



FINANCIAL REPORT

February 28, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Yellowstone Forever
Bozeman, Montana

Opinion

We have audited the accompanying financial statements of Yellowstone Forever (a nonprofit organization), which comprise the statements of financial position as of February 28, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Yellowstone Forever's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audits. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Yellowstone Forever's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Yellowstone Forever's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Anderson Zurmuehlen & Co, P.C.

Bozeman, Montana
June 29, 2022

FINANCIAL STATEMENTS

YELLOWSTONE FOREVER
STATEMENTS OF FINANCIAL POSITION
February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,010,963	\$ 5,419,886
Accounts receivable	174,389	54,220
Pledges receivable, net	1,584,140	1,378,520
Inventory	490,752	1,248,785
Prepaid expenses	<u>182,973</u>	<u>217,438</u>
Total current assets	<u>19,443,217</u>	<u>8,318,849</u>
NON-CURRENT ASSETS		
Investments	3,037,650	1,771,603
Property and equipment, net	7,691,882	8,231,345
Pledges receivable, net of current portion	<u>1,525,935</u>	<u>1,541,069</u>
Total non-current assets	<u>12,255,467</u>	<u>11,544,017</u>
Total assets	<u>\$ 31,698,684</u>	<u>\$ 19,862,866</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,106,718	\$ 511,930
Deferred revenue	261,616	75,363
Grants payable	267,327	8,517
Line of credit	-	1,900,000
Paycheck Protection Program loans	<u>-</u>	<u>2,351,002</u>
Total current liabilities	<u>1,635,661</u>	<u>4,846,812</u>
NET ASSETS		
Without donor restrictions	14,593,854	6,450,418
With donor restrictions	<u>15,469,169</u>	<u>8,565,636</u>
Total net assets	<u>30,063,023</u>	<u>15,016,054</u>
Total liabilities and net assets	<u>\$ 31,698,684</u>	<u>\$ 19,862,866</u>

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

YELLOWSTONE FOREVER
STATEMENT OF ACTIVITIES
Year Ended February 28, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Educational product sales, net of discounts	\$ 4,063,863	\$ -	\$ 4,063,863
Less - cost of goods sold	<u>(1,980,121)</u>	<u>-</u>	<u>(1,980,121)</u>
Educational product sales, net	2,083,742	-	2,083,742
Contributions and gifts	10,299,190	9,718,451	20,017,641
Educational tuition and fees	1,289,942	-	1,289,942
Investment earnings, net	1,330	2,572	3,902
Forgiveness of Paycheck Protection Program loans	2,351,002	-	2,351,002
Other revenues	<u>86,577</u>	<u>-</u>	<u>86,577</u>
Total revenues before releases	16,111,783	9,721,023	25,832,806
Net assets released from restrictions	<u>2,817,490</u>	<u>(2,817,490)</u>	<u>-</u>
Total revenues and support	<u>18,929,273</u>	<u>6,903,533</u>	<u>25,832,806</u>
EXPENSES			
Program Services:			
National Park Service grants	2,763,051	-	2,763,051
Educational product sales	1,696,083	-	1,696,083
Institute	<u>1,225,054</u>	<u>-</u>	<u>1,225,054</u>
Total program services	<u>5,684,188</u>	<u>-</u>	<u>5,684,188</u>
Supporting Services:			
Philanthropy	2,857,181	-	2,857,181
Administration	<u>2,244,468</u>	<u>-</u>	<u>2,244,468</u>
Total supporting services	<u>5,101,649</u>	<u>-</u>	<u>5,101,649</u>
Total expenses	<u>10,785,837</u>	<u>-</u>	<u>10,785,837</u>
Change in net assets	8,143,436	6,903,533	15,046,969
Net assets, beginning of year	<u>6,450,418</u>	<u>8,565,636</u>	<u>15,016,054</u>
Net assets, end of year	<u>\$ 14,593,854</u>	<u>\$ 15,469,169</u>	<u>\$ 30,063,023</u>

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

YELLOWSTONE FOREVER
STATEMENT OF ACTIVITIES
Year Ended February 28, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
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	6,227,484	3,686,717	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	7,739,166	3,782,067	11,521,233
Net assets released from restrictions	<u>1,269,430</u>	<u>(1,269,430)</u>	<u>-</u>
Total revenues and support	<u>9,008,596</u>	<u>2,512,637</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	765,847	2,512,637	3,278,484
Net assets, beginning of year as previously stated	5,947,345	5,790,225	11,737,570
Reclassification of net assets	<u>(262,774)</u>	<u>262,774</u>	<u>-</u>
Net assets, end of year	<u>\$ 6,450,418</u>	<u>\$ 8,565,636</u>	<u>\$ 15,016,054</u>

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

YELLOWSTONE FOREVER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended February 28, 2022

	Program Services			Supporting Services		Total Expenses
	National Park Service Support Grants	Educational Product Sales	Institute	Philanthropy	Administration	
Advertising and promotion	\$ -	\$ 84,479	\$ 84,595	\$ 257,122	\$ 675,678	\$ 1,101,874
Bank and merchant fees	-	115,098	22,777	57,777	7,322	202,974
Board meetings and recognition	-	-	-	-	21,870	21,870
Depreciation	27	183,065	172,588	61,886	171,393	588,959
Direct mail, donor engagement, and stewardship	-	-	-	1,334,956	-	1,334,956
Educational programs	-	-	70,714	-	-	70,714
Events	-	-	-	77,303	-	77,303
Fleet and facility expenses	15	144,008	114,143	2,034	61,976	322,176
Grants	2,386,840	8,810	-	-	-	2,395,650
Human resources	2,870	15,532	16,070	454	14,768	49,694
Information technology	2,736	105,180	29,172	124,655	127,685	389,428
Interest	-	-	-	-	47,571	47,571
Office expenses	283	81,339	73,512	25,690	73,683	254,507
Professional fees	1,362	19,526	6,463	32,650	50,978	110,979
Retail and merchandising	-	24,309	-	-	-	24,309
Travel	5	6,791	723	27,170	7,195	41,884
Wages and benefits	368,913	907,946	634,297	855,484	984,349	3,750,989
Total expenses	<u>\$ 2,763,051</u>	<u>\$ 1,696,083</u>	<u>\$ 1,225,054</u>	<u>\$ 2,857,181</u>	<u>\$ 2,244,468</u>	<u>\$ 10,785,837</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 Support Grants	Educational Product Sales	Institute	Philanthropy	Administration	
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	963,310	825,366	269,775	791,646	499,272	3,349,369
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
STATEMENTS OF CASH FLOWS
For the Years Ended February 28, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,046,969	\$ 3,278,484
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	588,959	798,003
Loss/(gain) on disposal of property and equipment	54	(422,819)
Forgiveness of Paycheck Protection Program loans	(2,351,002)	-
Construction in progress written off	-	28,385
Net realized and unrealized loss/(gain) on investments	66,771	(171,400)
Reinvested investment earnings, net of fees	(70,036)	(60,395)
Present value adjustment of discount on pledges	(96,066)	5,068
Contributions with perpetual donor restrictions	(262,782)	(97,477)
Changes in operating assets and liabilities:		
Accounts receivable	(120,169)	83,557
Pledges receivable, net	(94,420)	1,190,894
Inventory	758,033	(265,705)
Prepaid expenses	34,465	(4,436)
Accounts payable and accrued liabilities	594,788	(838,220)
Deferred revenue	186,253	(406,048)
Grants payable	<u>258,810</u>	<u>3,389</u>
Net cash flows from operating activities	<u>14,540,627</u>	<u>3,121,280</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(49,550)	-
Proceeds from sale of property and equipment	-	856,696
Proceeds from sale of investments	-	600,000
Payments for purchase of investments	<u>(1,262,782)</u>	<u>(369,222)</u>
Net cash flows from investing activities	<u>(1,312,332)</u>	<u>1,087,474</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from external borrowings	-	900,000
Proceeds from Paycheck Protection Program loans	-	2,351,002
Payments on external borrowings	(1,900,000)	(2,250,000)
Contributions with perpetual donor restrictions	<u>262,782</u>	<u>97,477</u>
Net cash flows from financing activities	<u>(1,637,218)</u>	<u>1,098,479</u>
Net change in cash and cash equivalents	11,591,077	5,307,233
Cash and cash equivalents, beginning of year	<u>5,419,886</u>	<u>112,653</u>
Cash and cash equivalents, end of year	<u>\$ 17,010,963</u>	<u>\$ 5,419,886</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expense	<u>\$ 47,571</u>	<u>\$ 151,052</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Forgiveness of Paycheck Protection Program loans	<u>\$ 2,351,002</u>	<u>\$ -</u>

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

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS
February 28, 2022 and 2021

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

Nature of Operation

Yellowstone Forever (the Organization) is the official nonprofit partner of Yellowstone National Park (the Park). As the official nonprofit 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 the Park's natural ecosystem. Each year the Park is able to restock its cavity of stock animals thanks to funding from the Organization. The animals purchased through this project allow backcountry rangers to fulfill their duties. These rangers patrol trails and cross-country routes in the wilderness to check on resource impacts such as illegal fire rings, visitor permits, or trail status. They respond to injured and sick hikers. The Organization 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 U.S. 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, 2022 and 2021

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. Accounts receivable as of February 28, 2022, February 28, 2021, and February 29, 2020, amounted to:

	<u>2022</u>		<u>2021</u>		<u>2020</u>
\$	174,389	\$	54,220	\$	137,777

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, 2022 and 2021, investment fees were \$10,496 and \$22,071, respectively.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

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 1.12% to 3.31% for the years ended February 28, 2022 and 2021.

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. Pledges receivable is presented net of the allowance for doubtful accounts of \$15,843 and \$0-, as of February 28, 2022 and 2021, respectively. The allowance for doubtful accounts is evaluated for adequacy on an ongoing basis.

Inventory

Inventory is stated at the lower of cost or net realizable value using the first-in-first-out method of valuation. Inventory 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, 2022 and 2021, inventory amounting to \$89,435 and \$4,369 was 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 among the programs and supporting services benefited using an appropriate basis consistently applied. These expenses include executive management, finance, marketing, technology, fleet and facilities. Depreciation is 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, 2022 and 2021

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
Furniture, vehicles, and equipment	5 to 10 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, 2022 and 2021

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, 2022 and 2021

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. For the year ended February 28, 2021, employees were able to accumulate unused paid time off (PTO) up to forty hours over the employee's annual accrual based upon service years. Effective November 2021, if an employee's earned, but unused PTO reached this maximum as of any date (not just at fiscal year-end) the employee ceased to accrue additional PTO benefits until the employee used a sufficient number of PTO hours to fall below the maximum amount.

As of February 28, 2022 and 2021, accrued compensated absences amounted to \$174,262 and \$125,525, respectively. These amounts are included in the accompanying statements of financial position with accrued liabilities.

Reclassification of Net Assets

In fiscal year 2022, the Organization corrected its financial statements for errors related to the incorrect classification of multi-year unconditional promises to give as net assets without donor restrictions. The reclassification did not affect previously reported total net assets or the total change in net assets.

The effect of the reclassification on the statement of financial position as of February 28, 2021, are as follows:

	<u>As Previously Reported</u>	<u>Correction</u>	<u>As Restated</u>
NET ASSETS			
Without donor restrictions	\$ 7,702,565	\$(1,252,147)	\$ 6,450,418
With donor restrictions	\$ 7,313,489	\$ 1,252,147	\$ 8,565,636

The effect of the reclassification on the statement of activities for the year ended February 28, 2021, are as follows:

	<u>As Previously Reported</u>	<u>Correction</u>	<u>As Restated</u>
REVENUES AND SUPPORT			
Contributions and gifts - without donor restrictions	\$ 7,388,550	\$(1,161,066)	\$ 6,227,484
Contributions and gifts - with donor restrictions	\$ 2,525,651	\$ 1,161,066	\$ 3,686,717
Net assets released from restrictions - without donor restrictions	\$ 1,097,737	\$ 171,693	\$ 1,269,430
Net assets released from restrictions - with donor restrictions	\$(1,097,737)	\$ (171,693)	\$(1,269,430)

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

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

Subsequent Events

Management has evaluated subsequent events through June 29, 2022, 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.

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, 2022 and 2021, the Organization's bank deposits exceeded the insured limits by \$16,952,800 and \$4,919,772, 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.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 3. INVESTMENTS (CONTINUED)

There have been no changes in the methodologies used at February 28, 2022 and 2021, 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.

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, 2022 and 2021:

<u>Description (Level 1 Inputs)</u>	<u>2022</u>	<u>2021</u>
Money market funds	\$ 261,342	\$ 16,740
Fixed-income mutual funds	650,981	1,162,489
Equity mutual funds	<u>2,125,327</u>	<u>592,374</u>
Total investments	<u>\$ 3,037,650</u>	<u>\$ 1,771,603</u>

Investment earnings consist of the following for the years ended February 28, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Net realized and unrealized (loss)/gain	\$ (66,771)	\$ 171,400
Interest and dividends	81,169	30,956
Investment management fees	<u>(10,496)</u>	<u>(22,071)</u>
Total investment earnings, net	<u>\$ 3,902</u>	<u>\$ 180,285</u>

As of February 28, 2022 and 2021, investment deposits exceeded insured limits by \$2,742,410 and \$1,755,416, respectively.

YELLOWSTONE FOREVER
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 February 28, 2022 and 2021

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.

The following reflects the Organization's financial assets as of February 28, 2022 and 2021, net of amounts not available for general use within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 17,010,963	\$ 5,419,886
Accounts receivable	174,389	54,220
Pledges receivable, net of discount and allowance	3,110,075	2,919,589
Investments	<u>3,037,650</u>	<u>1,771,603</u>
Total financial assets	<u>23,333,077</u>	<u>10,165,298</u>
Less amounts not available to use within one year:		
Investments	(3,037,650)	(1,771,603)
Pledges receivable to be collected after one year, net of discount	<u>(1,525,935)</u>	<u>(1,541,069)</u>
Total financial assets not available to be used within one year	<u>(4,563,585)</u>	<u>(3,312,672)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 18,769,492</u>	<u>\$ 6,852,626</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.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 5. PLEDGES RECEIVABLE

Pledges receivable, net of present value discounts, at February 28, 2022, are scheduled to be received in subsequent fiscal years as follows:

For the fiscal years ending February 28,

2023	\$ 1,599,983
2024	924,450
2025	568,700
2026	78,450
2027	<u>9,200</u>
Total gross pledges receivable	3,180,783
Allowance for doubtful accounts	(15,843)
Unamortized present value discount	<u>(54,865)</u>
Pledges receivable, net	<u>\$ 3,110,075</u>

The following table represents a reconciliation of the beginning and ending balances on pledges receivable for the years ended February 28, 2022 and 2021:

Pledges receivable, net, March 1, 2021	\$ 2,919,589
New unconditional pledges	1,133,000
Amounts received from pledges	(1,022,737)
Change in unamortized discount	96,066
Increase in allowance for uncollectible pledges	<u>(15,843)</u>
Pledges receivable, net, February 28, 2022	3,110,075
Current portion, net of allowance	<u>1,584,140</u>
Long-term portion, net of discount	<u>\$ 1,525,935</u>
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>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of February 28, 2022 and 2021:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
2022:			
Land	\$ 2,284,844	\$ -	\$ 2,284,844
Land improvements	193,452	(69,143)	124,309
Buildings and improvements	8,153,320	(3,557,462)	4,595,858
Leasehold improvements	1,524,813	(1,106,945)	417,868
Furniture, vehicles, and equipment	1,881,645	(1,637,512)	244,133
Projects in development	24,870	-	24,870
Total	<u>\$ 14,062,944</u>	<u>\$ (6,371,062)</u>	<u>\$ 7,691,882</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	2,201,152	(1,770,942)	430,210
Total	<u>\$ 14,391,572</u>	<u>\$ (6,160,227)</u>	<u>\$ 8,231,345</u>

Depreciation expense amounted to \$588,959 and \$798,003 for the years ended February 28, 2022 and 2021, respectively.

NOTE 7. OPERATING LEASES

The Organization leases 3,985 square feet of office space from an unrelated party. 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.

The Organization entered into a lease effective February 1, 2022, to lease 6,627 square feet of office space from an unrelated party for a period of three years. The lease requires monthly payments plus triple net fees escalating annually as follows:

<u>Lease Term</u>	<u>Monthly Base Rent</u>
February 1, 2022 - January 31, 2023	\$ 8,836
February 1, 2023 - January 31, 2024	\$ 10,493
February 1, 2024 - January 31, 2025	\$ 12,150

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 7. OPERATING LEASES (CONTINUED)

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 terminated 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, 2022 and 2021 totaled \$119,322 and \$94,601, respectively.

As of February 28, 2022, the future minimum annual lease payments under the terms of all non-cancelable lease agreements with initial lease terms greater than one year are as follows:

<u>For the years ending February 28,</u>	
2023	\$ 122,206
2024	114,679
2025	100,180
2026	2,984
2027	<u>1,492</u>
Total	<u>\$ 341,541</u>

Effective August 2, 2021, the Organization entered into an agreement to sublease 558 square feet of office space to an unrelated party. The term of the lease was month-to-month for a period of six months and required monthly payments of \$1,372.

Effective September 1, 2021, the Organization entered into an agreement to sublease two office spaces to an unrelated party. The term of the lease was month-to-month for a period of five months and required monthly payments of \$443 for each office space used. Effective February 1, 2022, the Organization entered into an agreement to sublease one office space to the same unrelated party. The term of the lease is month-to-month for a period of 11 months and requires monthly payments of \$443.

Total rent revenue received on the subleases for the years ended February 28, 2022 and 2021 totaled \$13,148 and \$-0-, respectively.

Additionally, the Organization received rent revenue through various, insignificant leases of condos, apartments and non-educational rentals. Total rent revenue received through these leases for the years ended February 28, 2022 and 2021 totaled \$57,965 and \$29,719, respectively.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following as of February 28, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 797,476	\$ 279,201
Accrued payroll	115,592	88,224
Accrued vacation liability	174,262	125,525
Accrued sales and use taxes	15,215	12,285
Miscellaneous	4,173	6,695
Total	<u>\$ 1,106,718</u>	<u>\$ 511,930</u>

NOTE 9. LINE OF CREDIT

The Organization has established a line of credit with the following terms and balances as of February 28, 2022 and 2021:

	<u>2022</u>	<u>2021</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
Line of credit up to \$4,000,000 with First Security Bank, maturing December 19, 2024 at an interest rate of prime plus 1.00%. The interest rate at February 28, 2022 was 4.25%. The line of credit is secured by all inventory, chattel paper, accounts, equipment, general intangibles, and real property located in Gardiner, MT. The line of credit is subject to certain restrictive covenants, including both financial and non-financial requirements. The Organization was in compliance with all restrictive covenants as of February 28, 2022.	-	-
Total	<u>\$ -</u>	<u>\$ 1,900,000</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 10. FORGIVENESS OF PAYCHECK PROTECTION PROGRAM LOANS

On April 15, 2020, the Organization received loan proceeds in the amount of \$1,500,500 under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration. The PPP loan and accrued interest would be forgiven after the covered period, up to twenty-four weeks, if the borrower used the PPP loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the covered period, up to twenty-four weeks. Any amounts not forgiven under the PPP loan are payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months.

On June 24, 2021, notification of forgiveness was received from the lender. As a result, the Organization has accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution and recognized \$1,500,500 as forgiveness of Paycheck Protection Program loans in the accompanying statements of activities for the year ended February 28, 2022. As of February 28, 2022 and 2021, the outstanding balance of this obligation amounted to \$-0- and \$1,500,500, respectively.

On February 9, 2021, the Organization received loan proceeds in the amount of \$850,502 under the second draw of the PPP. The PPP loan and accrued interest would be forgiven after the covered period, up to twenty-four weeks, if the borrower used the PPP loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the covered period, up to twenty-four weeks. Any amounts not forgiven under the PPP loan are payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months.

On August 12, 2021, notification of forgiveness was received from the lender. As a result, the Organization has accounted for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution and recognized \$850,502 as forgiveness of Paycheck Protection Program loans in the accompanying statements of activities for the year ended February 28, 2022. As of February 28, 2022 and 2021, the outstanding balance of this obligation amounted to \$-0- and \$850,502, respectively.

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.

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 11. ENDOWMENT (CONTINUED)

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.

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, 2022 and 2021, is as follows:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total Endowment
<u>2022</u>			
Board-designated endowment fund	\$ 43,945	\$ -	\$ 43,945
Donor-restricted endowment fund	-	1,999,579	1,999,579
	<u>\$ 43,945</u>	<u>\$ 1,999,579</u>	<u>\$ 2,043,524</u>
<u>2021</u>			
Board-designated endowment fund	\$ 43,945	\$ -	\$ 43,945
Donor-restricted endowment fund	-	1,727,658	1,727,658
	<u>\$ 43,945</u>	<u>\$ 1,727,658</u>	<u>\$ 1,771,603</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 11. ENDOWMENT (CONTINUED)

The following describes the changes in endowment net assets for the years ended February 28, 2022 and 2021:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total Endowment
March 1, 2021	\$ 43,945	\$ 1,727,658	\$ 1,771,603
Donor-restricted contributions	-	262,782	262,782
Investment earnings, net	-	29,449	29,449
Released from restriction	-	(20,310)	(20,310)
February 28, 2022	<u>\$ 43,945</u>	<u>\$ 1,999,579</u>	<u>\$ 2,043,524</u>
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>(1,305,755)</u>
February 28, 2021	<u>\$ 43,945</u>	<u>\$ 1,727,658</u>	<u>\$ 1,771,603</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, 2022 and 2021.

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, 2022 and 2021

NOTE 12. NET ASSETS

Net Assets without Donor Restrictions

Net assets without donor restrictions as of February 28, 2022 and 2021, consist of both designated and undesignated balances, as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 13,235,909	\$ 6,406,473
Designated for capital projects	1,314,000	-
Board designated quasi-endowment	<u>43,945</u>	<u>43,945</u>
Total	<u>\$ 14,593,854</u>	<u>\$ 6,450,418</u>

For the year ended February 28, 2022, the activity in net assets with donor restrictions was as follows:

	<u>March 1, 2021</u>	<u>Support with Donor Restrictions</u>	<u>Releases from Restrictions</u>	<u>February 28, 2022</u>
Purpose Restricted:				
Protect Yellowstone's Ecosystem and Wildlife:				
Yellowstone wolf project	\$ 512,903	\$ 753,841	\$ (375,480)	\$ 891,264
Native fish conservation	178,676	1,737,756	(1,067,835)	848,597
Bison	110,695	435,050	(97,801)	447,944
Cougars	31,827	236,030	(72,862)	194,995
Bears	487,858	811,654	(371,146)	928,366
Birds	68,033	166,594	(103,900)	130,727
Other wildlife	67,745	94,420	(58,891)	103,274
Preserve Yellowstone's Heritage, History and Trails:				
Canyon trails and overlooks	3,688,180	805,955	-	4,494,135
Trails and boardwalks	19,214	1,128,249	-	1,147,463
History and cultural treasures	905	291,720	(10,160)	282,465
Park ranger projects and programs	21,626	226,785	(105,528)	142,883
Sustainability	161	450,055	(119,363)	330,853
Other	3,595	15,920	(497)	19,018
Enhance Visitor Experiences and Education:				
Youth education and initiatives	178,875	53,829	(79,297)	153,407
Visitor and wildlife safety programs	-	72,000	-	72,000
Exhibits, signage and collections	31,863	-	(31,863)	-
Resource funds	45,223	30,010	(26,396)	48,837
Other	38,964	29,144	(38,732)	29,376
Yellowstone Forever Education Projects	49,575	1,251,142	-	1,300,717
Yellowstone Forever Other Projects	49,569	266,215	(23,907)	291,877
Endowment Funds:				
Education	88,836	9,788	-	98,624
Landis	10,314	477	-	10,791
Educator workshop	77,531	6,983	-	84,514
Gateway community youth	17,370	3,178	-	20,548
Educator workshop financial aid	1,025	161	-	1,186
Kresja family	<u>18,611</u>	<u>8,518</u>	<u>(20,310)</u>	<u>6,819</u>
Total purpose restricted	<u>5,799,174</u>	<u>8,885,474</u>	<u>(2,603,968)</u>	<u>12,080,680</u>
Time Restricted:				
Unrestricted pledges receivable, net of discount	<u>1,252,147</u>	<u>572,767</u>	<u>(213,522)</u>	<u>1,611,392</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 12. NET ASSETS (CONTINUED)

	March 1, 2021	Support with Donor Restrictions	Releases from Restriction	February 28, 2022
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	301,124	262,782	-	563,906
Total perpetual in nature	<u>1,514,315</u>	<u>262,782</u>	<u>-</u>	<u>1,777,097</u>
Total	<u>\$ 8,565,636</u>	<u>\$ 9,721,023</u>	<u>\$ (2,817,490)</u>	<u>\$ 15,469,169</u>

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

	March 1, 2020	Support with Donor Restrictions	Releases from Restriction	February 28, 2021
Purpose Restricted:				
Protect Yellowstone's Ecosystem and Wildlife:				
Yellowstone wolf project	\$ 516,964	\$ 356,888	\$ (360,949)	\$ 512,903
Native fish conservation	22,806	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
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	5,611	13,000	-	18,611
Total purpose restricted	<u>4,373,387</u>	<u>2,523,524</u>	<u>(1,097,737)</u>	<u>5,799,174</u>
Time Restricted:				
Unrestricted pledges receivable, net of discount	<u>262,774</u>	<u>1,161,066</u>	<u>(171,693)</u>	<u>1,252,147</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 12. NET ASSETS (CONTINUED)

Perpetual in Nature:	March 1, 2020	Support with Donor Restrictions	Releases from Restriction	February 28, 2021
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>\$ 6,052,999</u>	<u>\$ 3,782,067</u>	<u>\$ (1,269,430)</u>	<u>\$ 8,565,636</u>

NOTE 13. PENSION PLAN

The Organization sponsors a 401(k) defined contribution pension plan. 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, 2022 and 2021 were \$119,478 and \$122,942, 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, 2022 and 2021

NOTE 14. EMPLOYEE MEDICAL BENEFIT PLANS (CONTINUED)

Total employee contributions and employer costs for the years ended February 28, 2022 and 2021 were:

	<u>2022</u>	<u>2021</u>
Employee contributions	\$ (62,394)	\$ (49,649)
Healthcare premiums	322,458	309,899
Dental, vision and other insurance premiums	36,950	40,862
FSA administration	600	610
Total	<u>\$ 297,614</u>	<u>\$ 301,722</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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Retail products	\$ 600	\$ 5,832
Institute programmatic gifts	-	4,891
Marketing and promotion	524,910	1,549
Google Web Optimization services	556,450	467,318
Donated equipment granted to the National Park Service	33,299	66,447
Administrative support	<u>7,552</u>	<u>18,861</u>
Total	<u>\$ 1,122,811</u>	<u>\$ 564,898</u>

YELLOWSTONE FOREVER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
February 28, 2022 and 2021

NOTE 17. RELATED PARTIES

Board members and their employers made contributions totaling \$1,565,508 and \$2,709,765 for the years ended February 28, 2022 and 2021, respectively, which are included within contributions and gifts with and without donor restrictions. Pledges receivable from board members and their employers were \$1,399,529 and \$1,850,866 at February 28, 2022 and 2021, 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, 2022, 45% of the Organization's pledges receivable were from three donors. As of February 28, 2021, 56% of the Organization's pledges receivable were from two donors.

NOTE 19. SUBSEQUENT EVENTS AND ECONOMIC UNCERTAINTIES

On May 20, 2022, the Organization closed on the purchase of a home in Gardiner, Montana for employee housing in the amount of \$700,521.

In June 2022, the Park endured catastrophic flooding that destroyed roads, bridges, and other park infrastructure. The damage caused closure of a large region of the Park to incoming visitors, and the Park is limiting the number of visitors to the open areas until the damage is repaired. As the majority of the Organization's revenue streams are generated from the tourism industry and contributions from donors, the Organization could be impacted for months or more, as the Park works to fix the damage and re-open. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

As a result of economic uncertainty and volatility in financial markets, various investment securities held by the Organization have incurred significant declines in fair value since February 28, 2022. The markets continue to evolve rapidly, and management is not able at this time to estimate the full impact on the Organization's financial statements.



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