

**SHENANDOAH NATIONAL PARK TRUST**  
**CHARLOTTESVILLE, VIRGINIA**

**FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2017**

# SHENANDOAH NATIONAL PARK TRUST

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# HANTZMON WIEBEL LLP

C e r t i f i e d P u b l i c A c c o u n t a n t s

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Shenandoah National Park Trust  
Charlottesville, Virginia

We have audited the accompanying financial statements of SHENANDOAH NATIONAL PARK TRUST (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

#### *Members*

American Institute of Certified Public Accountants • Virginia Society of Certified Public Accountants • Private Companies Practice Section of AICPA

Board of Trustees  
Shenandoah National Park Trust

**INDEPENDENT AUDITORS' REPORT--(Cont'd)**

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SHENANDOAH NATIONAL PARK TRUST as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the SHENANDOAH NATIONAL PARK TRUST's September 30, 2016 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*HanTymon Wiebel LLP*

Charlottesville, Virginia  
February 16, 2018

**SHENANDOAH NATIONAL PARK TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2017**  
**(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2016)**

**ASSETS**

	<b>2017</b>	<b>2016</b>
Cash and cash equivalents .....	\$ 812,641	\$ 754,794
Accounts receivable (Note 4) .....	84,714	93,210
Prepaid expenses .....	7,119	2,342
Pledges receivable (Note 5) .....	8,000	9,625
Investments (Note 6) .....	2,185,110	2,062,240
Capital construction project .....	281,074	431,074
Property and equipment, net (Note 8) .....	<u>26,257</u>	<u>7,825</u>
 Total assets .....	 <u><u>\$3,404,915</u></u>	 <u><u>\$3,361,110</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable .....	\$ 6,753	\$ 37,931
Agency fund payable (Note 15) .....	69,495	88,601
Accrued salaries .....	4,725	4,594
Note payable (Note 10) .....	<u>19,640</u>	<u>6,536</u>
 Total liabilities .....	 <u>100,613</u>	 <u>137,662</u>

**NET ASSETS**

Unrestricted .....	529,790	647,936
Temporarily restricted (Note 9) .....	2,772,112	2,573,112
Permanently restricted (Note 9) .....	<u>2,400</u>	<u>2,400</u>
 Total net assets .....	 <u>3,304,302</u>	 <u>3,223,448</u>
 Total liabilities and net assets .....	 <u><u>\$3,404,915</u></u>	 <u><u>\$3,361,110</u></u>

(The accompanying notes are an integral part of these financial statements)

# SHENANDOAH NATIONAL PARK TRUST

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2017

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2017 TOTAL	2016 TOTAL
<b>REVENUE AND SUPPORT</b>					
Contributions .....	\$ 394,057	\$ 336,162	\$ ....	\$ 730,219	\$ 599,784
Special events revenue, net of expenses of:					
2017 - \$223,121 and 2016 - \$208,572 .....	80,900	....	....	80,900	75,500
Interest and dividend income .....	220	46,552	....	46,772	43,828
Realized and unrealized gains and (losses) .....	( 327)	172,642	....	172,315	169,974
Department of Motor Vehicles:					
License plate revenue .....	155,580	....	....	155,580	134,490
Miscellaneous income .....	676	1,080	....	1,756	....
Releases from restrictions .....	357,436	( 357,436)	....	....	....
Total revenue and support .....	<u>988,542</u>	<u>199,000</u>	<u>....</u>	<u>1,187,542</u>	<u>1,023,576</u>
<b>OPERATING EXPENSES</b>					
Program services .....	791,254	....	....	791,254	777,735
General and administrative .....	73,215	....	....	73,215	72,913
Fund-raising .....	92,219	....	....	92,219	91,000
Total operating expenses .....	<u>956,688</u>	<u>....</u>	<u>....</u>	<u>956,688</u>	<u>941,648</u>
<b>CAPITAL CONSTRUCTION PROJECT WRITE-OFF .....</b>	<u>( 150,000)</u>	<u>....</u>	<u>....</u>	<u>( 150,000)</u>	<u>....</u>
<b>CHANGE IN NET ASSETS .....</b>	<u>( 118,146)</u>	<u>199,000</u>	<u>....</u>	<u>80,854</u>	<u>81,928</u>
<b>NET ASSETS AT BEGINNING OF YEAR .....</b>	<u>647,936</u>	<u>2,573,112</u>	<u>2,400</u>	<u>3,223,448</u>	<u>3,141,520</u>
<b>NET ASSETS AT END OF YEAR .....</b>	<u>\$ 529,790</u>	<u>\$2,772,112</u>	<u>\$ 2,400</u>	<u>\$3,304,302</u>	<u>\$3,223,448</u>

(The accompanying notes are an integral part of these financial statements)

# SHENANDOAH NATIONAL PARK TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets .....	\$ 80,854	\$ 81,928
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized (gains) and losses .....	( 172,315)	( 169,974)
Gain on disposition of property and equipment .....	( 676)	....
Write-off of development costs .....	150,000	....
Depreciation .....	4,316	3,913
(Increase) decrease in operating assets:		
Accounts receivable .....	8,496	( 53,329)
Pledges receivable .....	1,625	17,875
Prepaid expenses .....	( 4,777)	1,751
Increase (decrease) in operating liabilities:		
Accounts payable .....	( 31,178)	23,137
Agency funds payable .....	( 19,106)	88,601
Accrued salaries .....	131	2,066
Commitments to Park .....	....	( 95,027)
Net cash provided by (used in) operating activities .....	<u>17,370</u>	<u>( 99,059)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments .....	94,532	85,000
Purchases of investments .....	( 45,087)	( 42,809)
Proceeds from disposition of property and equipment .....	5,567	....
Purchases of property and equipment .....	<u>( 27,639)</u>	<u>....</u>
Net cash provided by investing activities .....	<u>27,373</u>	<u>42,191</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on loans .....	( 6,991)	( 2,736)
Proceeds from new loan .....	<u>20,095</u>	<u>....</u>
Net cash provided by (used in) financing activities .....	<u>13,104</u>	<u>( 2,736)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> .....	57,847	( 59,604)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> .....	<u>754,794</u>	<u>814,398</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> .....	<u><u>\$812,641</u></u>	<u><u>\$754,794</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest .....	<u>\$ 297</u>	<u>\$ 296</u>

(The accompanying notes are an integral part of these financial statements)

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - NATURE OF ORGANIZATION

The Shenandoah National Park Trust (the Trust) is a non-stock corporation formed under the laws of Virginia. The Trust fosters public awareness and appreciation for Shenandoah National Park (the Park) and receives contributions to support the restoration and preservation of the Park's outstanding natural and historic resources for the use and enjoyment of current and future generations.

The Trust was incorporated in March 2007 and did not enter into any transactions prior to July 1, 2007.

### NOTE 2 - COMPARATIVE PRIOR-YEAR FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Accounting*

The financial statements of the Trust have been prepared on the accrual basis of accounting. Contributions and revenue are recorded when earned and expenses are recorded when incurred rather than when funds are received or disbursed.

#### *Financial Statement Presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under this guidance, the Trust is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Trust, its accounts are maintained in accordance with donor restrictions placed on the donated assets. Separate accounts are maintained for each category of donor-restricted assets and unrestricted assets. The assets, liabilities, and net assets of the Trust are reported in the following self-balancing net asset groups:

Unrestricted net assets represent the portion of net assets that can be utilized to support current and future Trust operations.

Temporarily restricted net assets represent the Trust contributions expendable only for purposes specified by the donor.

Permanently restricted net assets represent the Trust contributions that are subject to restrictions of gift instruments requiring, in perpetuity, that the principal (and, in some cases, a portion of the investment income) be invested and the income only be used for current operating purposes.



# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Financial Statement Presentation--(Cont'd)*

The Trust reports gifts of cash and other assets as restricted support when they are received with donor stipulations limiting the use of the donated assets. When a stipulated purpose restriction is satisfied or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as assets released from restrictions.

The Trust reports gifts of land, buildings, and equipment as unrestricted support, unless explicit donor restrictions specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Trust reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### *Fair Values of Financial Instruments*

The FASB has established a framework for measuring fair value, which expands disclosures about fair value measurements under U. S. GAAP. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The Trust's pledges receivable are categorized as Level 3 assets and investments are categorized as Level 1 assets.

The fair values of the Trust's assets that are categorized in accordance with FASB ASC 820 at September 30, 2017 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Pledges receivable .....	\$ ....	\$ ....	\$ 8,000	\$ 8,000
Investments - mutual funds .....	<u>2,185,110</u>	<u>.....</u>	<u>.....</u>	<u>2,185,110</u>
Total financial assets at fair value .....	<u>\$2,185,110</u>	<u>\$ .....</u>	<u>\$ 8,000</u>	<u>\$2,193,110</u>

During the year ended September 30, 2017, there were no changes to the classification among categories.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Fair Values of Financial Instruments--(Cont'd)*

Generally accepted accounting principles permit entities to choose to measure many financial instruments and certain other items at fair value. The Trust has elected to report pledge receivables at fair value as management feels this measure is more meaningful to the users of the financial statements.

#### *Accounting Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the valuation of pledges receivable, the valuation of contributed services, and the allocation of functional expenses. Actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Trust considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Trust maintains its cash accounts in commercial bank institutions. Cash balances in excess of FDIC insurance limits are subject to credit risk.

#### *Accounts Receivable*

The Trust recognizes receivables for certain programs and grant arrangements. Management evaluates annually the collectability of receivables based on specific account analysis, previous experience, and other relevant factors. Receivables deemed uncollectible are written off to bad debt expense in the year of management's determination. Management has deemed all amounts collectible as of September 30, 2017, and has not considered it necessary to create an allowance.

#### *Pledges Receivable*

Pledges receivable are gratuitous promises to give and subject to cancellation by the donor. Collection will generally not be enforced by the Trust. Accordingly, these receivables are shown net of an allowance for uncollectible promises, which has been estimated by management based on historic experience, the age of the promise, and other relevant factors. At September 30, 2017, management considered all pledges to be collectible. Any changes in the provision for uncollectible pledges and pledge adjustments are reflected in contributions revenue.

The Trust reports unconditional promises to give as revenue when the promise is made. Unconditional promises to give for future periods are recorded as temporarily restricted net assets and discounted to net present values based on expected future cash flows. Upon expiration of the time restrictions, these net assets are reclassified as unrestricted net assets.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Investments*

Investments are carried at market value as determined by quoted market prices. Investments received by gift are initially recorded at market value at date of receipt. Interest and dividend income is generally unrestricted, except where donor restrictions on earnings from contributions exist, when such investment income is credited to temporarily restricted net assets. Realized and unrealized gains or losses on the sale of securities are considered unrestricted, unless specifically restricted by the donor. The value of investments is tied to the market and to market volatility.

#### *Capital Construction Project*

Costs which are incurred during planning and construction of capital assets to benefit Shenandoah National Park are capitalized as capital construction project expenses. Upon completion of the capital asset, the Trust will contribute the asset to the Park and expense the development cost as grant expense. Total planning costs incurred to benefit the Park was \$281,074 at September 30, 2017. During the year ended September 30, 2017, \$150,000 of the original development cost was written off. This figure approximates the cost of architectural designs, as these designs would need to be revised should the Trust move forward with the Project in the future.

#### *Property and Equipment*

Purchased property and equipment are recorded at cost. The Trust's policy is to capitalize purchases over \$2,000. Donated assets are capitalized at their fair market value (if objectively determinable) at the date of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and amounted to \$4,316 for the year ended September 30, 2017.

#### *Income Taxes*

The Trust is an organization described in IRC §501(c)(3) and, accordingly, is exempt from federal and state income taxes under IRC §501(a). It has also been classified as an organization which is not a private foundation under IRC §509(a)(2). Therefore, no provision or liability for federal or state income taxes has been included in these financial statements.

#### *Accounting for Uncertain Tax Positions*

The Trust has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with guidance established by the Financial Accounting Standards Board ("FASB") and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Trust.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--(Cont'd)

#### *Non-Cash Contributions*

Contributed goods are valued at their estimated fair value at the date of gift. Contributed services are recognized in the financial statements at their fair market value if the services require specialized skills, the services are provided by individuals possessing those skills, and the services would typically need to be purchased if not donated. The value of contributed services for the year ended September 30, 2017, was approximately \$33,600. All of the donated contributed services were directly related to program-related expenses.

#### *Advertising Costs*

Advertising costs include paid advertising and brochure costs.

The Trust expenses costs of advertising as incurred. Advertising expenses amounted to approximately \$6,100 for the year ended September 30, 2017.

#### *Subsequent Events*

Management has evaluated events through February 16, 2018, which is the date the financial statements were available to be issued.

### NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at September 30, 2017:

Virginia Department of Motor Vehicles license plate revenue .....	\$45,555
National Park Foundation lodging revenue .....	14,084
The Charles Fund, Inc. Grant .....	25,000
Other .....	<u>75</u>
	<u>\$84,714</u>

### NOTE 5 - PLEDGES RECEIVABLE

The Trust has adopted U. S. generally accepted accounting standards to value its multi-year pledges receivable at fair value. Management believes that the use of fair value reduces the cost of measuring its multi-year promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates. Management considers the discount associated with the pledge to be immaterial.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 5 - PLEDGES RECEIVABLE--(Cont'd)

Unconditional pledges receivable at September 30, 2017, are as follows:

Contributions due in less than one year .....	\$ 2,000
Contributions due in one to five years .....	<u>6,000</u>
Total unconditional pledges receivable .....	<u>\$ 8,000</u>

Changes in unconditional pledges receivable for the year ended September 30, 2017, are as follows:

Pledges receivable - beginning of year .....	\$ 9,625
Pledges received .....	10,000
Payments received .....	( <u>11,625</u> )
Pledges receivable - end of year .....	<u>\$ 8,000</u>

At September 30, 2017, 100% of pledges receivable originated from one donor.

### NOTE 6 - INVESTMENTS

Investments are carried at fair market value and are subject to market risk.

The fair values at September 30, 2017, were as follows:

	FAIR MARKET VALUE	COST
Vanguard Index Fund .....	<u>\$2,185,110</u>	<u>\$1,228,223</u>

For the year ended September 30, 2017, the Trust recognized net realized and unrealized gains on the change in the fair value of its investments as follows:

Net realized and unrealized gains .....	<u>\$ 172,315</u>
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### NOTE 7 - LEASES

In September 2015, the Trust entered into an operating lease for office space located in Charlottesville, Virginia. The lease commenced on September 1, 2015, for a term of 30 months followed by an optional month-to-month term. Rent expense for the year ended September 30, 2017, was \$10,715. Scheduled future minimum payments under this operating lease are as follows:

2018 .....	<u>\$ 4,582</u>
	<u>\$ 4,582</u>

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2017:

Vehicle .....	\$ 27,639
Less: Accumulated depreciation .....	( <u>1,382</u> )
Net property and equipment .....	<u>\$ 26,257</u>

### NOTE 9 - RESTRICTED NET ASSETS

The Trust had the following restricted net assets at September 30, 2017:

#### TEMPORARILY RESTRICTED

Land acquisition and conservation .....	\$ 387,718
Support activities of Shenandoah National Park .....	2,180,343
Invasive species .....	25,985
Hawksbill restoration .....	56,281
Blue Ridge PRISM .....	29,068
Advancing general education .....	25,000
Step up to great outdoors .....	25,606
Trail maintenance .....	16,764
Other .....	<u>25,347</u>
Total temporarily restricted net assets .....	<u>\$2,772,112</u>

#### PERMANENTLY RESTRICTED

Doris C. Belak Endowment .....	<u>\$ 2,400</u>
Total permanently restricted net assets .....	<u>\$ 2,400</u>

The endowment is held in a separate Vanguard fund and earnings are being accumulated presently.

### NOTE 10 - NOTE PAYABLE

The Trust had a note with a balance of \$19,640 that was secured by a vehicle and payable to Towne Bank in monthly installments of \$298 (includes interest) at an annual rate of 3.39%.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 10 - NOTE PAYABLE--(Cont'd)

The future scheduled maturities of long-term debt are as follows:

YEAR ENDING SEPTEMBER 30,	
2018 .....	\$ 2,957
2019 .....	3,059
2020 .....	3,164
2021 .....	3,274
2022 .....	3,386
2023 .....	3,503
2024 .....	<u>297</u>
	<u>\$ 19,640</u>

### NOTE 11 - FUNCTIONAL ALLOCATION OF EXPENSE

Expenses are classified according to the functional purpose for which the costs are incurred. Salaries of employees who perform duties relating to more than one function are allocated to the separate functional categories based on estimated use of the available hours by each function. Other expenses related to more than one function have been allocated based on the compensation allocation and other methods based on management's judgment.

### NOTE 12 - AGREEMENT WITH THE NATIONAL PARK SERVICE

The Trust entered into an agreement with the National Park Service (NPS) on October 1, 2007. The mutual responsibility of the parties under this agreement is to work together in good faith for the benefit of the Park. Under this agreement, the Trust became the primary fund-raising organization for the Park.

The original term of this agreement is ten years with the opportunity to renew. A renewal was signed extending the agreement until October 23, 2022, with the option for a one year extension. Upon termination or expiration of this agreement, any remaining assets of the Trust will be transferred to NPS or a mutually agreed upon third party to be used for purposes that are consistent with the terms of this agreement. The Trust also agreed to waive any right to an ownership or possessory interest in projects and programs in the Park that have been funded by contributions made by or through the Trust.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS--(Cont'd)

### NOTE 13 - RESTRICTED CASH

Restricted cash is composed of four components. One component represents \$387,718 stipulated by donors for land acquisition and conservation. These funds may be used for the purpose of promoting the establishment of conservation easements and similar land conservation practices on lands within, adjacent, or contiguous to the authorized boundary of the Shenandoah National Park as established by act of Congress dated May 22, 1926. Contiguous land shall include, without limitation, lands adjacent to other lands for which conservation easement or other similar land conservation practices provide an unbroken protected property chain back to the authorized boundary.

The second component represents \$129,739 stipulated by donors to be used for restricted projects at the Park.

The third component represents \$23,197 in donations collected by the Trust as fiscal sponsor for the Blue Ridge PRISM (“the Project”) to be used to implement the Project’s purposes. See **FISCAL SPONSORSHIP** note for further details.

The fourth component represents \$69,495 in funds held for the use by the Shenandoah National Park Law Enforcement Fund. See **AGENCY FUND** note for further details.

### NOTE 14 - FISCAL SPONSORSHIP

Through a memorandum of understanding, signed August 1, 2016, between the Trust and the Blue Ridge PRISM (“the Project”), the Trust serves as the fiscal sponsor for the Project. The responsibility of the Trust under this agreement will be to receive tax-deductible charitable contributions on behalf of the Project, to be used for the Project, and to distribute those funds to the Project. All funds received for use by the Project are deposited and held in a project-specific checking account. The Trust maintains book and financial records for the Project. In exchange for the costs of serving as fiscal sponsor for the Project, the Trust will retain 10% of each donation or grant raised by the Project.

At September 30, 2017, \$23,197 was in the Project’s bank account.

### NOTE 15 - AGENCY FUND

The Shenandoah National Park Law Enforcement Fund contains monies that have been paid by individuals to Shenandoah National Park via citations and fines issued for Park regulation infractions. The fund was initially held by the National Park Foundation, but was transferred to the Trust in February 2016. The Trust charges no administrative fee to hold these funds. The Trust releases monies from the fund only at the request of the Park, for purposes dictated by the Park.

At September 30, 2017, \$69,495 was in the bank account restricted for use by the fund and reported as a payable by the Trust.



# **SHENANDOAH NATIONAL PARK TRUST**

## **NOTES TO FINANCIAL STATEMENTS--(Cont'd)**

### **NOTE 16 - CONCENTRATIONS**

During the year ended September 30, 2017, approximately 15% of the Trust's contributions were from one donor.

### **NOTE 17 - RETIREMENT PLAN**

The Trust sponsors a SIMPLE IRA plan eligible to all employees, who may participate on a voluntary basis. The School provides a matching contribution which amounted to \$5,466 during the year ended September 30, 2017.

### **NOTE 18 - RECLASSIFICATIONS**

Certain prior-year amounts have been reclassified for comparability purposes.

**SUPPLEMENTARY INFORMATION**

# HANTZMON WIEBEL LLP

C e r t i f i e d P u b l i c A c c o u n t a n t s

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## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Board of Trustees  
Shenandoah National Park Trust  
Charlottesville, Virginia

We have audited the financial statements of the SHENANDOAH NATIONAL PARK TRUST as of and for the year ended September 30, 2017, and have issued our report thereon dated February 16, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We have previously audited the SHENANDOAH NATIONAL PARK TRUST's 2016 schedule of functional expenses, and we expressed an unmodified opinion on that schedule. In our opinion, the summarized comparative information presented herein for the year ended September 30, 2016, is consistent, in all material aspects, with the audited schedule from which it has been derived.

*Hantzmon Wiebel LLP*

Charlottesville, Virginia  
February 16, 2018

# SHENANDOAH NATIONAL PARK TRUST

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2017

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2016)

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUND- RAISING	2017 TOTAL	2016 TOTAL
Compensation .....	\$212,163	\$ 21,715	\$ 58,096	\$291,974	\$261,426
Employee benefits .....	18,347	2,829	5,332	26,508	26,301
Payroll taxes .....	16,459	1,416	4,815	22,690	21,584
Donated services and materials .....	33,573	....	....	33,573	20,201
Grants .....	436,313	....	....	436,313	432,618
Dues and fees .....	12,040	1,397	2,810	16,247	14,756
Insurance .....	....	3,605	....	3,605	2,971
Marketing .....	....	....	6,103	6,103	4,634
Meetings and events .....	8,039	4,659	....	12,698	40,184
Occupancy and utilities .....	11,128	1,141	3,878	16,147	13,726
Office supplies and expenses .....	14,454	609	1,882	16,945	15,250
Postage and printing .....	12,764	135	5,619	18,518	31,441
Professional services .....	456	35,338	162	35,956	32,148
Travel .....	15,057	371	3,477	18,905	20,567
Website .....	461	....	45	506	3,841
	<u>\$791,254</u>	<u>\$ 73,215</u>	<u>\$ 92,219</u>	<u>\$956,688</u>	<u>\$941,648</u>