

CONSOLIDATED FINANCIAL STATEMENTS



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

**FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021**

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.

Opinion

We have audited the accompanying consolidated financial statements of the National Parks Conservation Association and the National Parks Action Fund, collectively (the Organizations), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of June 30, 2022 and 2021, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedules of Financial Position and Consolidating Schedules of Activities and Changes in Net Assets on pages 30 - 33 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



October 25, 2022

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	6,010,102	\$ 5,027,160
Short-term investments		13,448,398	13,467,006
Grants and contributions receivable, net		4,507,763	4,138,659
Accounts receivable		38,517	56,695
Prepaid expenses and other		<u>286,003</u>	<u>455,888</u>
Total current assets		<u>24,290,783</u>	<u>23,145,408</u>
FIXED ASSETS			
Equipment		743,926	639,189
Furniture		673,096	673,096
Software		676,784	676,784
Leasehold improvements		<u>2,701,422</u>	<u>2,701,422</u>
		4,795,228	4,690,491
Less: Accumulated depreciation and amortization		<u>(4,112,986)</u>	<u>(3,778,154)</u>
Net fixed assets		<u>682,242</u>	<u>912,337</u>
OTHER ASSETS			
Deposits		36,460	36,786
Investments, net of current portion		38,931,192	46,088,752
Grants and contributions receivable, net		<u>2,774,517</u>	<u>4,406,598</u>
Total other assets		<u>41,742,169</u>	<u>50,532,136</u>
TOTAL ASSETS	\$	<u>66,715,194</u>	\$ <u>74,589,881</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	2,466,221	\$ 2,109,149
Accrued salaries and related benefits		1,482,382	1,407,902
Charitable gift annuities		422,271	396,158
Deferred membership dues		879,212	952,901
Deferred rent		255,078	186,502
Other current liabilities		<u>17,356</u>	<u>6,539</u>
Total current liabilities		<u>5,522,520</u>	<u>5,059,151</u>
LONG-TERM LIABILITIES			
Charitable gift annuities, net of current portion		3,020,609	2,862,592
Deferred rent, net of current portion		1,337,831	1,584,871
Other long-term liabilities		<u>588</u>	<u>7,462</u>
Total long-term liabilities		<u>4,359,028</u>	<u>4,454,925</u>
Total liabilities		<u>9,881,548</u>	<u>9,514,076</u>
NET ASSETS			
Without donor restrictions		25,967,604	30,036,937
With donor restrictions		<u>30,866,042</u>	<u>35,038,868</u>
Total net assets		<u>56,833,646</u>	<u>65,075,805</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>66,715,194</u>	\$ <u>74,589,881</u>

See accompanying notes to consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 24,004,154	\$ 3,261,473	\$ 27,265,627
Grants	294,750	6,194,085	6,488,835
Contributed services	6,439,523	-	6,439,523
Investment loss, net	(3,326,205)	(3,250,811)	(6,577,016)
Bequests	4,450,832	100,000	4,550,832
Membership dues	1,783,054	-	1,783,054
Marketing income	1,099,018	242,028	1,341,046
Events	839,268	250	839,518
Other revenue	207,020	-	207,020
Change in value of charitable gift annuities	(153,953)	-	(153,953)
Net assets released from donor restrictions	<u>10,719,851</u>	<u>(10,719,851)</u>	<u>-</u>
Total revenue and support	<u>46,357,312</u>	<u>(4,172,826)</u>	<u>42,184,486</u>
EXPENSES			
Program Services:			
National Parks Thrive	24,133,344	-	24,133,344
National Parks are for Everyone	11,000,784	-	11,000,784
National Parks Tell Stories of All Americans	<u>5,645,297</u>	<u>-</u>	<u>5,645,297</u>
Total program services	<u>40,779,425</u>	<u>-</u>	<u>40,779,425</u>
Supporting Services:			
Management and General	4,493,564	-	4,493,564
Fundraising	<u>5,153,656</u>	<u>-</u>	<u>5,153,656</u>
Total supporting services	<u>9,647,220</u>	<u>-</u>	<u>9,647,220</u>
Total expenses	<u>50,426,645</u>	<u>-</u>	<u>50,426,645</u>
Changes in net assets	(4,069,333)	(4,172,826)	(8,242,159)
Net assets at beginning of year	<u>30,036,937</u>	<u>35,038,868</u>	<u>65,075,805</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,967,604</u>	<u>\$ 30,866,042</u>	<u>\$ 56,833,646</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 25,756,802	\$ 4,752,305	\$ 30,509,107
Grants	178,250	2,426,066	2,604,316
Contributed services	6,068,248	-	6,068,248
Investment income, net	4,362,282	4,218,602	8,580,884
Bequests	2,434,399	-	2,434,399
Membership dues	1,492,327	-	1,492,327
Marketing income	554,429	300,000	854,429
Events	450,872	-	450,872
Other revenue	177,774	-	177,774
Change in value of charitable gift annuities	(233,095)	-	(233,095)
Net assets released from donor restrictions	<u>10,100,404</u>	<u>(10,100,404)</u>	<u>-</u>
Total revenue and support	<u>51,342,692</u>	<u>1,596,569</u>	<u>52,939,261</u>
EXPENSES			
Program Services:			
National Parks Thrive	21,505,282	-	21,505,282
National Parks are for Everyone	9,589,355	-	9,589,355
National Parks Tell Stories of All Americans	<u>4,657,503</u>	<u>-</u>	<u>4,657,503</u>
Total program services	<u>35,752,140</u>	<u>-</u>	<u>35,752,140</u>
Supporting Services:			
Management and General	3,909,646	-	3,909,646
Fundraising	<u>4,832,426</u>	<u>-</u>	<u>4,832,426</u>
Total supporting services	<u>8,742,072</u>	<u>-</u>	<u>8,742,072</u>
Total expenses	<u>44,494,212</u>	<u>-</u>	<u>44,494,212</u>
Changes in net assets	6,848,480	1,596,569	8,445,049
Net assets at beginning of year	<u>23,188,457</u>	<u>33,442,299</u>	<u>56,630,756</u>
NET ASSETS AT END OF YEAR	<u>\$ 30,036,937</u>	<u>\$ 35,038,868</u>	<u>\$ 65,075,805</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	National Parks Thrive	National Parks are for Everyone	National Parks Tell Stories of All Americans	Total Program Services	Management and General	Fundraising		
Salaries and benefits	\$ 10,400,701	\$ 5,818,664	\$ 2,463,790	\$ 18,683,155	\$ 886,904	\$ 1,755,454	\$ 2,642,358	\$ 21,325,513
Postage, shipping, lists and related costs	925,322	961,666	879,824	2,766,812	1,471,163	1,372,572	2,843,735	5,610,547
Printing	1,058,412	1,049,338	848,178	2,955,928	1,254,598	1,177,597	2,432,195	5,388,123
Professional and outside services	8,185,927	987,533	429,306	9,602,766	211,219	288,336	499,555	10,102,321
Other	703,994	533,610	257,293	1,494,897	301,544	269,737	571,281	2,066,178
Building occupancy expense	906,028	538,350	218,963	1,663,341	252,435	147,177	399,612	2,062,953
Travel	603,800	317,796	117,579	1,039,175	20,386	49,249	69,635	1,108,810
Office supplies and expense	232,012	258,812	99,459	590,283	15,187	25,197	40,384	630,667
Grants and awards	398,573	107,570	114,015	620,158	-	-	-	620,158
Events	298,179	189,620	113,891	601,690	4,264	9,141	13,405	615,095
Depreciation and amortization	146,607	87,018	35,564	269,189	41,467	24,176	65,643	334,832
Equipment rental and maintenance	92,221	54,419	21,674	168,314	22,771	13,400	36,171	204,485
Telephone	95,102	55,244	21,649	171,995	8,097	13,208	21,305	193,300
Publications, subscriptions and membership dues	72,197	31,348	18,930	122,475	1,660	2,986	4,646	127,121
Meetings and conferences	16,731	9,796	5,182	31,709	1,052	3,781	4,833	36,542
TOTAL	\$ 24,135,806	\$ 11,000,784	\$ 5,645,297	\$ 40,781,887	\$ 4,492,747	\$ 5,152,011	\$ 9,644,758	\$ 50,426,645

See accompanying notes to consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	National Parks Thrive	National Parks are for Everyone	National Parks Tell Stories of All Americans	Total Program Services	Management and General	Fundraising		
Salaries and benefits	\$ 9,649,165	\$ 5,277,229	\$ 2,189,661	\$ 17,116,055	\$ 880,270	\$ 1,581,221	\$ 2,461,491	\$ 19,577,546
Professional and outside services	7,402,368	820,950	332,527	8,555,845	260,585	328,711	589,296	9,145,141
Postage, shipping, lists and related costs	854,345	889,629	706,748	2,450,722	1,083,672	1,245,627	2,329,299	4,780,021
Printing	951,024	988,423	702,428	2,641,875	997,812	1,183,276	2,181,088	4,822,963
Building occupancy expense	907,682	533,188	213,113	1,653,983	266,810	143,386	410,196	2,064,179
Other	647,756	470,970	203,663	1,322,389	339,390	284,618	624,008	1,946,397
Travel	30,088	16,536	5,293	51,917	611	1,868	2,479	54,396
Events	167,436	99,918	44,489	311,843	1,085	1,600	2,685	314,528
Grants and awards	330,733	90,824	99,226	520,783	1,203	2,711	3,914	524,697
Office supplies and expense	179,843	194,771	71,931	446,545	10,662	10,106	20,768	467,313
Depreciation and amortization	163,886	96,174	38,581	298,641	48,742	26,195	74,937	373,578
Telephone	103,098	60,104	22,949	186,151	8,536	13,261	21,797	207,948
Equipment rental and maintenance	39,333	22,930	8,635	70,898	8,220	4,635	12,855	83,753
Publications, subscriptions and membership dues	72,233	24,343	16,841	113,417	1,665	4,221	5,886	119,303
Meetings and conferences	6,292	3,366	1,418	11,076	383	990	1,373	12,449
TOTAL	\$ 21,505,282	\$ 9,589,355	\$ 4,657,503	\$ 35,752,140	\$ 3,909,646	\$ 4,832,426	\$ 8,742,072	\$ 44,494,212

See accompanying notes to consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (8,242,159)	\$ 8,445,049
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	334,832	373,578
Unrealized loss (gain) on investments	12,880,137	(5,394,207)
Realized gain on sale of investments	(5,601,482)	(2,373,071)
Change in value of charitable gift annuities	153,953	233,095
Receipt of donated securities	(1,034,540)	(1,811,497)
Proceeds from sale of donated securities	1,027,698	1,803,299
Realized loss on sale of donated securities	6,842	8,198
Change in allowance for doubtful accounts	(11,305)	(24,656)
Change in discount on grants and contributions receivable	(119,565)	(174,525)
Charitable gift annuities	434,615	264,266
Decrease (increase) in:		
Grants and contributions receivable	1,393,847	2,205,732
Accounts receivable	18,178	(23,016)
Prepaid expenses and other	169,885	(63,580)
Deposits	326	(5,484)
Increase (decrease) in:		
Accounts payable and accrued liabilities	357,072	(54,185)
Accrued salaries and related benefits	74,480	31,346
Deferred membership dues	(73,689)	302,078
Deferred rent	(178,464)	(130,633)
Other liabilities	<u>10,482</u>	<u>-</u>
Net cash provided by operating activities	<u>1,601,143</u>	<u>3,611,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(104,737)	(50,262)
Purchase of investments	(5,481,033)	(4,426,612)
Proceeds from sale of investments	<u>5,378,546</u>	<u>2,049,347</u>
Net cash used by investing activities	<u>(207,224)</u>	<u>(2,427,527)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments made on charitable gift annuities	(404,438)	(375,549)
Payments on capital lease	<u>(6,539)</u>	<u>(6,220)</u>
Net cash used by financing activities	<u>(410,977)</u>	<u>(381,769)</u>
Net increase in cash and cash equivalents	982,942	802,491
Cash and cash equivalents at beginning of year	<u>5,027,160</u>	<u>4,224,669</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,010,102</u>	<u>\$ 5,027,160</u>

See accompanying notes to consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

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 consolidated 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 consolidated because they are under common control. All intercompany transactions have been eliminated in consolidation.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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

New accounting pronouncement adopted -

During 2022, the Organizations adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets."

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 \$13,789,351 and \$13,679,085 as of June 30, 2022 and 2021, 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 (loss) income in the Consolidated Statements of Activities and Changes in Net Assets.

Accounts, grants and contributions receivable -

Accounts, grants and contributions 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. 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

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 Consolidated Statements of Activities and Changes in Net Assets, to its current fair value.

Revenue and support -

Contributions, grants and bequests -

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 under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Contributions and grants qualifying as contributions that are unconditional and 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions or grants qualifying as conditional contributions contain a right of return from obligation provision that limits the Organizations on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. The Organizations recognize revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as conditional contributions, the Organizations had no unrecognized awards as of June 30, 2022 and 2021.

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

Membership dues, marketing income and events revenue -

Membership dues, marketing income and events revenue classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue at a point in time when the performance obligations are met. The Organizations have elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price.

Membership dues -

Membership dues includes general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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

Revenue and support (continued) -

Membership dues, marketing income and events revenue (continued) -

Membership dues (continued) -

There are several benefits received that are individual distinct obligations such as 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 Consolidated Statements of Financial Position. General member benefits that are considered to be contributions follow ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, and are bifurcated to contribution revenue when received.

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 the advertisement is published. 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 consolidated financial statements until sponsor benefits have been realized and time restrictions satisfied under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

Events revenue -

Events revenue is recognized when performance obligations are met which is when the related event takes place. Any amount received in advance are recognized as deferred revenue in the accompanying Consolidated Statements 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 and alternative investments. NPCA's income tax expense related to its unrelated business income for the years ended June 30, 2022 and 2021 was \$0 and \$460, respectively.

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, 2022 and 2021, the Action Fund had no taxable unrelated business income.

Uncertain tax positions -

For the years ended June 30, 2022 and 2021, 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 consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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

Use of estimates -

The preparation of consolidated 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 consolidated 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 Consolidated 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 consolidated financial statements.

Fair value measurement -

The Organizations apply 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.

New accounting pronouncement 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 Consolidated 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. 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 consolidated financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

2. INVESTMENTS

Investments consisted of the following at June 30, 2022 and 2021:

	<u>Fair Value</u>	
	<u>2022</u>	<u>2021</u>
Cash and money market	\$ 13,789,351	\$ 13,679,085
Certificates of deposit	126,080	126,062
Equities	25,972,284	30,648,607
Fixed income	11,590,394	13,741,769
Alternative investments:		
Real estate funds	321,520	625,736
Limited partnerships	<u>579,961</u>	<u>734,499</u>
	52,379,590	59,555,758
Less: Short-term investments	<u>(13,448,398)</u>	<u>(13,467,006)</u>
TOTAL LONG-TERM INVESTMENTS	<u>\$ 38,931,192</u>	<u>\$ 46,088,752</u>

Short-term investments include operating funds and operating reserve fund (see Note 4) and long-term investments include endowment funds to be invested in perpetuity in the amount of \$17,281,557 (see Note 7).

Included in investments at June 30, 2022 and 2021 are investments related to certain charitable gift annuities (see Note 8) as follows:

	<u>2022</u>	<u>2021</u>
Cash and money market	\$ 340,953	\$ 14,723
Equities	4,495,871	5,587,321
Fixed income	1,773,707	1,843,220
Real estate funds	<u>321,520</u>	<u>70,026</u>
TOTAL INVESTMENTS FOR CHARITABLE GIFT ANNUITIES	<u>\$ 6,932,051</u>	<u>\$ 7,515,290</u>

Included in investment (loss) income are the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 806,348	\$ 915,942
Realized gain on sale of investments	5,594,640	2,364,873
Unrealized (loss) gain on investments	(12,880,137)	5,394,207
Investment fees	<u>(97,867)</u>	<u>(94,138)</u>
TOTAL INVESTMENT (LOSS) INCOME, NET	<u>\$ (6,577,016)</u>	<u>\$ 8,580,884</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 4,582,870	\$ 4,225,071
One to five years	<u>2,987,554</u>	<u>4,739,200</u>
Total amounts due	7,570,424	8,964,271
Less: Present value discount	(213,037)	(332,602)
Less: Allowance for doubtful accounts	<u>(75,107)</u>	<u>(86,412)</u>
NET GRANTS AND CONTRIBUTIONS RECEIVABLE	<u>\$ 7,282,280</u>	<u>\$ 8,545,257</u>

The present value discount is calculated using a rate of 5% for the years ended June 30, 2022 and 2021. Grants and contributions receivable include \$1,554,189 and \$2,318,485 from officers, directors and employees of the Organizations as of June 30, 2022 and 2021, respectively.

4. NET ASSETS WITHOUT DONOR RESTRICTIONS

Included within net assets without donor restrictions, the Board of Trustees has established two Board designated funds; the Board Reserve 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. As of June 30, 2022 and 2021, the Board Reserve Fund amounted to \$3,304,206 and \$4,031,608, respectively.

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. As of June 30, 2022 and 2021, the Board Designated Endowment Fund amounted to \$9,583,328 and \$11,921,833, respectively. See Note 7 for further details.

The table below summarizes the activities for the year ended June 30, 2022.

	<u>NPCA Board Reserve Fund</u>	<u>NPCA Board Designated Endowment</u>	<u>NPCA Undesignated</u>	<u>National Parks Action Fund</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, June 30, 2021	\$ 4,031,608	\$ 11,921,833	\$ 14,083,496	\$ -	\$ 30,036,937
Revenue	1,026,195	(1,687,416)	46,957,256	61,277	46,357,312
Expenses	(1,753,597)	(488,256)	(48,123,515)	(61,277)	(50,426,645)
Transfer for deficiency of funds	<u>-</u>	<u>(162,833)</u>	<u>162,833</u>	<u>-</u>	<u>-</u>
BALANCE, JUNE 30, 2022	<u>\$ 3,304,206</u>	<u>\$ 9,583,328</u>	<u>\$ 13,080,070</u>	<u>\$ -</u>	<u>\$ 25,967,604</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

4. NET ASSETS WITHOUT DONOR RESTRICTIONS (Continued)

The table below summarizes the activities for the year ended June 30, 2021.

	<u>NPCA Board Reserve Fund</u>	<u>NPCA Board Designated Endowment</u>	<u>NPCA Undesignated</u>	<u>National Parks Action Fund</u>	<u>Total Net Assets Without Donor Restrictions</u>
Balance, June 30, 2020	\$ 3,462,756	\$ 10,095,565	\$ 9,630,136	\$ -	\$ 23,188,457
Revenue	939,171	2,308,889	47,959,520	135,112	51,342,692
Expenses	<u>(370,319)</u>	<u>(482,621)</u>	<u>(43,506,160)</u>	<u>(135,112)</u>	<u>(44,494,212)</u>
BALANCE, JUNE 30, 2021	<u>\$ 4,031,608</u>	<u>\$ 11,921,833</u>	<u>\$ 14,083,496</u>	<u>\$ -</u>	<u>\$ 30,036,937</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to passage of time	\$ 2,305,304	\$ 4,391,212
Subject to expenditure for specified purpose:		
Accumulated earnings from endowment funds not yet authorized for spending	2,340,705	6,311,022
National Parks Thrive	6,879,408	4,302,725
National Parks are for Everyone	756,675	787,682
National Parks Tell Stories of All Americans	1,302,393	1,964,670
Contributions to be invested in perpetuity	<u>17,281,557</u>	<u>17,281,557</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 30,866,042</u>	<u>\$ 35,038,868</u>

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>2022</u>	<u>2021</u>
Timing restrictions accomplished	\$ 2,161,876	\$ 1,914,375
Purpose restrictions accomplished:		
Accumulated earnings from endowment funds authorized for spending	719,506	875,282
National Parks Thrive	5,242,059	4,654,449
National Parks are for Everyone	1,035,023	814,293
National Parks Tell Stories of All Americans	<u>1,561,387</u>	<u>1,842,005</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 10,719,851</u>	<u>\$ 10,100,404</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

6. LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,010,102	\$ 5,027,160
Investments	52,379,590	59,555,758
Grants and contributions receivable	4,582,870	4,225,071
Accounts receivable	<u>38,517</u>	<u>56,695</u>
Subtotal financial assets available	63,011,079	68,864,684
Less: Donor restricted funds	(28,560,738)	(27,232,100)
Less: Board designated funds	<u>(12,887,534)</u>	<u>(15,953,441)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH

NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR **\$ 21,562,807** **\$ 25,679,143**

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 designated funds, which were \$12,887,534 and \$15,953,441 as of June 30, 2022 and 2021, respectively, 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 assets 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 consider 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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

7. ENDOWMENT (Continued)

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 Organizations 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 Organizations.

Endowment net asset composition by type of fund as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 9,583,328	\$ -	\$ 9,583,328
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,281,557	17,281,557
Accumulated investment earnings	-	2,340,705	2,340,705
TOTAL ENDOWMENT FUNDS	<u>\$ 9,583,328</u>	<u>\$ 19,622,262</u>	<u>\$ 29,205,590</u>

Endowment net asset composition by type of fund as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 11,921,833	\$ -	\$ 11,921,833
Donor-Restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	17,281,557	17,281,557
Accumulated investment earnings	-	6,311,022	6,311,022
TOTAL ENDOWMENT FUNDS	<u>\$ 11,921,833</u>	<u>\$ 23,592,579</u>	<u>\$ 35,514,412</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

7. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended June 30, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2021	\$ 11,921,833	\$ 23,592,579	\$ 35,514,412
Investment loss, net	(1,687,416)	(3,250,811)	(4,938,227)
Appropriation of endowment assets for expenditure	(488,256)	(882,339)	(1,370,595)
Transfer for deficiency of funds	<u>(162,833)</u>	<u>162,833</u>	<u>-</u>
ENDOWMENT NET ASSETS, JUNE 30, 2022	<u>\$ 9,583,328</u>	<u>\$ 19,622,262</u>	<u>\$ 29,205,590</u>

Changes in endowment net assets for the year ended of June 30, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2020	\$ 10,095,565	\$ 17,749,259	\$ 27,844,824
Investment income, net	2,308,889	4,218,602	6,527,491
Contributions	-	2,500,000	2,500,000
Appropriation of endowment assets for expenditure	<u>(482,621)</u>	<u>(875,282)</u>	<u>(1,357,903)</u>
ENDOWMENT NET ASSETS, JUNE 30, 2021	<u>\$ 11,921,833</u>	<u>\$ 23,592,579</u>	<u>\$ 35,514,412</u>

The income from the endowed net assets is restricted for the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</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	1,500,000	1,500,000
Ruth Hammett Memorial Desert Protection Endowment	<u>2,500,000</u>	<u>2,500,000</u>
TOTAL	<u>\$ 17,281,557</u>	<u>\$ 17,281,557</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

7. ENDOWMENT (Continued)

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.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

7. ENDOWMENT (Continued)

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.

Ruth Hammett Memorial Desert Protection Endowment:

The Ruth Hammett Memorial Desert Protection Endowment was established by Ben Hammett in 2020, with the purpose to fund the Desert Program Manager Position. The funding of this endowed position will help NPCA continue its work toward building a stronger and more resilient future for the California Desert national parks.

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.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

7. ENDOWMENT (Continued)

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, 2022 and 2021.

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 Consolidated 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 Consolidated 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 0.4% to 8.4% and applicable mortality tables.

The following liabilities have been recorded in the Consolidated Statements of Financial Position at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Current liability to the beneficiaries	\$ 422,271	\$ 396,158
Long-term liability to the beneficiaries	<u>3,020,609</u>	<u>2,862,592</u>
TOTAL LIABILITY TO THE BENEFICIARIES	<u>\$ 3,442,880</u>	<u>\$ 3,258,750</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

8. CHARITABLE GIFT ANNUITIES (Continued)

Contribution revenue without donor restrictions from these agreements of \$426,660 and \$249,075 was recorded in the Consolidated Statements of Activities and Changes in Net Assets for the years ended June 30, 2022 and 2021, 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, 2022 and 2021 was \$1,187,237 and \$1,107,617, 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. CONTRIBUTED SERVICES

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 Consolidated 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, 2022 and 2021, the amount of legal services recorded was \$6,439,523 and \$6,068,248, respectively. All donated legal services benefited the National Parks Thrive program. There were no restrictions placed on the contributed services by donors during the years ended June 30, 2022 and 2021.

11. ALLOCATION OF JOINT COSTS

For the years ended June 30, 2022 and 2021, NPCA incurred joint costs of \$10,097,445 and \$6,790,771, respectively, for informational materials and activities that included fundraising appeals.

Joint costs were allocated as follows for the year ended June 30, 2022:

	<u>Mailings</u>	<u>Events</u>	<u>Total</u>
Program Services:			
National Parks are for Everyone	\$ <u>4,557,981</u>	\$ <u>299,392</u>	\$ <u>4,857,373</u>
Supporting Services:			
Fundraising - Membership Development	2,705,232	-	2,705,232
Fundraising - Other	<u>2,501,574</u>	<u>33,266</u>	<u>2,534,840</u>
Total supporting services	<u>5,206,806</u>	<u>33,266</u>	<u>5,240,072</u>
TOTAL EXPENSES	\$ <u>9,764,787</u>	\$ <u>332,658</u>	\$ <u>10,097,445</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

11. ALLOCATION OF JOINT COSTS (Continued)

Joint costs were allocated as follows for the year ended June 30, 2021:

	<u>Mailings</u>	<u>Events</u>	<u>Total</u>
Program Services:			
National Parks are for Everyone	\$ <u>3,159,683</u>	\$ <u>76,052</u>	\$ <u>3,235,735</u>
Supporting Services:			
Fundraising - Membership Development	1,623,315	-	1,623,315
Fundraising - Other	<u>1,923,271</u>	<u>8,450</u>	<u>1,931,721</u>
Total supporting services	<u>3,546,586</u>	<u>8,450</u>	<u>3,555,036</u>
TOTAL EXPENSES	\$ <u>6,706,269</u>	\$ <u>84,502</u>	\$ <u>6,790,771</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 lease for their headquarters, which began in fiscal year 2011 and expired 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, 2022.

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 consolidated 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,

2023	\$ 2,072,701
2024	2,002,207
2025	2,040,302
2026	1,990,849
2027	<u>1,429,918</u>
	\$ <u>9,535,977</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

12. COMMITMENTS (Continued)

Rent expense, which is included in building occupancy expense in the Consolidated Statements of Functional Expenses, for the years ended June 30, 2022 and 2021 was \$2,048,232 and \$2,052,536, respectively. The deferred rent liability was \$1,592,909 and \$1,771,373, respectively, as of June 30, 2022 and 2021.

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 Consolidated Statements of Activities and Changes in Net Assets. Rental income received for the years ended June 30, 2022 and 2021 totaled \$5,940.

13. PROGRAM AND SUPPORTING SERVICES DESCRIPTIONS

Since 1919, the nonpartisan the National Parks Conservation Association (NPCA) has been the leading voice of the American people in protecting and enhancing our National Park System. NPCA, 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 NPCA's programs and supporting services follows:

National Parks Thrive: NPCA protects 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. NPCA has offices across the country to ensure that threats to resources at our parks are detected early and solutions to these threats implemented quickly. NPCA also identifies and cultivates park champions who can advance policies that protect parks and thwart emerging threats.

National Parks are for Everyone: 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, NPCA seeks 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.

National Parks Tell Stories of All Americans: National parks protect our country's most important history. NPCA will ensure the National Park Service has the funding needed to improve the visitor experience and make parks more relevant to all. By enhancing park storytelling, expanding and creating new parks, and deeply engaging the public, we can ensure that national parks represent, welcome, and share a fuller American story with all visitors.

Management and General: Expenses include the functions necessary to provide the coordination and articulation of NPCA's program strategy through the executive offices; to secure proper administrative functioning of the Board of Trustees; to manage the financial and budgetary responsibilities of NPCA; 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 CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022 AND 2021

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' consolidated 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 Consolidated 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. There have been no changes in the methodologies used as of June 30, 2022.

- *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 Consolidated Statements of Financial Position.

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

15. FAIR VALUE MEASUREMENT (Continued)

There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2022 and 2021. 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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Cash and money market	\$ 13,789,351	\$ -	\$ -	\$ 13,789,351
Certificates of deposit	-	126,080	-	126,080
Equities	25,972,284	-	-	25,972,284
Fixed income	<u>11,590,394</u>	<u>-</u>	<u>-</u>	<u>11,590,394</u>
Subtotal investments using fair value hierarchy	<u>\$ 51,352,029</u>	<u>\$ 126,080</u>	<u>\$ -</u>	<u>51,478,109</u>
Investments measured in NAV per practical expedient:				
Real estate funds				321,520
Limited partnerships				<u>579,961</u>
Subtotal investment measured using NAV				<u>901,481</u>
TOTAL INVESTMENTS				<u>\$ 52,379,590</u>

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Cash and money market	\$ 13,679,085	\$ -	\$ -	\$ 13,679,085
Certificates of deposit	-	126,062	-	126,062
Equities	30,648,607	-	-	30,648,607
Fixed income	<u>1,518,245</u>	<u>12,223,524</u>	<u>-</u>	<u>13,741,769</u>
Subtotal investments using fair value hierarchy	<u>\$ 45,845,937</u>	<u>\$ 12,349,586</u>	<u>\$ -</u>	<u>58,195,523</u>
Investments measured in NAV per practical expedient:				
Real estate funds				625,736
Limited partnerships				<u>734,499</u>
Subtotal investment measured using NAV				<u>1,360,235</u>
TOTAL INVESTMENTS				<u>\$ 59,555,758</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and June 30, 2021:

	2022			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds (a)	\$ 321,520	\$ -	Daily	Daily
Limited partnerships (b)	<u>579,961</u>	<u>105,600</u>	Daily	Daily
TOTAL	<u>\$ 901,481</u>	<u>\$ 105,600</u>		
	2021			
	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real estate funds (a)	\$ 625,736	\$ -	Daily	Daily
Limited partnerships (b)	<u>734,499</u>	<u>105,600</u>	Daily	Daily
TOTAL	<u>\$ 1,360,235</u>	<u>\$ 105,600</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. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through October 25, 2022, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2022

	ASSETS			
	<u>NPCA</u>	<u>NPAF</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,875,395	\$ 134,707	\$ -	\$ 6,010,102
Short-term investments	13,448,398	-	-	13,448,398
Grants and contributions receivable, net	4,507,763	-	-	4,507,763
Accounts receivable	38,517	-	-	38,517
Prepaid expenses and other	286,003	-	-	286,003
Due from NPAF	10,103	-	(10,103)	-
Total current assets	<u>24,166,179</u>	<u>134,707</u>	<u>(10,103)</u>	<u>24,290,783</u>
FIXED ASSETS				
Equipment	743,926	-	-	743,926
Furniture	673,096	-	-	673,096
Software	676,784	-	-	676,784
Leasehold improvements	2,701,422	-	-	2,701,422
	4,795,228	-	-	4,795,228
Less: Accumulated depreciation and amortization	(4,112,986)	-	-	(4,112,986)
Net fixed assets	<u>682,242</u>	<u>-</u>	<u>-</u>	<u>682,242</u>
OTHER ASSETS				
Deposits	36,460	-	-	36,460
Investments, net of current portion	38,931,192	-	-	38,931,192
Grants and contributions receivable, net	2,774,517	-	-	2,774,517
Total other assets	<u>41,742,169</u>	<u>-</u>	<u>-</u>	<u>41,742,169</u>
TOTAL ASSETS	<u>\$ 66,590,590</u>	<u>\$ 134,707</u>	<u>\$ (10,103)</u>	<u>\$ 66,715,194</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,463,537	\$ 2,684	\$ -	\$ 2,466,221
Accrued salaries and related benefits	1,482,382	-	-	1,482,382
Charitable gift annuities	422,271	-	-	422,271
Deferred membership dues	879,212	-	-	879,212
Deferred rent	255,078	-	-	255,078
Other current liabilities	17,356	-	-	17,356
Due to NPCA	-	10,103	(10,103)	-
Total current liabilities	<u>5,519,836</u>	<u>12,787</u>	<u>(10,103)</u>	<u>5,522,520</u>
LONG-TERM LIABILITIES				
Charitable gift annuities, net of current portion	3,020,609	-	-	3,020,609
Deferred rent, net of current portion	1,337,831	-	-	1,337,831
Other long-term liabilities	588	-	-	588
Total long-term liabilities	<u>4,359,028</u>	<u>-</u>	<u>-</u>	<u>4,359,028</u>
Total liabilities	<u>9,878,864</u>	<u>12,787</u>	<u>(10,103)</u>	<u>9,881,548</u>
NET ASSETS				
Without donor restrictions	25,967,604	-	-	25,967,604
With donor restrictions	30,744,122	121,920	-	30,866,042
Total net assets	<u>56,711,726</u>	<u>121,920</u>	<u>-</u>	<u>56,833,646</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 66,590,590</u>	<u>\$ 134,707</u>	<u>\$ (10,103)</u>	<u>\$ 66,715,194</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2021

	ASSETS			
	NPCA	NPAF	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,955,697	\$ 71,463	\$ -	\$ 5,027,160
Short-term investments	13,467,006	-	-	13,467,006
Grants and contributions receivable, net	4,138,659	-	-	4,138,659
Accounts receivable	56,695	-	-	56,695
Prepaid expenses and other	455,888	-	-	455,888
Due from NPAF	1,308	-	(1,308)	-
Total current assets	<u>23,075,253</u>	<u>71,463</u>	<u>(1,308)</u>	<u>23,145,408</u>
FIXED ASSETS				
Equipment	639,189	-	-	639,189
Furniture	673,096	-	-	673,096
Software	676,784	-	-	676,784
Leasehold improvements	<u>2,701,422</u>	<u>-</u>	<u>-</u>	<u>2,701,422</u>
	4,690,491	-	-	4,690,491
Less: Accumulated depreciation and amortization	<u>(3,778,154)</u>	<u>-</u>	<u>-</u>	<u>(3,778,154)</u>
Net fixed assets	<u>912,337</u>	<u>-</u>	<u>-</u>	<u>912,337</u>
OTHER ASSETS				
Deposits	36,786	-	-	36,786
Investments, net of current portion	46,088,752	-	-	46,088,752
Grants and contributions receivable, net	<u>4,406,598</u>	<u>-</u>	<u>-</u>	<u>4,406,598</u>
Total other assets	<u>50,532,136</u>	<u>-</u>	<u>-</u>	<u>50,532,136</u>
TOTAL ASSETS	<u>\$ 74,519,726</u>	<u>\$ 71,463</u>	<u>\$ (1,308)</u>	<u>\$ 74,589,881</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,107,191	\$ 1,958	\$ -	\$ 2,109,149
Accrued salaries and related benefits	1,407,902	-	-	1,407,902
Charitable gift annuities	396,158	-	-	396,158
Deferred membership dues	952,901	-	-	952,901
Deferred rent	186,502	-	-	186,502
Other current liabilities	6,539	-	-	6,539
Due to NPCA	<u>-</u>	<u>1,308</u>	<u>(1,308)</u>	<u>-</u>
Total current liabilities	<u>5,057,193</u>	<u>3,266</u>	<u>(1,308)</u>	<u>5,059,151</u>
LONG-TERM LIABILITIES				
Charitable gift annuities, net of current portion	2,862,592	-	-	2,862,592
Deferred rent, net of current portion	1,584,871	-	-	1,584,871
Other long-term liabilities	<u>7,462</u>	<u>-</u>	<u>-</u>	<u>7,462</u>
Total long-term liabilities	<u>4,454,925</u>	<u>-</u>	<u>-</u>	<u>4,454,925</u>
Total liabilities	<u>9,512,118</u>	<u>3,266</u>	<u>(1,308)</u>	<u>9,514,076</u>
NET ASSETS				
Without donor restrictions	30,036,937	-	-	30,036,937
With donor restrictions	<u>34,970,671</u>	<u>68,197</u>	<u>-</u>	<u>35,038,868</u>
Total net assets	<u>65,007,608</u>	<u>68,197</u>	<u>-</u>	<u>65,075,805</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 74,519,726</u>	<u>\$ 71,463</u>	<u>\$ (1,308)</u>	<u>\$ 74,589,881</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	NPCA Without Donor Restrictions	NPCA With Donor Restrictions	NPCA Total	NPAF Without Donor Restrictions	NPAF With Donor Restrictions	NPAF Total	Consolidated Total
REVENUE AND SUPPORT							
Contributions	\$ 24,004,154	\$ 3,146,473	\$ 27,150,627	\$ -	\$ 115,000	\$ 115,000	\$ 27,265,627
Grants	294,750	6,194,085	6,488,835	-	-	-	6,488,835
Contributed services	6,439,523	-	6,439,523	-	-	-	6,439,523
Investment loss, net	(3,326,205)	(3,250,811)	(6,577,016)	-	-	-	(6,577,016)
Bequests	4,450,832	100,000	4,550,832	-	-	-	4,550,832
Membership dues	1,783,054	-	1,783,054	-	-	-	1,783,054
Marketing income	1,099,018	242,028	1,341,046	-	-	-	1,341,046
Events	839,268	250	839,518	-	-	-	839,518
Other revenue	207,020	-	207,020	-	-	-	207,020
Change in value of charitable gift annuities	(153,953)	-	(153,953)	-	-	-	(153,953)
Net assets released from donor restrictions	<u>10,658,574</u>	<u>(10,658,574)</u>	<u>-</u>	<u>61,277</u>	<u>(61,277)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>46,296,035</u>	<u>(4,226,549)</u>	<u>42,069,486</u>	<u>61,277</u>	<u>53,723</u>	<u>115,000</u>	<u>42,184,486</u>
EXPENSES							
Program Services:							
National Parks Thrive	24,133,344	-	24,133,344	-	-	-	24,133,344
National Parks are for Everyone	10,939,507	-	10,939,507	61,277	-	61,277	11,000,784
National Parks Tell Stories of All Americans	<u>5,645,297</u>	<u>-</u>	<u>5,645,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,645,297</u>
Total program services	<u>40,718,148</u>	<u>-</u>	<u>40,718,148</u>	<u>61,277</u>	<u>-</u>	<u>61,277</u>	<u>40,779,425</u>
Supporting Services:							
Management and General	4,493,564	-	4,493,564	-	-	-	4,493,564
Fundraising	<u>5,153,656</u>	<u>-</u>	<u>5,153,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,153,656</u>
Total supporting services	<u>9,647,220</u>	<u>-</u>	<u>9,647,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,647,220</u>
Total expenses	<u>50,365,368</u>	<u>-</u>	<u>50,365,368</u>	<u>61,277</u>	<u>-</u>	<u>61,277</u>	<u>50,426,645</u>
Change in net assets	(4,069,333)	(4,226,549)	(8,295,882)	-	53,723	53,723	(8,242,159)
Net assets at beginning of year	<u>30,036,937</u>	<u>34,970,671</u>	<u>65,007,608</u>	<u>-</u>	<u>68,197</u>	<u>68,197</u>	<u>65,075,805</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,967,604</u>	<u>\$ 30,744,122</u>	<u>\$ 56,711,726</u>	<u>\$ -</u>	<u>\$ 121,920</u>	<u>\$ 121,920</u>	<u>\$ 56,833,646</u>

NATIONAL PARKS CONSERVATION ASSOCIATION AND NATIONAL PARKS ACTION FUND

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	NPCA Without Donor Restrictions	NPCA With Donor Restrictions	NPCA Total	NPAF Without Donor Restrictions	NPAF With Donor Restrictions	NPAF Total	Consolidated Total
REVENUE AND SUPPORT							
Contributions	\$ 25,756,802	\$ 4,691,305	\$ 30,448,107	\$ -	\$ 61,000	\$ 61,000	\$ 30,509,107
Grants	178,250	2,426,066	2,604,316	-	-	-	2,604,316
Contributed services	6,068,248	-	6,068,248	-	-	-	6,068,248
Investment income, net	4,362,282	4,218,602	8,580,884	-	-	-	8,580,884
Bequests	2,434,399	-	2,434,399	-	-	-	2,434,399
Membership dues	1,492,327	-	1,492,327	-	-	-	1,492,327
Marketing income	554,429	300,000	854,429	-	-	-	854,429
Events	450,872	-	450,872	-	-	-	450,872
Other revenue	177,774	-	177,774	-	-	-	177,774
Change in value of charitable gift annuities	(233,095)	-	(233,095)	-	-	-	(233,095)
Net assets released from donor restrictions	<u>9,965,292</u>	<u>(9,965,292)</u>	<u>-</u>	<u>135,112</u>	<u>(135,112)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>51,207,580</u>	<u>1,670,681</u>	<u>52,878,261</u>	<u>135,112</u>	<u>(74,112)</u>	<u>61,000</u>	<u>52,939,261</u>
EXPENSES							
Program Services:							
National Parks Thrive	21,505,282	-	21,505,282	-	-	-	21,505,282
National Parks are for Everyone	9,454,243	-	9,454,243	135,112	-	135,112	9,589,355
National Parks Tell Stories of All Americans	<u>4,657,503</u>	<u>-</u>	<u>4,657,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,657,503</u>
Total program services	<u>35,617,028</u>	<u>-</u>	<u>35,617,028</u>	<u>135,112</u>	<u>-</u>	<u>135,112</u>	<u>35,752,140</u>
Supporting Services:							
Management and General	3,909,646	-	3,909,646	-	-	-	3,909,646
Fundraising	<u>4,832,426</u>	<u>-</u>	<u>4,832,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,832,426</u>
Total supporting services	<u>8,742,072</u>	<u>-</u>	<u>8,742,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,742,072</u>
Total expenses	<u>44,359,100</u>	<u>-</u>	<u>44,359,100</u>	<u>135,112</u>	<u>-</u>	<u>135,112</u>	<u>44,494,212</u>
Change in net assets	6,848,480	1,670,681	8,519,161	-	(74,112)	(74,112)	8,445,049
Net assets at beginning of year	<u>23,188,457</u>	<u>33,299,990</u>	<u>56,488,447</u>	<u>-</u>	<u>142,309</u>	<u>142,309</u>	<u>56,630,756</u>
NET ASSETS AT END OF YEAR	<u>\$ 30,036,937</u>	<u>\$ 34,970,671</u>	<u>\$ 65,007,608</u>	<u>\$ -</u>	<u>\$ 68,197</u>	<u>\$ 68,197</u>	<u>\$ 65,075,805</u>