

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

**FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2020**



# SHENANDOAH NATIONAL PARK TRUST

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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, 2020, and the related statements of activities, functional expenses, 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.

To the Board of Trustees  
Shenandoah National Park Trust

## **INDEPENDENT AUDITORS' REPORT**

### **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, 2020, 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, 2019 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hantymon Wiebel LLP*

Charlottesville, Virginia  
January 31, 2021

# SHENANDOAH NATIONAL PARK TRUST

## STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2020

(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2019)

### ASSETS

	2020	2019
Cash and cash equivalents .....	\$ 1,728,416	\$ 1,449,632
Accounts receivable (Note 5) .....	77,527	76,661
Prepaid expenses .....	8,872	7,168
Pledges receivable, net (Note 6) .....	156,000	179,000
Investments (Note 8) .....	2,378,491	2,329,548
Cash restricted for long-term purposes (Note 9) .....	362,211	363,466
Land .....	....	26,078
Property and equipment, net (Note 11) .....	9,674	15,202
	<u>          </u>	<u>          </u>
Total assets .....	<u>\$ 4,721,191</u>	<u>\$ 4,446,755</u>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts payable .....	\$ 5,862	\$ 13,212
Agency fund payable (Note 19) .....	22,534	22,522
Accrued salaries .....	6,893	3,808
Note payable (Note 14) .....	10,460	13,624
	<u>          </u>	<u>          </u>
Total liabilities .....	<u>45,749</u>	<u>53,166</u>

#### NET ASSETS

Without donor restrictions (Note 12) .....	1,574,849	1,343,998
With donor restrictions (Note 13) .....	3,100,593	3,049,591
	<u>          </u>	<u>          </u>
Total net assets .....	<u>4,675,442</u>	<u>4,393,589</u>
	<u>          </u>	<u>          </u>
Total liabilities and net assets .....	<u>\$ 4,721,191</u>	<u>\$ 4,446,755</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, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2019)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020 TOTAL	2019 TOTAL
<b>REVENUE AND SUPPORT</b>				
Contributions .....	\$ 525,189	\$ 362,375	\$ 887,564	\$ 764,007
Special events revenue, net of expenses of 2020 - \$39,899 and 2019 - \$238,385 .....	31,510	....	31,510	99,532
PPP grant income .....	73,738	....	73,738	....
Interest and dividend income .....	8,941	49,838	58,779	82,110
Realized and unrealized gains .....	....	225,298	225,298	88,718
Department of Motor Vehicles:				
License plate revenue .....	199,596	....	199,596	195,525
Miscellaneous income .....	2,282	7,922	10,204	4,278
Assets released from restrictions .....	594,431	( 594,431)	....	....
	1,435,687	51,002	1,486,689	1,234,170
<b>OPERATING EXPENSES</b>				
Program services .....	1,031,633	....	1,031,633	1,048,536
General and administrative .....	106,099	....	106,099	90,348
Fund-raising .....	67,104	....	67,104	65,417
	1,204,836	....	1,204,836	1,204,301
<b>CHANGE IN NET ASSETS</b> .....	230,851	51,002	281,853	29,869
<b>NET ASSETS AT BEGINNING OF YEAR</b> .....	1,343,998	3,049,591	4,393,589	4,363,720
<b>NET ASSETS AT END OF YEAR</b> .....	\$ 1,574,849	\$ 3,100,593	\$ 4,675,442	\$ 4,393,589

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

# SHENANDOAH NATIONAL PARK TRUST

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2019)

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUND- RAISING	2020 TOTAL	2019 TOTAL
Compensation .....	\$ 276,013	\$ 36,801	\$ 34,499	\$ 347,313	\$ 333,076
Employee benefits .....	25,382	2,928	3,623	31,933	35,926
Payroll taxes .....	20,996	2,113	2,614	25,723	24,543
Donated services and materials .....	38,572	....	....	38,572	42,093
Grants .....	559,768	....	....	559,768	564,175
Dues and fees .....	3,467	6,142	7,809	17,418	15,961
Insurance .....	1,127	3,923	92	5,142	4,374
Marketing .....	811	....	1,346	2,157	5,204
Meetings and events .....	15,024	894	386	16,304	20,245
Occupancy and utilities .....	34,018	3,999	4,948	42,965	46,988
Office supplies and expenses .....	11,582	1,103	1,166	13,851	16,650
Postage and printing .....	11,246	97	7,075	18,418	21,362
Professional services .....	14,414	48,022	298	62,734	49,487
Travel .....	8,414	77	2,092	10,583	23,850
Website .....	10,799	....	1,156	11,955	367
	<u>\$ 1,031,633</u>	<u>\$ 106,099</u>	<u>\$ 67,104</u>	<u>\$ 1,204,836</u>	<u>\$ 1,204,301</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, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2019)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets .....	\$ 281,853	\$ 29,869
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized gains .....	( 225,298)	( 88,718)
Transfer of land .....	26,078	....
Depreciation .....	5,528	5,528
(Increase) decrease in operating assets:		
Accounts receivable .....	( 866)	1,888
Pledges receivable, net .....	23,000	64,000
Prepaid expenses .....	( 1,704)	4,344
Increase (decrease) in operating liabilities:		
Accounts payable .....	( 7,350)	1,508
Agency funds payable .....	12	( 20,067)
Accrued salaries .....	3,085	782
Net cash provided by (used in) operating activities .....	104,338	( 866)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments .....	231,131	104,548
Purchases of investments .....	( 54,776)	( 50,516)
Purchases of land .....	....	( 26,078)
Net cash provided by investing activities .....	176,355	27,954
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on loans .....	( 3,164)	( 3,059)
Net cash used in financing activities .....	( 3,164)	( 3,059)
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b> .....	277,529	24,029
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR</b> .....	1,813,098	1,789,069
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR</b> .....	\$ 2,090,627	\$ 1,813,098
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
Amounts reported within the statement of financial position that sum to the total above:		
Cash and cash equivalents .....	\$ 1,728,416	\$ 1,449,632
Cash restricted for long-term purposes .....	362,211	363,466
Total cash, cash equivalents, and restricted cash .....	\$ 2,090,627	\$ 1,813,098
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest .....	\$ 413	\$ 518
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Transfer of land .....	\$ 26,078	\$ ....

(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 in 2007 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.

### 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 Trusts' financial statements for the year ended September 30, 2019, from which the summarized information was derived.

### NOTE 3 - COVID-19

On March 11, 2020, the World Health Organization officially declared the coronavirus (COVID-19) outbreak a pandemic, resulting in federal, state, and local governments mandating various restrictions, including travel restrictions, restrictions on public gatherings, and stay-at-home orders. The extent of the pandemic's impact on the Trust's financial condition and cash flows will depend on future developments, which are highly uncertain and cannot be predicted at this time.

### NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Recent Accounting Pronouncements Adopted***

The Trust adopted the following Financial Accounting Standards Board (FASB) Accounting Standards Updates (ASUs) for the fiscal year ended September 30, 2020:

ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*: This ASU clarifies guidance about whether a transfer of assets is a contribution or an exchange transaction. There was no impact on total net assets as a result of the standard being adopted.

ASU 2016-18, *Statement of Cash Flows: Restricted Cash*: This ASU provides specific guidance on the cash flow classification and presentation of changes in restricted cash and restricted cash equivalents. There was no impact on total net assets as a result of the standard being adopted.

As provided by the Financial Accounting Standards Board (FASB) Accounting Standards Update 2020-05, the Trust has elected to adopt FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, for the annual period beginning after December 15, 2019.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### ***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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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 both categories of net assets. The assets, liabilities, and net assets of the Trust are reported in the following self-balancing net asset groups:

Net assets without donor restrictions represent the portion of net assets that can be utilized to support current and future Trust operations.

Net assets with donor restrictions represent the Trust contributions expendable for purposes specified by the donor or that are required to be held in perpetuity, so that only the income can be used for current operating purposes.

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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as assets released from restrictions.

The Trust reports gifts of land, buildings, and equipment as support without donor restrictions, 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 support with donor restrictions. 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 Financial Accounting Standards Board has established a framework for measuring fair value, which expands disclosures about fair value measurements under U. S. generally accepted accounting principles (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:

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

- 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 Accounting Standards Codification (ASC) 820 at September 30, 2020 are as follows:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Pledges receivable .....	\$ ....	\$ ....	\$ 156,000	\$ 156,000
Investments - mutual funds .....	<u>2,378,491</u>	<u>.....</u>	<u>.....</u>	<u>2,378,491</u>
Total financial assets at fair value .....	<u>\$2,378,491</u>	<u>\$.....</u>	<u>\$ 156,000</u>	<u>\$2,534,491</u>

During the year ended September 30, 2020, there were no changes to the classification among categories.

GAAP 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 GAAP 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 Federal Deposit Insurance Corporation (FDIC) insurance limits are subject to credit risk.

Included in cash and cash equivalents is \$22,534 in funds held for use by the Shenandoah National Park Law Enforcement Fund. See **AGENCY FUND** note for further details.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### *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, 2020, and has not considered it necessary to create an allowance.

### *Pledges Receivable*

Pledges receivable are unconditional promises to give. Collection will generally not be enforced by the Trust. Accordingly, these receivables are shown net of an allowance for uncollectible pledges, which has been estimated by management based on historic experience, the age of the pledge, and other relevant factors. At September 30, 2020, 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 pledges receivable as revenue when the pledge is made. Pledges receivable for future periods are recorded as net assets with donor restrictions and are discounted to net present values based on expected future cash flows. Upon expiration of the time restrictions, these net assets are reclassified as net assets without donor restrictions.

Conditional promises to give receivable are recognized as revenue when the conditions on which they depend are substantially met.

### *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 classified as net assets without donor restrictions, except where donor restrictions on earnings from contributions exist, when such investment income is credited to net assets with donor restrictions. Realized and unrealized gains or losses on the sale of securities are considered net assets without donor restrictions, unless specifically restricted by the donor. The value of investments is tied to the market and to market volatility.

### *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 \$5,528 for the year ended September 30, 2020.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### *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 that 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 FASB and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Trust.

### *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. All of the contributed goods and services were directly related to program-related expenses. A member of the Board of Trustees provided donated legal services valued at \$20,000. This amount is included as donated materials and services on the statement of functional expenses.

### *Advertising Costs*

Advertising costs include paid advertising and brochure costs.

The Trust expenses costs of advertising as incurred.

### *Subsequent Events*

Management has evaluated events through January 31, 2021, which is the date the financial statements were available to be issued.

## NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at September 30, 2020:

Virginia Department of Motor Vehicles license plate revenue .....	\$ 56,961
National Park Foundation lodging revenue .....	19,545
Other .....	<u>1,021</u>
	<u>\$ 77,527</u>

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 - PLEDGES RECEIVABLE

The Trust has adopted U. S. GAAP 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 pledges in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those pledges were measured using present value techniques and historical discount rates. Management estimated the discount rate for the time value of money for the year ended September 30, 2020 to be 1.00%.

Unconditional pledges receivable at September 30, 2020 are as follows:

Contributions due in less than one year .....	\$ 89,500
Contributions due in one to five years .....	<u>67,500</u>
Total unconditional pledges receivable .....	157,000
Less: Discount on future pledges receivable .....	<u>(1,000)</u>
Net unconditional pledges receivable .....	<u>\$156,000</u>

Changes in unconditional pledges receivable for the year ended September 30, 2020 are as follows:

Pledges receivable - beginning of year .....	\$179,000
Pledges received .....	75,000
Payments received .....	<u>(102,000)</u>
Total unconditional pledges receivable .....	152,000
Change in discount on future pledges .....	<u>4,000</u>
Pledges receivable - end of year .....	<u>\$156,000</u>

At September 30, 2020, 86% of pledges receivable originated from two donors.

### NOTE 7 - CONDITIONAL PLEDGES

During the year ended September 30, 2018, the Trust received two conditional promises to give in the amounts of \$100,000 and \$2,482,000 for purposes of invasive species management and the purchase of land surrounding the Shenandoah National Park, respectively. As of September 30, 2020, the Trust has received \$75,000 of the \$100,000 conditional promise to give, with the remainder to be received when the matching conditions are met. During the year ended September 30, 2020, the Trust's conditional promise to give of \$2,482,000 was increased to \$2,986,250. This promise to give will be received once the Trust meets the land acquisition conditions. Subsequent to year end, the Trust signed purchase contracts on the required properties. Once these transactions close, the Trust will have met the land acquisition conditions. These properties are being purchased to donate to the Shenandoah National Park.

**SHENANDOAH NATIONAL PARK TRUST**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - INVESTMENTS**

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

The fair value of investments at September 30, 2020 were as follows:

	<b>FAIR MARKET VALUE</b>	<b>COST</b>
Vanguard Index Fund .....	<u>\$2,378,491</u>	<u>\$2,011,396</u>

**NOTE 9 - CASH RESTRICTED FOR LONG-TERM PURPOSES**

Cash restricted for long-term purposes was \$362,211 as of September 30, 2020. These funds may be used for the purpose of promoting the establishment of conservation easements and similar land conservation practices on lands within, adjacent to, or contiguous to the authorized boundary of the Shenandoah National Park as established by act of Congress dated May 22, 1926. Contiguous land includes, 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.

**NOTE 10 - LEASES**

In June 2019, the Trust entered into an operating lease for office space located in Charlottesville, Virginia. The lease commenced on June 1, 2019 for a term of 60 months, followed by optional annual renewals. Rent expense for the year ended September 30, 2020 was \$34,768.

The future minimum lease payments are as follows:

<b>YEAR ENDING SEPTEMBER 30,</b>	
2021 .....	\$ 35,762
2022 .....	36,785
2023 .....	37,840
2024 .....	<u>25,704</u>
	<u>\$136,091</u>

**NOTE 11 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at September 30, 2020:

Vehicle .....	\$ 27,639
Less: Accumulated depreciation .....	<u>(17,965)</u>
Net property and equipment .....	<u>\$ 9,674</u>

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Trust had the following net assets without donor restrictions at September 30, 2020:

Undesignated net assets .....	\$1,565,175
Investment in property and equipment, net .....	<u>9,674</u>
Total net assets without donor restrictions .....	<u>\$1,574,849</u>

### NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

The Trust had the following restricted net assets at September 30, 2020:

Subject to appropriation and expenditure when a specified event occurs:	
Land acquisition and conservation .....	\$ 362,211
Support activities of Shenandoah National Park .....	2,372,238
Blue Ridge PRISM .....	158,996
Advancement of Youth Education .....	35,000
Protection of wildlife and wild lands .....	113,263
Preservation of historical structures .....	29,481
Connection of people with the Park .....	3,097
Other .....	<u>3,907</u>
Total subject to appropriation and expenditure .....	3,078,193
Held in perpetuity:	
Peterson Endowment .....	20,000
Doris C. Belak Endowment .....	<u>2,400</u>
Total net assets with donor restrictions .....	<u>\$3,100,593</u>

The Doris C. Belak and Peterson endowments are held in separate Vanguard funds and earnings are being accumulated.

### NOTE 14 - NOTE PAYABLE

At September 30, 2020, the Trust had a note with a balance of \$10,460. The note is secured by a vehicle and is payable to Towne Bank in monthly installments of \$298 (including interest) at an annual rate of 3.39%. The carrying value of the vehicle was \$9,674 at September 30, 2020.

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

YEAR ENDING SEPTEMBER 30,	
2021 .....	\$ 3,274
2022 .....	3,386
2023 .....	3,503
2024 .....	<u>297</u>
	<u>\$ 10,460</u>



# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15 – PPP GRANT INCOME

In May 2020, the Trust received \$73,738 from the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) of 2020.

The PPP provides for unsecured loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels.

The Trust used the proceeds for purposes consistent with the PPP and the loan was fully forgiven subsequent to year end on October 26, 2020. Since all conditions under the loan were met prior to year end, the Trust recognized grant income for the year ended September 30, 2020.

### NOTE 16 - FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are classified according to the functional purpose for which the costs are incurred. Compensation 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 17 - 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 was 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 the 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.

The third component represents \$22,534 in funds held for use by the Shenandoah National Park Law Enforcement Fund. See **AGENCY FUND** note for further details.

### NOTE 18 - FISCAL SPONSORSHIP

Through a memorandum of understanding signed August 1, 2016 between the Trust and 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. Blue Ridge PRISM became its own legal entity with its own independent Board of Directors on August 4, 2020. Blue Ridge PRISM will begin operations as of October 1, 2020.

At September 30, 2020, \$55,700 was in the Project's bank account.

# SHENANDOAH NATIONAL PARK TRUST

## NOTES TO FINANCIAL STATEMENTS

### NOTE 19 - AGENCY FUND

The Shenandoah National Park Law Enforcement Fund (the 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, 2020, \$22,534 was in the bank account restricted for use by the Fund and reported as a payable by the Trust.

### NOTE 20 - CONCENTRATIONS

During the year ended September 30, 2020, there were no concentrated contributions.

### NOTE 21 - RETIREMENT PLAN

The Trust sponsors a SIMPLE IRA plan available to all employees, who may participate on a voluntary basis. The Trust provides a matching contribution, which amounted to \$6,946 during the year ended September 30, 2020.

### NOTE 22 - LIQUIDITY AND AVAILABILITY

The Trust regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Trust considers investment income without donor restrictions, contribution revenue without donor restrictions, and contribution revenue with donor restrictions for use in current programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include program services, management and general expenses, and fund-raising expenses expected to be paid in the subsequent year.

The Trust manages its cash available to meet general expenditures under the following guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met.

**SHENANDOAH NATIONAL PARK TRUST**

**NOTES TO FINANCIAL STATEMENTS**

The following financial assets are available for general expenditure within one year of September 30, 2020:

Cash and cash equivalents, net of cash restricted for long-term or specified purposes .....	\$1,630,116
Accounts receivable .....	77,527
Estimated distribution from investments .....	<u>176,120</u>
Total available for general expenditure .....	<u>\$1,883,763</u>

**NOTE 23 - RECLASSIFICATIONS**

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