



# National Park Foundation

Financial Statements  
For the Years Ended September 30, 2023 and 2022

# **National Park Foundation**

---

Financial Statements  
For the Years Ended September 30, 2023 and 2022

# National Park Foundation

## Contents

---

<b>Independent Auditor's Report</b>	2 - 3
<b>Financial Statements</b>	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 34
<b>Management Prepared Document - Unaudited</b>	
Appendix A - Management's Discussion and Analysis	A-1 - A-6



Tel: 301-354-2500  
Fax: 301-354-2501  
www.bdo.com

12505 Park Potomac Avenue  
Suite 700  
Potomac, MD 20854

## **Independent Auditor's Report**

Board of Directors  
National Park Foundation  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of **National Park Foundation** (the Foundation), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter***

As described in Note 2 to the financial statements, the Foundation has changed its method of accounting for leases for the year ended September 30, 2023 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

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

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



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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

BDO USA, P.C.

March 27, 2024

## Financial Statements

---

**National Park Foundation**  
**Statements of Financial Position**

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 22,155,173	\$ 44,903,195
Pledges receivable, net	70,155,711	74,869,875
Investments	313,733,571	227,622,029
Loan receivable	-	500,000
Prepaid and other assets	837,554	674,678
Operating lease right-of-use asset	4,195,157	-
Furniture and equipment, net	3,058,449	4,178,906
Conservation property	619,378	423,265
<b>Total assets</b>	<b>\$ 414,754,993</b>	<b>\$ 353,171,948</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 5,587,129	\$ 3,557,152
Refundable advances	15,593,507	11,850,652
Grants payable, net	9,527,943	2,876,958
Charitable gift annuity	2,697,923	2,412,013
Note payable	4,800,000	9,600,000
Operating lease liability	6,270,284	-
Funds managed as agent for other entities	11,939	11,347
Other liabilities	-	2,481,671
<b>Total liabilities</b>	<b>44,488,725</b>	<b>32,789,793</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Without donor restrictions		
Undesignated	38,371,698	39,879,114
Designated	27,868,766	25,172,886
<b>Total without donor restrictions</b>	<b>66,240,464</b>	<b>65,052,000</b>
<b>With donor restrictions</b>	<b>304,025,804</b>	<b>255,330,155</b>
<b>Total net assets</b>	<b>370,266,268</b>	<b>320,382,155</b>
<b>Total liabilities and net assets</b>	<b>\$ 414,754,993</b>	<b>\$ 353,171,948</b>

*See accompanying notes to financial statements.*

# National Park Foundation

## Statement of Activities

<i>Year ended September 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions and endowment gifts	\$ 46,030,616	\$ 69,010,467	\$ 115,041,083
Contributed nonfinancial assets	42,360,656	4,487,670	46,848,326
Government grants and support	-	16,280,304	16,280,304
Management and other income	6,443	6,354,471	6,360,914
Net assets released from restrictions - satisfaction of program and time restrictions	67,694,002	(67,694,002)	-
<b>Total revenue and support</b>	<b>156,091,717</b>	<b>28,438,910</b>	<b>184,530,627</b>
<b>Expenses</b>			
Program services:			
Program grants	70,208,567	-	70,208,567
Program support	44,823,136	-	44,823,136
<b>Total program services</b>	<b>115,031,703</b>	<b>-</b>	<b>115,031,703</b>
Supporting services:			
General and administrative	23,395,129	-	23,395,129
Fundraising	23,676,656	-	23,676,656
<b>Total supporting services</b>	<b>47,071,785</b>	<b>-</b>	<b>47,071,785</b>
<b>Total expenses</b>	<b>162,103,488</b>	<b>-</b>	<b>162,103,488</b>
<b>Change in net assets from operations</b>	<b>(6,011,771)</b>	<b>28,438,910</b>	<b>22,427,139</b>
<b>Non-operating activities</b>			
Investment return, net	7,200,235	20,316,414	27,516,649
Other non-operating loss	-	(59,675)	(59,675)
<b>Total non-operating activities</b>	<b>7,200,235</b>	<b>20,256,739</b>	<b>27,456,974</b>
<b>Change in net assets</b>	<b>1,188,464</b>	<b>48,695,649</b>	<b>49,884,113</b>
<b>Net assets, beginning of year</b>	<b>65,052,000</b>	<b>255,330,155</b>	<b>320,382,155</b>
<b>Net assets, end of year</b>	<b>\$ 66,240,464</b>	<b>\$ 304,025,804</b>	<b>\$ 370,266,268</b>

*See accompanying notes to financial statements.*



# National Park Foundation

## Statement of Activities

<i>Year ended September 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Contributions and endowment gifts	\$ 44,072,671	\$ 72,659,628	\$ 116,732,299
Contributed nonfinancial assets	29,123,804	116,493	29,240,297
Government grants and support	-	13,103,283	13,103,283
Management and other income	2,459	9,799,001	9,801,460
Net assets released from restrictions - satisfaction of program and time restrictions	61,223,221	(61,223,221)	-
<b>Total revenue and support</b>	<b>134,422,155</b>	<b>34,455,184</b>	<b>168,877,339</b>
<b>Expenses</b>			
Program services:			
Program grants	59,211,433	-	59,211,433
Program support	35,615,186	-	35,615,186
<b>Total program services</b>	<b>94,826,619</b>	<b>-</b>	<b>94,826,619</b>
Supporting services:			
General and administrative	14,273,252	-	14,273,252
Fundraising	21,294,197	-	21,294,197
<b>Total supporting services</b>	<b>35,567,449</b>	<b>-</b>	<b>35,567,449</b>
<b>Total expenses</b>	<b>130,394,068</b>	<b>-</b>	<b>130,394,068</b>
<b>Change in net assets from operations</b>	<b>4,028,087</b>	<b>34,455,184</b>	<b>38,483,271</b>
<b>Non-operating activities</b>			
Investment return, net	(9,629,253)	(32,336,915)	(41,966,168)
Other non-operating gains	13,390	39,000	52,390
<b>Total non-operating activities</b>	<b>(9,615,863)</b>	<b>(32,297,915)</b>	<b>(41,913,778)</b>
<b>Change in net assets</b>	<b>(5,587,776)</b>	<b>2,157,269</b>	<b>(3,430,507)</b>
<b>Net assets, beginning of year</b>	<b>70,639,776</b>	<b>253,172,886</b>	<b>323,812,662</b>
<b>Net assets, end of year</b>	<b>\$ 65,052,000</b>	<b>\$ 255,330,155</b>	<b>\$ 320,382,155</b>

*See accompanying notes to financial statements.*

**National Park Foundation**  
**Statement of Functional Expenses**

<i>Year ended September 30, 2023</i>	Program Services			Supporting Services			Total Expenses
	Program Grants	Program Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Program grants	\$ 66,245,817	\$ -	\$ 66,245,817	\$ -	\$ -	\$ -	\$ 66,245,817
In-kind	3,962,750	29,260,374	33,223,124	12,730,167	469,235	13,199,402	46,422,526
Salaries and related benefits	-	4,795,354	4,795,354	3,667,409	8,729,968	12,397,377	17,192,731
Direct response	-	1,295,280	1,295,280	43,298	9,950,702	9,994,000	11,289,280
Professional services	-	3,943,371	3,943,371	1,785,043	1,516,235	3,301,278	7,244,649
Communications	-	886,958	886,958	2,265,753	105,981	2,371,734	3,258,692
Facilities, lease, and insurance	-	717,769	717,769	774,501	1,458,953	2,233,454	2,951,223
Meetings and events	-	2,210,949	2,210,949	263,116	245,437	508,553	2,719,502
Bad debt expense	-	1,004,398	1,004,398	444,854	-	444,854	1,449,252
Depreciation and amortization	-	365,090	365,090	788,844	-	788,844	1,153,934
Staff travel	-	212,518	212,518	212,443	269,236	481,679	694,197
Staff development and subscription	-	116,510	116,510	224,051	289,089	513,140	629,650
Bank charges and other	-	213	213	164,603	392,746	557,349	557,562
Supplies, phone and postage	-	14,352	14,352	31,047	249,074	280,121	294,473
	<b>\$ 70,208,567</b>	<b>\$ 44,823,136</b>	<b>\$ 115,031,703</b>	<b>\$ 23,395,129</b>	<b>\$ 23,676,656</b>	<b>\$ 47,071,785</b>	<b>\$ 162,103,488</b>

*See accompanying notes to financial statements.*

**National Park Foundation**  
**Statement of Functional Expenses**

<i>Year ended September 30, 2022</i>	Program Services			Supporting Services			Total Expenses
	Program Grants	Program Support	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Program grants	\$ 59,088,433	\$ -	\$ 59,088,433	\$ -	\$ -	\$ -	\$ 59,088,433
In-kind	123,000	22,904,299	23,027,299	5,652,174	683,824	6,335,998	29,363,297
Salaries and related benefits	-	3,707,223	3,707,223	3,082,776	7,489,883	10,572,659	14,279,882
Direct response	-	1,393,408	1,393,408	301,880	8,533,483	8,835,363	10,228,771
Professional services	-	3,558,320	3,558,320	1,699,214	1,811,326	3,510,540	7,068,860
Communications	-	572,725	572,725	1,448,084	130,094	1,578,178	2,150,903
Facilities, lease, and insurance	-	568,001	568,001	539,027	1,400,064	1,939,091	2,507,092
Meetings and events	-	1,823,172	1,823,172	224,977	232,895	457,872	2,281,044
Bad debt expense	-	569,261	569,261	249,802	-	249,802	819,063
Depreciation and amortization	-	263,238	263,238	714,715	-	714,715	977,953
Staff travel	-	148,089	148,089	40,123	194,440	234,563	382,652
Staff development and subscription	-	63,091	63,091	108,351	164,079	272,430	335,521
Bank charges and other	-	25,604	25,604	142,800	382,915	525,715	551,319
Supplies, phone and postage	-	18,755	18,755	69,329	271,194	340,523	359,278
	\$ 59,211,433	\$ 35,615,186	\$ 94,826,619	\$ 14,273,252	\$ 21,294,197	\$ 35,567,449	\$ 130,394,068

*See accompanying notes to financial statements.*

# National Park Foundation

## Statements of Cash Flows

Years Ended September 30,	2023	2022
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 49,884,113	\$ (3,430,507)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Present value change of pledges receivable	2,307,769	574,760
Bad debt expense	1,449,252	819,063
Depreciation and amortization	1,153,934	977,953
Non-cash lease expense	892,421	-
Loss on disposal of conservation property	59,765	-
(Receipt) distribution of conservation property	(255,878)	69,610
Endowment contributions	(10,000,000)	(10,000,000)
Net realized and unrealized (gains) losses on investments	(18,620,113)	48,074,150
<b>(Increase) decrease in assets</b>		
Pledges receivable, net	957,143	(16,767,098)
Prepaid and other assets	(162,876)	891,848
<b>Increase (decrease) in liabilities</b>		
Accounts payable and accrued expenses	2,029,977	87,641
Refundable advances	3,742,855	4,600,431
Grants payable, net	6,650,985	1,742,058
Charitable gift annuity	285,910	726,986
Principal reduction in operating lease liability	(1,298,965)	-
Funds managed as agent for other entities	592	(3,130)
Other liabilities	-	(368,595)
<b>Net cash provided by operating activities</b>	<b>39,076,884</b>	<b>27,995,170</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	808,894	7,848,124
Proceeds from loan collection	500,000	-
Payment for issuance of loan	-	(500,000)
Purchase of furniture and equipment	(33,477)	(1,088,522)
Purchases of investments	(68,300,323)	(26,019,786)
<b>Net cash used in investing activities</b>	<b>(67,024,906)</b>	<b>(19,760,184)</b>
<b>Cash flows from financing activities:</b>		
Endowment contributions	10,000,000	10,000,000
Principal payment of note payable	(4,800,000)	-
Proceeds from note payable	-	9,600,000
<b>Net cash provided by financing activities</b>	<b>5,200,000</b>	<b>19,600,000</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(22,748,022)</b>	<b>27,834,986</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>44,903,195</b>	<b>17,068,209</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 22,155,173</b>	<b>\$ 44,903,195</b>
<b>Supplemental Cash Flow Information:</b>		
Non-cash operating lease assets obtained in exchange for new operating lease liability - upon adoption	\$ 5,087,578	\$ -
Non-cash change in other liabilities	\$ 2,481,671	\$ -
Interest paid	\$ 38,667	\$ 7,333

*See accompanying notes to financial statements.*

# National Park Foundation

## Notes to Financial Statements

---

### 1. Purpose and Organization

#### *Purpose*

As the official national nonprofit partner of the National Park Service (NPS), the National Park Foundation (NPF or the Foundation) seeks to generate private support and build strategic partnerships to protect and enhance America's national parks for present and future generations. NPF strives to ensure that America's national parks reach their fullest potential and touch as many lives as possible. This translates into protecting natural landscapes, wilderness, historical sites and places of cultural significance, connecting people to the national parks and connecting partners to the national parks. NPF does this in full partnership with NPS.

The guiding principles of the Foundation are:

- **Stewardship:** The Foundation fosters a culture of community and stewardship over the national parks.
- **Strategic Partnership with NPS:** The Foundation works closely with NPS to identify, fund, and advance priority initiatives.
- **Impact:** The Foundation invests in critical projects that provide long-lasting, measurable benefits to national parks.
- **Philanthropy:** The Foundation excites philanthropic support and stewards that support to have a direct and meaningful impact on national parks.
- **Common Ground:** The Foundation provides common ground where all who love the national parks can contribute to a shared vision in support of them.
- **Partnership:** The Foundation convenes and enhances strategic partnerships to achieve broader impacts within the national parks.
- **Innovation:** The Foundation employs an entrepreneurial approach to address the complex challenges facing the national parks.
- **Education:** The Foundation helps to educate the public on the value of national parks and why they must be protected and preserved for current and future generations.
- **Diversity:** NPF is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion among the staff, Board of Directors and partners.
- **Future Orientation:** The Foundation provides thought leadership, and helps NPS to anticipate future challenges and creates long-term solutions.

#### *Organization*

The Foundation, a not-for-profit, charitable corporation located in Washington, D.C., was established in 1967 by an Act of the U.S. Congress (Public Law 90-209) to help support NPS. Effective December 16, 2016, Public Law 90-209 was amended by enactment of Public Law 114-289. Public Law 114-289 provides that the Foundation shall consist of a Board of Directors having as members no fewer than six private citizens of the United States appointed by the Secretary of the Interior. The Secretary and the Director of NPS shall be non-voting, ex officio members of the Board. The Chairman of the Board of Directors shall be elected by the Board of Directors from its members for a two-year term. Activities of the Foundation to solicit, accept, administer, and use any gifts, devises, or bequests for the benefit of, or in connection with NPS shall be undertaken after consultation with the Director of NPS to ensure that these activities are consistent with NPS programs and policies.

# National Park Foundation

## Notes to Financial Statements

---

### 2. Significant Accounting Policies

#### *Basis of Accounting*

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented in accordance with the accrual basis of accounting, whereby revenue and support is recognized when earned and expenses are recognized when incurred.

#### *Basis of Presentation*

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-205, *Presentation of Financial Statements of Not-for-Profit Entities*, whereby the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

As of September 30, 2023 and 2022, and for the years then ended, the Foundation has recorded activities in the following net asset classes:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. Net assets without donor restrictions are composed of the following:

*Undesignated:* Represents resources available to support operations.

*Board designated:* The Board of Directors designated certain net assets without donor restrictions to support programmatic or other strategic needs of the Foundation in the future.

*NPF designated:* The category is composed of net assets without donor restrictions the Foundation has designated to be used toward signature projects consistent with its strategic mission.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources were restricted has been fulfilled, or both.

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Foundation evaluates

# National Park Foundation

## Notes to Financial Statements

---

the estimates and assumptions based upon historical experience and various other factors and circumstances. The Foundation believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates under different future conditions.

### ***Cash and Cash Equivalents***

Cash includes interest and non-interest-bearing operating accounts with insured financial institutions. Deposits often exceed federally insured limits. Amounts on deposit in excess of federally insured limits approximate \$23.1 million and \$43.7 million at September 30, 2023 and 2022, respectively. Management, however, does not consider this a significant concentration of credit risk. Cash equivalents include money market accounts. Cash and cash equivalents exclude such amounts included within investments as those funds are part of the investment strategy and portfolio.

### ***Pledges Receivable***

Pledges are recognized as support in the period received by the donor. Pledges are initially recorded at fair value less an estimate made for doubtful pledges based on a review of all outstanding pledges on a quarterly basis. Pledges to be received after one year are discounted to present value at a discount rate commensurate with the risks involved. The Foundation uses discount rates that approximate U.S. Treasury borrowing rates at the end of the fiscal year in which the promise to give was received based on the respective duration of the donor's payment plan. Amortization of the discount is recorded as contributions and endowment gifts revenue in the statements of activities.

The Foundation records an allowance for uncollectible pledges receivable based on a determination of the likelihood of collection for each pledge receivable balance considering the age of the receivable and other factors that would impact collection. Uncollectible amounts are written off when all efforts to collect these receivables have been exhausted.

### ***Investments***

Investments are measured and reported at fair value in accordance with FASB ASC 820, *Fair Value Measurement*. Dividends and interest are reflected as income when earned.

Investments in money market funds, mutual funds, and exchange-traded funds are measured and reported at fair value based on quoted market prices provided by the investment managers, with related gains and losses included in the statements of activities. Investments in limited partnerships are reported at fair value based on a practical expedient, the net asset value per share or equivalent, determined by the fund of the investment manager at the measurement date. The estimated values, provided by the fund or investment manager, are subject to annual independent audit, and are reviewed by management for reasonableness. The Foundation believes the carrying amount of the financial instruments is a reasonable estimate of fair value.

Investments are exposed to risks, such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the fair value of investments reported in the accompanying statements of financial position.

# National Park Foundation

## Notes to Financial Statements

---

### ***Leases - (Operating lease right-of-use asset and lease liability)***

The Foundation adopted FASB Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) (ASU 2016-02), and the additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, “ASC Topic 842”) on October 1, 2022 (the adoption date).

Leases arise from contractual obligations that convey the right to control the use of identified property, plant, or equipment for a period in exchange for consideration. At the inception of the contract, the Foundation determines if an arrangement contains a lease based on whether there is an identified asset and whether the Foundation controls the use of the identified asset. The Foundation also determines whether the lease classification is an operating or financing lease at the commencement date.

A right-of-use asset (ROU) represents the Foundation’s right to use an underlying asset and a lease liability represents the Foundation’s obligation to make payments during the lease term. ROUs are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. The implicit rates for the Foundation’s leases are not readily determinable; therefore, the Foundation elected to use a risk-free discount rate at the lease commencement date for all new leases and at the adoption date.

The Foundation’s corporate office operating lease typically includes non-lease components such as common area maintenance (CAM) costs, utilities, and other maintenance costs. The Foundation elected not to combine non-lease components with lease payments for the purpose of calculating lease ROU and liabilities. Non-lease components that are neither fixed nor variable based on an index or rate are expensed as incurred as variable lease payments. The Foundation’s CAM, tax and electricity costs are expensed as incurred, as they are a variable cost that is not based on an index or rate.

A lease contains options to extend the lease term at prevailing market rates at the time of the renewal. Because management cannot predict the future economic landscape, it is not reasonably certain to exercise the extension options. Therefore, the Foundation uses the base, non-cancelable, lease term when recognizing the lease asset and liability. The Foundation’s lease agreement do not contain any material residual value guarantees or material restrictive covenants.

### ***Furniture and Equipment***

The Foundation capitalizes all property and equipment purchased with non-Federal funds with a cost of \$5,000 or more. Furniture and equipment is recorded at cost and depreciated on the straight-line basis over estimated useful lives of three to eight years. The Foundation’s produced content for creative and video production for campaign is capitalized and depreciated on a straight-line basis over the estimated useful live of three years.

Leasehold improvements are recorded at cost and are amortized over their estimated useful lives or terms of the lease, whichever is shorter.



# National Park Foundation

## Notes to Financial Statements

---

Maintenance and repair costs are expensed as incurred. Replacements and betterments are capitalized. At the time properties are retired or otherwise disposed of, the property and related accumulated depreciation or amortization accounts are relieved of the applicable amounts and any gain or loss is credited or charged to operations.

### ***Conservation Property***

The Foundation acquires conservation property through donations or purchases for subsequent sale or donation to or for the benefit of NPS. Real property donated is valued at its estimated fair market value at the time of donation. The carrying value is reduced if the estimated market value decreases below the original recorded value.

Covenants on the properties restrict their future use to conservation activities.

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

The Foundation accounts for the valuation of long-lived assets in accordance with FASB ASC 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

The Foundation reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statements of activities, to its current fair value. No indicators of impairment were identified for the years ended September 30, 2023 and 2022.

### ***Grants Payable***

The Foundation is both a recipient and provider of grants to further its mission. As a grantor, the Foundation recognizes program grants expense once it executes a grant award and the grant becomes an enforceable liability (i.e., when substantially all conditions placed on the grantee are met). Grants payable represent grants awarded but not yet disbursed.

### ***Income Taxes***

The Foundation is exempt from federal income taxes under Public Law 90-209, as described in Section 501(c)(1)(a)(i) of the Internal Revenue Code (IRC). In addition, in 1981, the Foundation received a determination that it is exempt from federal income taxes under Section 501(c)(3) of the IRC and it qualifies as a public charity under Section 509(a)(1) of the IRC. The Foundation received a determination letter in 2000 that specifically states it is exempt from filing the Return of Organizations Exempt from Income Tax, Form 990, unless the Foundation has unrelated business income. Effective fiscal year 2012, the Board of Directors elected to file Form 990 on an annual basis. Contributions are tax deductible to donors under section 170 of the IRC.

# National Park Foundation

## Notes to Financial Statements

---

Under FASB ASC 740-10, *Income Taxes*, the Foundation must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Foundation does not believe there are any material uncertain tax positions and; accordingly, will not recognize any liability for unrecognized tax benefits. The Foundation believes that it is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2020. For the years ended September 30, 2023 and 2022, respectively, there were no interest or penalties related to uncertain tax positions recorded or included in the accompanying statements of activities.

### ***Fair Value of Financial Instruments***

Fair value measurements reflected in the accompanying financial statements represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. U.S. GAAP provides a hierarchy that prioritizes the inputs to fair value measurements based on the extent to which inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that reflect verifiable information obtained from independent sources, and a lower priority to unobservable inputs that would reflect the Foundation's assumptions about how market participants would value an asset or liability based on the best information available. Financial instruments include cash and cash equivalents, pledges receivable, investments and accounts and grants payable. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the hierarchy of inputs used to measure fair value are described briefly as follows:

*Level 1:* Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date. Level 2 also includes investments redeemable on or near the measurement date.

*Level 3:* Unobservable inputs for the asset or liability, used in situations in which little or no market activity exists for the asset or liability at the measurement. Level 3 also includes alternative investments not redeemable near the measurement date.

The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability. In the event that changes in the inputs used in the fair value measurement of an asset or liability result in a transfer between fair value hierarchies, such transfers are recognized at the end of the reporting period.

Management estimates that the respective fair values of the financial instruments, other than investments, approximate their recorded values in the accompanying statements of financial position due to the relative short-term nature of those instruments. Investments are recorded at fair value in the accompanying statements of financial position as described in Notes 4 and 5.

# National Park Foundation

## Notes to Financial Statements

---

### **Revenue Recognition**

In accordance with FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions*, revenues are accounted for as follows:

#### ***Contributions and Endowment Gifts***

*Contributions* are transactions under which the donor does not receive commensurate value. Contributions are recorded as support, at fair value, when received with or without donor restrictions, depending on the existence and/or nature of any donor restriction, including inherent time restrictions. Contributions that are restricted by the donor as to time or purpose are reported as an increase in net assets with donor restrictions. When a time restriction ends, or a purpose restriction or condition is accomplished or met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are reported at their net realizable value as pledges receivable in the accompanying statements of financial position. Unconditional promises to give that are expected to be collected in future years are discounted to present values using a risk-free rate of return, at the date the contribution is made. The collectability of the pledges receivable is evaluated by management periodically throughout the year, and an allowance for uncollectible amounts, is recorded in the period such a determination is made. Conditional promises to give are not recorded as pledges receivable until the conditions are satisfied. Contributions received by the Foundation consist of support provided primarily by individuals, corporations and foundations.

*Endowment gifts* are recognized as support when received. The principal amount of the gift is maintained intact. Investment income on endowment gifts is recognized as an increase in net assets without restriction, unless the income is explicitly restricted by donor or law and such restrictions have not been met. The Foundation follows the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (the UPMIFA). The required disclosures are included in Note 13.

#### ***Contributed Nonfinancial Assets***

*Contributed nonfinancial assets:* From time to time, the Foundation receives contributed goods, services, real assets, and media from third parties. While such contributed goods, services, real assets, and media primarily support programmatic activities, some contributed goods, services, real assets, and media also support general and administrative and fundraising activities. Contributed goods, services, real assets, and media received are measured at their estimated fair value based on a similar value of like goods and services and are included as revenue and expense in the accompanying statements of activities.

The Foundation receives non-professional contributed services from volunteers in connection with its operations. These services do not require specialized skills and, therefore, do not meet the requirement to be recognized as revenue and expense in the accompanying statements of activities.

# National Park Foundation

## Notes to Financial Statements

---

### ***Government Grants and Support***

Revenue and support from government contracts and grants that provide for cost reimbursement are recognized when the related direct and allocated indirect expenses are incurred, deliverables are met, or per-diem services are provided. Revenue recognized in excess of cash received is reported as grants receivable. Cash received in excess of revenue recognized is reported as refundable advances.

### ***Management and Other Income***

Management and other income includes litigation settlement contributions which represent voluntary community service payments from corporations that have entered a plea agreement with the Department of Justice. See Note 16 for further information regarding this revenue.

### ***Program and Supporting Services***

***Program Grants:*** The Foundation grants funds in support of strategic programmatic initiatives. Specific programmatic focus areas include enhancing the visitor experience, conserving and preserving natural and cultural resources, connecting people to national parks, and connecting partners to national parks. The Foundation monitors the use of granted funds through grantee reporting governed by formally executed agreements with each grantee. These agreements require grantees to certify that the usage of funds meet the requirements of the grant.

***Program Support:*** The Foundation currently appropriates funds for program support activities based upon program demands and availability of funds during a particular year. Support expenses include payroll costs for time spent on specific programs, direct costs relevant to activities that benefit a program, and cost of digital media to support various programs.

***General and Administrative:*** General and administrative expenses include the Foundation's general operations such as execution and oversight of the operating strategy, office administration, financial administration, Board of Directors oversight, human resource management, information technology, security, and related elements.

***Fundraising:*** Fundraising activities include publicizing and conducting fund-raising campaigns; maintaining donor lists; conducting special fund-raising events; and conducting other activities involved with soliciting contributions from individuals, and corporations and foundations.

### ***Expense Classifications and Functional Expense Allocation***

The cost of providing various programs and other activities has been summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Accordingly, expenses that are identified as relating to specific programs, programmatic support services, fundraising activities or general and administrative functions are charged directly to their natural expenditure classifications. However, certain costs that benefit the operations of all the functional areas have been allocated among program support services, fundraising activities, and

# National Park Foundation

## Notes to Financial Statements

---

general and administrative functions based on headcount. Such costs include facilities and lease expense, information technology support, and other administrative and executive support.

Program support services consist of activities that directly support the Foundation's mission through funding programs, education outreach, and building community partnerships. Fundraising activities include conducting fundraising campaigns, preparing and distributing fundraising materials, and conducting other activities involved in soliciting contributions. General and administrative activities include those costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of the Foundation.

Fundraising costs incurred in one year, which may result in contributions received in future years, are expensed as incurred. Additionally, advertising costs are expensed as incurred.

### ***Allocation of Joint Costs***

The Foundation accounts for joint costs incurred for materials and activities that are included in fundraising direct mail appeals in accordance with FASB ASC 958-720-45, *Accounting for Costs of Activities That Include Fundraising*, in determining costs to be allocated. During the years ended September 30, 2023 and 2022, the Foundation incurred joint costs of \$4,225,203 and \$5,189,051, respectively. Of those costs, \$2,886,625 and \$3,493,763 were allocated to fundraising expense, \$1,295,280 and \$1,393,408 were allocated to programmatic support, and \$43,298 and \$301,880 were allocated to general and administrative expense in 2023 and 2022, respectively.

### ***Recently Adopted Accounting Pronouncements***

Effective adoption date, the Foundation adopted ASC Topic 842 which modifies lease accounting for lessees to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Foundation adopted ASC Topic 842 using the modified retrospective transition method, under which amounts in prior periods presented herein were not restated. For contracts existing at the time of adoption, management elected the practical expedient and did not reassess (i) whether any are or contain leases, (ii) lease classification, and (iii) initial direct costs.

Upon the adoption of ASC Topic 842 at the adoption date, the Foundation recognized an operating lease right-of-use asset of \$5,087,578, operating lease liability of \$7,569,249, and derecognition of deferred rent and lease incentive of \$647,812 and \$1,833,859, respectively. There was no impact to previously reported net assets due to the adoption of Topic 842.

### **3. Pledges Receivable**

Pledges receivable that are expected to be collected in future years are discounted to present values using a blended rate using prime rate, and a risk-free rate of return, at the time the unconditional promises are made. The discount rates for the years ended September 30, 2023 and 2022 range from 1.65% to 6.77%. The stated balance also factors in circumstances that may impact the Foundation's ability to collect individual pledge balances. An allowance for uncollectible pledges is annually assessed utilizing a five-year average of actual uncollectible accounts as a percentage of then outstanding receivable balance. At September 30, 2023 and 2022, the allowance for uncollectible pledges totaled \$1,143,836 and \$2,035,929, respectively and was netted against

# National Park Foundation

## Notes to Financial Statements

---

pledges receivable balances. For the years ended September 30, 2023 and 2022, the Foundation recorded bad debt expense of \$1,449,252 and \$819,063, respectively.

Pledges receivable consists of the following:

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
Due in less than one year	\$ 49,577,562	\$ 59,020,623
Due in two to five years	24,912,500	19,017,927
Due beyond five years	250,000	-
Total pledges receivable	74,740,062	78,038,550
Less:		
Discount for present value	(3,440,515)	(1,132,746)
Allowance for doubtful pledges	(1,143,836)	(2,035,929)
Pledges receivable, net	\$ 70,155,711	\$ 74,869,875

#### 4. Investments

Investments consist of the following at:

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
Money market funds	\$ 95,062,851	\$ 35,282,542
Mutual funds	199,815,365	175,915,523
Exchange traded funds	923,620	1,022,570
Limited partnerships	17,848,187	15,292,229
Cash	83,548	109,165
Total investments	313,733,571	227,622,029
Less: funds managed as agent for other entities	(11,939)	(11,347)
Total investments, net of other entities' funds	\$ 313,721,632	\$ 227,610,682

#### *Donated Securities*

During the year ended September 30, 2016, the Foundation received donated securities from a private foundation organized for charitable purposes and exempt from federal income taxation under Section 501(c)(3). The grant was composed of 39 non-voting, restricted class B shares of an exempt entity, related to the donor, organized for charitable purposes whose class A shares are owned by the donor. As an owner of the class B shares, the Foundation will receive dividends for use toward restricted charitable purposes, but has no voting rights or other ownership rights.

At the time of the grant, the Foundation was not able to establish a supportable fair market value of the class B shares. Accordingly, the Foundation recorded an asset for an estimated value for management tracking purposes and fully reserved the asset to yield a net asset value of \$0 for reporting purposes.

# National Park Foundation

## Notes to Financial Statements

---

Dividends arising from the contributed transaction during the years ended September 30, 2023 and 2022 were \$15.5 million and \$0, respectively, have been recorded as contributions with donor restrictions in the statements of activities.

### 5. Fair Value Measurements

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Foundation's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period.

Investments in money market, mutual funds, and exchange traded funds (see Note 4) are valued at readily available quoted prices held by the Foundation at year-end reported in the listing of the applicable major exchanges. These financial instruments are classified as Level 1 in the fair value hierarchy.

The Foundation used net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of limited partnerships which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

# National Park Foundation

## Notes to Financial Statements

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy:

As of September 30, 2023				
	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Money market funds	\$ 95,062,851	\$ 95,062,851	-	-
Mutual funds	199,815,365	199,815,365	-	-
Exchange traded funds	923,620	923,620	-	-
<b>Total investments at fair value level</b>	<b>295,801,836</b>	<b>\$ 295,801,836</b>	<b>-</b>	<b>-</b>
Investments at cost - cash <sup>(a)</sup>	<b>83,548</b>			
Investments measured at net asset value <sup>(b)</sup>				
Limited partnerships	<b>17,848,187</b>			
<b>Total investments</b>	<b>\$ 313,733,571</b>			

<sup>(a)</sup> Cash included in the investment portfolio is not subject to the provisions of fair value measurements as they are recorded at cost and are only shown here to reconcile to the accompanying statements of financial position.

<sup>(b)</sup> These investments are measured at net asset value ("NAV") or its equivalent for expediency and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are shown here to reconcile to the accompanying statements of financial position.



# National Park Foundation

## Notes to Financial Statements

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy:

As of September 30, 2022				
	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Money market funds	\$ 35,282,542	\$ 35,282,542	\$ -	\$ -
Mutual funds	175,915,523	175,915,523	-	-
Exchange traded funds	1,022,570	1,022,570	-	-
Total investments at fair value level	212,220,635	\$ 212,220,635	\$ -	\$ -
Investments at cost - cash <sup>(a)</sup>	109,165			
Investments measured at net asset value <sup>(b)</sup>				
Limited partnerships	15,292,229			
<b>Total investments</b>	<b>\$ 227,622,029</b>			

<sup>(a)</sup> Cash included in the investment portfolio is not subject to the provisions of fair value measurements as they are recorded at cost and are only shown here to reconcile to the accompanying statements of financial position.

<sup>(b)</sup> These investments are measured at net asset value ("NAV") or its equivalent for expediency and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are shown here to reconcile to the accompanying statements of financial position.

### Limited Partnerships

During the year ended September 30, 2021, the Foundation acquired two private equity investment interests in two separate limited partnerships with a capital commitment of \$10 million each. The major categories of the Foundation's investments valued at net asset value, including general information related to each category, are as follows at September 30, 2023 and 2022:

September 30, 2023	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Warburg Pincus Global Growth, L.P. <sup>(a)</sup>	\$ 12,130,730	\$ 955,000	No immediate liquidity	2 days
General Atlantic Investment Partners 2021, L.P. <sup>(b)</sup>	5,717,457	4,184,160	No immediate liquidity	8 days
	<b>\$ 17,848,187</b>	<b>\$ 5,139,160</b>		

# National Park Foundation

## Notes to Financial Statements

<i>September 30, 2022</i>	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Warburg Pincus Global Growth, L.P. <sup>(a)</sup>	\$ 11,713,229	\$ 1,205,000	No immediate liquidity	2 days
General Atlantic Investment Partners 2021, L.P. <sup>(b)</sup>	3,579,000	6,187,138	No immediate liquidity	8 days
	\$ 15,292,229	\$ 7,392,138		

(a) Warburg Pincus private equity funds consist of an investment mix of international and domestic markets in the industries of financial services, healthcare, technology, and energy, with a focus in growth investing. Approximately 70% of investments are sole sourced by Warburg Pincus in the private market. The fair value of investments is determined based on various valuation techniques and inputs including purchase multiples paid in other comparable third-party transactions, comparable public company trading multiples, discounted cash flow analysis, market conditions, liquidity, current operating results, and other pertinent information.

(b) Private equity capital funds consist of limited partnerships that are organized to make either direct or indirect investments in companies primarily in the sectors of technology, financial services, healthcare, and life sciences. Strategies include diversification by sector, geography, and investment type in venture capital and growth investments. The fair value of investments was determined by an independent valuation firm based on data and assumptions provided by General Atlantic. Investment liquidities are executed primarily through initial public offerings, private and strategic sales, and open market sales, which are anticipated to be long-term.

### 6. Charitable Gift Annuity

The Foundation has a charitable gift annuity plan whereby donors may contribute assets in exchange for the right to receive a fixed-dollar periodic payment of the gift assets during their lifetimes. Payments begin in accordance with the timing stipulated in the gift annuity contracts. The difference between the original annuity amount invested and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution revenue at the date of the gift. The liability is revalued annually using the present value calculations based on actuarial tables and discount rates established by the IRS ranging 0.4% to 5.2% for both years ended September 30, 2023 and 2022.

The gift annuity program recorded as an asset totaling \$3,989,485 and \$3,195,450 and a liability of \$2,697,923 and \$2,412,013 as of September 30, 2023 and 2022, respectively. Assets held under charitable gift annuities are included in investments and the related liabilities are reported in charitable gift annuity in the statements of financial position. Contribution revenue totaled \$204,860 and \$410,158 for the years ended September 30, 2023 and 2022, respectively, and is included in the statements of activities.

# National Park Foundation

## Notes to Financial Statements

---

### 7. Loan Receivable

In October 2021, the Foundation issued a short-term loan to the Conservancy for the Cuyahoga Valley National Park (Cuyahoga Valley National Park) totaling \$500,000. The purpose of the loan was to assist the borrower in acquiring a parcel of property, approximately 15 acres, which sits within the boundary of the Cuyahoga Valley National Park. The property will be conveyed to the NPS who will use the property to create an education center and visitor access to the Cuyahoga Valley National Park. The principal was due on December 31, 2022 with the interest rate of 1% per annum. The interest were to only accrue in the event that the loan is not fully paid by the due date whereby the interest shall accrue from date of disbursement. As such, the Foundation accrued \$0 interest for the year ended September 30, 2022. The full amount of the loan receivable was collected on December 29, 2022.

### 8. Furniture and Equipment

Furniture and Equipment consist of the following at:

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
Leasehold improvements	\$ 3,474,611	\$ 3,474,611
Computer software and hardware	3,005,987	2,992,687
Furniture and equipment	293,404	292,604
Produced content	1,189,598	1,170,221
	<b>7,963,600</b>	7,930,123
Less: accumulated depreciation and amortization	<b>(4,905,151)</b>	(3,751,217)
Furniture and equipment, net	<b>\$ 3,058,449</b>	\$ 4,178,906

Depreciation and amortization expense totaled \$1,153,934 and \$977,953 for the years ended September 30, 2023 and 2022, respectively.

### 9. Grants Payable

Grants payable greater than one year are discounted using the Treasury bill rate at the time the commitments are made. At September 30, 2023 and 2022, all grants payable were due within one year.

### 10. Line-of-Credit

The Foundation has an unsecured line-of-credit. The total amount available under the line-of-credit as of September 30, 2023 and 2022 was \$3,000,000. Borrowings bear interest at the one-month Secured Overnight Financing Rate (SOFR) as quoted by the bank plus 2.62%, two business days prior to the date of the draw. Such rate is to be effective and adjusted for the Federal Reserve Board of Governors reserve requirements and FDIC insurance, plus 1.5%. The effective interest rate at September 30, 2023 and 2022 was 7.92% and 5.64%, respectively. There was no balance outstanding at September 30, 2023 and 2022. The line has not been drawn down upon during the years ended September 30, 2023 and 2022.

# National Park Foundation

## Notes to Financial Statements

---

### 11. Note Payable

During August 2022, the Foundation entered into an agreement with an unrelated nonprofit public benefit corporation for a two-year loan for \$9,600,000 with the principal amount payable in two equal installments of \$4.8 million due on May 31, 2023 and 2024. Interest on the unpaid principal is due on or before each principal payment date, at a rate of 0.5% per annum, simple interest. As of September 30, 2023 and 2022, note payable was \$4,800,000 and \$9,600,000, respectively. Interest expense accrued for the years ended September 30, 2023 and 2022 was de minimis.

### 12. Net Assets

To ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are internally maintained in accordance with the principles of project or fund accounting. Separate accounts are maintained for each fund. However, in the accompanying financial statements, funds are classified for presentation purposes under FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*, as without donor restrictions which composed of undesignated, designated, or with donor restrictions.

Net assets without donor restrictions include undesignated funds for general operations, and funds designated by the board for grants, or funds designated by the Foundation for other projects.

Net assets without donor restrictions were as follows:

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
Without donor restrictions - undesignated	<b>\$ 38,371,698</b>	<b>\$ 39,879,114</b>
Without donor restrictions - designated:		
Board designated for strategic programmatic use in the future	<b>27,491,053</b>	<b>24,790,389</b>
NPF designated:		
NPS Centennial	<b>133,887</b>	<b>133,887</b>
Innovation	<b>79,992</b>	<b>79,992</b>
Land	<b>163,834</b>	<b>168,618</b>
Total NPF designated amounts	<b>377,713</b>	<b>382,497</b>
Total designated	<b>27,868,766</b>	<b>25,172,886</b>
Total net assets without donor restrictions	<b>\$ 66,240,464</b>	<b>\$ 65,052,000</b>

Net assets with donor restrictions, some of which are time restricted, are primarily available to support program grant and program support activities or are restricted to investments in perpetuity, the income from which is expendable to support program activities.

# National Park Foundation

## Notes to Financial Statements

Net assets with donor restrictions were as follows:

<i>September 30,</i>	<b>2023</b>	<b>2022</b>
Subject to expenditure for specified purpose:		
Core programs	\$ 174,047,054	\$ 145,284,796
Other programs	20,407,008	19,027,075
Total subject to expenditure for specified purpose	194,454,062	164,311,871
Subject to endowment spending policy and appropriation:		
Endowments	109,571,742	91,018,284
Total net assets with donor restrictions	\$ 304,025,804	\$ 255,330,155

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>Years ended September 30,</i>	<b>2023</b>	<b>2022</b>
Satisfaction of purpose restrictions:		
Core programs	\$ 59,074,864	\$ 58,202,670
Other programs	2,089,478	1,451,125
Total satisfaction of purpose restrictions	61,164,342	59,653,795
Restricted-purpose spending-rate distributions and appropriations:		
Endowments	6,529,660	1,569,426
Total net assets released from donor restrictions	\$ 67,694,002	\$ 61,223,221

### 13. Endowment Funds

The Foundation's endowment consists of multiple individual funds established to support program activities. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as a quasi-endowment. Net assets associated with endowment funds, including funds designated as a quasi-endowment by the Board of Directors, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of Relevant Law*

The Board of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (the Act) as requiring the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (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

# National Park Foundation

## Notes to Financial Statements

---

accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the donor-restricted endowment fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

### ***Return Objectives and Risk Parameters***

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

Endowment assets include those assets of the donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide growth and to preserve or increase the real value of the endowment to meet the future needs of the national parks, always with the objective of selecting investment vehicles that are at an appropriate level of risk for a non-profit organization. Actual returns in any given year may vary.

### ***Funds with Deficiencies***

The Foundation considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. This occurs when the cumulative appropriation for spending in accordance with donor specifications exceeds the accumulated net investment income allocated to the endowment. The Foundation has interpreted the Act to permit spending from underwater funds in accordance with the prudent measures required under the law.

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 the Act requires the Foundation to retain as a fund of perpetual duration. These deficiencies may result from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor restricted endowment funds. For one of the Foundation's endowments, the donor permitted spending from endowment funds for the initial three-year start up period, in order to support the program's mission.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

# National Park Foundation

## Notes to Financial Statements

As of September 30, 2023 and 2022, there were no deficiencies reported in net assets with donor restrictions.

### *Spending Policy*

The Foundation currently appropriates funds for the distribution of program support activities based upon the demand for these purposes and on the availability of funds during the particular year. The Foundation has a Board policy that permits as part of its annual budget process a transfer from the without donor restrictions Board-designated net assets to the without donor restrictions undesignated net assets of up to 5% of the average market value of the without donor restrictions Board-designated net assets as of March 31 for the three preceding years. Additional transfers are permitted by Board of Directors action.

The net asset composition of the endowment funds as of September 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated quasi-endowments	\$ 27,491,053	\$ -	\$ 27,491,053
Donor-restricted endowments:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	86,703,289	86,703,289
Accumulated investment gains	-	22,868,453	22,868,453
<b>Total endowment funds</b>	<b>\$ 27,491,053</b>	<b>\$ 109,571,742</b>	<b>\$ 137,062,795</b>

The following table represents the changes in endowment net assets for the year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 24,790,389	\$ 91,018,284	\$ 115,808,673
Contributions	-	12,286,922	12,286,922
Investment return, net	3,376,439	12,817,377	16,193,816
Appropriation of endowment assets for expenditure	(778,570)	(451,264)	(1,229,834)
Transfers	102,795	(6,099,577)	(5,996,782)
<b>Endowment net assets, end of year</b>	<b>\$ 27,491,053</b>	<b>\$ 109,571,742</b>	<b>\$ 137,062,795</b>

During the year ended September 30, 2023, transfers were made between net assets with donor restrictions and without donor restrictions. The transfers were based on a re-purpose of funding as approved by the donor.

# National Park Foundation

## Notes to Financial Statements

The net asset composition of the endowment funds as of September 30, 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated quasi-endowments	\$ 24,790,389	\$ -	\$ 24,790,389
Donor-restricted endowments:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	74,416,367	74,416,367
Accumulated investment gains	-	16,601,917	16,601,917
<b>Total endowment funds</b>	<b>\$ 24,790,389</b>	<b>\$ 91,018,284</b>	<b>\$ 115,808,673</b>

The following table represents the changes in endowment net assets for the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 32,421,004	\$ 119,196,265	\$ 151,617,269
Contributions	95,000	10,053,905	10,148,905
Investment return, net	(6,627,507)	(19,228,295)	(25,855,802)
Appropriation of endowment assets for expenditure	(1,470,778)	(1,994,921)	(3,465,699)
Transfer	372,670	(17,008,670)	(16,636,000)
<b>Endowment net assets, end of year</b>	<b>\$ 24,790,389</b>	<b>\$ 91,018,284</b>	<b>\$ 115,808,673</b>

During the year ended September 30, 2022, the Foundation's donor modified its gift agreement to change the donor's intent from \$20 million permanent endowment to \$3 million permanent endowment and \$17 million subject to specified purpose.

### 14. Commitments and Contingencies

#### *Operating Lease Commitments*

The Foundation's lease commitments predominantly consist of an operating lease effective June 1, 2020 for office space located at 1500 K Street, NW. The terms of the lease agreement consist of 89 months initial term, with the option to extend the lease up to two consecutive periods of 60 months each.

For the year ended September 30, 2023, the lease agreement is accounted for under ASC Topic 842. For the year ended September 30, 2022, the lease agreement was accounted for under the previous lease standard.



# National Park Foundation

## Notes to Financial Statements

---

The right-of-use asset was \$4,195,157 and corresponding lease liability was \$6,270,284 as of September 30, 2023. The Foundation's fixed office lease cost recorded under facilities, lease and insurance on the statements of functional expenses totaling \$1,150,872 for the year ended September 30, 2023.

Supplemental information related to the Foundation's operating lease are as follows:

Right-of-use assets obtained in exchange for new lease obligation - upon adoption	\$ 5,087,578
Cash paid for amounts included in measurement of lease liabilities operating cashflows	\$ 1,557,417
Weighted average remaining lease term in years	4.08 years
Weighted average discount rate	3.70%

The present value of future minimum lease payments were as follows:

*Years ending September 30,*

---

2024	\$ 1,596,382
2025	1,636,279
2026	1,677,107
2027	1,719,122
2028	145,632
<hr/>	
Total	6,774,522
Less: imputed interest	(504,238)
<hr/>	
Lease Liability	\$ 6,270,284

Under the previous lease standard, at September 30, 2022, the Foundation's future minimum lease payments, by year and in the aggregate, under its operating leases are as follows:

*Years ending September 30,*

---

2023	\$ 1,557,417
2024	1,596,382
2025	1,636,279
2026	1,677,107
2027	1,719,122
Thereafter	145,632
<hr/>	
	\$ 8,331,939

---

Rental expense for the year ended September 30, 2022 totaled \$1,152,417.

# National Park Foundation

## Notes to Financial Statements

### 15. Contributed Nonfinancial Assets

The Foundation received contributed non-financial assets in the form of media, real property, event support, sponsorships and airline miles to support programs. These contributed non-financial assets meet the criteria for revenue recognition under FASB ASC 958-605-25, *Contributed Services*, at the fair value of non-financial assets on the statements of activities. During the years ended September 30, 2023 and 2022, the Foundation received contributed nonfinancial assets valued at \$46,848,326 and \$29,240,297, respectively, as follows:

<i>Years ended September 30,</i>		<b>2023</b>	<b>2022</b>
<u>Type of service</u>	<u>Valuation Techniques</u>		
Media <sup>(a)</sup>	Standard industry pricing for similar service	\$ 42,077,207	\$ 29,028,274
Real property <sup>(b)</sup>	Appraised market value	4,363,000	-
Event support <sup>(c)</sup>	Market cost of items and service, if purchased from the vendor	172,685	116,493
Airline miles <sup>(d)</sup>	Industry benchmark based on average redemption value or actual cost	232,040	95,530
Sponsorships <sup>(e)</sup>	Retail value of products	3,394	-
		<b>\$ 46,848,326</b>	<b>\$ 29,240,297</b>

For the years ended September 30, 2023 and 2022, the Foundation recognized in-kind expenses of \$46,422,526 and \$29,363,297 (of which \$425,800 received during 2023 was held at year-end, and \$123,000 for 2022 contributed property was received in 2021), respectively.

- (a) Digital, broadcast, and public service announcements.
- (b) Real property with historical importance or enhance the quality or supplement existing property of the National Park Service.
- (c) Lighting, fixtures, installment and fir trees donated for the National Christmas Tree Lighting event.
- (d) Airline miles used for air flight transportation for employees and non-employees in support of the general and programmatic purposes.
- (e) Contest prizes and give aways of goods related to corporate partner sponsorships.

### 16. Litigation Settlement Contributions (Community Service Payments)

Since 1999, the Foundation has received over \$26 million from several litigation settlements. These funds represent voluntary community service payments from corporations that have entered into a plea agreement related to charges by the Department of Justice for violations of certain environment regulations such as polluting or the mistreatment of hazardous waste materials. The plea agreements specify the national parks or areas to which the funds are to be allocated by the Foundation. The Foundation received settlement contributions of \$6,327,857 and \$9,267,556 for the years ended September 30, 2023 and 2022, respectively, which are included in the management and other income in the statements of activities. The Foundation believes that these plea

# National Park Foundation

## Notes to Financial Statements

---

agreements represent voluntary non-reciprocal payments to the Foundation and has, therefore, classified them as net assets with donor restrictions support.

### 17. Employee Benefit Plans

The Foundation has maintained a 403(b) retirement plan (the Plan) for its employees since 1992. All employees over 21 years of age with at least one year of service to the Foundation (consisting of at least 1,000 hours of service in a 12-month period) are eligible to receive an employer matching contribution to the Plan. The Foundation matches 100% of employee contributions up to 6% of salary.

Participants are eligible to participate after one year of service and are fully vested in all contributions of the Plan. The Foundation's contributions to the Plan were \$431,011 and \$352,077, respectively, for the years ended September 30, 2023 and 2022.

The Foundation established a 457(f) deferred compensation plan during 2017 and 457(b) deferred compensation plan during 2019 for its President and CEO. At September 30, 2023 and 2022, the amounts accrued under these arrangements were \$251,881 and \$140,638, respectively, which are included in accounts payable and accrued expenses in the statements of financial position.

### 18. Government Support

#### *National Park Service Endowment*

During 2023 and 2022, the Foundation was awarded an endowment of \$10,000,000 each year under the National Park Service Centennial Act. As of September 30, 2023 and 2022, the corpus of the National Park Service endowment totaled \$70,000,000 and \$60,000,000, respectively. Endowment earnings and losses totaled \$9,182,525 and (\$14,144,694) for the years ended September 30, 2023 and 2022, respectively. The loss incurred during 2022 was primarily the result of unrealized loss from unfavorable market fluctuations. Realized earnings are to be used to help finance the needs of the national parks. For the years ended September 30, 2023 and 2022, the Foundation incurred \$2,269,751 and \$1,791,592 of the earnings, respectively. Accumulated investment gains (losses) as of September 30, 2023 and 2022 were \$1,789,953 and (\$1,637,165), respectively.

In addition to the endowment awarded under the National Park Service Centennial Act, the Foundation was also awarded an appropriation of \$10,000,000 and \$5,000,000 during 2023 and 2022, respectively, to be expensed towards projects and programs that support the mission of NPS. For years ended September 30, 2023 and 2022, \$4,106,762 and \$2,646,762 of appropriations was expensed to support NPS projects and programs, respectively.

### 19. Concentrations

As of September 30, 2023 and 2022, pledges receivable from three donors represented approximately 51% and 55%, respectively, of total pledges receivable.

# National Park Foundation

## Notes to Financial Statements

### 20. Liquidity and Availability of Resources

The following reflects the Foundation's financial assets available for general expenditure within one year of the statement of financial position as of September 30, 2023 and 2022:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 22,155,173	\$ 44,903,195
Pledges receivable, net	70,155,711	74,869,875
Investments	313,733,571	227,622,029
Loan receivable	-	500,000
<b>Total financial assets</b>	<b>406,044,455</b>	<b>347,895,099</b>
Less: Amounts unavailable for current expenditure due to:		
Funds managed as agent for other entities	11,939	11,347
Pledges without donor restrictions collectible beyond one year	3,637,500	1,554,434
Charitable gift annuities	2,697,923	2,412,013
Net assets with donor restrictions	304,025,804	255,330,155
<b>Total amounts unavailable for general expenditure within one year</b>	<b>310,373,166</b>	<b>259,307,949</b>
Less: Amounts unavailable to management without Board approval		
Board designated quasi-endowments	27,491,053	24,790,389
<b>Total financial assets available to management for general expenditure within one year</b>	<b>\$ 68,180,236</b>	<b>\$ 63,796,761</b>

The Foundation regularly monitors liquidity required to meet its general operating needs and other contractual commitments. The Foundation's liquidity management includes a policy of structuring its financial assets to be available to meet its grant-making and general expenditures, liabilities and other obligations as they come due. As part of its liquidity plan, excess cash is invested in publicly traded investment plans such as money market and mutual funds that aim to maximize return on investments based on acceptable levels of risk. The Foundation's investments can be liquidated anytime, and therefore are available to meet current cash flow needs, except for investments held in perpetuity. The Foundation's board-designated net assets include funds designated for specific programs. While the board of directors does not intend to spend for the purposes other than those identified, board-designated funds could be spent for operations, if necessary.

### 21. Related Parties

During the years ended September 30, 2023 and 2022, the Foundation received contributions and gifts of \$26,228,620 and \$28,097,400, respectively, from board members of the Foundation. At September 30, 2023 and 2022, balances due from the pledged contributions and gifts totaled \$31,344,988 and \$21,715,523, respectively.

# National Park Foundation

## Notes to Financial Statements

---

### 22. Subsequent Events

Management has evaluated subsequent events through March 27, 2024, which is the date the accompanying financial statements were available to be issued. There were no transactions or events that required adjustment or disclosure in the financial statements.

**Management Prepared Document - Unaudited**

---



## Appendix A - Management's Discussion and Analysis Year Ended September 30, 2023

---

### Executive Summary

The National Park Foundation (“NPF” or the “Foundation”) generates private support and builds strategic partnerships to protect and enhance America’s national parks for present and future generations. NPF was congressionally chartered in 1967 as the national non-profit, non- governmental, philanthropic partner of the National Park Service (“NPS”). NPF is positioned to engage with individuals, institutions and corporate America in support of national parks in ways not available to NPS due to federal regulations, while enjoying a unique partnership with NPS that allows it to leverage and direct philanthropic support toward NPS’s nationwide priorities.

At its core, the Foundation invests in seven strategic areas to drive positive impact. These areas are referred to as mission pillars and each pillar has a clear desired outcome, a set of impact goals, and an implementation plan: (i) Landscape and Wildlife Conservation, (ii) History & Culture, (iii) Resilience and Sustainability, (iv) Parks of the Future, (v) Youth Engagement and Education, (vi) Outdoor Exploration, and (vii) Communities and Workforce. In fiscal 2023, NPF raised approximately \$184 million in contributions and other support to fund its mission. NPF’s work is implemented through strategic partnerships with NPS, park friend’s groups, corporate partners, and other park partners.

NPF takes a strategic approach in advancing its mission. Key elements of the approach include:

- **Aligning areas of programmatic focus with NPS’ priorities.** Ensures that the projects NPF undertakes are a priority and can be completed.
- **Developing diverse and robust fundraising channels.** Ensures NPF can deliver on its mission while yielding steady growth in contributions over time.
- **Keeping programmatic spending ratios high over time.** Ensures NPF maximizes philanthropic support in meeting its mission.
- **Controlling general, administrative, and fundraising costs.** Ensures focus on operating efficiency.
- **Strategic investments in operations.** Ensures NPF continually improves systems and staff, seeking to increase its efficiency in delivering on its mission.
- **Mission aligned investment portfolios.** Ensures portfolios are optimized for sustainable asset growth over time.
- **Maintaining a strong financial position.** Ensures NPF takes actions needed to sustain mission delivery over the long term.

### Areas of Programmatic Focus

NPF’s overarching goal is to ensure America’s national parks reach their fullest potential and touch as many lives as possible. NPF delivers programmatic impact to the parks in the following strategic areas:



## Appendix A - Management's Discussion and Analysis Year Ended September 30, 2023

---

***Landscape and Wildlife Conservation*** - NPF commits to conserving native wildlife and restoring critical habitats and ecosystems in the nation's most treasured places for the enjoyment, education, and inspiration of current and future generations. From majestic mountain ranges in Alaska to the vast sawgrass prairies of Florida's Everglades, national parks have safeguarded the nation's stunning landscapes, natural habitats, and native wildlife from modern development. Today, national parks protect and preserve 85 million acres of land including world heritage sites, iconic landmarks, and many threatened and endangered species. Many sites are increasingly subject to environmental and human impacts that threaten the health of wildlife. Rising sea levels, changing weather patterns, and ecosystem degradation are leading to paradigm shifts in society. Conservation and preservation are at the core of the Foundation's mission.

***History and Culture*** - Nearly half of the nation's national parks are primarily historic or cultural in their mission. By telling the story of America, these national parks can engage all audiences and tell a broader and more inclusive story of American history. NPF helps to safeguard the historic sites and collections that hold American's shared history, recognizing that national discourse is ever evolving to reflect on the past, engage the present, and imagine the future. With this work, NPF aims to share more comprehensive and inclusive stories that amplify the full range of experience and voices that are woven into the fabric of the United States.

***Resilience and Sustainability*** - In partnership with NPS and other partners, NPF is making national parks more resilient and sustainable by supporting innovative solutions to improve park infrastructure and to make it easier for park visitors to be good stewards of the places they love. NPF supports ongoing work across the entire National Park System through waste reduction efforts, water conservation projects, and investments in renewable and alternative energy projects. The preservation of parks is central to the National Park Service's mission, and NPS's Green Parks Plan acts as a road map of areas to focus on now and in the future to build resilient green infrastructure and educate park visitors on climate change and sustainability.

***Parks of the Future*** - Two hundred million more visitors are expected annually in national parks by 2040, a 60 percent increase from 2018 levels. National parks must be prepared to address the changing demographics and a diversity of needs for these new visitors. From visitor congestion to the workforce of the future. From campground access to trail experiences. From how audiences feel welcome to how new audiences can be developed and cultivated. National parks must remain nimble and invest in strategies today that ensure world class visitor experiences tomorrow. Through transformational investments in both emerging technologies and proven solutions, NPF envisions a stronger and more resilient National Park System in 2040.

***Youth Engagement and Education*** - The average child spends five to eight hours a day in front of a digital screen and only about 12 minutes of active time outdoors. National parks are America's largest classroom, offering unparalleled educational resources as hands-on laboratories poised to inspire a new generation. NPF supports Youth Education & Engagement programs that provide ways for kids to enjoy, understand, and connect with the nature, history, and culture of parks through a variety of classroom subjects at national parks across the country. Education programs tied to parks enhance classroom curriculum and have a transformative impact on students, increasing critical thinking skills, knowledge, self-confidence, and motivation to learn. Beyond time spent in the parks, classroom activities conducted before and after in-park or virtual field trips reinforce what students learn during their exploration.





## Appendix A - Management's Discussion and Analysis Year Ended September 30, 2023

---

**Outdoor Exploration** - National parks hold the power to inspire a sense of wonder and a love of exploration. Exploration of parks' wildlife, landscapes, history, and culture is an important and memorable element of national park experiences for all visitors. NPF supports ongoing opportunities to promote access for everyone to experience, enjoy, and cultivate life-long connections to the social, mental, and physical health benefits of the outdoors through magnificent national parks. By teaching valuable lifelong skills, collaborating with partner organizations to foster inclusion, and promoting the engagement of communities of color with outdoor recreation, NPF's Outdoor Exploration programs create and deepen longstanding connections to national parks for all.

**Communities and Workforce** - National parks are the landscapes where American's build community and cultivate stewardship. NPF supports an expansive network of local non-profit organizations, volunteer groups, and service corps dedicated to critical preservation and restoration projects across the country. NPF's Communities & Workforce programming aims to grow the capacity of partners, as well as inspire and diversify the next generation of outdoor leaders. Through efforts like service corps crews that preserve historical sites, restore trails, and remove invasive species in parks, NPF's Communities & Workforce programs highlight the power of teamwork and collective dedication to preserve the nation's most treasured places. Additionally, increased fundraising and management capacity of the park partner community strengthens collective support of critical preservation, restoration, and protection projects in parks across the country.

NPF provided approximately \$120.1 million in grants and support to many of the more than 400 units across the country. This constituted 74% of NPF's total expenses for the year.

### **Fundraising Activities**

NPF secures funding for its mission largely through its own fundraising efforts. Funds are raised from individuals, corporate partners, and institutional entities. NPF's ability to raise these funds is driven largely by its consistent, effective, and timely delivery of programmatic impact with a margin of excellence.

Since its inception in 1967, NPF has raised more than \$1.6 billion.

More specifically, between fiscal 2013 and fiscal 2018, NPF raised roughly \$550 million as part of its Centennial Campaign which was designed to yield transformative support and impact for America's national parks as the system turned 100 years old. The campaign and ensuing impact on parks garnered new opportunities to generate extraordinary gifts, diversify NPF's revenue channels and elevate NPF's ability to further leverage its unique partnership with NPS.

Over the years, through strategic investments, NPF has developed a strong corporate partnerships channel, strengthened its individual giving pipeline across all levels (direct mail through major giving) and bolstered its strategic partnerships with institutional foundations.



## Appendix A - Management's Discussion and Analysis Year Ended September 30, 2023

---

In 2016, NPF secured passage of congressional legislation that allows up to \$15 million in federally appropriated funds to flow to NPF annually. The funds are available to NPF for programmatic use and require a philanthropic match. The legislation also created the "Second Century Endowment", an annual federal contribution of the first \$10 million in sales of Federal Recreation Land Passes into an NPF endowment fund. Also available for NPF to access and use, subject to philanthropic match, are challenge funds reserved for NPS programmatic priorities. In general, NPF's federal funding vehicles are designed to further increase and excite philanthropic giving (matching private donations with federal dollars) by leveraging NPF's unique position as NPS's philanthropic partner.

Overall, NPF has created a strong foundation for continued success in fundraising growth through a diversification of its revenue channels.

### **Measuring Revenue Performance**

The growth and professionalization of the Foundation in the last decade has elevated NPF's philanthropic capacity. Recurring funding streams boosted the Foundation's ability to advance its mission while transformative contributions addressed key nationwide priorities. Transformative contributions, however, take time to develop, steward and execute. This variability in timing can cause fluctuations in total revenue, year to year. As such, NPF measures revenue growth over three to five-year increments. NPF expects steady growth in revenues over this time horizon despite fluctuations that may occur year over year.

### **High Programmatic Impact Over Time**

To support effective delivery of its mission, NPF aspires to keep its ratio of programmatic expenses to total expenses at a high level over time. However, as with revenue, the programmatic expense ratio may fluctuate for various reasons, year to year. Grants and support expenses may fluctuate due to changing project timelines, shifting priorities within NPS, a change in size or scope of projects, and federal restrictions on the timing of federally sourced disbursements. Non-programmatic costs (administrative or fundraising) may also fluctuate in a given year due to strategic investments in operations. Infrastructure investments may temporarily increase total costs and lower the programmatic expense ratio despite increases in programmatic spending.

Over time, NPF expects to maintain a high ratio of programmatic impact expense to total expense, while steadily increasing its total expenditure for impact to the parks.

### **Controlling General, Administrative and Fundraising Costs**

NPF's primary goal is to maximize deployment of funds for programmatic purposes in support of its mission. Consequently, NPF carefully controls its general, administrative, and fundraising costs through various means including annual budgeting, performance management, strong internal controls, formal cost benefit analyses, and a regular review of operations.

### **Strategic Investment in Operations**

NPF regularly invests in its operations to bolster its competitive advantages or to increase its efficiency in delivering its mission. Examples of this include improving enterprise technology systems, adding productivity tools, professional development of its staff, and elevating NPF's fundraising effectiveness.



## Appendix A - Management's Discussion and Analysis Year Ended September 30, 2023

---

### **Mission Aligned Investment Portfolios**

NPF regularly monitors the financial performance, spending policies, and asset allocations of its investments to ensure portfolios are optimally designed to support NPF's mission and produce sustainable growth in asset value. NPF utilizes outside professional advisors to design and manage its investment portfolios. Each portfolio's asset allocations are designed to balance earnings potential with risk tolerance based on each asset group's purpose and spending needs or time horizons. NPF utilizes the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to govern its permanently restricted net assets.

### **Maintaining Strong Financial Position**

NPF closely manages its financial position, liquidity, and general financial health to ensure sustainable performance in mission delivery over the long term. The following are key elements of NPF's financial management strategy:

- Employing strong oversight, risk management and internal control over all transactions.
- Efficient use of working capital to fund grants and operations, while investing excess capital in risk appropriate short-term investments.
- Maintaining an optimal level of unrestricted operating reserves. Disciplined review and analysis of NPF financial activities versus plan, risks, opportunities, and obligations on an ongoing basis.

### **Diversity, Equity, and Inclusion (DEI) Vision Statement**

A future where everyone feels a sense of belonging in America's national parks and has access to park-related experiences. NPF occupies a unique role as the Congressionally chartered, philanthropic partner of the NPS. Through that role, NPF works to advance priority projects and programs of the Department of Interior (DOI) and the NPS to amplify the value of America's national parks for current and future generations. Consistent alignment with DOI and NPS is essential to NPF's success.

NPF defines diversity, equity, and inclusion (DEI) as the presence of differences across many identities. NPF promotes justice, impartiality and fairness, and a desired state where all feel welcomed. NPF recognizes that the stories of all Americans are not adequately represented in the national parks and that many factors impede the ability for all people to connect with, and be inspired by America's national parks. NPF believes national parks have the potential to stand as a living testament to the expansive and ever-evolving story of American history to better reflect the contributions of all communities in our country and as places where all people feel welcome and connected. Working collaboratively with DOI and NPS, NPF strives to make this potential a reality.

NPF recognizes that to advance its mission, it must express and integrate the values of DEI in its organizational culture, through its work with partners and through its grantmaking. NPF's commitment to action mandates we:

- Advance DEI values throughout NPF.
- Expand and broaden DEI into NPF's programmatic work, including with our partners.
- Strive to ensure that all people both see themselves in the stories our national parks tell and feel a sense of belonging in our national parks.

*Unaudited*



## Appendix A - Management's Discussion and Analysis

### Year Ended September 30, 2023

---

Internally, NPF commits to fostering, cultivating, and expanding a culture of DEI. NPF believes in a workplace where staff feel supported and empowered, and where diversity is valued. NPF acknowledges that diverse voices enrich NPF's decision-making. NPF is committed to broadening its integration of DEI values in all aspects of the organization (i.e., governance, HR, procurement, fundraising, programs, media, leadership, etc.). Externally, NPF commits to leveraging its voice, impact, and leadership.

- Ensure its work with the National Park Service and its partners gives voice to the stories of all Americans in a shared dialogue of our nation and its history.
- Make national parks welcoming for all people, creating a greater sense of belonging in national parks, and enabling opportunities for all Americans to experience their national parks.
- Grow and build partnerships with diverse park partners and communities.

NPF believes in the evergreen nature of this work and the need to continuously evolve and grow, further ensuring that NPF will always be a more inclusive and equitable place for staff and a more inclusive partner for its community.

NPF holds itself accountable through a variety of ways including participation in the Green 2.0 Transparency Report Card [00-ngo-profiles-all-pages-2.idml \(diversegreen.org\)](#).