

**COMBINED FINANCIAL STATEMENTS**



**NATIONAL PARKS CONSERVATION ASSOCIATION  
AND NATIONAL PARKS ACTION FUND**

**FOR THE YEARS ENDED  
JUNE 30, 2020 AND 2019**

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

**To the** Board of Trustees  
National Parks Conservation Association and National Parks Action Fund  
Washington, D.C.

We have audited the accompanying combined financial statements of the National Parks Conservation Association and the National Parks Action Fund, collectively the Organizations, which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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## Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of June 30, 2020 and 2019, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Schedules of Financial Position and Activities and Changes in Net Assets on pages 33 - 36 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



October 22, 2020

## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 AND 2019

## ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,224,669	\$ 3,233,112
Short-term investments	11,556,763	8,364,719
Grants and contributions receivable, net of allowance for doubtful accounts of \$111,068 and \$137,104 in 2020 and 2019, respectively	4,461,251	3,275,306
Accounts receivable	33,679	73,167
Prepaid expenses and other	<u>392,308</u>	<u>438,861</u>
Total current assets	<u>20,668,670</u>	<u>15,385,165</u>
<b>FIXED ASSETS</b>		
Equipment	594,993	594,993
Furniture	673,096	673,096
Software	676,784	554,784
Leasehold improvements	<u>2,695,356</u>	<u>2,685,561</u>
	4,640,229	4,508,434
Less: Accumulated depreciation and amortization	<u>(3,404,576)</u>	<u>(3,020,744)</u>
Net fixed assets	<u>1,235,653</u>	<u>1,487,690</u>
<b>OTHER ASSETS</b>		
Deposits	31,302	26,926
Investments, net of current portion	37,854,453	39,244,683
Grants and contributions receivable, net of current portion and discount of \$507,127 and \$947,270 in 2020 and 2019, respectively	<u>6,090,557</u>	<u>9,364,004</u>
Total other assets	<u>43,976,312</u>	<u>48,635,613</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 65,880,635</u></b>	<b><u>\$ 65,508,468</u></b>

## LIABILITIES AND NET ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,163,335	\$ 2,203,586
Accrued salaries and related benefits	1,376,556	1,175,731
Charitable gift annuities, current portion	377,843	362,786
Deferred membership dues	650,823	723,488
Deferred rent, current portion	192,233	162,837
Other current liabilities	<u>6,220</u>	<u>187,366</u>
Total current liabilities	<u>4,767,010</u>	<u>4,815,794</u>
<b>LONG-TERM LIABILITIES</b>		
Charitable gift annuities, net of current portion	2,759,095	2,672,782
Deferred rent, net of current portion	1,709,773	1,901,793
Other long-term liabilities	<u>14,001</u>	<u>19,047</u>
Total long-term liabilities	<u>4,482,869</u>	<u>4,593,622</u>
Total liabilities	<u>9,249,879</u>	<u>9,409,416</u>
<b>NET ASSETS</b>		
Without donor restrictions	23,188,457	17,370,723
With donor restrictions	<u>33,442,299</u>	<u>38,728,329</u>
Total net assets	<u>56,630,756</u>	<u>56,099,052</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 65,880,635</u></b>	<b><u>\$ 65,508,468</u></b>

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 27,970,658	\$ 2,634,565	\$ 30,605,223
Grants	95,000	4,914,046	5,009,046
Membership dues	1,249,028	-	1,249,028
Bequests	3,507,174	260,537	3,767,711
Investment income (loss), net	163,423	(85,434)	77,989
Marketing income	853,602	1,207,183	2,060,785
Events	890,203	164,204	1,054,407
Change in value of charitable gift annuities	(200,736)	-	(200,736)
Other revenue	246,417	-	246,417
Net assets released from donor restrictions	<u>14,381,131</u>	<u>(14,381,131)</u>	<u>-</u>
Total revenue and support	<u>49,155,900</u>	<u>(5,286,030)</u>	<u>43,869,870</u>
<b>EXPENSES</b>			
Program Services:			
Protect and Restore	20,174,009	-	20,174,009
Engage, Educate and Empower	10,120,076	-	10,120,076
Strengthen and Enhance	<u>4,641,504</u>	<u>-</u>	<u>4,641,504</u>
Total program services	<u>34,935,589</u>	<u>-</u>	<u>34,935,589</u>
Supporting Services:			
Management and General	3,182,630	-	3,182,630
Fundraising	<u>5,219,947</u>	<u>-</u>	<u>5,219,947</u>
Total supporting services	<u>8,402,577</u>	<u>-</u>	<u>8,402,577</u>
Total expenses	<u>43,338,166</u>	<u>-</u>	<u>43,338,166</u>
Changes in net assets	5,817,734	(5,286,030)	531,704
Net assets at beginning of year	<u>17,370,723</u>	<u>38,728,329</u>	<u>56,099,052</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 23,188,457</u></b>	<b><u>\$ 33,442,299</u></b>	<b><u>\$ 56,630,756</u></b>

<b>2019</b>		
<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 22,779,940	\$ 12,168,105	\$ 34,948,045
210,000	6,483,413	6,693,413
1,239,228	-	1,239,228
3,366,352	123,499	3,489,851
976,019	924,945	1,900,964
726,497	943,938	1,670,435
565,401	451,953	1,017,354
(233,227)	-	(233,227)
215,039	15,149	230,188
<u>12,026,372</u>	<u>(12,026,372)</u>	<u>-</u>
<u>41,871,621</u>	<u>9,084,630</u>	<u>50,956,251</u>
17,928,176	-	17,928,176
10,062,841	-	10,062,841
<u>4,328,298</u>	<u>-</u>	<u>4,328,298</u>
<u>32,319,315</u>	<u>-</u>	<u>32,319,315</u>
2,550,410	-	2,550,410
<u>4,871,968</u>	<u>-</u>	<u>4,871,968</u>
<u>7,422,378</u>	<u>-</u>	<u>7,422,378</u>
<u>39,741,693</u>	<u>-</u>	<u>39,741,693</u>
2,129,928	9,084,630	11,214,558
<u>15,240,795</u>	<u>29,643,699</u>	<u>44,884,494</u>
<b><u>\$ 17,370,723</u></b>	<b><u>\$ 38,728,329</u></b>	<b><u>\$ 56,099,052</u></b>



## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services			Total Expenses
	Protect and Restore	Engage, Educate and Empower	Strengthen and Enhance	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 9,151,346	\$ 5,723,279	\$ 2,072,905	\$ 16,947,530	\$ 571,747	\$ 1,905,179	\$ 2,476,926	\$ 19,424,456
Professional and outside services	5,723,274	635,477	316,815	6,675,566	188,979	266,329	455,308	7,130,874
Grants and awards	291,691	109,034	93,408	494,133	60	9,427	9,487	503,620
Office supplies and expense	143,470	157,867	67,718	369,055	5,683	13,819	19,502	388,557
Telephone	118,010	71,199	24,722	213,931	6,862	14,804	21,666	235,597
Postage, shipping, lists and related costs	994,682	882,109	762,303	2,639,094	1,010,065	1,137,536	2,147,601	4,786,695
Equipment rental and maintenance	88,296	57,741	20,080	166,117	20,753	17,393	38,146	204,263
Printing	967,307	874,947	683,261	2,525,515	860,158	1,029,178	1,889,336	4,414,851
Publications, subscriptions and membership dues	71,389	24,444	18,239	114,072	1,079	2,651	3,730	117,802
Travel	639,602	287,950	114,500	1,042,052	5,081	45,948	51,029	1,093,081
Meetings and conferences	16,793	9,111	3,868	29,772	-	681	681	30,453
Events	252,809	233,017	54,894	540,720	626	315,491	316,117	856,837
Building occupancy expense	871,282	554,657	197,541	1,623,480	224,413	169,696	394,109	2,017,589
Depreciation and amortization	165,210	105,438	37,574	308,222	43,054	32,556	75,610	383,832
Other	678,848	393,806	173,676	1,246,330	244,070	259,259	503,329	1,749,659
<b>TOTAL</b>	<b>\$ 20,174,009</b>	<b>\$ 10,120,076</b>	<b>\$ 4,641,504</b>	<b>\$ 34,935,589</b>	<b>\$ 3,182,630</b>	<b>\$ 5,219,947</b>	<b>\$ 8,402,577</b>	<b>\$ 43,338,166</b>

See accompanying notes to combined financial statements.

## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services				Supporting Services			Total Expenses
	Protect and Restore	Engage, Educate and Empower	Strengthen and Enhance	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 8,319,229	\$ 5,308,912	\$ 1,902,816	\$ 15,530,957	\$ 518,365	\$ 1,804,896	\$ 2,323,261	\$ 17,854,218
Professional and outside services	4,379,685	813,617	346,396	5,539,698	185,595	371,125	556,720	6,096,418
Grants and awards	281,874	120,984	91,713	494,571	350	18,908	19,258	513,829
Office supplies and expense	161,911	209,376	96,294	467,581	5,576	8,215	13,791	481,372
Telephone	125,860	77,520	26,088	229,468	10,249	17,737	27,986	257,454
Postage, shipping, lists and related costs	824,463	754,691	632,037	2,211,191	773,042	998,570	1,771,612	3,982,803
Equipment rental and maintenance	59,967	37,632	13,359	110,958	13,248	12,021	25,269	136,227
Printing	815,939	864,236	561,457	2,241,632	590,849	845,509	1,436,358	3,677,990
Publications, subscriptions and membership dues	69,921	24,229	16,296	110,446	680	4,200	4,880	115,326
Travel	1,028,724	456,221	190,623	1,675,568	13,435	81,622	95,057	1,770,625
Meetings and conferences	26,232	11,896	4,982	43,110	138	1,509	1,647	44,757
Events	273,736	344,532	58,633	676,901	993	241,510	242,503	919,404
Building occupancy expense	872,086	586,823	204,002	1,662,911	240,472	181,839	422,311	2,085,222
Depreciation and amortization	106,500	71,906	25,007	203,413	29,753	22,498	52,251	255,664
Other	582,049	380,266	158,595	1,120,910	167,665	261,809	429,474	1,550,384
<b>TOTAL</b>	<b>\$ 17,928,176</b>	<b>\$ 10,062,841</b>	<b>\$ 4,328,298</b>	<b>\$ 32,319,315</b>	<b>\$ 2,550,410</b>	<b>\$ 4,871,968</b>	<b>\$ 7,422,378</b>	<b>\$ 39,741,693</b>

See accompanying notes to combined financial statements.

## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 531,704	\$ 11,214,558
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	383,832	255,664
Unrealized loss (gain) on investments	1,035,598	(414,268)
Realized gain on sale of investments	(89,045)	(510,705)
Change in value of charitable gift annuities	200,736	233,227
Receipt of donated securities	(566,772)	(611,595)
Proceeds from sale of donated securities	564,996	607,297
Realized loss on sale of donated securities	1,776	4,298
Change in allowance for doubtful accounts	(26,036)	99,280
Change in discount on grants and contributions receivable	(440,143)	762,398
Decrease (increase) in:		
Grants and contributions receivable	2,553,681	(9,928,288)
Accounts receivable	39,488	(12,055)
Prepaid expenses and other	46,553	(179,026)
Deposits	(4,376)	5,350
(Decrease) increase in:		
Accounts payable and accrued liabilities	(40,253)	493,598
Accrued salaries and related benefits	200,825	138,563
Deferred membership dues	(72,665)	124,266
Deferred rent	(162,624)	(115,521)
Other liabilities	(180,275)	(36,617)
Net cash provided by operating activities	<u>3,977,000</u>	<u>2,130,424</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(131,795)	(460,490)
Purchase of investments	(4,589,095)	(7,654,850)
Proceeds from sale of investments	<u>1,840,730</u>	<u>1,985,615</u>
Net cash used by investing activities	<u>(2,880,160)</u>	<u>(6,129,725)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments made on charitable gift annuities	(357,774)	(323,205)
Liability related to charitable gift annuities	258,408	299,381
Payments on capital lease	<u>(5,917)</u>	<u>(5,171)</u>
Net cash used by financing activities	<u>(105,283)</u>	<u>(28,995)</u>
Net increase (decrease) in cash and cash equivalents	991,557	(4,028,296)
Cash and cash equivalents at beginning of year	<u>3,233,112</u>	<u>7,261,408</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 4,224,669</u></b>	<b><u>\$ 3,233,112</u></b>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	\$ <u>1,173</u>	\$ <u>1,329</u>
Capital Lease Obligation Incurred for the Use of Equipment	\$ <u>-</u>	\$ <u>31,309</u>

# NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The National Parks Conservation Association (NPCA) was established in 1919 as a national nonprofit membership organization that focuses on defending, promoting and improving America's National Park System while educating the public about the parks. NPCA seeks to protect park visitors, natural and historic resources from the impacts of air pollution and climate change. NPCA also seeks to ensure the long-term health of park wildlife populations and habitat for the enjoyment of present and future generations. NPCA was incorporated in the District of Columbia.

NPCA established the National Parks Action Fund (the Action Fund) during fiscal year 2016. The Action Fund is a 501(c)(4) non-profit organization. The Action Fund's fundamental goal is to protect, restore and fund the National Park System by informing the public about threats facing our parks, educating members of Congress about proposals to help parks and influencing their positions to forward those proposals.

#### Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Organizations mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements of NPCA and the Action Fund (collectively, the Organizations), have been combined because they are under common control. All intercompany transactions have been eliminated in combination.

#### New accounting pronouncements adopted -

During 2020, the Organizations early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
**(Continued)**

New accounting pronouncements adopted (continued) -

Analysis of the various provisions of this standard resulted in no significant changes in the way the Organizations recognized revenue; however, the presentation and disclosures of revenue have been enhanced. The Organizations have elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2020, the Organizations adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. The Organizations adopted the ASU using a modified prospective basis.

Cash and cash equivalents -

The Organizations consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held by investment managers in the amounts of \$12,420,737 and \$8,970,067 as of June 30, 2020 and 2019, respectively, are reported as investments instead of cash because the Organizations hold those funds as an endowment.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Organizations maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, unrealized and realized gains and losses net of investment expenses are included in investment income (loss) in the Combined Statements of Activities and Changes in Net Assets.

Accounts, grants and contributions receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Grants and contributions receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and historical experience.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost, or if donated, are recorded at the fair market value at the date of donation.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Fixed assets (continued) -

Equipment, furniture and software are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Combined Statements of Activities and Changes in Net Assets, to its current fair value.

Agency transactions -

NPCA receives and holds funds to be distributed to other organizations. The funds received are recorded in cash and cash equivalents and a corresponding liability of \$180,000 is included in other current liabilities on the accompanying Combined Statements of Financial Position as of June 30, 2019. As of June 30, 2020 there were no agency transactions included on the Combined Statements of Financial Position.

Revenue -

Contributions and grants -

Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organizations perform an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements.

Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, the Organizations recognize revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred).

Grants classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and record revenue when the performance obligations are met. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant agreements.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Revenue (continued) -

Membership dues -

Membership dues includes general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period. Transaction price is based on cost. There are several benefits received that are individual distinct obligations such as a subscriptions to publications; however, they are immaterial in nature to the contract and thus are included with the general member benefits. Any amounts received in advance are included in deferred revenue in the Statement of Financial Position. General member benefits that are considered to be contributions are bifurcated to contribution revenue when received.

Bequests income -

Bequest income is recognized as revenue when received and follow the contribution rules as noted above.

Marketing income -

Marketing income includes advertising and corporate sponsorships which are recognized as revenue when the performance obligations are met. Advertising revenue is recognized when received. Corporate sponsorship revenue is recorded when contracts are ratified and may include sponsor imposed restrictions and benefits. Corporate sponsorship revenue is shown as revenue with donor restrictions in the accompanying combined financial statements until sponsor benefits have been realized and time restrictions satisfied. Transaction price is based on cost and/or sales price.

Event revenue -

Event revenue is recognized when performance obligations are met which is when the event takes place. Transaction price is based on cost and/or sales price. Any amount received in advance are recognized as deferred revenue in the accompanying combined Statement of Financial Position.

Income taxes -

NPCA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NPCA is not a private foundation.

NPCA earns unrelated business income on advertising, alternative investments and transportation fringe benefit expenses. NPCA's income tax expense related to its unrelated business income for the years ended June 30, 2020 and 2019 was \$0 and \$16,793, respectively. NPCA did not have income tax expense related to advertising for the years ended June 30, 2020 and 2019.

The Action Fund is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Action Fund is exempt from Federal taxes on income other than 1) unrelated business income; or 2) the lesser of political expenditures under Internal Revenue Code Section 537(f)(3) or net investment income. For the years ended June 30, 2020 and 2019, the Action Fund had no taxable unrelated business income.



**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Uncertain tax positions -

For the years ended June 30, 2020 and 2019, the Organizations have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organizations are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

The Organizations invest in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying combined financial statements.

Fair value measurement -

The Organizations adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organizations account for a significant portion of their financial instruments at fair value or consider fair value in their measurement.

Reclassification -

Certain amounts in the prior year's combined financial statements have been reclassified to conform to the current year's presentation.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

New accounting pronouncements not yet adopted -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Combined Statements of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment. The Organizations plan to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on the accompanying combined financial statements.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Organizations' operations. The overall potential impact is unknown at this time.

**2. INVESTMENTS**

Investments consisted of the following at June 30, 2020 and 2019:

	<u>Fair Value</u>	
	<u>2020</u>	<u>2019</u>
Cash and money market	\$ 12,420,737	\$ 8,970,067
Certificates of deposit	174,182	173,954
Equities:		
Emerging markets	849,921	2,133,622
International	5,314,340	7,040,288
Domestic	11,093,486	12,321,229
Global region	2,171,200	2,822,517
Fixed income:		
Corporate bonds	13,322,289	6,884,463
Government obligations	1,624,729	4,103,297
International mutual funds	301,276	364,291
Domestic mutual funds	949,977	433,237
Alternative investments:		
Real estate funds	536,618	1,583,641
Limited partnerships	<u>652,461</u>	<u>778,796</u>
	49,411,216	47,609,402
Less: Short-term investments	<u>(11,556,763)</u>	<u>(8,364,719)</u>
<b>TOTAL LONG-TERM INVESTMENTS</b>	<b><u>\$ 37,854,453</u></b>	<b><u>\$ 39,244,683</u></b>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

2. INVESTMENTS (Continued)

Short-term investments include operating funds and Board Project Funds (see Note 4) and long-term investments included endowment funds to be invested in perpetuity in the amount of \$14,781,557 (see noted 7).

Included in investments at June 30, 2020 and 2019 are investments related to certain charitable gift annuities (see Note 8) as follows:

	<u>2020</u>	<u>2019</u>
Cash and money market	\$ 363,899	\$ 361,308
Equities:		
International	370,624	784,847
Domestic	2,433,323	2,117,717
Fixed income:		
Corporate bonds	670,384	550,436
Government obligations	875,608	416,053
International mutual funds	301,276	364,291
Domestic mutual funds	996,820	926,823
Real estate funds	<u>-</u>	<u>215,949</u>
<b>TOTAL INVESTMENTS FOR CHARITABLE GIFT ANNUITIES</b>	<b><u>\$ 6,011,934</u></b>	<b><u>\$ 5,737,424</u></b>

Included in investment income are the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,114,095	\$ 1,066,504
Realized gain on sale of investments	87,269	506,407
Unrealized (loss) gain on investments	(1,035,598)	414,268
Investment fees	<u>(87,777)</u>	<u>(86,215)</u>
<b>TOTAL INVESTMENT INCOME, NET</b>	<b><u>\$ 77,989</u></b>	<b><u>\$ 1,900,964</u></b>

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Amounts due in:		
Less than one year	\$ 4,572,319	\$ 3,412,410
One to five years	<u>6,597,684</u>	<u>10,311,274</u>
Total amounts due	11,170,003	13,723,684
Less: Present value discount	(507,127)	(947,270)
Less: Allowance for doubtful accounts	<u>(111,068)</u>	<u>(137,104)</u>
<b>NET GRANTS AND CONTRIBUTIONS RECEIVABLE</b>	<b><u>\$ 10,551,808</u></b>	<b><u>\$ 12,639,310</u></b>

The present value discount is calculated using a rate of 5% for the years ended June 30, 2020 and 2019. Grants and contributions receivable include \$3,873,785 and \$3,525,298 from officers, directors and employees of the Organizations as of June 30, 2020 and 2019, respectively.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

4. NET ASSETS WITHOUT DONOR RESTRICTIONS

Included within net assets without donor restrictions, the Board of Trustees has established three Board designated funds; the Board Reserve Fund, the Board Project Fund and the Board Designated Endowment Fund.

The Board Reserve Fund provides financial stability and capital in order to meet the future needs of the Organizations. Investment income may be used to support programs and operations of the Organizations up to 4.5% of the rolling average of the fund's market value of the previous twelve quarters. At June 30, 2020 and 2019, the Board Reserve Fund amounted to \$10,810,304 and \$4,491,490, respectively.

The Board Project Fund is designed to meet the expenses occurring as a result of unanticipated activities and multi-year projects funded through revenue with donor restrictions, improve the return on funds held for expenditure over the next one to five years, and to manage investment risk. Income generated by the Board Project Fund may be used to fund current operating expenses. During the year ended June 30, 2019, the Board of Trustees authorized the transfer of assets from the Board Reserve Fund to the Board Project Fund. During 2019, the Board of Trustees authorized the transfer of assets from the Board Project Fund to an operating reserve within undesignated net assets. At June 30, 2020 and 2019 there was no balance in the Board Project Fund.

The Board Designated Endowment Fund enhances the long-term financial base of the Organizations. Wholly funded by Board Reserve Funds, the Board Designated Endowment Fund combined with the Donor Restricted Endowments achieves the targeted goal of more than \$25 million in endowment investments. At June 30, 2020 and 2019, the Board Designated Endowment Fund amounted to \$10,095,565 and \$10,625,615, respectively. See Note 7 for further details.

The table below summarizes the activities for the year ended June 30, 2020.

	<u>NPCA Board Reserve Fund</u>	<u>NPCA Board Project Fund</u>	<u>NPCA Board Endowment Fund</u>	<u>NPCA Undesignated</u>	<u>National Parks Action Fund</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, June 30, 2019	\$ 4,491,490	\$ -	\$ 10,625,615	\$ 2,253,618	\$ -	\$ 17,370,723
Revenue	44,648,992	-	(61,747)	28,970	74,968	44,691,183
Expenses	<u>(38,330,178)</u>	<u>-</u>	<u>(468,303)</u>	<u>-</u>	<u>(74,968)</u>	<u>(38,873,449)</u>
<b>BALANCE, JUNE 30, 2020</b>	<b><u>\$ 10,810,304</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,095,565</u></b>	<b><u>\$ 2,282,588</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 23,188,457</u></b>

The table below summarizes the activities for the year ended June 30, 2019.

	<u>NPCA Board Reserve Fund</u>	<u>NPCA Board Project Fund</u>	<u>NPCA Board Endowment Fund</u>	<u>NPCA Undesignated</u>	<u>National Parks Action Fund</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, June 30, 2018	\$ 2,444,147	\$ 2,209,869	\$ 10,586,779	\$ -	\$ -	\$ 15,240,795
Revenue	38,495,051	-	38,836	43,749	112,752	38,690,388
Expenses	<u>(36,447,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,752)</u>	<u>(36,560,460)</u>
Balance, June 30, 2018 before transfer	4,491,490	2,209,869	10,625,615	43,749	-	17,370,723
Transfer	<u>-</u>	<u>(2,209,869)</u>	<u>-</u>	<u>2,209,869</u>	<u>-</u>	<u>-</u>
<b>BALANCE, JUNE 30, 2019</b>	<b><u>\$ 4,491,490</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,625,615</u></b>	<b><u>\$ 2,253,618</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,370,723</u></b>

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Subject to passage of time	\$ 5,705,285	\$ 8,670,336
Subject to expenditure for specified purpose:		
Accumulated earnings from endowment funds not yet authorized for spending	2,967,702	3,926,066
Protect and Restore	4,100,510	7,314,591
Engage, Educate and Empower	1,935,614	535,757
Strengthen and Enhance	3,951,631	3,500,022
Contributions to be invested in perpetuity	<u>14,781,557</u>	<u>14,781,557</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 33,442,299</u></b>	<b><u>\$ 38,728,329</u></b>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<u>2020</u>	<u>2019</u>
Timing restrictions accomplished	\$ 3,360,052	\$ 2,149,362
Purpose restrictions accomplished:		
Accumulated earnings from endowment funds authorized for spending	872,930	854,422
Protect and Restore	6,350,375	5,807,112
Engage, Educate and Empower	1,132,435	1,668,302
Strengthen and Enhance	<u>2,665,339</u>	<u>1,547,174</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 14,381,131</u></b>	<b><u>\$ 12,026,372</u></b>

**6. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Combined Statements of Financial Position date comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,224,669	\$ 3,233,112
Investments	49,411,216	47,609,402
Grants and contributions receivable	10,551,808	12,639,310
Accounts receivable	<u>33,679</u>	<u>73,167</u>
Subtotal financial assets available	64,221,372	63,554,991
Less: Donor restricted funds	(24,705,093)	(28,884,152)
Less: Board designated funds	<u>(20,905,869)</u>	<u>(17,370,723)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 18,610,410</u></b>	<b><u>\$ 17,300,116</u></b>

# NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

### 6. LIQUIDITY AND AVAILABILITY (Continued)

The Organizations are supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organizations must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organizations' liquidity management, they have a policy to structure their financial assets to be available as their general expenditures, liabilities, and other obligations come due. In addition, the Organizations invest cash in excess of daily requirements in short-term investments. The Board also designates a portion of any operating surplus to its reserves, which was \$20,905,869 and \$17,370,723 as of June 30, 2020 and 2019, respectively. This reserve may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

### 7. ENDOWMENT

The Organizations' endowment consists of donor-restricted endowment funds and funds designated by the governing Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Trustees is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organizations considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organizations have interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the Organizations consider the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

7. ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board Designated Endowment Funds	\$ 10,095,565	\$ -	\$ 10,095,565
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	14,781,557	14,781,557
Accumulated investment earnings	<u>-</u>	<u>2,967,702</u>	<u>2,967,702</u>
<b>TOTAL ENDOWMENT FUNDS</b>	<b><u>\$ 10,095,565</u></b>	<b><u>\$ 17,749,259</u></b>	<b><u>\$ 27,844,824</u></b>

Endowment net asset composition by type of fund as of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board Designated Endowment Funds	\$ 10,625,615	\$ -	\$ 10,625,615
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	14,781,557	14,781,557
Accumulated investment earnings	<u>-</u>	<u>3,926,066</u>	<u>3,926,066</u>
<b>TOTAL ENDOWMENT FUNDS</b>	<b><u>\$ 10,625,615</u></b>	<b><u>\$ 18,707,623</u></b>	<b><u>\$ 29,333,238</u></b>

Changes in endowment net assets for the year ended June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2019	\$ 10,625,615	\$ 18,707,623	\$ 29,333,238
Investment income, net	(61,747)	(85,434)	(147,181)
Appropriation of endowment assets for expenditure	<u>(468,303)</u>	<u>(872,930)</u>	<u>(1,341,233)</u>
<b>ENDOWMENT NET ASSETS, JUNE 30, 2020</b>	<b><u>\$ 10,095,565</u></b>	<b><u>\$ 17,749,259</u></b>	<b><u>\$ 27,844,824</u></b>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

7. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended of June 30, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2018	\$ 10,586,779	\$ 18,637,100	\$ 29,223,879
Investment income, net	494,674	924,945	1,419,619
Appropriation of endowment assets for expenditure	<u>(455,838)</u>	<u>(854,422)</u>	<u>(1,310,260)</u>
<b>ENDOWMENT NET ASSETS, JUNE 30, 2019</b>	<b><u>\$ 10,625,615</u></b>	<b><u>\$ 18,707,623</u></b>	<b><u>\$ 29,333,238</u></b>

The income from the endowed net assets are restricted for the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Park Protection Endowment	\$ 9,999,981	\$ 9,999,981
EDAR Endowment	1,207,942	1,207,942
Frank H. Filley and Family Endowment Fund	440,416	440,416
H. William Walter Endowed Internship Program	305,300	305,300
Stephen Tyng Mather Award Endowed by Booz, Allen, Hamilton	100,000	100,000
Gretchen Long Endowment	286,831	286,831
General NPCA Endowment Fund	359,807	359,807
Norman G. Cohen Park Education Endowment	63,280	63,280
Yellowstone Conservation Fund Endowment	518,000	518,000
NERO Endowment	<u>1,500,000</u>	<u>1,500,000</u>
<b>TOTAL</b>	<b><u>\$ 14,781,557</u></b>	<b><u>\$ 14,781,557</u></b>

***Park Protection Endowment:***

This endowment is funded through the generosity of an anonymous donor. Its purpose is to enhance the long term financial base of the Organizations in order to consistently propel the organization toward protecting and enhancing America's National Parks for present and future generations.

***EDAR Endowment:***

The EDAR Endowment was created and initially funded by Armstrong Chinn, Jr. for the purpose of creating a permanent memorial endowment fund to further the mission of the Organizations.

***Frank H. Filley and Family Endowment Fund:***

The Frank H. Filley and Family Endowment Fund was created in December 2001 and was established as an endowment generally supporting the activities of the Organizations.



NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

7. **ENDOWMENT (Continued)**

***H. William Walter Endowed Internship Program:***

This endowment is funded by the friends and family of William Walter, to honor him for his years of generous support, leadership and outreach on behalf of the Organizations and our national parks.

The investment income is to support an internship program at the Organizations, so that college and graduate students can have an opportunity to gain experience, possibly leading to careers in park conservation.

***Stephen Tyng Mather Award (Endowed by Booz, Allen, Hamilton):***

The Stephen Tyng Mather Award Endowed by Booz Allen Hamilton Fund was set up in the winter of 2007. The investment income of the fund is specifically directed to be used to offset the cost of the award, given each year to a deserving National Park Service employee who has exhibited exemplary and distinguished performance in park protection and enhancement.

***Gretchen Long Endowment:***

The Gretchen Long Endowment was created by and initially funded by the friends of Gretchen Long to honor her service to the Organizations. Funding by Gretchen Long and friends was endowed to support the mission of the Organizations.

***General National Parks Conservation Association Endowment Fund:***

The General National Parks Conservation Association Endowment was established for the purpose of supporting the Organizations' activities. This endowment was initiated through the generosity of John and Jane Strandberg who indicated a desire to fund a general endowment for the Organizations.

***Norman G. Cohen Park Education Endowment:***

The Norman G. Cohen Park Education Endowment was established by Norman G. Cohen in 1992, with the purpose to provide youth from the Washington, D.C. area with educational activities that help them appreciate and understand the national parks.

***Yellowstone Conservation Fund Endowment:***

The Yellowstone Conservation Endowment Fund was established for the purpose of protecting the greater Yellowstone ecosystem. Individuals from the Midwest and Northern Rockies Regions area are supporting the fund. Income from the fund may be used to support any type of strategy or project to protect the national park and its surroundings.

***Northeast Regional Office (NERO) Endowment:***

The Northeast Regional Office (NERO) Endowment fund was established to produce income designated for the Organizations' work through its Northeast Regional Office (NERO) or in direct support of it. Income from this fund may be used for Organizations' work that directly supports NERO, for NERO staff salaries and/or benefits, consultants, direct operating expenses, office space, or other reasonable and necessary expenses to maintain an effective presence in the Northeast region.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**7. ENDOWMENT (Continued)**

***Return Objectives and Risk Parameters:***

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Endowment assets include those assets of donor-restricted funds that the Organizations must hold in-perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide real (inflation adjusted) growth of capital, without undue risk.

***Strategies Employed for Achieving Objectives:***

To satisfy its long-term rate-of-return objectives, the Organizations utilize a strategy of fixed income, equities and cash equivalents in a mix which is conducive to participation in rising markets while allowing for protection in falling markets. The assets will be invested with the care, skill, prudence and diligence under the circumstances then prevailing.

The greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. The criteria utilized to determine the target investment allocation include the total return against CPI, Treasury Bill Index and a standard deviation based on acceptable risk.

***Spending Policy and How the Investment Objectives Relate to Spending Policy:***

The Organizations have a policy of appropriating for distribution each year up to 4.5% of its endowment fund's average fair value over the prior 12 quarters, unless explicitly directed otherwise by the donor.

In establishing this policy, the Organizations considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organizations expect the current spending policy to allow its endowment to grow at an average of at least 5% annually. This is consistent with the Organizations' objective to maintain the purchasing power of the endowment assets held in-perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

***Funds with Deficiencies:***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organizations to retain as a fund of perpetual duration. There were no deficiencies at June 30, 2020 and 2019.

**8. CHARITABLE GIFT ANNUITIES**

The Organizations administer various charitable gift annuity agreements that allow a donor to contribute assets to the Organizations in exchange for a promise to pay a fixed amount to the donor or to other designated beneficiaries over the agreements' term, usually the designated beneficiary's lifetime. At the end of the agreements' term, the remaining assets are available for the Organizations' use.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**8. CHARITABLE GIFT ANNUITIES (Continued)**

The portion of the agreement attributable to the future interest of the Organizations is recorded in the Combined Statements of Activities and Changes in Net Assets as contribution revenue without donor restrictions in the period the agreement is established. Assets are held in investments, which are recorded at readily determinable fair value in the Combined Statements of Financial Position.

On an annual basis, the Organizations revalue the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate ranging from 1.2% to 8.4% and applicable mortality tables.

The following liabilities have been recorded in the Combined Statements of Financial Position at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current liability to the beneficiaries	\$ 377,843	\$ 362,786
Long-term liability to the beneficiaries	<u>2,759,095</u>	<u>2,672,782</u>
<b>TOTAL LIABILITY TO THE BENEFICIARIES</b>	<b><u>\$ 3,136,938</u></b>	<b><u>\$ 3,035,568</u></b>

Contribution revenue without donor restrictions from these agreements of \$216,593 and \$288,966 was recorded in the Combined Statements of Activities and Changes in Net Assets for the years ended June 30, 2020 and 2019, respectively.

**9. PENSION PLANS**

NPCA has a defined contribution plan for employer only contributions to all eligible employees. Employer contributions are based upon each eligible employee's annual compensation. Total pension expense for the years ended June 30, 2020 and 2019 was \$1,002,679 and \$934,134, respectively. Additionally, NPCA has a 403(b) plan covering all of its employees. Employee contributions are discretionary and are made through salary deferral arrangements, up to the maximum allowable amount.

**10. DONATED SERVICES AND MATERIALS**

A substantial number of volunteers have donated significant amounts of time to the Organizations' program services and to its fundraising campaigns. No amounts have been recognized in the Combined Statements of Activities and Changes in Net Assets since services performed by the Organizations' volunteers do not fall into the criteria established by the Financial Accounting Standards Board in this area.

The Organizations record donated legal services at the fair market values of the services rendered. For the years ended June 30, 2020 and 2019, the amount of legal services recorded was \$4,464,717 and \$3,181,233, respectively. All donated legal services benefited the Protect and Restore program. These are included in contributions revenue in the Combined Statements of Activities and Changes in Net Assets.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**11. ALLOCATION OF JOINT COSTS**

For the years ended June 30, 2020 and 2019, NPCA incurred joint costs of \$6,741,399 and \$5,432,727, respectively, for informational materials and activities that included fundraising appeals.

Joint costs were allocated as follows for the year ended June 30, 2020:

	<u>Mailings</u>	<u>Events</u>	<u>Total</u>
Program Services:			
Engage, Educate and Empower	\$ <u>3,262,656</u>	\$ <u>146,083</u>	\$ <u>3,408,739</u>
Supporting Services:			
Fundraising - Membership Development	1,395,734	-	1,395,734
Fundraising - Other	<u>1,596,065</u>	<u>340,861</u>	<u>1,936,926</u>
Total supporting services	<u>2,991,799</u>	<u>340,861</u>	<u>3,332,660</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>6,254,455</u></b>	<b>\$ <u>486,944</u></b>	<b>\$ <u>6,741,399</u></b>

Joint costs were allocated as follows for the year ended June 30, 2019:

	<u>Mailings</u>	<u>Events</u>	<u>Total</u>
Program Services:			
Engage, Educate and Empower	\$ <u>2,515,714</u>	\$ <u>498,938</u>	\$ <u>3,014,652</u>
Supporting Services:			
Fundraising - Membership Development	997,550	-	997,550
Fundraising - Other	<u>1,365,087</u>	<u>55,438</u>	<u>1,420,525</u>
Total supporting services	<u>2,362,637</u>	<u>55,438</u>	<u>2,418,075</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>4,878,351</u></b>	<b>\$ <u>554,376</u></b>	<b>\$ <u>5,432,727</u></b>

**12. COMMITMENTS**

NPCA has commitments under several operating leases for office space expiring at various times. Some leases have scheduled rental increases and some contain options to renew. During fiscal year 2010, NPCA signed a new lease for their headquarters, which began in fiscal year 2011 and expires in the year ending June 30, 2021.

This lease was re-negotiated during fiscal year 2017 and extended through August 31, 2031, with NPCA having the right to terminate on March 31, 2027. NPCA delivered to the landlord a letter of credit in the amount of \$500,000 as a lease security deposit.

The lease security deposit and the letter of credit have been reduced to \$125,000 in accordance with the lease security provisions. No draws had been made on the letter of credit as of June 30, 2020.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

12. COMMITMENTS (Continued)

The landlord originally provided \$2,638,320 of leasehold improvements, which was recorded as deferred rent and is being amortized over the life of the lease. The landlord provided an additional \$832,260 leasehold improvement allowance under the new lease, of which 30% was applied against base rent from the period April 1, 2017 through July 31, 2017.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for combined financial statement purposes is being deferred.

Future minimum rental payments, by year and in aggregate, under the operating leases are as follows:

Year Ending June 30,

2021	\$ 1,901,076
2022	1,768,415
2023	1,735,792
2024	1,713,975
2025	1,752,539
Thereafter	<u>3,161,099</u>
	<b><u>\$ 12,032,896</u></b>

Rent expense, which is included in building occupancy expense in the Combined Statements of Functional Expenses, for the years ended June 30, 2020 and 2019 was \$1,992,975 and \$2,049,069, respectively.

NPCA sublet space to a third party. The lease operates on a month-to-month basis. Rental income is included in other revenue in the Combined Statements of Activities and Changes in Net Assets. Rental income received for the years ended June 30, 2020 and 2019 totaled \$5,940.

13. PROGRAM AND SUPPORTING SERVICES DESCRIPTIONS

Since 1919, the nonpartisan National Parks Conservation Association has been the leading voice of the American people in protecting and enhancing our National Park System. The Organizations, its members and partners work together to protect the park system and preserve our nation's natural, historical and cultural heritage for America's tomorrow.

A brief description of the Organizations' programs and supporting services follows:

**Protect and Restore:** The Organizations protect parks from external threats that negatively effect, degrade, or destroy park resources or values, and serves to protect, restore, and maintain park, natural, and cultural resources unimpaired for future generations. The Organizations have offices across the country to ensure that threats to resources at our parks are detected early and solutions to these threats implemented quickly. The Organizations also identify and cultivate park champions who can advance policies that protect parks and thwart emerging threats.

# NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

### 13. PROGRAM AND SUPPORTING SERVICES DESCRIPTIONS (Continued)

**Engage, Educate, and Empower:** The long-term viability and vibrancy of the national parks depend on a broader, more diverse, committed, and engaged constituency that values the national park idea. To gain broader support for the parks, the Organizations seek to create a larger national park community that is engaged, educated, and empowered to protect and enhance our national parks and monuments. This broader community includes non-traditional allies and a broader constituency that more closely represents the changing demographics of America.

**Strengthen and Enhance:** The Organizations will ensure that the national parks have the money they need to keep parks open, thriving, and in good repair by securing adequate funding for the National Park Service and identifying additional public and private funding sources. New national parks are added to the system or expanded to tell the full story of America.

**Management and General:** Expenses include the functions necessary to provide the coordination and articulation of the Organizations' program strategy through the executive offices; to secure proper administrative functioning of the Board of Trustees; to manage the financial and budgetary responsibilities of the Organizations; and to maintain an equitable employment program and ensure an adequate work environment.

**Fundraising:** Activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting fundraising events; soliciting for prospective members and conducting other activities involved in soliciting contributions from individuals, foundations, corporations and others.

### 14. CONTINGENCIES

Various lawsuits and other contingent liabilities arise in the ordinary course of the Organizations' activities. While the final outcome of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the Organizations' combined financial statements.

### 15. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organizations have categorized their financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Combined Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organizations have the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**15. FAIR VALUE MEASUREMENT (Continued)**

Following is a description of the valuation methodology used for investments measured at fair value.

- *Cash and money market funds* - The money market fund is an open-end mutual fund that is registered with the Securities and Exchange Commission and is deemed to be actively traded.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.
- *Equities* - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Fixed income funds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

**Investments measured at net asset value:** Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this tables below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Combined Statements of Financial Position.

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2020 and 2019. Transfers between levels are recorded at the end of the reporting period, if applicable. The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
<b>Asset Class:</b>				
Cash and money market	\$ 12,420,737	\$ -	\$ -	\$ 12,420,737
Certificates of deposit	-	174,182	-	174,182
Equities:				
Emerging markets	849,921	-	-	849,921
International	5,314,340	-	-	5,314,340
Domestic	11,093,486	-	-	11,093,486
Global region	2,171,200	-	-	2,171,200
Fixed income:				
Corporate bonds	-	13,322,289	-	13,322,289
Government obligations	-	1,624,729	-	1,624,729
International mutual funds	301,276	-	-	301,276
Domestic mutual funds	<u>949,977</u>	<u>-</u>	<u>-</u>	<u>949,977</u>
Subtotal investments using fair value hierarchy	<u>\$ 33,100,937</u>	<u>\$ 15,121,200</u>	<u>\$ -</u>	<u>48,222,137</u>
Investments measured in NAV per practical expedient:				
Real estate funds				536,618
Limited partnerships				<u>652,461</u>
Subtotal investment measured using NAV				<u>1,189,079</u>
<b>TOTAL INVESTMENTS</b>				<b><u>\$ 49,411,216</u></b>

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**15. FAIR VALUE MEASUREMENT (Continued)**

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Cash and money market	\$ 8,970,067	\$ -	\$ -	\$ 8,970,067
Certificates of deposit	-	173,954	-	173,954
Equities:				
Emerging markets	2,133,622	-	-	2,133,622
International	7,040,288	-	-	7,040,288
Domestic	12,321,229	-	-	12,321,229
Global region	2,822,517	-	-	2,822,517
Fixed income:				
Corporate bonds	-	6,884,463	-	6,884,463
Government obligations	-	4,103,297	-	4,103,297
International mutual funds	364,291	-	-	364,291
Domestic mutual funds	<u>433,237</u>	<u>-</u>	<u>-</u>	<u>433,237</u>
Subtotal investments using fair value hierarchy	<u>\$ 34,085,251</u>	<u>\$ 11,161,714</u>	<u>\$ -</u>	<u>45,246,965</u>
Investments measured in NAV per practical expedient:				
Real estate funds				1,583,641
Limited partnerships				<u>778,796</u>
Subtotal investment measured using NAV				<u>2,362,437</u>
<b>TOTAL INVESTMENTS</b>				<b><u>\$ 47,609,402</u></b>

The following is a summary of the investments valued using NAV as a practical expedient and the related unfunded commitments and redemption restrictions associated with each major category at June 30, 2020 and June 30, 2019

	<u>2020</u>			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds	\$ 536,618	\$ -	Daily	Daily
Limited partnerships	<u>652,461</u>	<u>105,600</u>	Daily	Daily
<b>TOTAL</b>	<b><u>\$ 1,189,079</u></b>	<b><u>\$ 105,600</u></b>		
	<u>2019</u>			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds (a)	\$ 1,583,641	\$ -	Daily	Daily
Limited partnerships (b)	<u>778,796</u>	<u>105,600</u>	Daily	Daily
<b>TOTAL</b>	<b><u>\$ 2,362,437</u></b>	<b><u>\$ 105,600</u></b>		



**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**15. FAIR VALUE MEASUREMENT (Continued)**

- (a) Real estate funds: The objective of the real estate funds is to duplicate the investment composition and overall performance of stocks included in the MSCI ACWI IMI Core Real Estate Index.
- (b) Limited Partnerships:
- Northgate IV, L.P. consists of funds which hold private equity and venture capital partnerships that invest in equity, equity related and debt securities in both developed and emerging markets.
  - Siguler Guff Distressed Opportunities Fund III, L.P. invests in companies undergoing financial distress, operating difficulties and significant restructuring, in both foreign and domestic markets. The partnership holds both direct investments and pooled investment vehicles, managed by investment managers.

**16. SUBSEQUENT EVENTS**

In preparing these combined financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through October 22, 2020, the date the combined financial statements were issued.

**SUPPLEMENTAL INFORMATION**

## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINING SCHEDULE OF FINANCIAL POSITION  
AS OF JUNE 30, 2020

ASSETS				
	NPCA	NPAF	Eliminations	Combined
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 4,046,585	\$ 178,084	\$ -	\$ 4,224,669
Short-term investments	11,556,763	-	-	11,556,763
Grants and contributions receivable, net of allowance for doubtful accounts of \$111,068	4,461,251	-	-	4,461,251
Accounts receivable	33,679	-	-	33,679
Prepaid expenses and other	392,308	-	-	392,308
Due from NPAF	35,775	-	(35,775)	-
Total current assets	<u>20,526,361</u>	<u>178,084</u>	<u>(35,775)</u>	<u>20,668,670</u>
<b>FIXED ASSETS</b>				
Equipment	594,993	-	-	594,993
Furniture	673,096	-	-	673,096
Software	676,784	-	-	676,784
Leasehold improvements	2,695,356	-	-	2,695,356
	4,640,229	-	-	4,640,229
Less: Accumulated depreciation and amortization	(3,404,576)	-	-	(3,404,576)
Net fixed assets	<u>1,235,653</u>	<u>-</u>	<u>-</u>	<u>1,235,653</u>
<b>OTHER ASSETS</b>				
Deposits	31,302	-	-	31,302
Investments, net of current portion	37,854,453	-	-	37,854,453
Grants and contributions receivable, net of current portion and discount of \$507,127	6,090,557	-	-	6,090,557
Total other assets	<u>43,976,312</u>	<u>-</u>	<u>-</u>	<u>43,976,312</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 65,738,326</u></b>	<b><u>\$ 178,084</u></b>	<b><u>\$ (35,775)</u></b>	<b><u>\$ 65,880,635</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 2,163,335	\$ -	\$ -	\$ 2,163,335
Accrued salaries and related benefits	1,376,556	-	-	1,376,556
Charitable gift annuities, current portion	377,843	-	-	377,843
Deferred membership dues	650,823	-	-	650,823
Deferred rent, current portion	192,233	-	-	192,233
Other current liabilities	6,220	-	-	6,220
Due to NPCA	-	35,775	(35,775)	-
Total current liabilities	<u>4,767,010</u>	<u>35,775</u>	<u>(35,775)</u>	<u>4,767,010</u>
<b>LONG-TERM LIABILITIES</b>				
Charitable gift annuities, net of current portion	2,759,095	-	-	2,759,095
Deferred rent, net of current portion	1,709,773	-	-	1,709,773
Other long-term liabilities	14,001	-	-	14,001
Total long-term liabilities	<u>4,482,869</u>	<u>-</u>	<u>-</u>	<u>4,482,869</u>
Total liabilities	<u>9,249,879</u>	<u>35,775</u>	<u>(35,775)</u>	<u>9,249,879</u>
<b>NET ASSETS</b>				
Without donor restrictions	23,188,457	-	-	23,188,457
With donor restrictions	33,299,990	142,309	-	33,442,299
Total net assets	<u>56,488,447</u>	<u>142,309</u>	<u>-</u>	<u>56,630,756</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 65,738,326</u></b>	<b><u>\$ 178,084</u></b>	<b><u>\$ (35,775)</u></b>	<b><u>\$ 65,880,635</u></b>

**NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND**

**COMBINING SCHEDULE OF FINANCIAL POSITION  
AS OF JUNE 30, 2019**

<b>ASSETS</b>				
	<b>NPCA</b>	<b>NPAF</b>	<b>Eliminations</b>	<b>Combined</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,180,484	\$ 52,628	\$ -	\$ 3,233,112
Short-term investments	8,364,719	-	-	8,364,719
Grants and contributions receivable, net of allowance for doubtful accounts of \$137,104	3,275,306	-	-	3,275,306
Accounts receivable	73,167	-	-	73,167
Prepaid expenses and other	438,861	-	-	438,861
Due from NPAF	8,600	-	(8,600)	-
Total current assets	<u>15,341,137</u>	<u>52,628</u>	<u>(8,600)</u>	<u>15,385,165</u>
<b>FIXED ASSETS</b>				
Equipment	594,993	-	-	594,993
Furniture	673,096	-	-	673,096
Software	554,784	-	-	554,784
Leasehold improvements	2,685,561	-	-	2,685,561
	4,508,434	-	-	4,508,434
Less: Accumulated depreciation and amortization	(3,020,744)	-	-	(3,020,744)
Net fixed assets	<u>1,487,690</u>	<u>-</u>	<u>-</u>	<u>1,487,690</u>
<b>OTHER ASSETS</b>				
Deposits	26,926	-	-	26,926
Investments, net of current portion	39,244,683	-	-	39,244,683
Grants and contributions receivable, net of current portion and discount of \$947,270	9,364,004	-	-	9,364,004
Total other assets	<u>48,635,613</u>	<u>-</u>	<u>-</u>	<u>48,635,613</u>
<b>TOTAL ASSETS</b>	<b>\$ 65,464,440</b>	<b>\$ 52,628</b>	<b>\$ (8,600)</b>	<b>\$ 65,508,468</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 2,200,085	\$ 3,501	\$ -	\$ 2,203,586
Accrued salaries and related benefits	1,175,731	-	-	1,175,731
Charitable gift annuities, current portion	362,786	-	-	362,786
Deferred membership dues	723,488	-	-	723,488
Deferred rent, current portion	162,837	-	-	162,837
Other current liabilities	187,366	-	-	187,366
Due to NPCA	-	8,600	(8,600)	-
Total current liabilities	<u>4,812,293</u>	<u>12,101</u>	<u>(8,600)</u>	<u>4,815,794</u>
<b>LONG-TERM LIABILITIES</b>				
Charitable gift annuities, net of current portion	2,672,782	-	-	2,672,782
Deferred rent, net of current portion	1,901,793	-	-	1,901,793
Other long-term liabilities	19,047	-	-	19,047
Total long-term liabilities	<u>4,593,622</u>	<u>-</u>	<u>-</u>	<u>4,593,622</u>
Total liabilities	<u>9,405,915</u>	<u>12,101</u>	<u>(8,600)</u>	<u>9,409,416</u>
<b>NET ASSETS</b>				
Without donor restrictions	17,370,723	-	-	17,370,723
With donor restrictions	38,687,802	40,527	-	38,728,329
Total net assets	<u>56,058,525</u>	<u>40,527</u>	<u>-</u>	<u>56,099,052</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 65,464,440</b>	<b>\$ 52,628</b>	<b>\$ (8,600)</b>	<b>\$ 65,508,468</b>

## NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	NPCA Without Donor Restrictions	NPCA With Donor Restrictions	NPCA Total	NPAF Without Donor Restrictions	NPAF With Donor Restrictions	NPAF Total	Combined Total
<b>REVENUE AND SUPPORT</b>							
Contributions	\$ 27,970,658	\$ 2,457,815	\$ 30,428,473	\$ -	\$ 176,750	\$ 176,750	\$ 30,605,223
Grants	95,000	4,914,046	5,009,046	-	-	-	5,009,046
Membership dues	1,249,028	-	1,249,028	-	-	-	1,249,028
Bequests	3,507,174	260,537	3,767,711	-	-	-	3,767,711
Investment income (loss), net	163,423	(85,434)	77,989	-	-	-	77,989
Marketing income	853,602	1,207,183	2,060,785	-	-	-	2,060,785
Special events	890,203	164,204	1,054,407	-	-	-	1,054,407
Change in value of charitable gift annuities	(200,736)	-	(200,736)	-	-	-	(200,736)
Other revenue	246,417	-	246,417	-	-	-	246,417
Net assets released from donor restrictions	<u>14,306,163</u>	<u>(14,306,163)</u>	<u>-</u>	<u>74,968</u>	<u>(74,968)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>49,080,932</u>	<u>(5,387,812)</u>	<u>43,693,120</u>	<u>74,968</u>	<u>101,782</u>	<u>176,750</u>	<u>43,869,870</u>
<b>EXPENSES</b>							
Program Services:							
Protect and Restore	20,174,009	-	20,174,009	-	-	-	20,174,009
Engage, Educate and Empower	10,045,108	-	10,045,108	74,968	-	74,968	10,120,076
Strengthen and Enhance	<u>4,641,504</u>	<u>-</u>	<u>4,641,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,641,504</u>
Total program services	<u>34,860,621</u>	<u>-</u>	<u>34,860,621</u>	<u>74,968</u>	<u>-</u>	<u>74,968</u>	<u>34,935,589</u>
Supporting Services:							
Management and General	3,182,630	-	3,182,630	-	-	-	3,182,630
Fundraising	<u>5,219,947</u>	<u>-</u>	<u>5,219,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,219,947</u>
Total supporting services	<u>8,402,577</u>	<u>-</u>	<u>8,402,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,402,577</u>
Total expenses	<u>43,263,198</u>	<u>-</u>	<u>43,263,198</u>	<u>74,968</u>	<u>-</u>	<u>74,968</u>	<u>43,338,166</u>
Change in net assets	5,817,734	(5,387,812)	429,922	-	101,782	101,782	531,704
Net assets at beginning of year	<u>17,370,723</u>	<u>38,687,802</u>	<u>56,058,525</u>	<u>-</u>	<u>40,527</u>	<u>40,527</u>	<u>56,099,052</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 23,188,457</u></b>	<b><u>\$ 33,299,990</u></b>	<b><u>\$ 56,488,447</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 142,309</u></b>	<b><u>\$ 142,309</u></b>	<b><u>\$ 56,630,756</u></b>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	NPCA Without Donor Restrictions	NPCA With Donor Restrictions	NPCA Total	NPAF Without Donor Restrictions	NPAF With Donor Restrictions	NPAF Total	Combined Total
<b>REVENUE AND SUPPORT</b>							
Contributions	\$ 22,779,940	\$ 12,062,105	\$ 34,842,045	\$ -	\$ 106,000	\$ 106,000	\$ 34,948,045
Grants and contracts	210,000	6,458,413	6,668,413	-	25,000	25,000	6,693,413
Bequests	3,366,352	123,499	3,489,851	-	-	-	3,489,851
Membership dues	1,239,228	-	1,239,228	-	-	-	1,239,228
Special events	565,401	451,953	1,017,354	-	-	-	1,017,354
Investment income, net	976,019	924,945	1,900,964	-	-	-	1,900,964
Other revenue	215,039	15,149	230,188	-	-	-	230,188
Marketing income	726,497	943,938	1,670,435	-	-	-	1,670,435
Change in value of charitable gift annuities	(233,227)	-	(233,227)	-	-	-	(233,227)
Net assets released from donor restrictions	<u>11,913,620</u>	<u>(11,913,620)</u>	<u>-</u>	<u>112,752</u>	<u>(112,752)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>41,758,869</u>	<u>9,066,382</u>	<u>50,825,251</u>	<u>112,752</u>	<u>18,248</u>	<u>131,000</u>	<u>50,956,251</u>
<b>EXPENSES</b>							
Program Services:							
Protect and Restore	17,928,176	-	17,928,176	-	-	-	17,928,176
Engage, Educate and Empower	9,950,089	-	9,950,089	112,752	-	112,752	10,062,841
Strengthen and Enhance	<u>4,328,298</u>	<u>-</u>	<u>4,328,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,328,298</u>
Total program services	<u>32,206,563</u>	<u>-</u>	<u>32,206,563</u>	<u>112,752</u>	<u>-</u>	<u>112,752</u>	<u>32,319,315</u>
Supporting Services:							
Management and General	2,550,410	-	2,550,410	-	-	-	2,550,410
Fundraising	<u>4,871,968</u>	<u>-</u>	<u>4,871,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,871,968</u>
Total supporting services	<u>7,422,378</u>	<u>-</u>	<u>7,422,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,422,378</u>
Total expenses	<u>39,628,941</u>	<u>-</u>	<u>39,628,941</u>	<u>112,752</u>	<u>-</u>	<u>112,752</u>	<u>39,741,693</u>
Change in net assets	2,129,928	9,066,382	11,196,310	-	18,248	18,248	11,214,558
Net assets at beginning of year	<u>15,240,795</u>	<u>29,621,420</u>	<u>44,862,215</u>	<u>-</u>	<u>22,279</u>	<u>22,279</u>	<u>44,884,494</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 17,370,723</b></u>	<u><b>\$ 38,687,802</b></u>	<u><b>\$ 56,058,525</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 40,527</b></u>	<u><b>\$ 40,527</b></u>	<u><b>\$ 56,099,052</b></u>