

COMBINED FINANCIAL STATEMENTS



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

**FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**

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, 2019 and 2018, 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. 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.

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, 2019 and 2018, 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.

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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 34 - 37 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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

October 30, 2019

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 9,262,104	\$ 7,261,408
Short-term investments	2,335,727	2,417,614
Grants and contributions receivable, net of allowance for doubtful accounts of \$137,104 and \$37,824 in 2019 and 2018, respectively	3,275,306	1,806,067
Accounts receivable	73,167	61,112
Prepaid expenses and other	<u>438,861</u>	<u>259,835</u>
Total current assets	<u>15,385,165</u>	<u>11,806,036</u>
FIXED ASSETS		
Equipment	594,993	685,932
Furniture	673,096	673,096
Software	554,784	411,788
Leasehold improvements	<u>2,685,561</u>	<u>2,685,561</u>
	4,508,434	4,456,377
Less: Accumulated depreciation and amortization	<u>(3,020,744)</u>	<u>(3,204,822)</u>
Net fixed assets	<u>1,487,690</u>	<u>1,251,555</u>
OTHER ASSETS		
Deposits	26,926	32,276
Investments, net of current portion	39,244,683	38,597,579
Grants and contributions receivable, net of current portion and discount of \$947,270 and \$184,872 in 2019 and 2018, respectively	<u>9,364,004</u>	<u>1,766,633</u>
Total other assets	<u>48,635,613</u>	<u>40,396,488</u>
TOTAL ASSETS	<u>\$ 65,508,468</u>	<u>\$ 53,454,079</u>

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,203,586	\$ 1,709,987
Accrued salaries and related benefits	1,175,731	1,037,168
Charitable gift annuities, current portion	362,786	338,756
Deferred membership dues	723,488	599,222
Deferred rent, current portion	162,837	147,659
Other current liabilities	<u>187,366</u>	<u>216,892</u>
Total current liabilities	<u>4,815,794</u>	<u>4,049,684</u>
LONG-TERM LIABILITIES		
Charitable gift annuities, net of current portion	2,672,782	2,487,409
Deferred rent, net of current portion	1,901,793	2,032,492
Other long-term liabilities	<u>19,047</u>	<u>-</u>
Total long-term liabilities	<u>4,593,622</u>	<u>4,519,901</u>
Total liabilities	<u>9,409,416</u>	<u>8,569,585</u>
NET ASSETS		
Without donor restrictions	17,370,723	15,240,795
With donor restrictions	<u>38,728,329</u>	<u>29,643,699</u>
Total net assets	<u>56,099,052</u>	<u>44,884,494</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 65,508,468</u>	<u>\$ 53,454,079</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 22,779,940	\$ 12,168,105	\$ 34,948,045
Grants	210,000	6,483,413	6,693,413
Membership dues	1,239,228	-	1,239,228
Bequests	3,366,352	123,499	3,489,851
Investment income, net	976,019	924,945	1,900,964
Marketing income	726,497	943,938	1,670,435
Events	565,401	451,953	1,017,354
Change in value of charitable gift annuities	(233,227)	-	(233,227)
Other revenue	215,039	15,149	230,188
Net assets released from donor restrictions	<u>12,026,372</u>	<u>(12,026,372)</u>	<u>-</u>
Total revenue and support	<u>41,871,621</u>	<u>9,084,630</u>	<u>50,956,251</u>
EXPENSES			
Program Services:			
Protect and Restore	17,928,176	-	17,928,176
Engage, Educate and Empower	10,062,841	-	10,062,841
Strengthen and Enhance	<u>4,328,298</u>	<u>-</u>	<u>4,328,298</u>
Total program services	<u>32,319,315</u>	<u>-</u>	<u>32,319,315</u>
Supporting Services:			
Management and General	2,550,410	-	2,550,410
Fundraising	<u>4,871,968</u>	<u>-</u>	<u>4,871,968</u>
Total supporting services	<u>7,422,378</u>	<u>-</u>	<u>7,422,378</u>
Total expenses	<u>39,741,693</u>	<u>-</u>	<u>39,741,693</u>
Changes in net assets	2,129,928	9,084,630	11,214,558
Net assets at beginning of year	<u>15,240,795</u>	<u>29,643,699</u>	<u>44,884,494</u>
NET ASSETS AT END OF YEAR	<u>\$ 17,370,723</u>	<u>\$ 38,728,329</u>	<u>\$ 56,099,052</u>

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 26,864,149	\$ 2,727,109	\$ 29,591,258
109,000	5,513,767	5,622,767
1,135,436	-	1,135,436
2,281,017	-	2,281,017
1,284,912	1,408,177	2,693,089
559,210	595,777	1,154,987
1,496,606	23,985	1,520,591
(120,969)	-	(120,969)
222,534	-	222,534
<u>8,933,344</u>	<u>(8,933,344)</u>	<u>-</u>
<u>42,765,239</u>	<u>1,335,471</u>	<u>44,100,710</u>
19,467,174	-	19,467,174
9,471,133	-	9,471,133
<u>4,210,857</u>	<u>-</u>	<u>4,210,857</u>
<u>33,149,164</u>	<u>-</u>	<u>33,149,164</u>
2,943,031	-	2,943,031
<u>4,676,675</u>	<u>-</u>	<u>4,676,675</u>
<u>7,619,706</u>	<u>-</u>	<u>7,619,706</u>
<u>40,768,870</u>	<u>-</u>	<u>40,768,870</u>
1,996,369	1,335,471	3,331,840
<u>13,244,426</u>	<u>28,308,228</u>	<u>41,552,654</u>
<u>\$ 15,240,795</u>	<u>\$ 29,643,699</u>	<u>\$ 44,884,494</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

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

	Program Services			Total Program Services
	Protect and Restore	Engage, Educate and Empower	Strengthen and Enhance	
Salaries and benefits	\$ 8,319,229	\$ 5,308,912	\$ 1,902,816	\$15,530,957
Professional and outside services	4,379,685	813,617	346,396	5,539,698
Grants and awards	281,874	120,984	91,713	494,571
Office supplies and expense	161,911	209,376	96,294	467,581
Telephone	125,860	77,520	26,088	229,468
Postage, shipping, lists and related costs	824,463	754,691	632,037	2,211,191
Equipment rental and maintenance	59,967	37,632	13,359	110,958
Printing	815,939	864,236	561,457	2,241,632
Publications, subscriptions and membership dues	69,921	24,229	16,296	110,446
Travel	1,028,724	456,221	190,623	1,675,568
Meetings and conferences	26,232	11,896	4,982	43,110
Events	273,736	344,532	58,633	676,901
Building occupancy expense	872,086	586,823	204,002	1,662,911
Depreciation and amortization	106,500	71,906	25,007	203,413
Other	582,049	380,266	158,595	1,120,910
TOTAL	<u>\$ 17,928,176</u>	<u>\$ 10,062,841</u>	<u>\$ 4,328,298</u>	<u>\$32,319,315</u>

Supporting Services			
Management and General	Fundraising	Total Supporting Services	Total Expenses
\$ 518,365	\$ 1,804,896	\$ 2,323,261	\$ 17,854,218
185,595	371,125	556,720	6,096,418
350	18,908	19,258	513,829
5,576	8,215	13,791	481,372
10,249	17,737	27,986	257,454
773,042	998,570	1,771,612	3,982,803
13,248	12,021	25,269	136,227
590,849	845,509	1,436,358	3,677,990
680	4,200	4,880	115,326
13,435	81,622	95,057	1,770,625
138	1,509	1,647	44,757
993	241,510	242,503	919,404
240,472	181,839	422,311	2,085,222
29,753	22,498	52,251	255,664
167,665	261,809	429,474	1,550,384
\$ 2,550,410	\$ 4,871,968	\$ 7,422,378	\$ 39,741,693

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services			Total Program Services
	Protect and Restore	Engage, Educate and Empower	Strengthen and Enhance	
Salaries and benefits	\$ 7,948,748	\$ 4,983,149	\$ 1,763,501	\$14,695,398
Professional and outside services	6,290,012	728,044	326,816	7,344,872
Grants and awards	286,477	107,162	90,482	484,121
Office supplies and expense	155,805	178,754	76,979	411,538
Telephone	124,779	73,188	24,831	222,798
Postage, shipping, lists and related costs	965,864	813,243	717,531	2,496,638
Equipment rental and maintenance	79,788	49,782	16,648	146,218
Printing	895,638	804,923	594,623	2,295,184
Publications, subscriptions and membership dues	64,669	22,456	16,058	103,183
Travel	779,201	375,626	134,622	1,289,449
Meetings and conferences	18,525	11,878	3,876	34,279
Events	280,362	295,044	62,496	637,902
Building occupancy expense	861,108	549,430	188,280	1,598,818
Depreciation and amortization	96,124	61,485	21,072	178,681
Other	620,074	416,969	173,042	1,210,085
TOTAL	<u>\$ 19,467,174</u>	<u>\$ 9,471,133</u>	<u>\$ 4,210,857</u>	<u>\$33,149,164</u>

Supporting Services			
Management and General	Fundraising	Total Supporting Services	Total Expenses
\$ 566,632	\$ 1,724,007	\$ 2,290,639	\$ 16,986,037
209,204	363,517	572,721	7,917,593
242	1,415	1,657	485,778
5,929	12,552	18,481	430,019
9,178	14,800	23,978	246,776
986,062	1,002,850	1,988,912	4,485,550
15,793	17,047	32,840	179,058
713,231	788,383	1,501,614	3,796,798
719	2,440	3,159	106,342
9,906	92,442	102,348	1,391,797
367	2,974	3,341	37,620
1,253	192,146	193,399	831,301
238,132	173,696	411,828	2,010,646
26,875	19,600	46,475	225,156
159,508	268,806	428,314	1,638,399
\$ 2,943,031	\$ 4,676,675	\$ 7,619,706	\$ 40,768,870

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 11,214,558	\$ 3,331,840
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	255,664	225,156
Unrealized (gain) loss on investments	(414,268)	3,113,494
Realized gain on sale of investments	(506,407)	(5,018,003)
Change in value of charitable gift annuities	233,227	120,969
Change in allowance for doubtful accounts	99,280	4,158
Change in discount on grants and contributions receivable	762,398	59,829
(Increase) decrease in:		
Grants and contributions receivable	(9,928,288)	(428,772)
Accounts receivable	(12,055)	448,166
Prepaid expenses and other	(179,026)	(90,218)
Deposits	5,350	(6,951)
Increase (decrease) in:		
Accounts payable and accrued liabilities	493,599	232,705
Accrued salaries and related benefits	138,563	85,595
Deferred membership dues	124,266	12,271
Deferred rent	(115,521)	292,357
Other liabilities	<u>(36,617)</u>	<u>106,032</u>
Net cash provided by operating activities	<u>2,134,723</u>	<u>2,488,628</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(460,490)	(48,728)
Purchase of investments	(2,237,454)	(3,770,132)
Proceeds from sale of investments	<u>2,592,912</u>	<u>2,178,759</u>
Net cash used by investing activities	<u>(105,032)</u>	<u>(1,640,101)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments made on charitable gift annuities	(323,205)	(301,505)
Liability related to charitable gift annuities	299,381	165,141
Payments on capital lease	<u>(5,171)</u>	<u>-</u>
Net cash used by financing activities	<u>(28,995)</u>	<u>(136,364)</u>
Net increase in cash and cash equivalents	2,000,696	712,163
Cash and cash equivalents at beginning of year	<u>7,261,408</u>	<u>6,549,245</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,262,104</u>	<u>\$ 7,261,408</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	\$ <u>1,329</u>	\$ <u>-</u>
Capital Lease Obligation Incurred for the Use of Equipment	\$ <u>31,309</u>	\$ <u>-</u>
Leasehold Improvements Funded by Landlord	\$ <u>-</u>	\$ <u>134,477</u>
Donated Stock Received	\$ <u>611,595</u>	\$ <u>560,102</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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*. The ASU was adopted during the year ended June 30, 2019 and applied retrospectively.

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.

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 \$2,941,075 and \$3,211,079 as of June 30, 2019 and 2018, 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 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

Accounts, grants and contributions receivable (continued) -

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. 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.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with 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 funding received in advance of incurring the related expenses is recorded as "net assets with donor restrictions".

Other revenue -

Membership dues are recognized when earned. Membership dues received in advance and not yet earned are deferred to the applicable period. Bequests are recognized when received.

Marketing income includes advertising and corporate sponsorship revenue. 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) 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** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. 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.

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, 2019 and 2018 was \$16,793 and \$7,008, respectively. NPCA did not have income tax expense related to advertising for the years ended June 30, 2019 and 2018.

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, 2019 and 2018, the Action Fund had no taxable unrelated business income.

Uncertain tax positions -

For the years ended June 30, 2019 and 2018, 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

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. The reclassifications are primarily due to the adoption of ASU 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes.

Net assets previously classified as of June 30, 2018 as unrestricted net assets in the amount of \$15,240,795 are now classified as "net assets without donor restrictions". Net assets previously classified as temporarily restricted net assets and permanently restricted net assets in the amount of \$14,862,142 and \$14,781,557, respectively, are now classified as "net assets with donor restrictions".

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

2. INVESTMENTS

Investments consisted of the following at June 30, 2019 and 2018:

	<u>Fair Value</u>	
	<u>2019</u>	<u>2018</u>
Cash and money market	\$ 2,941,075	\$ 3,211,079
Certificates of deposit	173,954	173,761
Equities:		
Emerging markets	2,133,622	2,848,908
International	7,040,288	6,868,847
Domestic	12,321,229	12,279,134
Global region	2,822,517	1,477,807
Fixed income:		
Corporate bonds	6,884,463	3,887,881
Government obligations	4,103,297	5,357,664
International mutual funds	364,291	301,410
Domestic mutual funds	433,237	1,587,105
Alternative investments:		
Real estate funds	1,583,641	2,027,006
Limited partnerships	<u>778,796</u>	<u>994,591</u>
	41,580,410	41,015,193
Less: Short-term investments	<u>(2,335,727)</u>	<u>(2,417,614)</u>
TOTAL LONG-TERM INVESTMENTS	<u>\$ 39,244,683</u>	<u>\$ 38,597,579</u>

Short-term investments include operating funds and Board Project Funds (see Note 4).

Included in investments at June 30, 2019 and 2018 are investments related to certain charitable gift annuities (see Note 8) as follows:

	<u>2019</u>	<u>2018</u>
Cash and money market	\$ 361,308	\$ 167,038
Equities:		
International	784,847	457,721
Domestic	2,117,717	2,230,789
Fixed income:		
Corporate bonds	550,436	-
Government obligations	416,053	813,069
International mutual funds	364,291	301,410
Domestic mutual funds	926,823	934,698
Real estate funds	<u>215,949</u>	<u>314,473</u>
TOTAL INVESTMENTS FOR CHARITABLE GIFT ANNUITIES	<u>\$ 5,737,424</u>	<u>\$ 5,219,198</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

2. INVESTMENTS (Continued)

Included in investment income are the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,066,504	\$ 882,662
Realized gain on sale of investments	506,407	5,018,003
Unrealized gain (loss) on investments	414,268	(3,113,494)
Investment fees	<u>(86,215)</u>	<u>(94,082)</u>
TOTAL INVESTMENT INCOME, NET	<u>\$ 1,900,964</u>	<u>\$ 2,693,089</u>

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$ 3,412,410	\$ 1,843,891
One to five years	<u>10,311,274</u>	<u>1,951,505</u>
Total amounts due	13,723,684	3,795,396
Less: Present value discount	(947,270)	(184,872)
Less: Allowance for doubtful accounts	<u>(137,104)</u>	<u>(37,824)</u>
NET GRANTS AND CONTRIBUTIONS RECEIVABLE	<u>\$ 12,639,310</u>	<u>\$ 3,572,700</u>

The present value discount is calculated using a rate of 5% for the years ended June 30, 2019 and 2018. Grants and contributions receivable include \$3,525,298 and \$150,000 from officers, directors and employees of the Organizations as of June 30, 2019 and 2018, respectively.

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, 2019 and 2018, the Board Reserve Fund amounted to \$4,491,490 and \$2,444,147, 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, 2018, 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, 2018, the Board Project Fund amounted to \$2,209,869. There was no balance in the Board Project Fund at June 30, 2019.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

4. NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

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, 2019 and 2018, the Board Designated Endowment Fund amounted to \$10,625,615 and \$10,586,779, respectively. See Note 7 for further details.

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 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>
BALANCE, JUNE 30, 2019	<u>\$ 4,491,490</u>	<u>\$ -</u>	<u>\$ 10,625,615</u>	<u>\$ 2,253,618</u>	<u>\$ -</u>	<u>\$ 17,370,723</u>

The table below summarizes the activities for the year ended June 30, 2018.

	<u>NPCA Board Reserve Fund</u>	<u>NPCA Board Project Fund</u>	<u>NPCA Board Endowment Fund</u>	<u>National Parks Action Fund</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, June 30, 2017	\$ 2,778,130	\$ 196,954	\$ 10,269,342	\$ -	\$ 13,244,426
Revenue	37,507,714	12,915	317,437	27,661	37,865,727
Expenses	<u>(35,841,697)</u>	<u>-</u>	<u>-</u>	<u>(27,661)</u>	<u>(35,869,358)</u>
Balance, June 30, 2017 before transfer	4,444,147	209,869	10,586,779	-	15,240,795
Transfer	<u>(2,000,000)</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, JUNE 30, 2018	<u>\$ 2,444,147</u>	<u>\$ 2,209,869</u>	<u>\$ 10,586,779</u>	<u>\$ -</u>	<u>\$ 15,240,795</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to passage of time	\$ 8,670,336	\$ 1,105,998
Subject to expenditure for specified purpose:		
Accumulated earnings from endowment funds not yet authorized for spending	3,926,066	3,855,543
Protect and Restore	7,314,591	8,206,199
Engage, Educate and Empower	535,757	955,547
Strengthen and Enhance	3,500,022	738,855
Contributions to be invested in perpetuity	<u>14,781,557</u>	<u>14,781,557</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 38,728,329</u>	<u>\$ 29,643,699</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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>2019</u>	<u>2018</u>
Timing restrictions accomplished	\$ 2,149,362	\$ 630,253
Purpose restrictions accomplished:		
Accumulated earnings from endowment funds authorized for spending	854,422	832,765
Protect and Restore	5,807,112	3,963,568
Engage, Educate and Empower	1,668,302	1,828,172
Strengthen and Enhance	<u>1,547,174</u>	<u>1,678,586</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 12,026,372</u>	<u>\$ 8,933,344</u>

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>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 9,262,104	\$ 7,261,408
Investments	41,580,410	41,015,193
Grants and contributions receivable	12,639,310	3,572,700
Accounts receivable	<u>73,167</u>	<u>61,112</u>
Subtotal financial assets available	63,554,991	51,910,413
Less: Donor restricted funds	(28,884,152)	(20,710,354)
Less: Board designated funds	<u>(17,370,723)</u>	<u>(15,240,795)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 17,300,116</u>	<u>\$ 15,959,264</u>

The Organizations are substantially 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 reserve, which was \$17,370,723 and \$15,240,795 as of June 30, 2019 and 2018, 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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.

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>
TOTAL ENDOWMENT FUNDS	<u>\$ 10,625,615</u>	<u>\$ 18,707,623</u>	<u>\$ 29,333,238</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

7. ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of June 30, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board Designated Endowment Funds	\$ 10,586,779	\$ -	\$ 10,586,779
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>3,855,543</u>	<u>3,855,543</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 10,586,779</u>	<u>\$ 18,637,100</u>	<u>\$ 29,223,879</u>

Changes in endowment net assets for the year ended 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>
ENDOWMENT NET ASSETS, JUNE 30, 2019	<u>\$ 10,625,615</u>	<u>\$ 18,707,623</u>	<u>\$ 29,333,238</u>

Changes in endowment net assets for the year ended of June 30, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2017	\$ 10,269,342	\$ 18,061,688	\$ 28,331,030
Investment income, net	776,472	1,408,177	2,184,649
Appropriation of endowment assets for expenditure	<u>(459,035)</u>	<u>(832,765)</u>	<u>(1,291,800)</u>
ENDOWMENT NET ASSETS, JUNE 30, 2018	<u>\$ 10,586,779</u>	<u>\$ 18,637,100</u>	<u>\$ 29,223,879</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

7. ENDOWMENT (Continued)

The income from the endowed net assets are restricted for the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</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>
TOTAL	<u>\$ 14,781,557</u>	<u>\$ 14,781,557</u>

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.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

7. ENDOWMENT (Continued)

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.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

7. ENDOWMENT (Continued)

Strategies Employed for Achieving Objectives (continued):

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, 2019 and 2018.

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.

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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Current liability to the beneficiaries	\$ 362,786	\$ 338,756
Long-term liability to the beneficiaries	<u>2,672,782</u>	<u>2,487,409</u>
TOTAL LIABILITY TO THE BENEFICIARIES	<u>\$ 3,035,568</u>	<u>\$ 2,826,165</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

8. CHARITABLE GIFT ANNUITIES (Continued)

Contribution revenue without donor restrictions from these agreements of \$288,966 and \$162,268 was recorded in the Combined Statements of Activities and Changes in Net Assets for the years ended June 30, 2019 and 2018, 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, 2019 and 2018 was \$934,134 and \$899,586, 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, 2019 and 2018, the amount of legal services recorded was \$3,181,233 and \$4,993,595, 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.

11. ALLOCATION OF JOINT COSTS

For the years ended June 30, 2019 and 2018, NPCA incurred joint costs of \$5,432,727 and \$5,681,412, respectively, for informational materials and activities that included fundraising appeals. For the years ended June 30, 2019 and 2018, \$3,014,652 and \$2,976,285, respectively, of those costs were allocated to Engage, Educate and Empower expense, \$997,550 and \$1,230,306, respectively, were allocated to fundraising expense for membership development, and \$1,420,525 and \$1,474,821, respectively, remained in other fundraising expense.

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>
TOTAL EXPENSES	\$ <u>4,878,351</u>	\$ <u>554,376</u>	\$ <u>5,432,727</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

11. ALLOCATION OF JOINT COSTS (Continued)

Joint costs were allocated as follows for the year ended June 30, 2018:

	<u>Mailings</u>	<u>Events</u>	<u>Total</u>
Program Services:			
Engage, Educate and Empower	\$ <u>2,758,031</u>	\$ <u>218,254</u>	\$ <u>2,976,285</u>
Supporting Services:			
Fundraising - Membership Development	1,230,306	-	1,230,306
Fundraising - Other	<u>1,249,103</u>	<u>225,718</u>	<u>1,474,821</u>
Total supporting services	<u>2,479,409</u>	<u>225,718</u>	<u>2,705,127</u>
TOTAL EXPENSES	\$ <u>5,237,440</u>	\$ <u>443,972</u>	\$ <u>5,681,412</u>

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, 2019.

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:

<u>Year Ending June 30,</u>	
2020	\$ 2,011,007
2021	1,868,095
2022	1,746,358
2023	1,727,416
2024	1,713,975
Thereafter	<u>4,913,638</u>
	\$ <u>13,980,489</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

12. COMMITMENTS (Continued)

Rent expense, which is included in building occupancy expense in the Combined Statements of Functional Expenses, for the years ended June 30, 2019 and 2018 was \$2,049,069 and \$1,978,048, 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, 2019 and 2018 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.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

15. FAIR VALUE MEASUREMENT (Continued)

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2019 and 2018. 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, 2019:

Asset Class:	Level 1	Level 2	Level 3	Instruments Measured in NAV	Total
Cash and money market	\$ 2,941,075	\$ -	\$ -	\$ -	\$ 2,941,075
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	433,237	-	-	-	433,237
Alternative investments:					
Real estate funds	-	-	-	1,583,641	1,583,641
Limited partnerships	-	-	-	778,796	778,796
TOTAL	\$ 28,056,259	\$ 11,161,714	\$ -	\$ 2,362,437	\$ 41,580,410

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of June 30, 2018:

Asset Class:	Level 1	Level 2	Level 3	Instruments Measured in NAV	Total
Cash and money market	\$ 3,211,079	\$ -	\$ -	\$ -	\$ 3,211,079
Certificates of deposit	-	173,761	-	-	173,761
Equities:					
Emerging markets	2,848,908	-	-	-	2,848,908
International	6,868,847	-	-	-	6,868,847
Domestic	12,279,134	-	-	-	12,279,134
Global region	1,477,807	-	-	-	1,477,807
Fixed income:					
Corporate bonds	-	3,887,881	-	-	3,887,881
Government obligations	-	5,357,664	-	-	5,357,664
International mutual funds	301,410	-	-	-	301,410
Domestic mutual funds	1,587,105	-	-	-	1,587,105
Alternative investments:					
Real estate funds	-	-	-	2,027,006	2,027,006
Limited partnerships	-	-	-	994,591	994,591
TOTAL	\$ 28,574,290	\$ 9,419,306	\$ -	\$ 3,021,597	\$ 41,015,193

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

15. FAIR VALUE MEASUREMENT (Continued)

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, 2019 and June 30, 2018

	2019			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds	\$ 1,583,641	\$ -	Daily	Daily
Limited partnerships	<u>778,796</u>	<u>105,600</u>	Daily	Daily
TOTAL	<u>\$ 2,362,437</u>	<u>\$ 105,600</u>		
	2018			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds (a)	\$ 2,027,006	\$ -	Daily	Daily
Limited partnerships (b)	<u>994,591</u>	<u>108,000</u>	Daily	Daily
TOTAL	<u>\$ 3,021,597</u>	<u>\$ 108,000</u>		

(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. NEW ACCOUNTING PRONOUNCEMENTS (NOT YET ADOPTED)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. The Organizations have not yet selected a transition method and are currently evaluating the effect that the updated standard will have on its combined financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

16. NEW ACCOUNTING PRONOUNCEMENTS (NOT YET ADOPTED) (Continued)

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606).

The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. The Organizations have not yet decided on a transition method. The ASU is effective for years beginning after December 31, 2018.

In 2016, the FASB issued ASU 2016-02, *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. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organizations plan to adopt the new ASUs at the respective required implementation dates.

17. SUBSEQUENT EVENTS

In preparing these combined financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through October 30, 2019, the date the combined financial statements were issued.

SUPPLEMENTAL INFORMATION

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2019

ASSETS

	NPCA	NPAF	Eliminations	Combined
CURRENT ASSETS				
Cash and cash equivalents	\$ 9,209,476	\$ 52,628	\$ -	\$ 9,262,104
Short-term investments	2,335,727	-	-	2,335,727
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	15,341,137	52,628	(8,600)	15,385,165
FIXED ASSETS				
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	1,487,690	-	-	1,487,690
OTHER ASSETS				
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	48,635,613	-	-	48,635,613
TOTAL ASSETS	\$ 65,464,440	\$ 52,628	\$ (8,600)	\$ 65,508,468

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
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	4,812,293	12,101	(8,600)	4,815,794
LONG-TERM LIABILITIES				
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	4,593,622	-	-	4,593,622
Total liabilities	9,405,915	12,101	(8,600)	9,409,416
NET ASSETS				
Without donor restrictions	17,370,723	-	-	17,370,723
With donor restrictions	38,687,802	40,527	-	38,728,329
Total net assets	56,058,525	40,527	-	56,099,052
TOTAL LIABILITIES AND NET ASSETS	\$ 65,464,440	\$ 52,628	\$ (8,600)	\$ 65,508,468

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**COMBINING SCHEDULES OF FINANCIAL POSITION
AS OF JUNE 30, 2018**

ASSETS

	<u>NPCA</u>	<u>NPAF</u>	<u>Eliminations</u>	<u>Combined</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 7,237,966	\$ 23,442	\$ -	\$ 7,261,408
Short-term investments	2,417,614	-	-	2,417,614
Grants and contributions receivable, net of allowance for doubtful accounts of \$37,824	1,806,067	-	-	1,806,067
Accounts receivable	61,112	-	-	61,112
Prepaid expenses and other	259,835	-	-	259,835
Due from NPAF	1,163	-	(1,163)	-
Total current assets	<u>11,783,757</u>	<u>23,442</u>	<u>(1,163)</u>	<u>11,806,036</u>
FIXED ASSETS				
Equipment	685,932	-	-	685,932
Furniture	673,096	-	-	673,096
Software	411,788	-	-	411,788
Leasehold improvements	2,685,561	-	-	2,685,561
	<u>4,456,377</u>	<u>-</u>	<u>-</u>	<u>4,456,377</u>
Less: Accumulated depreciation and amortization	<u>(3,204,822)</u>	<u>-</u>	<u>-</u>	<u>(3,204,822)</u>
Net fixed assets	<u>1,251,555</u>	<u>-</u>	<u>-</u>	<u>1,251,555</u>
OTHER ASSETS				
Deposits	32,276	-	-	32,276
Investments, net of current portion	38,597,579	-	-	38,597,579
Grants and contributions receivable, net of current portion and discount of \$184,872	1,766,633	-	-	1,766,633
Total other assets	<u>40,396,488</u>	<u>-</u>	<u>-</u>	<u>40,396,488</u>
TOTAL ASSETS	<u>\$ 53,431,800</u>	<u>\$ 23,442</u>	<u>\$ (1,163)</u>	<u>\$ 53,454,079</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,709,987	\$ -	\$ -	\$ 1,709,987
Accrued salaries and related benefits	1,037,168	-	-	1,037,168
Charitable gift annuities, current portion	338,756	-	-	338,756
Deferred membership dues	599,222	-	-	599,222
Deferred rent, current portion	147,659	-	-	147,659
Other current liabilities	216,892	-	-	216,892
Due to NPCA	-	1,163	(1,163)	-
Total current liabilities	<u>4,049,684</u>	<u>1,163</u>	<u>(1,163)</u>	<u>4,049,684</u>
LONG-TERM LIABILITIES				
Charitable gift annuities, net of current portion	2,487,409	-	-	2,487,409
Deferred rent, net of current portion	2,032,492	-	-	2,032,492
Total long-term liabilities	<u>4,519,901</u>	<u>-</u>	<u>-</u>	<u>4,519,901</u>
Total liabilities	<u>8,569,585</u>	<u>1,163</u>	<u>(1,163)</u>	<u>8,569,585</u>
NET ASSETS				
Without donor restrictions	15,240,795	-	-	15,240,795
With donor restrictions	29,621,420	22,279	-	29,643,699
Total net assets	<u>44,862,215</u>	<u>22,279</u>	<u>-</u>	<u>44,884,494</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,431,800</u>	<u>\$ 23,442</u>	<u>\$ (1,163)</u>	<u>\$ 53,454,079</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

COMBINING SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

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

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**COMBINING SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018**

	NPCA			NPAF			Combined Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT							
Contributions	\$ 26,864,149	\$ 2,697,109	\$ 29,561,258	\$ -	\$ 30,000	\$ 30,000	\$ 29,591,258
Grants	109,000	5,513,767	5,622,767	-	-	-	5,622,767
Membership dues	1,135,436	-	1,135,436	-	-	-	1,135,436
Bequests	2,281,017	-	2,281,017	-	-	-	2,281,017
Investment income, net	1,284,912	1,408,177	2,693,089	-	-	-	2,693,089
Marketing income	559,210	595,777	1,154,987	-	-	-	1,154,987
Special events	1,496,606	23,985	1,520,591	-	-	-	1,520,591
Change in value of charitable gift annuities	(120,969)	-	(120,969)	-	-	-	(120,969)
Other revenue	222,534	-	222,534	-	-	-	222,534
Net assets released from donor restrictions	8,905,683	(8,905,683)	-	27,661	(27,661)	-	-
Total revenue and support	42,737,578	1,333,132	44,070,710	27,661	2,339	30,000	44,100,710
EXPENSES							
Program Services:							
Protect and Restore	19,467,174	-	19,467,174	-	-	-	19,467,174
Engage, Educate and Empower	9,443,472	-	9,443,472	27,661	-	27,661	9,471,133
Strengthen and Enhance	4,210,857	-	4,210,857	-	-	-	4,210,857
Total program services	33,121,503	-	33,121,503	27,661	-	27,661	33,149,164
Supporting Services:							
Management and General	2,943,031	-	2,943,031	-	-	-	2,943,031
Fundraising	4,676,675	-	4,676,675	-	-	-	4,676,675
Total supporting services	7,619,706	-	7,619,706	-	-	-	7,619,706
Total expenses	40,741,209	-	40,741,209	27,661	-	27,661	40,768,870
Changes in net assets	1,996,369	1,333,132	3,329,501	-	2,339	2,339	3,331,840
Net assets at beginning of year	13,244,426	28,288,288	41,532,714	-	19,940	19,940	41,552,654
NET ASSETS AT END OF YEAR	\$ 15,240,795	\$ 29,621,420	\$ 44,862,215	\$ -	\$ 22,279	\$ 22,279	\$ 44,884,494