

National Park Trust, Inc. and Affiliate

Consolidated Financial Statements
and Independent Auditors' Report

June 30, 2017 and 2016

National Park Trust, Inc. and Affiliate

Consolidated Financial Statements
June 30, 2017 and 2016

Contents

| | |
|--|-------|
| Independent Auditors' Report..... | 1-2 |
| <i>Consolidated Financial Statements</i> | |
| Consolidated Statements of Financial Position..... | 3 |
| Consolidated Statements of Activities | 4-5 |
| Consolidated Statements of Cash Flows..... | 6 |
| Notes to Consolidated Financial Statements..... | 7-26 |
| <i>Supplementary Information</i> | |
| Consolidating Statement of Financial Position..... | 27 |
| Consolidating Statement of Activities | 28 |
| Consolidated Schedule of Functional Expenses | 29 |
| Selected Graphic Information | 30-31 |

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
National Park Trust, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of National Park Trust, Inc. and Canonie IDNL Acquisition LLC (collectively, "the Trust"), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Auditor's Responsibility (continued)

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2017 and 2016, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included on pages 27-31 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.



Vienna, Virginia
January 5, 2018

National Park Trust, Inc. and Affiliate

Consolidated Statements of Financial Position
June 30, 2017 and 2016

| | 2017 | 2016 |
|--|--------------|--------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 339,715 | \$ 78,949 |
| Restricted cash | 629,992 | 629,621 |
| Accounts receivable | 4,876 | 42,734 |
| Pledges receivable, net | 334,176 | 442,336 |
| Inventory | 36,240 | 26,502 |
| Prepaid expenses and deposits | 32,705 | 29,682 |
| Total current assets | 1,377,704 | 1,249,824 |
| Investments | 370,152 | 322,359 |
| Pledges receivable, long-term | 450,250 | 647,100 |
| Property and equipment, net | - | 304 |
| Real estate and related holdings: | | |
| Conservation easement | 1,465,100 | 1,465,100 |
| Mineral rights | 1,390,600 | 1,390,600 |
| Property held for parks | 1 | 650,377 |
| Total real estate and related holdings | 2,855,701 | 3,506,077 |
| Total assets | \$ 5,053,807 | \$ 5,725,664 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 73,685 | \$ 83,704 |
| Total current liabilities | 73,685 | 83,704 |
| Net Assets | | |
| Unrestricted: | | |
| Undesignated | 16,182 | 472,136 |
| Board-designated | 2,855,700 | 2,855,700 |
| Total unrestricted | 2,871,882 | 3,327,836 |
| Temporarily restricted | 2,068,860 | 2,124,744 |
| Permanently restricted | 39,380 | 189,380 |
| Total net assets | 4,980,122 | 5,641,960 |
| Total liabilities and net assets | \$ 5,053,807 | \$ 5,725,664 |

See accompanying notes.

National Park Trust, Inc. and Affiliate

Consolidated Statement of Activities
For the Year Ended June 30, 2017

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|---------------------------|---------------------------|---------------------|
| Operating Revenue and Support | | | | |
| Grants and contributions | \$ 1,177,180 | \$ 216,848 | \$ - | \$ 1,394,028 |
| Government grants | 197,669 | - | - | 197,669 |
| Product sales, net | 40,458 | - | - | 40,458 |
| Investment income | 10,975 | - | - | 10,975 |
| In-kind contributions | 212,000 | - | - | 212,000 |
| Other income | 10,244 | - | - | 10,244 |
| Released from restrictions | 422,732 | (272,732) | (150,000) | - |
| Total operating revenue and support | 2,071,258 | (55,884) | (150,000) | 1,865,374 |
| Expenses | | | | |
| Program services: | | | | |
| Youth programs | 1,360,624 | - | - | 1,360,624 |
| Lands and parks programs | 925,867 | - | - | 925,867 |
| Total program services | 2,286,491 | - | - | 2,286,491 |
| Supporting services: | | | | |
| General and administrative | 154,485 | - | - | 154,485 |
| Fundraising | 126,551 | - | - | 126,551 |
| Total supporting services | 281,036 | - | - | 281,036 |
| Total expenses | 2,567,527 | - | - | 2,567,527 |
| Change in Net Assets from Operations | (496,269) | (55,884) | (150,000) | (702,153) |
| Non-Operating Activity | | | | |
| Realized and unrealized gain on investments | 40,315 | - | - | 40,315 |
| Total non-operating activity | 40,315 | - | - | 40,315 |
| Change in Net Assets | (455,954) | (55,884) | (150,000) | (661,838) |
| Net Assets, beginning of year | 3,327,836 | 2,124,744 | 189,380 | 5,641,960 |
| Net Assets, end of year | \$ 2,871,882 | \$ 2,068,860 | \$ 39,380 | \$ 4,980,122 |

See accompanying notes.

National Park Trust, Inc. and Affiliate

Consolidated Statement of Activities
For the Year Ended June 30, 2016

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|---------------------------|---------------------------|---------------------|
| Operating Revenue and Support | | | | |
| Grants and contributions | \$ 893,263 | \$ 853,800 | \$ - | \$ 1,747,063 |
| Government grants | 743,829 | - | - | 743,829 |
| Product sales, net | 25,486 | - | - | 25,486 |
| Investment income | 11,623 | - | - | 11,623 |
| In-kind contributions | 204,260 | - | - | 204,260 |
| Other income | 29,252 | - | - | 29,252 |
| Released from restrictions | 204,059 | (114,059) | (90,000) | - |
| Total operating revenue and support | 2,111,772 | 739,741 | (90,000) | 2,761,513 |
| Expenses | | | | |
| Program services: | | | | |
| Youth programs | 1,420,609 | - | - | 1,420,609 |
| Lands and parks programs | 200,708 | - | - | 200,708 |
| Total program services | 1,621,317 | - | - | 1,621,317 |
| Supporting services: | | | | |
| General and administrative | 202,481 | - | - | 202,481 |
| Fundraising | 141,170 | - | - | 141,170 |
| Total supporting services | 343,651 | - | - | 343,651 |
| Total expenses | 1,964,968 | - | - | 1,964,968 |
| Change in Net Assets from Operations | 146,804 | 739,741 | (90,000) | 796,545 |
| Non-Operating Activity | | | | |
| Realized and unrealized gain on investments | 4,914 | - | - | 4,914 |
| Total non-operating activity | 4,914 | - | - | 4,914 |
| Change in Net Assets | 151,718 | 739,741 | (90,000) | 801,459 |
| Net Assets, beginning of year | 3,176,118 | 1,385,003 | 279,380 | 4,840,501 |
| Net Assets, end of year | \$ 3,327,836 | \$ 2,124,744 | \$ 189,380 | \$ 5,641,960 |

See accompanying notes.

National Park Trust, Inc. and Affiliate

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

| | 2017 | 2016 |
|---|--------------|------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (661,838) | \$ 801,459 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Realized and unrealized gain on investments | (40,315) | (4,914) |
| Depreciation | 304 | 621 |
| Donated securities | (143,150) | (212,064) |
| Change in allowance for pledges receivable | - | 47,500 |
| Change in operating assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 37,858 | (37,974) |
| Pledges receivable | 305,010 | (912,570) |
| Inventory | (9,738) | 7,805 |
| Prepaid expenses and deposits | (3,023) | (16,431) |
| Property held for parks | 650,376 | - |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | (10,019) | 10,469 |
| | 125,465 | (316,099) |
| Net cash provided by (used in) operating activities | | |
| Cash Flows from Investing Activities | | |
| Purchase of investments | (9,278) | (278,710) |
| Proceeds from sales of investments | 144,950 | 481,669 |
| | 135,672 | 202,959 |
| Net cash provided by investing activities | | |
| Cash Flows from Financing Activity | | |
| Payments on line of credit | - | (4,337) |
| | - | (4,337) |
| Net cash used in financing activity | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | 261,137 | (117,477) |
| Cash and Cash Equivalents, beginning of year | 708,570 | 826,047 |
| Cash and Cash Equivalents, end of year | \$ 969,707 | \$ 708,570 |
| Cash and cash equivalents | \$ 339,715 | \$ 78,949 |
| Restricted cash | 629,992 | 629,621 |
| Total Cash and Cash Equivalents | \$ 969,707 | \$ 708,570 |

See accompanying notes.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

1. Nature of Operations

National Park Trust, Inc. (NPT) is incorporated as a not-for-profit 501(c)(3) organization in the District of Columbia with a mission to preserve parks today and create park stewards for tomorrow.

Preserve parks today: For 34 years, NPT has enhanced the nation's park system by acquiring high-priority lands identified by the National Park Service (NPS) and other agencies. To date, NPT's efforts have resulted in the completion of over 60 land acquisition, restoration, and mitigation projects for more than 45,000 acres in 29 states, Washington, D.C., and the U.S. Virgin Islands, including 47 NPS projects in 41 NPS units, 3 U.S. Department of Agriculture Forest Service (USFS) projects, 3 National Wildlife Refuge projects, and 9 state and local parks. Many of these parcels are at risk for development.

NPT moves quickly to select, acquire, and protect park land, often working with partners, including national and local land trust and friends groups, to raise the critical funding needed to complete projects. NPT's land projects vary in size from great swaths of land, including the more than 10,000 acres to create the Tallgrass Prairie National Preserve (KS) to equally important smaller parcels, such as the 12.5 acres located within the Wild Basin area of Rocky Mountain National Park (CO).

Create park stewards for tomorrow: To meet the growing disconnect between kids and nature, especially children from diverse communities, both urban and rural, NPT launched two national environmental education initiatives: the Buddy Bison School Program (in 2009) and Kids to Parks Day (in 2011) to provide park and public lands/water experiences for youth, families, and teachers.

Park experiences funded by NPT: 1) provide outdoor education using parks and public lands/water as outdoor classrooms, 2) promote health and wellness through outdoor recreation, and 3) promote the importance of park stewardship and conservation. To date, NPT's youth programs have impacted more than 2,000,000 children and families. NPT provides funding for more than 60 Title I elementary and middle schools in 16 states and Washington, D.C. More than 80% of students supported by NPT qualify for free or reduced-priced lunch, the federal indicator of low income.

Affiliate: Canonie IDNL Acquisition LLC ("Canonie") is a Limited Liability Company formed on March 14, 2014, under the laws of Indiana. Its sole member is NPT and it was established and operated exclusively for the tax-exempt purpose of acquiring parcels of land on Canonie Road adjacent to Indiana Dunes National Lakeshore (IDNL), holding them for conservation, and donating them to NPS.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of NPT and Canonie. 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.

Basis of Accounting and Presentation

The Trust’s consolidated financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Trust’s operations. Unrestricted net assets include both undesignated and Board-designated amounts.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Trust or by the passage of time.
- *Permanently restricted net assets* represent funds in which the principal must be held in perpetuity, while the earnings may be available for the general operations or restricted purposes imposed by the donors.

Cash Equivalents

For the purpose of the consolidated statements of cash flows, the Trust considers as cash equivalents 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. Excluded from this definition of cash equivalents are amounts held for investment.

In addition, NPT has restricted cash that is not available for immediate use. Such cash cannot be used by NPT until a certain point or event in the future. Restricted cash includes amounts in money market and savings accounts restricted to be spent on mitigation settlement-directed park projects and direct land purchases under temporarily restricted grant agreements. As of June 30, 2017 and 2016, restricted cash totaled \$629,992 and \$629,621, respectively.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable principally represent amounts due from consignment sales, the Centennial Program cost reimbursements, 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. At both June 30, 2017 and 2016, an allowance for doubtful accounts of \$50,000 was recognized.

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, 2017 and 2016, there was no obsolete inventory.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported in the accompanying consolidated statements of activities.

Property and Equipment

The Trust capitalizes all property and equipment over \$1,000. Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of donation. Equipment is being depreciated over the 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.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

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 the recoverable amount is undertaken, being 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 then 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 this does not exceed the original carrying amount that if no impairment loss had been recognized.

Revenue Recognition

Grants and contributions are recorded as revenue when received or promised. The Trust reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Trust's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period received.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenues from federal and other funding sources are recognized when the related expenses are incurred. Expenses charged to federal grants, including allocable indirect costs and fringe benefits, are subject to audit and adjustment. Grant expenses incurred before the grant revenue is received are reported as grants receivable in the accompanying consolidated statements of financial position. Funds received in advance of the period in which they will be recognized are reported as refundable advances in the accompanying consolidated statements of financial position.

The Trust records support from fundraising campaigns in the year in which the fundraising activity occurs.

Revenue from all other sources is recognized when earned.

Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes realized and unrealized gains and losses on investments.

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 nonfinancial 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 other professional services, and they are recorded as revenue at a value estimated by the donor.

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.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Trust's fiscal year 2021.

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented in financial statements and notes about nonprofit organization liquidity, financial performance, and cash flows. The guidance is effective beginning in the Trust's fiscal year 2019.

Subsequent Events

In preparing these consolidated financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through January 5, 2018, the date the consolidated financial statements were available to be issued.

3. Concentration of Credit Risk

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.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

4. Investments and Fair Value Measurements

The Trust follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Trust recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Trust uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Trust's fair value hierarchy for those assets measured on a recurring basis at June 30, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|------------|---------|---------|------------|
| Money market funds | \$ 1,092 | \$ - | \$ - | \$ 1,092 |
| Fixed income | 104,568 | - | - | 104,568 |
| Equities: | | | | |
| Emerging markets | 28,827 | - | - | 28,827 |
| Multi-strategy | 17,278 | - | - | 17,278 |
| Small cap | 17,812 | - | - | 17,812 |
| Large cap | 163,560 | - | - | 163,560 |
| Large cap developed | 37,015 | - | - | 37,015 |
| Total investments | \$ 370,152 | \$ - | \$ - | \$ 370,152 |

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

4. Investments and Fair Value Measurements (continued)

The following table presents the Trust's fair value hierarchy for those assets measured on a recurring basis at June 30, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|------------|---------|---------|------------|
| Money market funds | \$ 10,969 | \$ - | \$ - | \$ 10,969 |
| Fixed income | 96,464 | - | - | 96,464 |
| Equities: | | | | |
| Emerging markets | 23,335 | - | - | 23,335 |
| Multi-strategy | 15,900 | - | - | 15,900 |
| Small cap | 15,054 | - | - | 15,054 |
| Large cap | 129,697 | - | - | 129,697 |
| Large cap developed | 30,940 | - | - | 30,940 |
| | | | | |
| Total investments | \$ 322,359 | \$ - | \$ - | \$ 322,359 |

Investment income consists of the following for the years ended June 30:

| | 2017 | 2016 |
|------------------------------|-----------|-----------|
| Interest and dividends | \$ 10,975 | \$ 11,623 |
| Realized and unrealized gain | 40,315 | 4,914 |
| | | |
| Total investment income | \$ 51,290 | \$ 16,537 |

5. Pledges Receivable

Pledges receivable are promised as follows at June 30:

| | 2017 | 2016 |
|--|------------|--------------|
| Due in less than one year | \$ 384,176 | \$ 492,336 |
| Due in one to five years | 450,250 | 647,100 |
| | | |
| Total pledges receivable | 834,426 | 1,139,436 |
| Less: allowance for uncollectible accounts | (50,000) | (50,000) |
| | | |
| Pledges receivable, net | \$ 784,426 | \$ 1,089,436 |

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

6. Property and Equipment

Property and equipment consists of the following at June 30:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|-----------------|-----------------|
| Office furniture and equipment | \$ 20,128 | \$ 20,128 |
| Less: accumulated depreciation | <u>(20,128)</u> | <u>(19,824)</u> |
| Property and equipment, net | <u>\$ -</u> | <u>\$ 304</u> |

7. Real Estate and Related Holdings

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.

Mineral Rights

During 2008 and 2003, the Trust received donations of mineral rights, and the rights to remove said minerals from 5,676 acres of land situated in Capon District, Hardy County, West Virginia. The surface of the land is owned by the USFS. Contributions of mineral interests were recorded at fair value of \$1,390,600 at the time of donation.

Property Held for Parks

During fiscal year 2014, Canonie purchased parcels of land with the intention of donating this land to NPS. The property consists of land only and is to be transferred to the federal government upon completion of governmental documentation/procedures. The land is held by Canonie and is consolidated in the accompanying consolidated statements of financial position. As of June 30, 2016, the value of this property was \$650,376. During the year ended June 30, 2017, the property was donated to NPS.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

7. Real Estate and Related Holdings (continued)

In addition, the Trust had a Property for Parks program to receive donations of property. The Trust has the option to either transfer the property for no consideration or sell it and use the money to help preserve America's park lands. One such donated property in the state of New York lost resale value and was written-down to an estimated market value of \$1. As of both June 30, 2017 and 2016, the value of this property was \$1. Subsequent to year-end on July 24, 2017, the property was sold for \$10,000.

8. Net Assets

Temporarily Restricted

Temporarily restricted net assets were restricted for the following purposes at June 30:

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------------|-----------------------------|
| Capital Campaign | \$ 812,916 | \$ 853,800 |
| Mitigation settlement | 755,944 | 755,944 |
| Land acquisition | 500,000 | 500,000 |
| Buddy Bison book series | - | 15,000 |
| | <u> </u> | <u> </u> |
| Total temporarily restricted net assets | <u>\$ 2,068,860</u> | <u>\$ 2,124,744</u> |

Capital Campaign

During 2016, the Trust launched The Campaign for the National Park Trust ("the Campaign") in honor of the 100th anniversary of NPS. The Campaign will run through the next 5 years. The goals of the Campaign are to raise \$10,000,000, to grow the Buddy Bison School Program to 100 schools, and to begin to acquire 100 high-priority land parcels to benefit NPS. These high-priority parcels of park land total approximately 10,000 acres of privately-owned land located within the boundaries of national parks. Through the 100 sustained Buddy Bison schools, the Trust will inspire and mentor future conservationists, park stewards, and "green" professionals starting with our youngest scholars. The donations to the Campaign are recorded as grants and contributions revenue when received or promised. Donations to the Campaign that are temporarily restricted are reported as unrestricted if the restrictions are met in the same period as received. Time-restricted donations to the Campaign are recorded as temporarily restricted grants and contributions.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

8. Net Assets (continued)

Temporarily Restricted (continued)

Capital Campaign (continued)

For the years ended June 30, 2017 and 2016, the Trust received a total of \$1,591,697 and \$2,490,892, respectively, of Campaign pledges and contributions. The total time-restricted donations to the Campaign, which are recorded as temporarily restricted grants and contributions during the years ended June 30, 2017 and 2016, were \$216,848 and \$853,800, respectively. For the years ended June 30, 2017 and 2016, the Trust incurred \$272,732 and \$63,025, respectively, in costs for the purposes related to the Campaign.

Mitigation Settlement

The Trust enters into agreements, from time to time, with companies that are, voluntarily or by administrative or judicial order, dedicating or setting aside funds for environmental remediation projects. Under the agreements, certain funds of the company are held by the Trust subject to restrictions in the agreement, so they may be used for purposes of environmental remediation occurring in or around parks or forest lands. Uses of the funds may include but not be limited to environmental restoration, protection of wildlife or threatened species, or acquisition of park lands.

Land Acquisition

The Trust receives restricted funds from various sources with which to acquire, or assist in the due diligence costs of partner organizations' acquisition of, parcels of park land or lands adjacent to or near parks. The parcels are typically identified by a governmental entity, such as NPS or the USFS, as a priority for acquisition to protect the parcel or adjacent government-owned land for conservation or environmental purposes. The Trust purchases the parcels and typically donates or sells the property to the requesting governmental entity as soon as practical. In situations where the Trust is providing due diligence costs of a partner organizations' acquisition of park land, the Trust will raise funds to cover such costs, transfer the funds to the partner organization, but not take participate in the closing or taking of title of the land.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

8. Net Assets (continued)

Permanently Restricted

Permanently restricted net assets were restricted for the following purposes at June 30:

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|--------------------------|
| Donor-restricted endowment | <u>\$ 39,380</u> | <u>\$ 189,380</u> |
| Total permanently restricted net assets | <u><u>\$ 39,380</u></u> | <u><u>\$ 189,380</u></u> |

9. Endowment

The Trust's endowment fund ("the fund") includes permanently restricted assets which is a traditional donor-restricted endowment. The fund's investment earnings will be used in the unrestricted operations of the Trust. As required by generally accepted accounting principles, net assets of endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Trust's Board of Trustees has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Trust in a manner consistent with the standard of prudence prescribed by UPMIFA.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

9. Endowment (continued)

Interpretation of Relevant Law (continued)

In accordance with UPMIFA, the Trust considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Trust and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Trust; and (7) investment policies of the Trust.

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 organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature would be reported by the Trust in unrestricted net assets. There were no fund deficiencies for the years ended June 30, 2017 and 2016.

Return Objectives, Risk Parameters, and Strategies

The Trust has adopted investment and spending policies for endowment assets that attempt to support the current and future operations of the Trust while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are currently invested in equities and fixed income securities. To satisfy its long-term objectives, the Trust relies on a strategy in which investment returns are achieved through both growth in principal and income from dividends and interest. The Trust targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

9. Endowment (continued)

Spending Policy and How Investment Objectives Relate to Spending Policy

The Trust's spending policy is a target rate of 4.0% of the average market value of the endowment over the rolling trailing 12 fiscal quarters. Unless otherwise directed by the Investment Subcommittee, the spending policy will be calculated on an annual basis, with the resulting draw to be applied over the next 12 months on a not-less-than quarterly basis. The Trust will review and re-evaluate this spending policy on an annual basis, and any amount to be spent must be approved by the Board of Trustees. The Board approved \$1,562 from the endowment fund of a total investment spending policy of \$14,682, payable quarterly over the next 12 months, to be spent under this policy in June 2017.

Composition of Endowment Fund

Endowment net assets were comprised of the following at June 30:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|------------------------|--------------|---------------------------|---------------------------|------------|
| <u>2017:</u> | | | | |
| Donor-restricted funds | \$ - | \$ - | \$ 39,380 | \$ 39,380 |
| Total endowment funds | \$ - | \$ - | \$ 39,380 | \$ 39,380 |
| <u>2016:</u> | | | | |
| Donor-restricted funds | \$ - | \$ - | \$ 189,380 | \$ 189,380 |
| Total endowment funds | \$ - | \$ - | \$ 189,380 | \$ 189,380 |

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

9. Endowment (continued)

Changes in Endowment Net Assets

Changes in endowment funds by net asset class were as follows for the year ended June 30, 2017:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--------------|---------------------------|---------------------------|------------|
| Endowment funds, beginning | \$ - | \$ - | \$ 189,380 | \$ 189,380 |
| Investment return: | | | | |
| Interest and dividends | 2,760 | - | - | 2,760 |
| Net appreciation (realized and unrealized) | 9,567 | - | - | 9,567 |
| Total investment return | 12,327 | - | - | 12,327 |
| Transfer of permanently restricted funds by donor | - | 150,000 | (150,000) | - |
| Appropriations | (12,327) | (150,000) | - | (162,327) |
| Endowment funds, ending | \$ - | \$ - | \$ 39,380 | \$ 39,380 |

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

9. Endowment (continued)

Changes in Endowment Net Assets (continued)

Changes in endowment funds by net asset class were as follows for the year ended June 30, 2016:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--------------|---------------------------|---------------------------|------------|
| Endowment funds, beginning | \$ - | \$ - | \$ 279,380 | \$ 279,380 |
| Investment return: | | | | |
| Interest and dividends | 3,213 | - | - | 3,213 |
| Net appreciation (realized and unrealized) | 140 | - | - | 140 |
| Total investment return | 3,353 | - | - | 3,353 |
| Transfer of permanently restricted funds by donor | - | 50,000 | (50,000) | - |
| Write-off of uncollectible permanently restricted funds | 40,000 | - | (40,000) | |
| Appropriations | (43,353) | (50,000) | - | (93,353) |
| Endowment funds, ending | \$ - | \$ - | \$ 189,380 | \$ 189,380 |

During the year ended June 30, 2016, uncollectible contributions to the endowment, which were never received in cash, were released to unrestricted net assets. The amount of this write-off was \$40,000 and is included in the total allowance for doubtful receivables of \$50,000 as of June 30, 2016. During the years ended June 30, 2017 and 2016, donors lifted permanent restrictions from gifts recorded in previous years, in the amounts of \$150,000 and \$50,000, respectively.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

10. National Park Service Project Grant

In 2013, the NPS signed a memorandum of understanding with NPT to establish a framework to facilitate the planning and execution of NPT's programs and activities that promote the respective missions of NPT and the NPS. The focus of these programs and activities is to encourage youth and young adults from diverse backgrounds to experience, preserve, and protect the natural and cultural resources of the units of the NPS. In 2016, the NPS entered into a cooperative agreement with NPT to provide educational programs in conservation, nature, and outdoor recreation to youth in underserved urban communities through NPT's Buddy Bison and Kids to Parks Day programs.

As a partner, NPT raised private matching funds to make project grants to the NPS to fund programs that would not otherwise be completed without private funding. These project grants helped to provide bus transportation, classroom resources, and outdoor recreation for under-served pre-K through 8th graders in Title I schools. The goal was to provide children with rare park experiences and cultivate the next generation of park stewards in celebration of the NPS's centennial in 2016.

For the year ended June 30, 2017, NPT raised \$78,086 from private contributions and made \$78,085 in project grants to the NPS that was matched by the NPS in the amount of \$101,834. For the year ended June 30, 2016, NPT raised \$371,915 from private contributions and made \$371,915 in project grants to the NPS that was matched by the NPS in the amount of \$371,914.

11. 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 7.5% and 7% at June 30, 2017 and 2016, respectively. There were no outstanding borrowings on this line of credit at June 30, 2017 and 2016.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

12. Commitments and Contingencies

Operating Leases

The Trust leases office space in Rockville, Maryland. The original lease term commenced on June 1, 2012 and expired on May 30, 2017. In November 2016, the Trust entered into an operating lease agreement with the same landlord for a different space, with the lease term commencing on December 1, 2016 and expiring on February 28, 2022. The new 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, all fixed rent increases and lease incentives are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required payments for subsequent years is not included as deferred rent in the accompanying consolidated statements of financial position due to immateriality.

Additionally, the Trust leases office equipment under an operating lease, which extends through May 2022. The lease calls for fixed monthly payments of \$175.

Rent expense for the years ended June 30, 2017 and 2016 totaled \$43,477 and \$37,534, respectively.

Future minimum rental payments under all leases are as follows for the year ending June 30:

| | | |
|-------------------------------------|----|----------------|
| 2018 | \$ | 57,552 |
| 2019 | | 59,215 |
| 2020 | | 60,928 |
| 2021 | | 62,693 |
| 2022 | | 43,278 |
| | | <hr/> |
| Total future minimum lease payments | \$ | <u>283,666</u> |

13. Related Parties

Members of the Board of Trustees made contributions totaling \$87,610 and \$936,674, respectively, for the fiscal years ended June 30, 2017 and 2016. Some of these contributions were received in the form of pledges. Unconditional promises to give from Board members totaled \$654,900 and \$873,144 at June 30, 2017 and 2016, respectively, and are included in pledges receivable in the accompanying consolidated statements of financial position.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

14. In-Kind Contributions

During the years ended June 30, 2017 and 2016, the Trust received the following donated services and goods, which have been reflected as in-kind contributions and expenses in the accompanying consolidated statements of activities. In-kind contributions are as follows for the years ended June 30:

| | 2017 | 2016 |
|-----------------------------|-------------------|-------------------|
| Legal services | \$ 212,000 | \$ 199,700 |
| Event tickets | - | 4,560 |
| Total in-kind contributions | <u>\$ 212,000</u> | <u>\$ 204,260</u> |

15. Consignment and Other Sales Income

Consignment and other sales income is stated at net for financial reporting purposes, and is recorded as product sales in the accompanying consolidated statements of activities. Consignment and other sales income is as follows for the years ended June 30:

| | 2017 | 2016 |
|---|------------------|------------------|
| Gross consignment sales | \$ 42,900 | \$ 35,546 |
| Less: cost of goods sold | <u>(10,971)</u> | <u>(13,557)</u> |
| Consignment sales, net | 31,929 | 21,989 |
| Other sales and events income | <u>8,529</u> | <u>3,497</u> |
| Consignment and other sales income, net | <u>\$ 40,458</u> | <u>\$ 25,486</u> |

16. 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 up to 5%. The Trust began contributing to the Plan during the year ended June 30, 2017. Total contributions under the Plan for the years ended June 30, 2017 and 2016 were \$11,005 and \$0, respectively.

National Park Trust, Inc. and Affiliate

Notes to Consolidated Financial Statements
June 30, 2017 and 2016

17. Income Taxes

NPT is a tax-exempt organization under IRC Section 501(c)(3) and is exempt from income taxes except on unrelated business activities. At June 30, 2017 and 2016, no tax provision was made, as NPT had no unrelated business income. Contributions to NPT are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Canonie is a disregarded entity for income tax purposes. As a single member LLC, all items of income and expenditure are attributable to NPT and are reported on its annual Form 990. All activities are related to the mission of NPT.

Management has evaluated the Trust's tax positions and concluded that there were no uncertain tax positions at June 30, 2017 and 2016.

SUPPLEMENTARY INFORMATION

National Park Trust, Inc. and Affiliate

Consolidating Statement of Financial Position
June 30, 2017
(With Comparative Totals for June 30, 2016)

| | National Park Trust, Inc. | Canonie IDNL Acquisition LLC | Eliminations | 2017 Total | 2016 Total |
|--|------------------------------|---------------------------------|--------------|---------------|---------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 339,715 | \$ - | \$ - | \$ 339,715 | \$ 78,949 |
| Restricted cash | 629,992 | - | - | 629,992 | 629,621 |
| Accounts receivable | 4,876 | - | - | 4,876 | 42,734 |
| Pledges receivable, net | 334,176 | - | - | 334,176 | 442,336 |
| Due from Canonie | - | - | - | - | - |
| Inventory | 36,240 | - | - | 36,240 | 26,502 |
| Prepaid expenses and deposits | 32,705 | - | - | 32,705 | 29,682 |
| Total current assets | 1,377,704 | - | - | 1,377,704 | 1,249,824 |
| Investments | 370,152 | - | - | 370,152 | 322,359 |
| Pledges receivable, long-term | 450,250 | - | - | 450,250 | 647,100 |
| Property and equipment, net | - | - | - | - | 304 |
| Real estate and related holdings: | | | | | |
| Conservation easement | 1,465,100 | - | - | 1,465,100 | 1,465,100 |
| Mineral rights | 1,390,600 | - | - | 1,390,600 | 1,390,600 |
| Property held for parks | 1 | - | - | 1 | 650,377 |
| Total real estate and related holdings | 2,855,701 | - | - | 2,855,701 | 3,506,077 |
| Total assets | \$ 5,053,807 | \$ - | \$ - | \$ 5,053,807 | \$ 5,725,664 |
| Liabilities and Net Assets | | | | | |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 73,685 | \$ - | \$ - | \$ 73,685 | \$ 83,704 |
| Total current liabilities | 73,685 | - | - | 73,685 | 83,704 |
| Net Assets | | | | | |
| Unrestricted: | | | | | |
| Undesignated | 16,182 | - | - | 16,182 | 472,136 |
| Board-designated | 2,855,700 | - | - | 2,855,700 | 2,855,700 |
| Total unrestricted | 2,871,882 | - | - | 2,871,882 | 3,327,836 |
| Temporarily restricted | 2,068,860 | - | - | 2,068,860 | 2,124,744 |
| Permanently restricted | 39,380 | - | - | 39,380 | 189,380 |
| Total net assets | 4,980,122 | - | - | 4,980,122 | 5,641,960 |
| Total liabilities and net assets | \$ 5,053,807 | \$ - | \$ - | \$ 5,053,807 | \$ 5,725,664 |

National Park Trust, Inc. and Affiliate

Consolidating Statement of Activities
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | National Park Trust, Inc. | Canonie IDNL Acquisition LLC | Eliminations | 2017 Total | 2016 Total |
|---|------------------------------|---------------------------------|--------------|---------------------|---------------------|
| Operating Revenue and Support | | | | | |
| Grants and contributions | \$ 1,394,028 | \$ - | \$ - | \$ 1,394,028 | \$ 1,747,063 |
| Government grants | 197,669 | - | - | 197,669 | 743,829 |
| Product sales, net | 40,458 | - | - | 40,458 | 25,486 |
| Investment income | 10,975 | - | - | 10,975 | 11,623 |
| In-kind contributions | 212,000 | - | - | 212,000 | 204,260 |
| Other income | 10,244 | - | - | 10,244 | 29,252 |
| Total operating revenue and support | <u>1,865,374</u> | <u>-</u> | <u>-</u> | <u>1,865,374</u> | <u>2,761,513</u> |
| Expenses | | | | | |
| Program services: | | | | | |
| Youth programs | 1,360,624 | - | - | 1,360,624 | 1,420,609 |
| Lands and parks programs | 871,259 | 54,608 | - | 925,867 | 200,708 |
| Total program services | <u>2,231,883</u> | <u>54,608</u> | <u>-</u> | <u>2,286,491</u> | <u>1,621,317</u> |
| Supporting services: | | | | | |
| General and administrative | 154,485 | - | - | 154,485 | 202,481 |
| Fundraising | 126,551 | - | - | 126,551 | 141,170 |
| Total supporting services | <u>281,036</u> | <u>-</u> | <u>-</u> | <u>281,036</u> | <u>343,651</u> |
| Total expenses | <u>2,512,919</u> | <u>54,608</u> | <u>-</u> | <u>2,567,527</u> | <u>1,964,968</u> |
| Change in Net Assets from Operations | (647,545) | (54,608) | - | (702,153) | 796,545 |
| Non-Operating Activity | | | | | |
| Realized and unrealized gain on investments | 40,315 | - | - | 40,315 | 4,914 |
| Total non-operating activity | <u>40,315</u> | <u>-</u> | <u>-</u> | <u>40,315</u> | <u>4,914</u> |
| Change in Net Assets | (607,230) | (54,608) | - | (661,838) | 801,459 |
| Net Assets, beginning of year | <u>5,587,352</u> | <u>54,608</u> | <u>-</u> | <u>5,641,960</u> | <u>4,840,501</u> |
| Net Assets, end of year | <u>\$ 4,980,122</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,980,122</u> | <u>\$ 5,641,960</u> |

National Park Trust, Inc. and Affiliate

Consolidated Schedule of Functional Expenses
For the Year Ended June 30, 2017

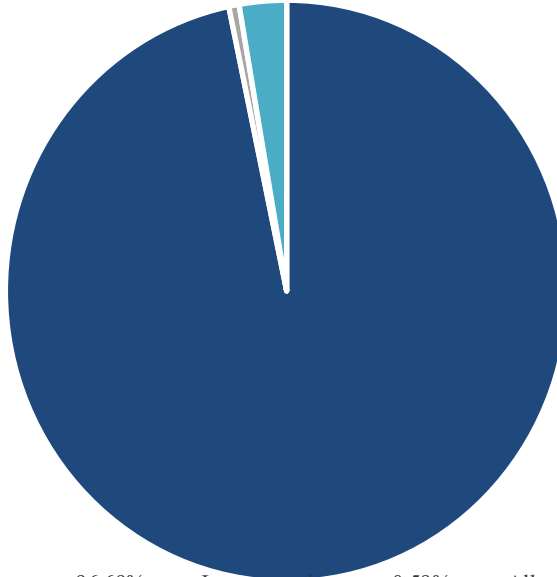
(With Comparative Totals for the Year Ended June 30, 2016)

| | Program Services | | | Supporting Services | | | 2017 Total Expenses | 2016 Total Expenses |
|--------------------------------------|---------------------|--------------------------------|------------------------------|-------------------------------|-------------------|---------------------------------|---------------------------|---------------------------|
| | Youth Programs | Lands and Parks Programs | Total Program Services | General and Administrative | Fundraising | Total Supporting Services | | |
| Professional and consulting services | \$ 380,778 | \$ 13,837 | \$ 394,615 | \$ 10,929 | \$ 68,388 | \$ 79,317 | \$ 473,932 | \$ 469,356 |
| Salaries and benefits | 385,997 | 73,085 | 459,082 | 123,611 | 24,469 | 148,080 | 607,162 | 486,523 |
| Occupancy | 36,188 | 4,128 | 40,316 | 5,116 | 1,013 | 6,129 | 46,445 | 40,033 |
| Bad debt expense | - | - | - | - | 7,311 | 7,311 | 7,311 | 61,253 |
| Travel and meals | 32,123 | 602 | 32,725 | 652 | 2,142 | 2,794 | 35,519 | 31,775 |
| Meetings and conferences | 37,624 | 21,641 | 59,265 | 2,037 | 1,795 | 3,832 | 63,097 | 63,022 |
| Advertising and promotion | 2,497 | 53 | 2,550 | 90 | 18 | 108 | 2,658 | 14,046 |
| Toolkits and field trips | 280,079 | - | 280,079 | - | - | - | 280,079 | 136,837 |
| Grants and scholarships | 135,292 | 800,376 | 935,668 | - | - | - | 935,668 | 537,539 |
| Office expenses | 37,771 | 6,702 | 44,473 | 5,881 | 9,807 | 15,688 | 60,161 | 69,949 |
| Information technology | 15,815 | 639 | 16,454 | 1,082 | 214 | 1,296 | 17,750 | 16,873 |
| Depreciation | 193 | 37 | 230 | 62 | 12 | 74 | 304 | 621 |
| Miscellaneous | 16,267 | 4,767 | 21,034 | 5,025 | 11,382 | 16,407 | 37,441 | 37,141 |
| Total Expenses | \$ 1,360,624 | \$ 925,867 | \$ 2,286,491 | \$ 154,485 | \$ 126,551 | \$ 281,036 | \$ 2,567,527 | \$ 1,964,968 |

National Park Trust, Inc. and Affiliate

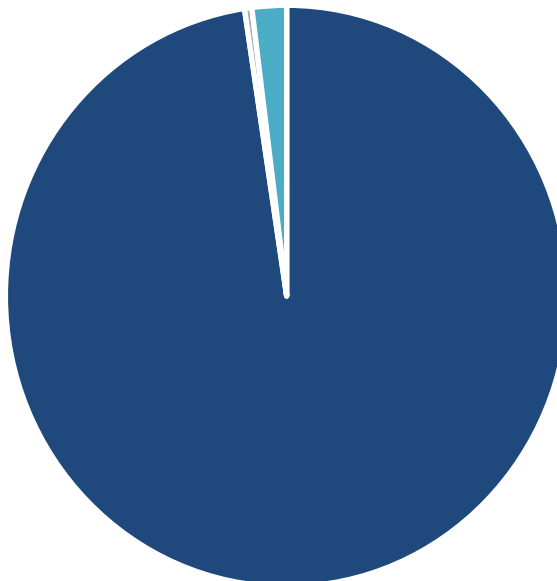
Selected Graphic Information
For the Years Ended June 30, 2017 and 2016

2017 Revenue and Support



■ Contributions and grants - 96.69% ■ Investment income - 0.59% ■ All other income - 2.72%

2016 Revenue and Support

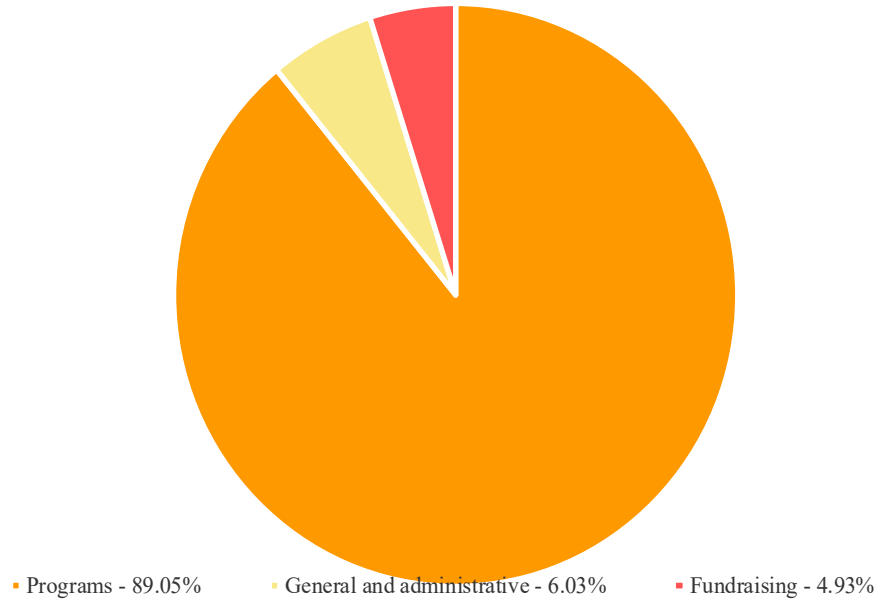


■ Contributions and grants - 97.6% ■ Investment income - 0.42% ■ All other income - 1.98%

National Park Trust, Inc. and Affiliate

Selected Graphic Information (continued)
For the Years Ended June 30, 2017 and 2016

2017 Expenses



2016 Expenses

