that are focused on selling educational products to visitors and supporters to support Yellowstone National Park. The Organization also operated one Forest Store for the United States Forest Service. Retail sales are confined to educational products as dictated by a “Scope of Sales” agreement negotiated with the NPS. The Park Stores are not commercial retail outlets, but rather mission-delivery contact points where visitors can purchase educational publications and products to enhance the understanding and enjoyment of Yellowstone. Park Store associates spend a large percentage of their time providing information about Yellowstone, and many of the products sold in the Organization Park Stores are selected more for their educational and engagement value than for their profit potential. For FY 2017, the cost of operating the 11 Park Stores (not including Cost of Goods Sold) was $2,427,385. Those stores generated $2,834,919 in net revenues for a positive net income of $407,534. Additionally, the 11 Park Stores generated $815,275 in supporter contributions.

Revenue and engagement statistics for the 11 Park Stores and 1 Forest Store for the year ended February 28, 2017 are as follows:

Store	Gross Sales Revenue*	Transactions	Supporter Gifts	Number of New Supporters
Website and Wholesale	$ 176,204	4,072	$ -	-
Gardiner (Includes the Lamar Buffalo Ranch)	478,468	18,671	83,856	1,343
Mammoth	654,649	37,700	85,640	2,006
Old Faithful	1,691,220	95,792	279,755	6,588
Canyon	799,525	44,091	194,345	4,417
Fishing Bridge	353,787	20,486	36,140	924
West Thumb	144,496	10,420	25,675	669
Grant	264,085	15,692	44,725	1,133
Norris	176,927	10,555	18,439	476
Madison	86,597	4,741	22,020	525
Airport	168,832	7,927	24,680	397
Total park stores	4,994,790	270,147	815,275	18,478
Quake Lake	89,708	5,147	11,630	295
Total park and forest stores	$5,084,498	275,294	$826,905	18,773

* Gross sales figures do not include discounts or other sales related revenues as shown on the Statement of Changes in Net Assets.

Educational Programming

Serving in our role as the official education partner of Yellowstone National Park, the Organization operates the Yellowstone Forever Institute which provides visitors with in-depth educational programs including field seminars, youth, college and teacher programs, private tours, and *Lodging and Learning* packages offered in cooperation with the park's hotel concession company. Many of these programs are based at the Kendeda Overlook Field Campus in Gardiner, which is available year-round, and YNP's Lamar Buffalo Ranch in the Lamar Valley, which is used by the Organization during the summer and winter months. These locations offer Yellowstone Forever Institute participants an unparalleled opportunity to experience Yellowstone. To make these opportunities available, the Organization has invested over $2.25 million in facilities at the Kendeda Overlook Field Campus and over $1.85 million in capital improvements at the Lamar Buffalo Ranch.

For FY2017, the cost of operating the Yellowstone Forever Institute was $1,995,627. These costs were funded through tuition, fees, donations, and endowment proceeds of $1,880,595. Additionally, the Yellowstone Forever Institute provided staff free spots totaling $43,253 as part of the Organization's total rewards benefit package for employees, $25,372 in free courses for NPS staff, and $14,238 in supporter discounts.

The Yellowstone Forever Institute had a record year with 6,078 participants over 16,177 participant days and 183,204 contact hours. The summary of participation by course area is as follows:

Program Area	Revenue	Participants	Contact Hours	Participant Days
Field seminars	$ 476,812	1,085	30,744	3,416
Lodging and learning	707,504	1,685	105,470	7,026
Private tours	200,150	1,208	11,880	1,485
Youth, college, and teachers	374,094	823	22,880	2,542
Group tours	122,035	1,277	12,230	1,708
Total	$1,880,595	6,078	183,204	16,177

Total Revenues for the Yellowstone Forever Institute were as follows:

Program Area	Revenue	% of Revenue
Tuition and fees	$1,446,592	76.92 %
Cabin fees	187,232	9.96
Cancellations	26,524	1.41
Other income	2,110	0.11
Endowment distributions	5,410	0.29
Donated funds	212,727	11.31
Total	$1,880,595	100.00 %

Volunteer Programming

It would be difficult for the Organization to execute its mission without the assistance of a strong volunteer corps. Volunteers provide support at the Lamar Buffalo Ranch, the Kendeda Overlook Campus, and Information Desks at Park Stores, and serve as Park Hosts at park hotels in cooperation with the park's hotel concession company. For the year ended February 28, 2017, the cost of operating the volunteer program was $192,468. The following is a summary of the volunteer impact on the Organization.

Category	Hours	Days	Number of Volunteers
Visitor and supporter engagement	10,090	1,292	33
Yellowstone Forever Institute volunteers	12,733	1,444	45
Yellowstone Forever operational support	1,106	175	48
Employee and volunteer engagement	1,126	141	1
Total park stores	25,055	3,052	127

Supporter Education

The Organization provides supporters with a variety of educational publications, programs and benefits to strengthen their connection to the park and the Organization's mission. Publications include the *Yellowstone Quarterly* for all supporters, the *Insider* for supporters of the Yellowstone Society, and the Organization Institute Catalogs. Programs include multi-day events for supporters of the Yellowstone Society. The total cost of supporter education and stewardship activities in FY 2017 was $1,075,401.

Visitor and Community Engagement

The Organization has launched an effort engage visitors and gateway communities to make the Yellowstone Forever brand known in the greater Yellowstone area. This engagement includes initiatives such as donating books to create the Yellowstone shelf in the Montana room of the Bozeman Public Library, providing scholarships to students in gateway communities, reaching out to school children in gateway communities with educational programming. Within the park, the Organization operates the Historic Haynes Photoshop in an effort to improve the visitor experience by providing information about activities and programs throughout the park as well as engage visitors about the role of the Organization in the park. For the year ended February 28, 2017, the total cost of visitor and community engagement programs was $204,420.

Allocated Time and Overhead

The Organization allocated administrative and philanthropic overheard to programs that it supports and funds. These allocations were done in accordance with Footnote 1 to the financial statements. For the year ended February 28, 2017, the total allocation of time and overhead to supporting park programs was $2,175,939.

The allocations for the year ended February 28, 2017 are as follows:

Finance, administration and grant management	$ 776,467
Human resource management of grant employees	24,367
Park project marketing support	40,737
Facilities and vehicles support for park projects	24,745
Technology support for park projects	4,494
Philanthropy costs of raising restricted funds	1,305,129
Total	$ 2,175,939

Philanthropic Information

Program and Fundraising Efficiency

Yellowstone Forever is dedicated to being the most efficient non-profit possible. The Organization has set goals of a 90% efficiency rating in its programmatic to total expenses ratio. Additionally, Director's Order 21 requires that Friend's Groups maintain an 80% programmatic efficiency. While we realize that the Organization's goal is 90%, management of the Organization is committed to making the necessary investments to achieve the strategic goals laid out in the Yellowstone Forever 2017-2022 Strategic Plan and to achieve the priorities that have been identified by management of Yellowstone National Park. For the year ended February 28, 2017, the Organization's programmatic efficiency was 88%.

The Organization is also focused on its fundraising efficiency. Fundraising efficiency is measured as cost to raise each dollar that comes into the organization. For the year ended February 28, 2017, the Organization spent $.15 for each dollar raised.

Composition of Dollars Raised

Philanthropy is one of the co-equal missions of the Organization. The Organization raises funds for park priorities. Those priorities are include Yellowstone National Park projects and programs, Yellowstone Forever operations, and Yellowstone Forever directed and managed programs, such as the Yellowstone Forever Institute.

For the year ended February 28, 2017, the composition of unrestricted gifts received was as follows:

UNRESTRICTED CONTRIBUTIONS AND GIFTS	
Cash Gifts	
Individual Gifts (Annual Fund and Major Gifts)	$ 2,967,494
Guardians	139,918
Park Store Gifts	826,905
Gateway Business Gifts	24,088
Corporate Gifts	395,024
Foundation Gifts	334,464
Board & Council Gifts	100,058
Martching Gifts	13,450
Government Grants	9,421
TOTAL CASH GIFTS	4,810,822
In-Kind Gifts	
Individuals	1,903
Gateway Business Gifts	21,900
Corporate	429,471
Foundations	14,987
Vendors	20,071
TOTAL IN-KIND GIFTS	488,332
Other Cash Donations	
State of Montana License Plates	42,260
Combined Federal Campaign	8,775
Credit Card Rewards Programs	23,903
Trail Leaflet Donations	168,453
Xanterra Dollar Per Night	107,432
Park and Forest Store Retail Round Up	42,352
Haynes Photoshop Donations	36,423
Society Event Registration Fees	182,074
Society Event Fundraising	42,180
TOTAL OTHER CASH DONATIONS	653,852
TOTAL UNRESTRICTED DONATIONS	$ 5,953,006

For the year ended February 28, 2017, the composition of temporarily restricted gifts was as follows:

TEMPORARILY RESTRICTED CONTRIBUTIONS AND GIFTS		
Cash Gifts		
Individual Gifts	$	1,976,455
Guardians		11,366
Park Store Gifts		6,779
Gateway Business Gifts		35,673
Corporate Gifts		1,338,118
Foundation Gifts		889,511
Board & Council Gifts		172,310
TOTAL CASH GIFTS		4,430,212
In-Kind Gifts		
Individuals		7,868
Corporate		226,000
Board and Council		2,600
Vendors		2,800
TOTAL IN-KIND GIFTS		239,268
Other Cash Donations		
Federal Violations		4,075
Actuarial Adjustments to PV of Pledges		23,214
TOTAL OTHER CASH DONATIONS		27,289
TOTAL TEMPORARILY RESTRICTED CONTRIBUTIONS AND GIFTS	$	4,696,769

Contacting Yellowstone Forever Financial Management

This financial report is designed to provide Yellowstone Forever board members, constituents, and partners a clearer picture of the Organization's financial statements. If you have any questions about this report or would like additional information, please contact the Vice President of Finance at 406-586-6303 or email rkeaton@yellowstone.org.

Heather White
President & CEO