

NATIONAL PARK TRUST, INC.  
AND  
AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2023 AND 2022

**PHILLIPS & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

NATIONAL PARK TRUST, INC.  
AND AFFILIATES

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# PHILLIPS & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
NATIONAL PARK TRUST, INC.  
AND AFFILIATES

### ***Opinion***

We have audited the accompanying consolidated financial statements of The National Park Trust, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities 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 National Park Trust, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 National Park Trust, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 National Park Trust, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the 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 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 National Park Trust, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Park Trust, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### ***Other-Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on page 23-24 and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 audit 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of National Park Trust Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the National Park Trust Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Park Trust Inc.'s internal control over financial reporting and compliance.

*Phillips + Associates, LLC*

Rockville, Maryland  
December 18, 2023

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,949,427	\$ 1,060,773
Accounts receivable, net	79,055	117,689
Pledges receivable, net (NOTE 6)	352,860	482,900
Inventory	93,012	95,462
Prepaid expenses and deposits	1,070,478	1,175,841
Operating lease right of-use assets (NOTE 7)	249,598	319,195
Total Current Assets	3,794,430	3,251,860
Investments (NOTE 5)	1,057,273	1,481,672
Pledges receivable, long-term (NOTE 6)	93,500	217,350
Website and app development-net (NOTE 4)	70,408	134,373
Real estate and related holdings:		
Conservation easement (NOTE 10)	1,465,100	1,465,100
Property held for parks (NOTE 11)	795,426	162,725
Total real estate and related holdings	2,260,526	1,627,825
<b>TOTAL ASSETS</b>	<b>\$ 7,276,137</b>	<b>\$ 6,713,080</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 198,148	\$ 148,744
Operating lease liabilities (NOTE 7)	68,396	66,475
Total Current Liabilities	266,544	215,219
<b>NON-CURRENT LIABILITIES</b>		
Loan payable, related party (NOTE 12)	155,000	155,000
Operating lease liabilities (NOTE 7)	186,494	254,350
Total Non-Current Liabilities	341,494	409,350
<b>NET ASSETS</b>		
Without Donor Restrictions	2,352,374	1,463,627
Board designated:		
Property held for exempt purposes	1,629,137	1,627,825
Park preservation fund (NOTE 17)	850,000	850,000
Total Without Donor Restrictions	4,831,511	3,941,452
With Donor Restrictions (NOTE 9)	1,836,588	2,147,059
Total Net Assets	6,668,099	6,088,511
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,276,137</b>	<b>\$ 6,713,080</b>

The accompanying notes are an integral part  
of these financial statements.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023		TOTAL	2022 TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS		
REVENUE				
Contributions and grants	\$ 3,748,125	\$ 486,000	\$ 4,234,125	\$ 4,379,826
Program service fee revenue	105,165	-	105,165	68,100
Consignment and other sales income, net of COGS (NOTE 15)	27,204	-	27,204	16,418
Investment income (NOTE 5)	50,596	14,601	65,197	34,663
In-kind contributions (NOTE 13)	260,000	-	260,000	398,000
Other income	17,892	-	17,892	13,775
TOTAL REVENUE	4,208,982	500,601	4,709,583	4,910,782
NET ASSETS RELEASED FROM RESTRICTIONS	811,049	(811,049)	-	-
TOTAL REVENUE AND RECLASSIFICATIONS	\$ 5,020,031	\$ (310,448)	\$ 4,709,583	\$ 4,910,782

The accompanying notes are an integral part  
of these financial statements.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023		TOTAL	2022 TOTAL
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS		
EXPENSES				
Program Services:				
Youth and family programs	\$ 3,081,340	\$ -	\$ 3,081,340	\$ 2,311,785
Land and parks preservation programs	269,967	-	269,967	282,964
Grant management	248,204	-	248,204	231,937
Total program services	<u>3,599,511</u>	<u>-</u>	<u>3,599,511</u>	<u>2,826,686</u>
Supporting Services:				
General and administrative	289,001	-	289,001	184,574
Fundraising	295,721	-	295,721	232,370
Total supporting services	<u>584,722</u>	<u>-</u>	<u>584,722</u>	<u>416,944</u>
TOTAL EXPENSES	<u>4,184,233</u>	<u>-</u>	<u>4,184,233</u>	<u>3,243,630</u>
CHANGES IN NET ASSETS BEFORE NON-OPERATING ITEMS	835,798	(310,448)	525,350	1,667,152
NON-OPERATING ITEMS:				
REALIZED AND UNREALIZED GAINS (LOSS) ON INVESTMENTS	<u>54,261</u>	<u>(23)</u>	<u>54,238</u>	<u>(112,362)</u>
CHANGE IN NET ASSETS	890,059	(310,471)	579,588	1,554,790
NET ASSETS				
BEGINNING OF YEAR	<u>3,941,452</u>	<u>2,147,059</u>	<u>6,088,511</u>	<u>4,533,721</u>
END OF YEAR	<u>\$ 4,831,511</u>	<u>\$ 1,836,588</u>	<u>\$ 6,668,099</u>	<u>\$ 6,088,511</u>

The accompanying notes are an integral part  
of these financial statements.



NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Supporting Services			Totals
	Youth and Family Programs	Lands and Parks Preservation Programs	Grant Management	Total Program Services	Management & General	Fundraising	Total Supporting Services	Combined Totals 2023
Grants & Scholarships	\$ 1,074,513	\$ 7,137	\$ 198,500	\$ 1,280,150	\$ -	\$ -	\$ -	\$ 1,280,150
Payroll Expenses	607,756	73,473	29,037	710,266	388,908	125,479	514,387	1,224,653
Professional Services	277,627	129,231	-	406,858	37,782	40,121	77,903	484,761
Office Expenses	22,481	13,998	8,245	44,724	33,190	26,023	59,213	103,937
Advertising & Promotion	159	-	-	159	105	-	105	264
Information Technology	18,241	396	-	18,637	1,432	-	1,432	20,069
Occupancy	58,157	3,755	3,755	65,667	18,776	3,755	22,531	88,198
Depreciation & Amortization	62,869	4,688	313	67,870	2,813	3,126	5,939	73,809
Travel and Meals	66,246	1,069	-	67,315	14,172	362	14,534	81,849
Meetings & Conferences	4,497	136	-	4,633	21,391	47,026	68,417	73,050
Miscellaneous Expenses	2,895	15,018	724	18,637	38,007	7,440	45,447	64,084
Toolkit and Field Trips	685,879	-	-	685,879	-	-	-	685,879
Bad Debts	-	-	-	-	-	3,530	3,530	3,530
Allocated Overhead	200,020	21,066	7,630	228,716	(267,575)	38,859	(228,716)	-
<b>Totals</b>	<b>\$ 3,081,340</b>	<b>\$ 269,967</b>	<b>\$ 248,204</b>	<b>\$ 3,599,511</b>	<b>\$ 289,001</b>	<b>\$ 295,721</b>	<b>\$ 584,722</b>	<b>\$ 4,184,233</b>

The accompanying notes are an integral part  
of these financial statements.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services				Supporting Services			Totals
	Youth and Family Programs	Lands and Parks Preservation Programs	Grant Management	Total Program Services	Management & General	Fundraising	Total Supporting Services	Combined Totals 2021
Grants & Scholarships	\$ 429,916	\$ 84,326	\$ 172,047	\$ 686,289	\$ -	\$ -	\$ -	\$ 686,289
Payroll Expenses	502,544	81,237	30,085	613,866	286,972	127,242	414,214	1,028,080
Professional Services	580,402	51,976	88	632,466	23,106	11,378	34,484	666,950
Office Expenses	24,620	13,321	14,696	52,637	31,654	20,159	51,813	104,450
Advertising & Promotion	1,025	-	-	1,025	-	-	-	1,025
Information Technology	12,492	396	800	13,688	3,769	-	3,769	17,457
Occupancy	52,845	3,541	3,541	59,927	17,709	3,541	21,250	81,177
Depreciation & Amortization	88,364	-	-	88,364	-	-	-	88,364
Travel and Meals	24,803	1,952	633	27,388	5,406	123	5,529	32,917
Meetings & Conferences	8,226	4,832	-	13,058	32,290	21,648	53,938	66,996
Book Value of Park Land Sold	-	4,175	-	4,175	-	-	-	4,175
Miscellaneous Expenses	4,552	12,893	664	18,109	51,559	10,959	62,518	80,627
Toolkit and Field Trips	384,892	-	-	384,892	231	-	231	385,123
Allocated Overhead	197,104	24,315	9,383	230,802	(268,122)	37,320	(230,802)	-
<b>Totals</b>	<b>\$ 2,311,785</b>	<b>\$ 282,964</b>	<b>\$ 231,937</b>	<b>\$ 2,826,686</b>	<b>\$ 184,574</b>	<b>\$ 232,370</b>	<b>\$ 416,944</b>	<b>\$ 3,243,630</b>

The accompanying notes are an integral part  
of these financial statements.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 579,588	\$ 1,554,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized/unrealized loss (gain) on investments	(54,238)	112,362
Depreciation and Amortization	73,808	88,364
Donated securities	(250,356)	(369,848)
(Increase) decrease in:		
Accounts receivables	38,634	(53,895)
Pledges receivables	253,890	(425,253)
Inventory	2,450	(8,483)
Prepaid expense and deposits	105,363	(696,953)
Property held for parks	(632,701)	75,514
Operating lease right of-use assets	69,597	-
Increase (decrease) in:		
Accounts payable and accrued expenses	49,404	(345,897)
Lease liabilities	(65,935)	320,825
Net Cash Provided by Operating Activities	169,504	251,526
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	870,405	501,496
Purchase of investments	(141,412)	(426,671)
Aquisition of PP&E (includes web & app development)	(9,843)	(364,577)
Net Cash Provided by (Used for) Investing Activities	719,150	(289,752)
NET INCREASE (DECREASE) IN CASH	888,654	(38,226)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,060,773	1,098,999
End of year	\$ 1,949,427	\$ 1,060,773

The accompanying notes are an integral part  
of these financial statements.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**1. ORGANIZATION AND PURPOSE**

NATIONAL PARK TRUST, INC. is incorporated as a not-for-profit organization in the District of Columbia and, as such, its purposes shall be limited to only charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Park Trust includes several affiliates. Those affiliates are listed below:

*CANONIE IDNL ACQUISITION LLC* is a Limited Liability Company formed on March 14, 2014, under the laws of Indiana. Its sole member is the National Park Trust. It is organized and operated exclusively for the tax exempt purpose of acquiring privately-owned parcels of land within or adjacent to Indiana Dunes National Park (formerly known as Indiana Dunes National Lakeshore [IDNL]), or anywhere within Indiana, holding them for conservation and donating them to the US National Park Service.

*NPT RANGE LIGHT ACQUISITION LLC* is a Limited Liability Company formed on August 25, 2017, under the laws of Michigan. Its sole member is the National Park Trust. It is organized and operated exclusively for the tax exempt purpose of acquiring privately-owned parcels of land within or adjacent to Pictured Rocks National Lakeshore in Michigan, or anywhere within Michigan, holding them for conservation and donating them to the US National Park Service.

*NPT VIRGINIA PARKS PROJECTS LLC* is a Limited Liability Company formed on June 10, 2019, under the laws of Virginia. Its sole member is the National Park Trust. It is organized and operated exclusively for the tax exempt purpose of acquiring privately-owned parcels of land within or adjacent to the Appalachian National Scenic Trail in Virginia, or anywhere within Virginia, holding them for conservation and donating them to the US National Park Service.

*NPT KANSAS PARK PROJECTS LLC* is a Limited Liability Company formed on April 16, 2021, under the laws of Kansas. Its sole member is the National Park Trust. It is organized and operated exclusively for the tax exempt purpose of acquiring privately-owned parcels of land within or adjacent to the Fort Scott National Historic Site in Kansas, or anywhere within Kansas, holding them for conservation and donating them to the US National Park Service.

National Park Trust's goal is to preserve our national parks. We accomplish this goal by 1) acquiring land to "complete" our national parks and 2) engaging youth and families with our public lands and waters to cultivate future caretakers of our parks. Our mission is to preserve parks today and create park stewards for tomorrow.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The consolidated financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Basis of Presentation***

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

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

With donor restrictions – Net assets subject to donor-imposed restrictions that expire through the passage of time or can be removed by actions pursuant to those restrictions. Other donor-imposed restrictions may be perpetual in nature.

***Principles of Consolidation***

The consolidated financial statements include the accounts of National Park Trust, Inc., Virginia Parks Projects LLC, Kansas Park Projects LLC and other Affiliates (Canonie IDNL Acquisition LLC and Range Light Acquisition LLC). All material inter-company transactions and accounts have been eliminated.

Except when referred to separately, all entities are collectively referred to as “the Trust” throughout the accompanying consolidated financial statements and related notes.

***Cash and Cash Equivalents***

For the consolidated statements of financial position and cash flows, the Trust considers all highly liquid investments which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase, to be cash equivalents. Short-term investments are not considered to be cash equivalents.

Financial instruments that potentially subject the Trust to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Trust maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Trust has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

As of June 30, 2023 and 2022, the Trust had cash or cash equivalent balances exceeding federally insured limits (FDIC) by \$1,712,224 and \$799,835, respectively. As of June 30, 2023 and 2022, cash or cash equivalent balances exceeded federal SIPC insured limits by \$259,999 and \$767,556.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Prepaid Expenses and Deposits***

Payments made in advance of future performance of services, receipt of goods or incurrence of expenses are recorded as prepaid expenses and deposits in the accompanying statements of financial position. Prepaid expenses and deposits include \$1,022,400 and \$1,141,000 on June 30, 2023 and 2022 of matching funds advanced to the NPS in requirement of the Centennial Challenge award.

***Inventory***

Inventory is comprised of Buddy Bison plush toys, t-shirts, books, and other items held for resale or use in its program activities. Inventory is stated at the lower of cost (determined on a first-in, first-out basis) or market value. The Trust periodically reviews inventory for slow-moving or obsolete items and determines if a reserve is necessary. At June 30, 2023 and 2022, there was no obsolete inventory.

***Investments***

The Trust carries investments in equity securities with readily determinable fair values and investments in debt securities at their fair values in the statement of financial position. Fair value is determined, when available, from quoted prices on major markets. Realized and unrealized gains and losses are reported in the accompanying consolidated statement of activities.

***Fair Value Measurements***

The Trust has adopted FASB Accounting Standards Codification (ASC) 820 relating to standards on fair value measurement, which apply whenever other authoritative literature requires certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist primarily of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets and liabilities. The Trust also uses fair value concepts to test various long-lived assets for impairment, if applicable.

***Accounts Receivable***

Accounts receivable principally represent amounts due from consignment sales and other nominal items. The entire amount of accounts receivable is expected to be collected within one year and is recorded at net realizable value. No allowance for doubtful accounts has been recorded, as management believes that all receivables are fully collectible.

***Pledges Receivable***

Pledges receivable represent unconditional amounts committed to the Trust. Amounts receivable in more than one year are initially recorded using a discount rate that considers market and credit risk. No discount was recorded on multi-year pledges receivable due to immateriality. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. At June 30, 2023 and 2022, an allowance for doubtful accounts of \$20,000 and \$20,000 was recognized, respectively.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Property and Equipment***

The Trust capitalizes all property and equipment over \$1,000. Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Equipment is being depreciated over estimated useful lives, primarily five years. Upon disposal of depreciable assets, the cost and related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to income. Expenditures for repairs and maintenance are expensed as incurred.

***Real Estate and Related Holdings***

Real estate and related holdings are recorded at cost if purchased, or, if donated, at fair market value on the date of the donation as determined primarily by one of the following valuation procedures:

- For material donations where a current appraisal is available from a professional qualified appraiser, such value may be adopted when the Trust is satisfied that the appraisal is reasonable.
- For immaterial donations where a current appraisal is not available, the Trust may use alternative methods that are cost effective for the individual circumstances. These methods may include self-appraisal and/or information provided by third parties including brokers, agents and others.

The Trust acquires, either through purchases or donation, real estate and related holdings with the intention of holding, selling or transferring for the purpose of preserving the National Park System.

***Impairment of Long-Lived Assets***

The Trust's assets are reviewed for indication of impairment at each reporting date. If any such indication exists, an estimate of recoverable amount is undertaken, which is the higher of an asset's fair value less costs of disposal and value in use. If the asset's carrying amount exceeds its recoverable amount, an impairment loss is recognized in the statement of activities. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that it does not exceed original carrying amount as if no impairment loss had been recognized.

***Revenue Recognition***

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in restricted net assets where their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets by fulfillment of the donor stipulated purposes or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. If the restriction is met in the same period in which the revenue is received, the revenue is recognized as support without donor restrictions.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Grants and contributions are recognized as revenue in the period received or promised. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Grant funds received where the Trust is acting as an intermediary for disbursing to identified grant awardees are not recognized as revenue, but instead as a liability, which is removed from the books upon disbursement.

Revenues from federal and other cost reimbursable funding sources are recognized when the related expenses are incurred and are included in contributions and grants in the accompanying consolidated statements of activities. Billings for cost reimbursable agreements not yet received are reported as accounts receivable in the accompanying consolidated statements of financial position. Expenses charged to federal grants, including allocable indirect costs and fringe benefits, are subject to audit and adjustment. Funds received in advance of the period in which they will be recognized are reported as refundable advances in the accompanying statements of financial position.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

***In-Kind Contributions***

The Trust receives in-kind contributions from individuals and organizations interested in the Trust's programs. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. The in-kind contributions include mainly legal services and are recorded as revenue at a value estimated by the donor.

***Income Taxes***

National Park Trust is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Trust is required to report unrelated business income to the Internal Revenue Service and the District of Columbia. There were no unrelated business income tax expenses for the years ended June 30, 2023 and 2022.



NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Trust's affiliates are disregarded entities for income tax purposes. Since the affiliates are single member LLC's, all items of income and expenditure are attributable to the Trust and are reported on its annual 990. All activities are related to the mission of the Trust.

Management has evaluated the Trust's tax position and concluded that there were no uncertain tax positions at June 30, 2023 and 2022.

***Website and App Development***

The Trust accounts for website and app development costs in accordance with Accounting Standards Codification 350-50 "Website Development Costs" (ASC 350-50). All costs incurred in the planning stage are expensed as incurred, costs incurred in the website and app costs incurred in the website and app infrastructure development stage are accounted for in accordance with ASC 350-50, which requires the capitalization of certain costs that meet specific criteria, and costs incurred in the day-to-day operation of the website and app are expensed as incurred. The Trust capitalizes third-party external website and app development costs which include acquisition of domains; coding for web, Android and iOS applications; graphical design and layout of the website and app pages; and related development costs. Once placed into service, the Trust amortizes the capitalized website and app development costs over a three-year period using straight-line amortization.

**3. LIQUIDITY AND AVAILABILITY**

As of June 30, 2023, the Trust's liquidity and financial resources available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,949,427
Receivables, current	431,915
Investments	<u>1,057,273</u>
Total financial assets	<u>\$ 3,438,615</u>
Financial assets available to meet general expenditures over the next year	 <u>\$ 3,438,615</u>

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**4. WEBSITE AND APP DEVELOPMENT**

The following is a summary of website and app development costs at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Website	\$ 144,415	\$ 144,415
App	192,975	183,132
Less: accumulated amortization	<u>(266,982)</u>	<u>(193,174)</u>
Website and app development, net	<u>\$ 70,408</u>	<u>\$ 134,373</u>

Amortization expense for the years ended June 30, 2023 and 2022 was \$73,808 and \$88,364, respectively.

**5. INVESTMENTS**

The Trust follows FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures, for its financial assets. Investments are categorized by Level 1, 2, and 3, which are based on the degree of certainty around the investments' underlying value. Level 1 investments can be valued with certainty because they are liquid and have clear market prices. Level 2 is based on observable inputs other than quoted market prices. Level 3 investments are illiquid and estimating their value requires inputs that are unobservable and reflect management assumptions.

The following schedule summarizes the Trust's investment at June 30:

	<u>2023</u>	<u>2022</u>
<u>Level 1</u>		
Money market funds	\$ 545,903	\$ 1,017,556
Fixed income	111,883	106,805
Equities:		
Emerging markets	-	28,941
Multi-strategy	-	1,349
Small cap	31,171	26,184
Large cap	288,621	233,055
Large cap developed	<u>79,695</u>	<u>67,782</u>
	<u>\$1,057,273</u>	<u>\$ 1,481,672</u>

The following schedule summarizes investment return at June 30:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 65,197	\$ 34,663
Realized gain on investments	993	1,138
Unrealized gain (loss) on investments	<u>53,245</u>	<u>(113,500)</u>
	<u>\$ 119,435</u>	<u>\$ (77,699)</u>

NATIONAL PARK TRUST, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**6. PLEDGES RECEIVABLE**

Pledges receivables are promised as follows at June 30:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ 372,860	\$ 534,639
Due in one to five years	<u>93,500</u>	<u>217,350</u>
Total pledges receivable	466,360	720,250
Less allowance for uncollectible	<u>(20,000)</u>	<u>(20,000)</u>
Net contributions receivable	<u>\$ 446,360</u>	<u>\$ 700,250</u>

**7. LEASE COMMITMENTS**

The Trust leases office space in Rockville, Maryland. The Trust entered into an operating lease agreement with the lease term commencing on February 1, 2022 and expiring on January 31, 2027. The lease calls for fixed monthly rental payments, with a 3% annual escalation plus pro-rata share of operating expenses. Under accounting principles generally accepted in the United States of America, the Trust has adopted new accounting standard (Topic 842), ASU 2016-02 which requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments.

The Trust, in adopting this accounting policy, recognizes lease expense over the term of the lease, generally using the straight-line method. Additionally, the Trust leased office equipment for a term of 60 months calling for fixed payments of \$169, plus miscellaneous ancillary charges, also recorded under the aforementioned guidance.

Lease expense for the years ended June 30, 2023 and 2022 totaled \$72,848 and \$69,011, respectively.

Future minimum annual lease payments under the terms of existing leases are as follows:

Year Ending June 30,

2024	68,396
2025	70,377
2026	72,417
2027	<u>43,160</u>
Total	<u>\$ 254,350</u>

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**8. RETIREMENT PLAN**

The Trust maintains a defined contribution plan (“the plan”) under Section 401(k) of the Internal Revenue Code (IRC). Employees are eligible to participate in the plan on the first day of the month following six months of employment. The plan allows for the Trust to make discretionary contributions to eligible participants equal to employee contributions up to the lower of 5% of compensation or \$10,000. Total contributions under the Plan for the years ended June 30, 2023 and 2022, were \$43,836 and \$33,714, respectively.

**9. NET ASSETS WITH DONOR RESTRICTIONS**

The following is an analysis of restricted net assets at June 30,

	<u>2023</u>	<u>2022</u>
Net assets with donor restrictions:		
Time restricted for programs	\$ 735,512	\$ 1,055,626
Treasure Forever revolving fund	430,307	1,025,053
Land acquisitions	631,389	27,000
Donor-restricted endowment	<u>39,380</u>	<u>39,380</u>
 Total	 <u>\$ 1,836,588</u>	 <u>\$ 2,147,059</u>

**10. CONSERVATION EASEMENT**

The Trust received a contribution of a conservation easement known as the Johnnycake Ranch in Arkansas that represents restrictions over the use and development of land not owned by the Trust.

This easement provides for retaining or protecting natural, scenic, historical or open space values of real property, assuring its availability for agricultural, forest, recreation, education or open space use, protecting natural features and resources, maintaining or enhancing air quality or preserving the natural, historical, agricultural, archeological or cultural aspects of real property. The fair market value of the conservation easement at the time of donation was \$1,465,100.

**11. PROPERTY FOR PARKS**

During fiscal year 2023, NPT Virginia Parks Projects LLC purchased land in Morgans Mill, VA for \$544,944. This property plus capitalized costs of \$4,700 is included in property for parks and is to be sold to the National Park Service upon completion of governmental documentation/procedures at an unknown future date. The property consists of land only. Also, during fiscal year 2023, NPT Range Light Acquisition LLC purchased property in Ross Township, MI (adjacent to the North Country Trail) for \$66,780. This property plus capitalized costs of \$455 is included in property for parks and is to be sold to the National Park Service upon completion of governmental documentation/procedures at an unknown future date. The property consists of land only.

NATIONAL PARK TRUST, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**11. PROPERTY FOR PARKS (CONTINUED)**

During fiscal year 2021, the Trust received a donation of land in Fort Washington Federal State Park, with a fair value of \$55,000. The property consists of land only and was transferred to the federal government upon completion of final settlement during fiscal year 2022.

During fiscal year 2021, NPT Kansas Park Projects, LLC purchased land and a building in Fort Scott, KS for \$155,000, secured by a loan to the Trust from a board member (see note 12). This property plus other capitalized costs of \$12,149 is included in property for parks and is to be sold to the National Park Service upon completion of governmental documentation/procedures at an unknown future date. The building has a tenant occupying it under an existing lease agreement that was transferred to NPT Kansas Park Projects, LLC upon purchase.

**12. RELATED PARTIES**

Members of the Board of Trustees made contributions totaling \$219,178 and \$1,008,720 respectively, for the fiscal years ended June 30, 2023 and 2022. Some of these contributions were received in the form of pledges. Unconditional promises to give from Board members totaled \$220,358 and \$466,829 at June 30, 2023 and 2022, respectively, and are included in pledges receivable in the accompanying consolidated statements of financial positions.

On April 2, 2021, the Trust entered into a note agreement with a Board of Trustee member to finance the purchase price of the property in Fort Scott, KS of \$155,000. The note is interest-only, payable quarterly at an annual rate of 3% with a balloon payment of the principal on its maturity date of June 30, 2027.

**13. IN-KIND CONTRIBUTIONS**

The Trust received in-kind contributions during 2023 and 2022, They are as follows:

	2023	2022
Donated legal	<u>\$ 260,000</u>	<u>\$ 398,000</u>
	<u>\$ 260,000</u>	<u>\$ 398,000</u>

**14. DESCRIPTION OF PROGRAMS**

Lands and Parks Preservation Programs

Preserve parks today: Since 1983, National Park Trust has completed 77 land acquisition, restoration, and mitigation projects to protect more than 25,000 acres in 30 states, one U.S. Territory, and Washington, D.C. Sixty-two of these projects have benefited 50 units of the National Park Service. While our earlier work included the preservation of various federal, state, and local public lands, currently our work focuses solely on national park sites.

NATIONAL PARK TRUST, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

#### **14. DESCRIPTION OF PROGRAMS (CONTINUED)**

The Park Trust selects land projects in response to direct requests from the National Park Service (NPS) for real estate assistance to acquire privately owned parcels from willing sellers. The acquired lands are located within current national park boundaries as well as adjacent lands to national parks.

All lands acquired are sold or donated to the National Park Service for permanent protection. The Park Trust often works as the sole non-profit partner with the NPS on a particular project; we also work with other partners including national and local land trusts and friends groups to complete park preservation projects.

##### Youth and Family Programs

Create park stewards for tomorrow: To ensure the preservation of our parks and public lands and waters in perpetuity, National Park Trust gets kids and families to parks to cultivate future park stewards and outdoor enthusiasts. The Park Trust has four national initiatives to engage youth and families: 1) Buddy Bison Programs, 2) National Kids to Parks Day, 3) Military Family Program, and 4) College Ambassador Program. These initiatives provide park experiences for underserved youth, teachers, military families, college/university communities, and the general public. The goals of all Park Trust youth and family programs are to 1) use parks as outdoor classrooms, 2) promote health and wellness through outdoor recreation, and 3) foster park stewardship through career awareness and volunteer opportunities.

Since 2009, the Park Trust's youth and family programs have impacted more than 3,100,000 children and families in collaboration with the White House, Department of the Interior, National Park Service, U.S. Forest Service, National Oceanic and Atmospheric Administration and numerous education and conservation partners.

Since the pandemic when programs evolved to virtual/digital formats, the Park Trust has responded to requests from our educators across the country and now employs a hybrid educational approach to connect kids to parks. This blends the best of local park trips and virtual programs with rangers to connect children with public lands and waters in their community and across the country.

##### Grant Management

Another way the Park Trust works to foster park stewards is through grants management. The Park Trust grant management program provides turn-key services that enable national and local funding partners to provide a robust giving opportunity that benefits youth and families. The Park Trust currently manages six grant-making programs and to date, has awarded more than \$2.1 million to schools and nonprofits that connect people with the outdoors.

NATIONAL PARK TRUST, INC.  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**15. CONSIGNMENT AND OTHER SALES INCOME**

Consignment and other sales income is stated at net for financial reporting purposes. As of June 30, 2023, and 2022, consignment and other sales income is as follows:

	<u>2023</u>	<u>2022</u>
Gross consignment sales	\$ 38,934	\$ 23,403
Other sales income	<u>1,809</u>	<u>2,530</u>
Total gross sales	40,743	25,933
Less: cost of goods sold	<u>(13,539)</u>	<u>(9,515)</u>
Net consignment and other sales	<u>\$ 27,204</u>	<u>\$ 16,418</u>

**16. LINE OF CREDIT**

The Trust maintains a line of credit, which is used to finance short-term working capital needs. The maximum credit under the line is \$150,000, and any excess draws are required to be paid immediately. Interest is computed monthly at a rate of prime plus 3.5%, which was 11.5% and 7% at June 30, 2023 and 2022, respectively. There were no outstanding borrowings on this line of credit at June 30, 2023 and 2022.

**17. BOARD-DESIGNATED PARK PRESERVATION FUND**

During the fiscal year ended June 30, 2022, the Park Trust's Board of Trustees designated \$850,000 of net assets without donor restrictions to be used for the Park Preservation Fund. This fund will be used to purchase and preserve critical lands and waters for National Parks. However unlike the Treasure Forever Fund, the use of any of these funds are not expected to be reimbursed by the National Park Service or other parties.

**18. TREASURE FOREVER FUND**

During the fiscal year ended June 30, 2019, the Trust established the Treasure Forever Fund ("TFF"), which is a revolving fund used to purchase and preserve critical lands and waters for National Parks, but only where the acquisition is an acknowledged priority for a specific National Park and a committed source of subsequent repayment (such as Land and Water Conservation Fund) has been identified.

The TFF was made up of the following:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Pledges Receivable, Due in less than 1 year	\$ 5,000	\$ 75,270
Pledges Receivable, Due in 1 to 5 years	-	1,000
Closing and related costs to be reimbursed, net	-	3,300
Investments	<u>425,307</u>	<u>945,483</u>
Total at June 30	<u>\$ 430,307</u>	<u>\$ 1,025,053</u>

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023 AND 2022

**18. TREASURE FOREVER FUND (CONTINUED)**

During the years ended June 30, 2023 and 2022, the TFF had the following activities:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Pledges and contributions	\$ 2,200	\$ 180,069
Investment income, net of fees	14,578	(1,495)
Land conservation purchases	<u>(611,524)</u>	<u>-</u>
Change in TFF	(594,746)	178,574
Balance on July 1	<u>1,025,053</u>	<u>846,479</u>
Balance on June 30	<u>\$ 430,307</u>	<u>\$ 1,025,053</u>

**19. SUBSEQUENT EVENTS**

In accordance with FASB ASC 855, the Trust evaluated subsequent events through December 18, 2023, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE CONSOLIDATED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

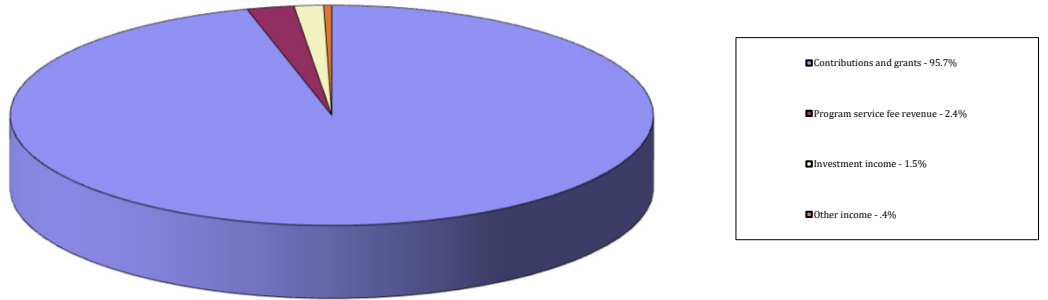
	2023					2022	
	National Park Trust, Inc.	Virginia Parks Projects LLC	Kansas Park Projects LLC	Other Affiliates	Eliminations	Consolidated Total	Consolidated Total
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 1,949,427	\$ -	\$ -	\$ -	\$ -	\$ 1,949,427	\$ 1,060,773
Accounts receivable	79,055	-	-	-	-	79,055	117,689
Pledges receivable, net (NOTE 6)	352,860	-	-	-	-	352,860	482,900
Inventory	93,012	-	-	-	-	93,012	95,462
Prepaid expenses	1,070,478	-	-	-	-	1,070,478	1,175,841
Operating lease right of-use assets (NOTE 7)	249,598	-	-	-	-	249,598	319,195
<b>Total Current Assets</b>	<b>3,794,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,794,430</b>	<b>3,251,860</b>
Investments (NOTE 5)	1,057,273	-	-	-	-	1,057,273	1,481,672
Pledges receivable, net (NOTE 6)	93,500	-	-	-	-	93,500	217,350
Website and app development-net (NOTE 4)	70,408	-	-	-	-	70,408	134,373
Due from Kansas Park Projects LLC	155,000	-	-	-	(155,000)	-	-
Real estate and related holdings:							
Conservation easement (NOTE 10)	1,465,100	-	-	-	-	1,465,100	1,465,100
Property for parks (NOTE 11)	640,426	-	155,000	-	-	795,426	162,725
<b>Total real estate and related holdings</b>	<b>2,105,526</b>	<b>-</b>	<b>155,000</b>	<b>-</b>	<b>-</b>	<b>2,260,526</b>	<b>1,627,825</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,276,137</b>	<b>\$ -</b>	<b>\$ 155,000</b>	<b>\$ -</b>	<b>\$ (155,000)</b>	<b>\$ 7,276,137</b>	<b>\$ 6,713,080</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable and accrued expenses	\$ 198,148	\$ -	\$ -	\$ -	\$ -	\$ 198,148	148,744
Operating lease liabilities (NOTE 7)	68,396	-	-	-	-	68,396	66,475
<b>Total Current Liabilities</b>	<b>266,544</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>266,544</b>	<b>215,219</b>
<b>NON-CURRENT LIABILITIES</b>							
Loan payable, related party (NOTE 12)	155,000	-	-	-	-	155,000	155,000
Operating lease liabilities (NOTE 7)	186,494	-	-	-	-	186,494	254,350
Due to National Park Trust	-	-	155,000	-	(155,000)	-	-
<b>Total Non-Current Liabilities</b>	<b>341,494</b>	<b>-</b>	<b>155,000</b>	<b>-</b>	<b>(155,000)</b>	<b>341,494</b>	<b>409,350</b>
<b>NET ASSETS</b>							
Without Donor Restrictions	2,352,374	-	-	-	-	2,352,374	1,463,627
Board designated:							
Property held for exempt purposes	1,629,137	-	-	-	-	1,629,137	1,627,825
Park preservation fund (NOTE 17)	850,000	-	-	-	-	850,000	850,000
<b>Total Without Donor Restrictions</b>	<b>4,831,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,831,511</b>	<b>3,941,452</b>
With Donor Restrictions (NOTE 9)	1,836,588	-	-	-	-	1,836,588	2,147,059
<b>Total Net Assets</b>	<b>6,668,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,668,099</b>	<b>6,088,511</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,276,137</b>	<b>\$ -</b>	<b>\$ 155,000</b>	<b>\$ -</b>	<b>\$ (155,000)</b>	<b>\$ 7,276,137</b>	<b>\$ 6,713,080</b>

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE CONSOLIDATED TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

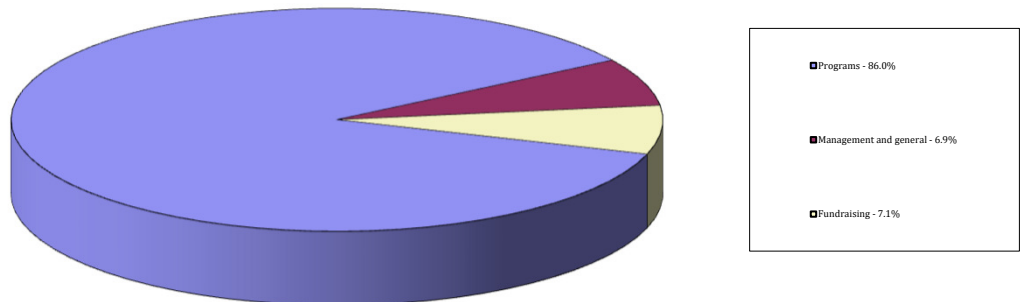
	2023					2022	
	Natal Park Trust, Inc.	Virginia Parks Projects LLC	Kansas Park Projects LLC	Other Affiliates	Eliminations	Consolidated Total	Consolidated Total
<b>REVENUE</b>							
Contributions and grants	\$ 4,234,125	\$ -	\$ -	\$ -	\$ -	\$ 4,234,125	\$ 4,379,826
Program service fee revenue	105,165	-	-	-	-	105,165	68,100
Consignment and other sales income, net of COGS (NOTE 15)	27,204	-	-	-	-	27,204	16,418
Investment income (NOTE 5)	65,197	-	-	-	-	65,197	34,663
In-kind contributions (NOTE 13)	260,000	-	-	-	-	260,000	398,000
Other income	17,892	-	-	-	-	17,892	13,775
<b>TOTAL REVENUE</b>	<b>\$ 4,709,583</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,709,583</b>	<b>\$ 4,910,782</b>
<b>EXPENSES</b>							
<b>Program Services:</b>							
Youth and family programs	\$ 3,081,340	\$ -	\$ -	\$ -	\$ -	\$ 3,081,340	\$ 2,311,785
Land and parks preservation programs	269,967	-	-	-	-	269,967	282,964
Grant management	248,204	-	-	-	-	248,204	231,937
Total program services	3,599,511	-	-	-	-	3,599,511	2,826,686
<b>Supporting Services:</b>							
General and administrative	289,001	-	-	-	-	289,001	184,574
Fundraising	295,721	-	-	-	-	295,721	232,370
	584,722	-	-	-	-	584,722	416,944
<b>TOTAL EXPENSES</b>	<b>\$ 4,184,233</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,184,233</b>	<b>\$ 3,243,630</b>
CHANGES IN NET ASSETS BEFORE NON-OPERATING ITEMS	525,350	-	-	-	-	525,350	1,667,152
<b>NON-OPERATING ITEMS:</b>							
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	54,238	-	-	-	-	54,238	(112,362)
WRITE OFF OF PROPERTY FOR PARKS	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	579,588	-	-	-	-	579,588	1,554,790
NET ASSETS BEGINNING OF YEAR	6,088,511	-	-	-	-	6,088,511	4,533,721
END OF YEAR	<b>\$ 6,668,099</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,668,099</b>	<b>\$ 6,088,511</b>

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
SELECTED GRAPHIC INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

2023 Support and Revenue

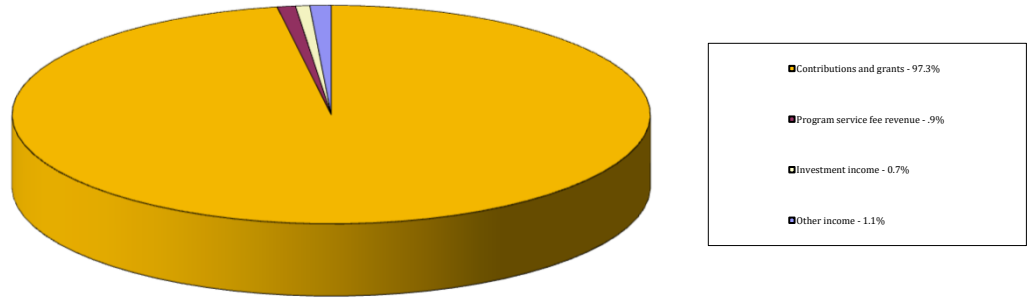


2023 Expenses

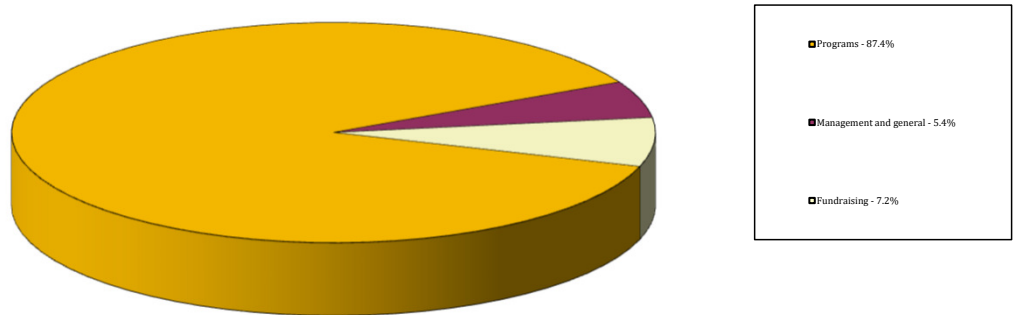


NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
SELECTED GRAPHIC INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022

2022 Support and Revenue



2022 Expenses



# PHILLIPS & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

15825 SHADY GROVE ROAD, SUITE 40  
ROCKVILLE, MARYLAND 20850-4033  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
NATIONAL PARK TRUST, INC.  
Washington, DC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of National Park Trust, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2023.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered National Park Trust, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Park Trust, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether National Park Trust, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rockville, Maryland  
December 18, 2023

# PHILLIPS & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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(301) 519-3280 / Fax (301) 519-2790  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors  
NATIONAL PARK TRUST, INC.  
Washington, DC

### ***Report on Compliance for Each Major Federal Program***

We have audited National Park Trust, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Park Trust, Inc.'s major federal programs for the year ended June 30, 2023. National Park Trust, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of National Park Trust, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about National Park Trust, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of National Park Trust, Inc.'s compliance.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (CONTINUED)

***Opinion on Each Major Federal Program***

In our opinion, National Park Trust, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Report on Internal Control over Compliance***

Management of National Park Trust, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered National Park Trust, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of National Park Trust, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE (CONTINUED)

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of National Park Trust, Inc. as of and for the year ended June 30, 2023, and have issued our report thereon dated December 18, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Rockville, Maryland  
December 18, 2023

NATIONAL PARK TRUST, INC. AND SUBSIDIARY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Program Title:</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<b>United States Department of the Interior National Park Service:</b>			
Buddy Bison School and Kids to Parks Day	15.945	P20AC00530	\$ 722,285
Buddy Bison School and Kids to Parks Day	15.945	P23AC00490	733,795
Challenge Cost Share: Supporting Outdoor Recreation Economy	15.945	P22AC00690	386,000
Challenge Cost Share: Supporting Outdoor Recreation Economy	15.945	P23AC00373	386,000
Education and Recreational Fishing Programs For Students and Military Families	15.945	P21AC10423	<u>340,644</u>
<b>Total United States Department of the Interior National Park Service</b>			<u>2,568,724</u>
<b>USDA Forest Service:</b>			
Connecting Kids to Nature Through Meaningful Outdoor Experiences	10.699	16-CS-11132420-228	<u>237,824</u>
<b>Total USDA Forest Service</b>			<u>237,824</u>
<b>National Oceanic and Atmospheric Administration (pass-through via National Marine Sanctuary Foundation):</b>			
Community Engagement and Partnerships to Support U.S. Fisheries Conservation	11.454	NA18NMF4540003	<u>153,715</u>
<b>Total National Oceanic and Atmospheric Administration</b>			<u>153,715</u>
<b>Total Federal Expenditures</b>			<u>\$ 2,960,263</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the activity of NATIONAL PARK TRUST, INC. presented on GAAP. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. There were no non-cash assistance recorded, no federal insurance noted, and no loans or loan guarantees outstanding during the audit year.

NOTE 2 – INDIRECT COST RATE

National Park Trust Inc. has elected to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

NATIONAL PARK TRUST, INC.  
AND AFFILIATES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2023 AND 2022

SUMMARY OF AUDITORS' RESULTS

*Financial Statements*

Type of auditors' report issued	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified	___yes	__X__no
Significant deficiencies identified that are not considered to be material weaknesses	___yes	__X__none reported
Noncompliance material to financial statements noted	___yes	__X__no

*Federal Awards*

Internal control over major programs:		
Material weaknesses identified	___yes	__X__no
Significant deficiencies identified that are not considered to be material weaknesses	___yes	__X__none reported
Type of auditors' report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	___yes	__X__no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.945	U.S. Department of the Interior National Park Service

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	___yes    __X__no

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS – NONE NOTED.

FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS – NONE NOTED.

SUMMARY SCHEDULE OF PRIOR FINDINGS – NONE NOTED.