

# **Golden Gate National Parks Conservancy**

Financial Statements

September 30, 2024  
(With Comparative Totals for 2023)



## TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 30

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Golden Gate National Parks Conservancy

### **Opinion**

We have audited the accompanying financial statements of Golden Gate National Parks Conservancy (the "Conservancy"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Golden Gate National Parks Conservancy as of September 30, 2024, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Golden Gate National Parks Conservancy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, the Conservancy has adopted Financial Accounting Standards Board Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management 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, 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 Golden Gate National Parks Conservancy'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Golden Gate National Parks Conservancy'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 Golden Gate National Parks Conservancy'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.

## **Report on Summarized Comparative Information**

We have previously audited Golden Gate National Parks Conservancy's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



San Francisco, California

April 16, 2025

Golden Gate National Parks Conservancy  
Statement of Financial Position  
September 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 38,176,305	\$ 38,315,006
Accounts receivable, net	6,985,805	4,197,877
Contributions receivable, current portion	534,900	3,603,400
Inventories	3,413,758	3,277,392
Prepaid expenses	1,723,854	1,394,989
Short-term investments	<u>3,357,996</u>	<u>3,317,888</u>
Total current assets	<u>54,192,618</u>	<u>54,106,552</u>
Long-term assets		
Contributions receivable, net of current portion and discount	1,087,563	1,569,044
Investments	21,779,581	18,969,928
Deposits and other assets, net	174,643	192,226
Operating lease right-of-use assets	4,668,097	5,178,122
Furniture, fixtures and equipment, net	<u>1,096,615</u>	<u>866,036</u>
Total long-term assets	<u>28,806,499</u>	<u>26,775,356</u>
Total assets	<u>\$ 82,999,117</u>	<u>\$ 80,881,908</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,076,377	\$ 4,012,671
Agency funds payable, current portion	4,620	65,445
Accrued payroll related expenses	2,989,756	3,651,926
Deferred revenue, current portion	1,086,199	252,710
Operating lease liability, current portion	<u>781,357</u>	<u>674,200</u>
Total current liabilities	<u>9,938,309</u>	<u>8,656,952</u>
Long-term liabilities		
Deferred revenue, net of current portion	231,607	231,607
Other long-term liabilities	345,000	435,000
Refundable advances	8,968	8,968
Agency funds payable, net of current portion	790,726	647,184
Operating lease liability, net of current portion	<u>4,511,468</u>	<u>5,037,030</u>
Total long-term liabilities	<u>5,887,769</u>	<u>6,359,789</u>
Total liabilities	<u>15,826,078</u>	<u>15,016,741</u>
Net assets		
Without donor restrictions		
Undesignated	21,288,086	16,539,712
Board-designated	<u>13,369,440</u>	<u>12,833,287</u>
Total without donor restrictions	<u>34,657,526</u>	<u>29,372,999</u>
With donor restrictions	<u>32,515,513</u>	<u>36,492,168</u>
Total net assets	<u>67,173,039</u>	<u>65,865,167</u>
Total liabilities and net assets	<u>\$ 82,999,117</u>	<u>\$ 80,881,908</u>

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

Golden Gate National Parks Conservancy  
Statement of Activities  
For the Year Ended September 30, 2024  
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support and revenue				
Program revenue	\$ 42,449,578	\$ -	\$ 42,449,578	\$ 39,721,455
Contributed income	3,608,891	2,411,686	6,020,577	11,956,994
Gifts in kind	117,595	-	117,595	28,249
Special events, net of donor benefits	77,182	122,540	199,722	1,080,077
Cooperative agreement reimbursements	6,274,745	-	6,274,745	4,492,473
Other income	308,868	-	308,868	101,574
Net assets released from restrictions	<u>11,233,209</u>	<u>(11,233,209)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>64,070,068</u>	<u>(8,698,983)</u>	<u>55,371,085</u>	<u>57,380,822</u>
Expenses				
Program services				
Park interpretation and visitor services	23,827,541	-	23,827,541	21,093,990
Park enhancements, restoration and stewardship	17,634,015	-	17,634,015	16,658,894
Youth, volunteer and community programs	<u>6,162,862</u>	<u>-</u>	<u>6,162,862</u>	<u>7,755,901</u>
Total program services	<u>47,624,418</u>	<u>-</u>	<u>47,624,418</u>	<u>45,508,785</u>
Management and general	9,869,579	-	9,869,579	9,422,769
Fundraising	<u>2,961,334</u>	<u>-</u>	<u>2,961,334</u>	<u>3,504,073</u>
Total expenses	<u>60,455,331</u>	<u>-</u>	<u>60,455,331</u>	<u>58,435,627</u>
Change in net assets from operations	<u>3,614,737</u>	<u>(8,698,983)</u>	<u>(5,084,246)</u>	<u>(1,054,805)</u>
Endowment and investment activities				
Contributed income	-	1,066,654	1,066,654	1,384,108
Net realized and unrealized gain (loss) on investments	262,192	3,441,345	3,703,537	2,419,698
Interest and dividend income	<u>1,415,598</u>	<u>214,329</u>	<u>1,629,927</u>	<u>892,286</u>
Total endowment and investment activities	1,677,790	4,722,328	6,400,118	4,696,092
Non-operating expense	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Change in net assets	5,284,527	(3,976,655)	1,307,872	3,641,287
Net assets, beginning of year	<u>29,372,999</u>	<u>36,492,168</u>	<u>65,865,167</u>	<u>62,223,880</u>
Net assets, end of year	<u>\$ 34,657,526</u>	<u>\$ 32,515,513</u>	<u>\$ 67,173,039</u>	<u>\$ 65,865,167</u>

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

Golden Gate National Parks Conservancy  
Statement of Cash Flows  
For the Year Ended September 30, 2024  
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 1,307,872	\$ 3,641,287
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	334,741	417,879
Amortization of right-of-use assets	809,527	836,044
Net realized and unrealized gain on investments	(3,703,537)	(2,419,698)
Change in discount on contributions receivable	(43,519)	32,736
Endowment contributions	(1,066,654)	(1,384,108)
Changes in operating assets and liabilities		
Accounts receivable, net	(2,787,929)	1,290,515
Contributions receivable	3,393,500	1,229,852
Employee retention credit receivable	-	4,846,923
Inventories	(136,366)	(949,322)
Prepaid expenses	(328,865)	(448,857)
Deposits and other assets, net	17,583	57,650
Accounts payable and accrued liabilities	1,063,706	(4,944,599)
Accrued payroll related expenses	(662,170)	(333,277)
Deferred revenue	833,489	(128,505)
Other long-term liabilities	(90,000)	(155,185)
Deferred rent liability	-	(509,116)
Agency funds payable	82,717	96,495
Operating lease liability	(717,907)	(302,936)
Net cash provided by (used in) operating activities	<u>(1,693,812)</u>	<u>873,778</u>
Cash flows from investing activities		
Purchases of investments	(1,048,491)	(3,436,406)
Proceeds from maturities or sales of investments	1,902,267	97,244
Purchases of furniture, fixtures and equipment	(565,319)	(136,984)
Net cash provided by (used in) investing activities	<u>288,457</u>	<u>(3,476,146)</u>
Cash flows from financing activities		
Cash received for endowment contributions	<u>1,266,654</u>	<u>784,108</u>
Net cash provided by financing activities	<u>1,266,654</u>	<u>784,108</u>
Net decrease in cash and cash equivalents	(138,701)	(1,818,260)
Cash and cash equivalents, beginning of year	<u>38,315,006</u>	<u>40,133,266</u>
Cash and cash equivalents, end of year	<u>\$ 38,176,305</u>	<u>\$ 38,315,006</u>

Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use assets obtained in exchange for operating lease liability	\$ 299,502	\$ 6,014,166
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The accompanying notes are an integral part of these financial statements.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

1. NATURE OF OPERATIONS

Golden Gate National Parks Conservancy (the "Conservancy") is the nonprofit partner of the National Park Service overseeing the Golden Gate National Recreation Area - 84,000 acres of national parkland spanning the San Francisco Bay Area, including Muir Woods, Ocean Beach, Crissy Field, and Alcatraz Island. The Conservancy is a membership organization created to preserve the Golden Gate National Parks, enhance the experiences of park visitors, and build a community dedicated to conserving the parks for the future. With local and federal partners, the Conservancy is committed to the work of supporting Bay Area national parks as places where the Conservancy can further racial and social justice for our community and climate resilience for these protected lands through the following programs:

Park interpretation and visitor services include the operation and delivery of tours of Alcatraz Island and Muir Woods; sales of interpretive publications, theme-related sales items and products from interpretive demonstrations; and the production of trail signage and free publications to enhance the park visitor experience.

Park enhancements, restoration and stewardship encompass building and maintaining multi-use (pedestrian, bike, equestrian) trails, restoring sensitive ecosystems, protecting endangered species, growing native plants, rehabilitating historic structures, constructing overlooks, installing visitor amenities, and creating new park experiences for the entire community. The most significant project in progress is the Alcatraz embarkation at Pier 31/Pier 33 which will create a world-class public space and new interpretive center.

Youth volunteer and community programs include programs conducted at the Crissy Field Center (an urban environmental education center) youth leadership programs, and through the Conservancy's other community engagement and volunteer programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The Conservancy's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Conservancy and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* represent resources available to support any of the Conservancy's activities. Net assets without restriction designated by the Board of Trustees for park projects and programs are reported as board-designated.
- *Net assets with donor restrictions* represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Conservancy pursuant to those stipulations, or the portion of net assets held in perpetuity by donor-imposed stipulations, for which the income from these contributions is available to support the activities of the Conservancy as stipulated by the donor.



Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses* ("ASC 326"), which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from an "incurred loss" model to an "expected credit loss" model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Conservancy that are subject to the guidance in ASC 326 are accounts receivable earned through exchange transactions. The Conservancy adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements, and primarily resulted in new disclosures only.

Cash and cash equivalents

Cash and cash equivalents include cash and liquid investments not held for investment purposes with an initial maturity of three months or less.

Investments

Investments are reported at fair value. The fair values of mutual funds are based on their quoted market prices. Pooled funds and alternative investments are valued at the net asset value per unit or percentage of ownership as reported by the funds. Due to the inherent uncertainty of valuation of non-marketable investments and investments with redemption restrictions, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Gains and losses that result from market fluctuations are recognized in the statement of activities in the period such fluctuations occur. Dividend and interest income is recognized when earned. Donated securities are recorded at estimated fair value at the date of donation.

Fair value measurements

The Conservancy carries certain assets at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Conservancy has characterized the fair value of its financial instruments measured at fair value on a recurring basis, based on the priority of the inputs used to value the instruments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1], and the lowest priority to unobservable inputs [Level 3]. If the inputs used to measure the instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instruments.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

- *Level 1* - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments, which would generally be included in Level 1, includes listed equity and debt securities.
- *Level 2* - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not identical as those used in Level 1. These inputs may include quoted prices for identical instruments on an inactive market. Fair value is determined through the use of models or other valuation methodologies.
- *Level 3* - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation by management. The types of investments, which would generally be included in this category include debt, asset-backed securities, forward contracts, long-term debt securities, multi-strategy holding company swaps and warrants, real estate, and equity securities issued by private entities. The Conservancy held no level 3 investments as of September 30, 2024.

The Conservancy uses the Net Asset Value ("NAV") to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Accounts receivable

The Conservancy's accounts receivable consist primarily of amounts due from Alcatraz audio tours, wholesale merchandise sales and amounts due from reimbursable grant agreements.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions receivable

Contributions receivable consist of unconditional promises to give. Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are recorded at fair value based upon the present value of their estimated future cash flows. Discounts are computed using estimated market rates which ranged from 8.00% to 8.50% as of September 30, 2024. Amortization of the discounts is included in contributed income.

The Conservancy's irrevocable interest in trusts is recognized as revenue in the period in which the Conservancy becomes aware of the trust agreement and is included in contributions receivable. The fair value of the interest is measured at the estimated present value of the remainder interest using the RP-2014 combined healthy mortality table and a discount rate of 3.25%. Subsequent changes in fair value are recognized in the statement of activities.

Allowance for credit losses

The Conservancy uses the credit loss method to account for uncollectible accounts receivable. The allowance for credit losses is based on historical experience, current aging status of its receivables, management's assessment of current conditions and reasonable and supportable expectation of future conditions. Account balances are charged off against the allowance for credit losses after all means of collection have been exhausted and potential for recovery is considered remote. The allowance for credit losses were \$13,009 and \$15,581 as of September 30, 2024 and 2023, respectively.

Inventories

Inventories are stated at the lower of the weighted average cost or market. Inventories generally consist of books and other interpretive merchandise held for retail sale.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are stated at cost. The Conservancy capitalizes all acquisitions of furniture, fixtures and equipment with a cost or value in excess of \$2,500 and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 7 years.

Contributions of long-lived assets are recorded at estimated fair value at the date of donation. In the absence of donor stipulations restricting how the assets are to be used, such contributions are treated as being without donor restriction.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture, fixtures and equipment (continued)

The Conservancy reviews long-lived tangible assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the fair value of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value. There was no impairment loss recognized during the year ended September 30, 2024.

Leases

The Conservancy leases properties and equipment under operating leases. The Conservancy determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position. Finance leases are included in furniture, fixtures and equipment and other liabilities on the statements of financial position. There were no finance leases as of September 30, 2024.

ROU assets represent the Conservancy's right to use an underlying asset for the lease term and lease liabilities represent the Conservancy's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Conservancy's leases do not provide an implicit rate, the Conservancy uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Conservancy's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Conservancy has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise.

Deferred revenue

Deferred revenue consists primarily of advances received on contracts for construction and native seed collection and amplification services, as well as mitigation advances, which generally result from court-ordered consent decrees, or settlements reached by parties involved in regulatory actions, to fund environmental remediation projects. Accordingly, revenue from these sources is recognized as expenses for the specified projects are incurred.

Agency funds payable

Agency funds payable primarily represent a term endowment held in a trust for the benefit of the National Park Service as well as admission fees to Muir Woods National Monument collected on behalf of and payable to the National Park Service.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Conservancy recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or right of release, are not recognized until the conditions on which they depend have been met.

At September 30, 2024, there were no conditional contributions that have not been recognized in the accompanying statement of activities. Funds received in advance on such conditional gifts are included in refundable advances in the statement of financial position.

Unconditional promises received with donor stipulations that limit the use of the contribution are recorded as donor-restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Donor-restricted contributions are reported as donor-restricted support and net assets released from restrictions when the restriction is met in the same period as the contribution is received.

A portion of the Conservancy's revenue is derived from cost-reimbursable federal and non-federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as cooperative agreement reimbursements revenue when the Conservancy has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Conservancy received cost-reimbursable grants of \$10,813,195 that have not been recognized at September 30, 2024 because qualifying expenditures have not yet been incurred.

Program revenue is generated by audio tour services, interpretive tours, public programs, and sales of interpretive publications at various bookstore locations. Program revenue is recognized when the related service has been rendered or when the publication has been shipped.

Donated services

Contributions of services are recognized when received if such services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. No donated professional services were received during the year ended September 30, 2024. In addition, a substantial number of volunteers have donated significant amounts of time in the Conservancy's program services and fundraising activities. The value of donated volunteer services has not been recognized in the accompanying financial statements because such volunteer services do not meet the above-mentioned criteria.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Gifts in kind

The Conservancy receives gifts in kind, such as goods for use in its program activities. Gifts in kind received through donation are valued and recorded as revenue at their fair value at the time the contribution is received. The value of such items received during the year ended September 30, 2024 totaled \$117,595.

Functional expense allocations

Expenses, such as depreciation and amortization, supplies, travel, personnel, and occupancy costs, are allocated among program services, management and general and fundraising expenses based on full-time employee equivalents ("FTE"), and on estimates made by the Conservancy's management.

National Park Service land and facilities

- *Improvements* - The Conservancy operates its programs on and offers assistance in the preservation of Golden Gate National Parks land, which is owned by the National Park Service. From time to time, the Conservancy makes improvements to Park property. These improvements are expensed as incurred and have been included in park enhancements, restorations and stewardship in the statement of activities.
- *Facilities* - The Conservancy receives office space at no charge from the National Park Service as part of its agreement as a cooperating association. The space is provided for the mutual benefit of both parties and no value is recorded.

Measure of operations

The Conservancy includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities. Appropriations of endowment assets for expenditure pursuant to a defined spending rate are included in the operating measure and reported as net assets released from restrictions. The operating measure excludes investment return and donor restricted endowment contributions.

Advertising costs

The Conservancy expenses advertising costs as incurred. Advertising costs are incurred to provide the visitor with information about park interpretive experiences and programs. Advertising costs were \$165,313 for the year ended September 30, 2024.

Tax-exempt status

The Conservancy has been classified as a publicly supported, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from California franchise taxes under Revenue and Taxation Code Section 23701d.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax-exempt status (continued)

The Conservancy follows FASB ASC Topic 740 Income Taxes to account for uncertain tax positions. Management evaluated the Conservancy's tax positions and concluded that the Conservancy had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Conservancy is generally no longer subject to income tax examinations by federal and state authorities for years prior to 2021 and 2020, respectively.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions 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. Actual results could differ from those estimates.

Comparative information

The financial statements include certain comparative information for which the prior year information is summarized in total but not by net asset class. Accordingly, such information should be read in conjunction with the Conservancy's financial statements for the year ended September 30, 2023, from which the summarized information is derived.

Reclassifications

Certain reclassifications have been made to prior year reported balances to conform to the current year presentation with no changes to net assets.

Subsequent events

The Conservancy has performed an evaluation of subsequent events through April 16, 2025, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Conservancy's financial statements.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable, net at September 30, 2024 are expected to be received as follows:

<u>Year ending September 30,</u>	
2025	\$ 534,900
2026	720,000
2027	120,000
2028	100,000
2029	<u>100,000</u>
	1,574,900
Less: discount on long-term contributions receivable	<u>(68,936)</u>
Subtotal	1,505,964
Receivable from charitable remainder unitrust	<u>116,499</u>
Contributions receivable, net	<u><u>\$ 1,622,463</u></u>

4. INVESTMENTS

Investments consisted of the following at September 30, 2024:

Equity securities and funds	\$ 15,033,900
Fixed income funds	3,558,990
Alternative investments	<u>6,544,687</u>
	<u><u>\$ 25,137,577</u></u>

Included in the investment balance is the Cash Balance Retirement Plan assets totaling \$723,293 as of September 30, 2024 (see Note 19).

Investment earnings, net was comprised of the following for the year ended September 30, 2024:

Net realized and unrealized gain on investments	\$ 3,989,563
Interest and dividend income	1,629,927
Advisory fees	<u>(286,026)</u>
	<u><u>\$ 5,333,464</u></u>

Included in investment earnings, net is \$1,048,777 of net realized and unrealized gains and \$189,495 of interest and dividend income related to a non-endowment donor restricted fund.



Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

5. FAIR VALUE MEASUREMENTS

The following table presents information about the Conservancy's assets measured at fair value on a recurring basis as of September 30, 2024, and indicates the fair value hierarchy of the valuation techniques utilized by the Conservancy to determine the fair values:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Equity Securities and Funds:				
Large/Mid Cap	\$ 195,442	\$ -	\$ -	\$ 195,442
Developed International	254,816	-	-	254,816
Small Cap	72,040	-	-	72,040
Fixed Income Funds:				
Intermediate Term Bonds	201,003	-	-	201,003
Fixed Mutual Funds	<u>3,357,987</u>	<u>-</u>	<u>-</u>	<u>3,357,987</u>
Total investments in the fair value hierarchy	<u>4,081,288</u>	<u>-</u>	<u>-</u>	<u>4,081,288</u>
Charitable remainder unitrust	<u>-</u>	<u>116,499</u>	<u>-</u>	<u>116,499</u>
Total assets measured at fair value	<u><u>\$ -</u></u>	<u><u>\$ 116,499</u></u>	<u><u>\$ -</u></u>	<u>4,197,787</u>
Investments measured at NAV*				<u>21,056,289</u>
				<u><u>\$ 25,254,076</u></u>

\* In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The Conservancy uses the NAV to determine the fair value of all the underlying investments that (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

5. FAIR VALUE MEASUREMENTS (continued)

The following table lists investments by major category and investment strategy as of September 30, 2024:

Strategy	NAV in Funds	# of Funds	Amount of Remaining Life	Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Large Mid-Cap	\$ 3,877,303	2	N/A	N/A	N/A	Quarterly	90 days written notice w/ 25% investor level gate
Large Mid-Cap	2,526,179	1	N/A	N/A	N/A	Quarterly	45 days written notice
Developed	2,726,848	1	N/A	N/A	N/A	Next liquidity date	90 days written notice
International Equity						12/31/2024	
Developed	2,662,093	1	N/A	N/A	N/A	Monthly	60 days written notice
International Equity							
Emerging Markets	1,160,974	1	N/A	N/A	N/A	Monthly	30 days written notice
Equity							
Small Cap	1,558,204	1	N/A	N/A	N/A	Quarterly	90 days written notice w/ 25% investor level gate
Long/Short Hedged	2,216,050	2	N/A	N/A	N/A	Quarterly	60 days written notice
Equity							
Long/Short Hedged	1,293,851	1	N/A	N/A	N/A	Next liquidity date	60 days written notice
Equity						10/31/2024;	
						early redemption after 1 year with fees	
Long/Short Hedged	1,312,759	1	N/A	N/A	N/A	Annually	75 days written notice
Equity							
Multi-Strategy Hedge	1,478,706	1	N/A	N/A	N/A	Quarterly	70 days notice (85 if more than 10% outstanding shared)
Funds							
Private Equity	<u>243,322</u>	1	N/A	N/A	N/A	Discretion of Fund Manager	Discretion of Fund Manager
	<u>\$ 21,056,289</u>						

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

6. LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year at September 30, 2024:

Financial assets at year-end:	
Cash and cash equivalents	\$ 38,176,305
Accounts receivable, net	6,985,805
Contributions receivable, net	1,622,463
Investments	<u>25,137,577</u>
	<u>71,922,150</u>
Less amounts not available to be used within one year:	
Restricted by donors for future projects and time	(13,628,077)
Board-designated net assets	(13,369,440)
Portion of donor-restricted endowment to be retained in perpetuity	(9,085,217)
Investments in non-liquid securities	(7,406,143)
Refundable advances	(8,968)
Cash Balance Retirement Plan investments	(723,293)
Future expendable donor-restricted endowment earnings	(4,796,940)
Deferred revenue to be earned in future years	(231,607)
Agency funds payable	<u>(795,346)</u>
	<u>(50,045,031)</u>
	<u>\$ 21,877,119</u>

The Conservancy receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the year ended September 30, 2024, restricted contributions of \$4,572,198 were included in financial assets available to meet cash needs for general expenditures within one year. The Conservancy also considers \$432,388 appropriated from the future expendable donor-restricted endowment to be available to meet cash needs for general expenditures as of September 30, 2024. As of September 30, 2024, the Conservancy maintained a line of credit in the amount of \$5,000,000 that also became available to fund general expenditures. The line of credit is secured by \$5,000,000, which is included in the Conservancy's cash and cash equivalents balance as of September 30, 2024. The Conservancy manages its liquidity and reserves following three 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 discharged. The Conservancy has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. The Conservancy has a policy to target a year-end balance of reserves of undesignated net assets without restriction at 90 days of expected expenditures. To achieve these targets, the Conservancy forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the year ended September 30, 2024, the level of liquidity and reserves was managed within the policy requirements.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

7. FURNITURE, FIXTURES AND EQUIPMENT

Furniture, fixtures and equipment, net as of September 30, 2024 consisted of the following:

Equipment	\$ 4,796,482
Vehicles	<u>673,924</u>
	5,470,406
Less accumulated depreciation	<u>(4,373,791)</u>
	<u><u>\$ 1,096,615</u></u>

Depreciation amounted to \$334,741 for the year ended September 30, 2024.

8. LEASES

The Conservancy leases certain office equipment, warehouse facilities, audio tour headsets, office space, vehicles and space at the Port of San Francisco under non-cancelable lease agreements classified as operating leases with monthly lease payments ranging from \$293 to \$31,310. At September 30, 2024, the operating lease ROU assets and operating lease liability amounted to \$4,668,097 and \$5,292,825, respectively.

Additional information related to leases is as follows:

Operating lease cost	\$ 1,245,551
Operating cash flows from operating leases	\$ 1,171,989
ROU assets obtained in exchange for lease liability	\$ 299,502
Weighted-average remaining lease term	17.65 years
Weighted-average discount rate	8.5 %

Future minimum lease payments under non-cancelable leases as of September 30, 2024 were as follows:

<u>Year ending September 30,</u>	
2025	\$ 968,578
2026	846,799
2027	686,765
2028	602,636
2029	229,291
Thereafter	<u>5,868,076</u>
	9,202,145
Less: imputed interest	<u>(3,909,320)</u>
	<u><u>\$ 5,292,825</u></u>

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

9. LINE OF CREDIT

In October 2021, the Conservancy entered into an agreement with a bank to secure a line of credit in the amount of \$8,500,000. The line has two components including a \$5,000,000 cash collateralized portion bearing interest at the greater of 1.75% or the bank's prime rate less 1.5% with a maturity date of June 30, 2025 and a \$3,500,000 unsecured portion bearing interest at the greater of 2.5% or the bank's prime rate with a maturity date of November 1, 2023. The Conservancy elected not to renew the \$3,500,000 portion of the line of credit upon its maturity. There was no outstanding balance on the line of credit as of September 30, 2024.

The line of credit agreement contains various covenants and restrictions. As of September 30, 2024, the Conservancy was in compliance with all covenants.

10. BOARD-DESIGNATED NET ASSETS

Board-designated net assets for park projects and programs as of September 30, 2024 consisted of the following designations:

Park Preservation and Enhancement Fund	\$ 6,736,322
Crissy Field Enhancement and Repair Fund	1,297,168
Alcatraz Preservation and Embarkation Fund	1,085,950
People and Parks Forever Fund	<u>4,250,000</u>
	<u>\$ 13,369,440</u>

The Alcatraz Preservation and Embarkation Fund was created in connection with the initiative to improve the stewardship and operations of Alcatraz Island and is funded by a portion of audio tour fees as stipulated by the agreement. Advances may be made from the fund from time to time to leverage federal fund matching opportunities and will be recovered through future audio tour fees.

The Board of Trustees passed a resolution on December 5, 2024 to create a new Board Designated Fund called Capital Project & New Initiative Planning Fund with a balance of \$3,000,000 transferred from the Unrestricted Net Assets reserve. The Board of Trustees passed a second resolution on December 5, 2024 to allocate \$1,000,000 from this new Capital Project & New Initiative Planning Fund to the Muir Woods Redwood Renewal project beginning in fiscal year 2025.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

11. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions include the following as of September 30, 2024:

Subject to expenditure for specified purpose:

Crissy Field projects and programs	\$ 10,255,863
Other park improvements and conservation projects	2,622,396
One Tam initiative	1,519,890
Community engagement, education and outreach	810,538
Youth programs	212,025
Other Presidio trails and projects	379,651
National Park Service projects	251,450
Conservancy programs fund	<u>2,032,655</u>
	<u>18,084,468</u>

Subject to the passage of time:

For periods after September 30, 2024	<u>116,500</u>
	<u>116,500</u>

Subject to Conservancy spending policy and appropriation:

Other Presidio trails and projects	4,428,410
Crissy Field projects and programs	3,722,713
Other park improvements and conservation projects	3,981,564
Youth programs	982,456
Conservancy programs fund	<u>1,199,402</u>
	<u>14,314,545</u>
	<u>\$ 32,515,513</u>

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

11. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the year ended September 30, 2024 as follows:

Subject to expenditure for specified purpose:

Other park improvements and conservation projects	\$ 5,899,293
One Tam initiative	1,904,274
Crissy Field projects and programs	402,629
Community engagement, education and outreach	332,666
Youth programs	197,593
Other Presidio trails and projects	126,215
National Park Service projects	7,505
Presidio Tunnel Tops project	1,751
Conservancy programs fund	<u>2,346,983</u>
	<u>11,218,909</u>

Subject to the passage of time:

For periods after September 30, 2024	<u>14,300</u>
	<u>14,300</u>
	<u><u>\$ 11,233,209</u></u>

The appropriations of endowment assets for expenditure in 2024 totaled \$432,388 of which \$404,754 was spent on project expenditures in 2024. The 2024 unspent appropriations of \$27,634 will be released from restriction with the incurrence of future project expenditures.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

12. ENDOWMENT

The Conservancy's endowment consists of nine individual donor-restricted funds established for a variety of purposes, as follows:

	Accumulated Gains	Original Gift Amount	Total With Donor Restrictions
James R. Harvey Restoration Fund	\$ 2,004,723	\$ 2,423,686	\$ 4,428,409
Bernard Osher Endowment	1,569,961	2,152,752	3,722,713
Ted Chong Endowment Fund	18,360	25,768	44,128
Anne Kincaid Endowment Fund	78,683	102,888	181,571
Mark Kutnink Endowment	278,269	318,436	596,705
Peabody Endowment	31,042	100,925	131,967
Greg Hind Endowment	917,606	2,555,000	3,472,606
The Wendell Family Endowment Fund	204,640	994,762	1,199,402
Josephine M. Kennedy Endowment Fund	<u>126,044</u>	<u>411,000</u>	<u>537,044</u>
	<u>\$ 5,229,328</u>	<u>\$ 9,085,217</u>	<u>\$ 14,314,545</u>

The James R. Harvey Restoration Fund was established as an endowment to benefit the ongoing preservation and restoration of the Presidio. The Bernard Osher Endowment was established for environmental education at Crissy Field. The Ted Chong Endowment Fund was established to benefit the Conservancy's native plant nursery programs. The DeSha family created an endowment fund in memory of Anne Kincaid to restore, protect and conserve the natural assets and features of the Golden Gate National Parks. The Mark Kutnink Endowment was established for the benefit of the Trails Forever program and the Crissy Field Center. The Greg Hind Endowment was established for the benefit of the Golden Gate Raptor Observatory. The Peabody Endowment was established for the benefit of habitat restoration and conservation activities at Tennessee Hollow and Mountain Lake in the Presidio. The Josephine M. Kennedy Endowment Fund was established to provide funding for scholarships, stipends or wages for youth participants and interns in Park Conservancy's workforce development initiatives, programs and partnerships. The Wendell Family Endowment Fund was established to provide discretionary support of Park Conservancy's initiative, programs and partnerships that engage youth, families and communities in the Bay Area through the People in Parks Fund.



Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

12. ENDOWMENT (continued)

Interpretation of relevant law

The Conservancy's Board of Trustees has interpreted California's enacted version of the Uniform Prudent Management of Institutional Funds Act ("the Act") as requiring the preservation of the fair value of the original gift as of the date of the gift absent explicit donor stipulations to the contrary. As a result of this interpretation, the Conservancy classifies the following as donor-restricted endowment to be retained in perpetuity: (1) the original value of gifts donated to the donor-restricted endowment, (2) the original value of subsequent gifts to the donor-restricted endowment, and (3) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The future expendable portion of the donor-restricted endowment assets is classified as net assets with donor restrictions until appropriated by the Board for expenditure. In accordance with the Act, the Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the fund;
- (2) the purposes of the Conservancy 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 Conservancy; and
- (7) the investment policies of the Conservancy.

Endowment net asset composition by type of fund

	<u>Accumulated Gains</u>	<u>Original Gift Amount</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ 5,229,328</u>	<u>\$ 9,085,217</u>	<u>\$ 14,314,545</u>

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

12. ENDOWMENT (continued)

Changes in endowment net assets

	<u>Accumulated Gains</u>	<u>Original Gift Amount</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 3,244,314	\$ 8,018,563	\$ 11,262,877
Investment return			
Interest and dividend income	24,834	-	24,834
Net realized and unrealized gains on investments	<u>2,392,568</u>	<u>-</u>	<u>2,392,568</u>
Total investment return	2,417,402	-	2,417,402
Contributions	-	1,066,654	1,066,654
Appropriations of endowment assets for expenditure	<u>(432,388)</u>	<u>-</u>	<u>(432,388)</u>
	<u>1,985,014</u>	<u>1,066,654</u>	<u>3,051,668</u>
Endowment net assets, end of year	<u>\$ 5,229,328</u>	<u>\$ 9,085,217</u>	<u>\$ 14,314,545</u>

Contributions receivable, net includes \$294,762 of contributions receivable held for endowment as of September 30, 2024.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Conservancy to retain as a fund of perpetual duration. As of September 30, 2024, there were no such funds with deficiencies.

Return objectives and risk parameters

The Conservancy 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 donor-restricted funds that the Conservancy must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield while assuming a moderate level of investment risk. The Conservancy expects its endowment funds, over time, to provide an average rate of return of approximately 4.5% annually. Actual returns in any given year may vary from this amount.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

12. ENDOWMENT (continued)

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Conservancy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Conservancy targets a diversified asset allocation that places a greater emphasis on mutual equity and bond fund investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Conservancy has a policy of appropriating for distribution each year up to 4.5% of the trailing 12-quarter average estimated fair value of the endowment investments. Appropriations in excess of 4.5% can be made with board approval and if deemed prudent in accordance with the Act. This is consistent with the Conservancy's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

13. GIFTS IN KIND

Gifts in kind consisted of the following for the year ended September 30, 2024:

Office supplies	\$ 4,610
Advertisement services	<u>112,985</u>
	<u>\$ 117,595</u>

Gifts in kind valuation techniques

Office supplies consist of snacks and drinks. Office supplies are valued using the wholesale purchase price and donated advertisement services are valued at the estimated fair value based on current rates for similar services.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

14. COST OF GOODS SOLD

A significant portion of the Conservancy's program service activities consist of sales of interpretive publications, theme-related sales items and products from interpretive demonstrations. The cost of goods sold for these items is included in total expenses for park interpretation and visitor services on the accompanying statement of activities. The following table summarizes cost of goods sold and gross profit from such sales for the year ended September 30, 2024:

Gross sales	\$ 19,587,738
Less cost of goods sold	<u>(7,121,146)</u>
	<u><u>\$ 12,466,592</u></u>

15. AID TO THE PARK

The National Park Service defines Aid to the Park as all program service expenses, excluding cost of goods sold and donated services. The following table reconciles total program service expenses to Aid to the Park for the year ended September 30, 2024:

Total program service expenses	\$ 47,624,418
Less cost of goods sold	<u>(7,092,157)</u>
	<u><u>\$ 40,532,261</u></u>

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

16. FUNCTIONAL AND NATURAL EXPENSE ALLOCATIONS

The table below sets forth the Conservancy's expenses on both a natural and functional basis for the year ended September 30, 2024:

	Park Interpretation and Visitor Services	Park Enhancements, Restoration and Stewardship	Youth, Volunteer and Community Programs	Total Program Services	Management and General	Fundraising	Total
Grants made	\$ -	\$ 7,344,138	\$ -	\$ 7,344,138	\$ -	\$ -	\$ 7,344,138
Employee compensation and benefits	12,827,367	3,995,484	4,696,204	21,519,055	6,222,785	1,806,012	29,547,852
Professional fees and contract services	209,808	491,147	80,281	781,236	1,564,644	410,595	2,756,475
Cost of interpretive goods sold	7,092,157	-	-	7,092,157	28,989	-	7,121,146
Occupancy costs	1,882,490	131,535	179,879	2,193,904	310,693	41,730	2,546,327
Information technology	368,657	132,358	154,554	655,569	833,092	202,995	1,691,656
Depreciation	148,273	54,770	44,307	247,350	81,668	5,723	334,741
Project related expenses	18,310	5,039,877	121,759	5,179,946	30,574	5,000	5,215,520
Equipment rental	46,491	31,515	63,349	141,355	29,490	31,568	202,413
Materials and supplies	259,142	148,074	247,990	655,206	68,339	45,005	768,550
Office expenses	126,260	57,655	333,700	517,615	211,133	188,624	917,372
Insurance	179,816	65,133	79,877	324,826	141,790	17,967	484,583
Investment advisory fees	-	-	-	-	286,026	-	286,026
Bank merchant fees	612,915	-	360	613,275	81,603	53,006	747,884
Printing	2,492	11,727	5,358	19,577	53,393	119,255	192,225
Advertising and promotion	-	-	-	-	165,313	-	165,313
Conferences, meetings and travel	5,345	26,487	34,175	66,007	27,367	3,971	97,345
Bad debt (recoveries) expense	(1,438)	-	-	(1,438)	-	25,500	24,062
Travel	49,456	104,115	121,069	274,640	18,706	4,383	297,729
Total	23,827,541	17,634,015	6,162,862	47,624,418	10,155,605	2,961,334	60,741,357
Less advisory fees netted from investment return	-	-	-	-	(286,026)	-	(286,026)
Total expenses per statement of activities	<u>\$ 23,827,541</u>	<u>\$ 17,634,015</u>	<u>\$ 6,162,862</u>	<u>\$ 47,624,418</u>	<u>\$ 9,869,579</u>	<u>\$ 2,961,334</u>	<u>\$ 60,455,331</u>

17. TAX DEFERRED ANNUITY RETIREMENT PLAN

The Conservancy operates a Tax Deferred Annuity Plan under Section 403(b) of the Code (the "403(b) Plan"). All employees are eligible to make voluntary contributions into the 403(b) Plan via payroll deduction upon hire, and become eligible to receive matching employer contributions upon completing one year of service with at least 1,000 hours completed in that year. Participants may contribute any percentage of their annual compensation, not to exceed Code limitations. Prior to July 2020, the Conservancy matched the amount contributed by each participant up to a maximum of 5% of the participant's annual salary. The employer contributions were frozen as of July 2020 and remained frozen in fiscal year 2023. The Board of Trustees approved in October 2023 to reinstate employer contributions effective January 1, 2024 as a non-elective contribution of 3% of the participant's annual salary. Contributions made by the Conservancy for the year ended September 30, 2024 approximated \$526,842.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

18. TOP HAT RETIREMENT PLAN

The Conservancy provides a Top Hat Plan under Section 457(b) of the Code (the "457(b) Plan") to permit a select group of management or highly compensated employees of the Conservancy to defer a portion of their current compensation in accordance with the provisions of the Code. The Conservancy's Board of Trustees determines the 457(b) Plan participants from time to time. The Conservancy may make annual deferrals to the account balance of a participant on a non-elective basis, subject to the participant's contribution limitations. No such deferrals were made by the Conservancy for the year ended September 30, 2024.

19. CASH BALANCE RETIREMENT PLAN

The Conservancy established a noncontributory defined benefit plan (the "Cash Balance Plan") on December 16, 2016 with an effective Plan start date of January 1, 2016. The Plan was subsequently amended to conform to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

All employees who complete one year of service are eligible for employer contributions to the Plan. Participant contributions are disallowed for the Cash Balance Plan. Employer contributions to the Plan vest in accordance with a three-year cliff schedule. An employee's vesting percentage increases to 100% if, while employed with the employer, the employee dies or terminates employment due to becoming disabled.

The amount of a participant's retirement benefit is determined based on the benefit formula under the Plan. The benefit formula provides for a contribution credit plus a guaranteed interest credit, which is credited to participant's account. Generally, the benefit a participant is entitled to upon retirement will equal the amount credited to the participant's account. A contribution credit is received for each year of accrued service.

During 2021, the Conservancy amended the Plan Document for the Cash Balance Plan to reduce the benefits for executive participants in the plan to \$0 for the plan year end December 31, 2021 and also to allow participants to receive distributions of their plan assets in the same year in which they terminate their employment with the Conservancy. Benefits for executive participants remained at \$0 for plan years ending December 31, 2022 and December 31, 2023 and through April 30, 2024. The Board of Trustees approved in January 2024 to terminate the cash balance plan effective April 30, 2024. Participants were formally notified of the plan termination on February 23, 2024. The Conservancy made no contributions to the Cash Balance Plan during the year ended September 30, 2024. The total benefit paid by the Conservancy during the year ended September 30, 2024 totaled \$1,017,357.

The funded status of the plan is as follows:

Plan Assets at fair value	\$ 723,293
Accumulated benefits obligation	<u>(678,595)</u>
	<u>\$ 44,698</u>

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

19. CASH BALANCE RETIREMENT PLAN (continued)

Based on the action taken in January 2024 to terminate the Cash Balance Plan effective April 30, 2024 and due to the fully funded status of the cash balance plan as of September 30, 2024, the Conservancy will make no additional contributions to the plan and anticipates all future benefit payments to be paid from the pension plan to be made during the year ended September 30, 2025.

20. CONTINGENCIES

The Conservancy is contingently liable in connection with claims and contracts arising in the normal course of its activities. In addition, the Conservancy receives funds from various federal and state government funded programs which are subject to audit by cognizant governmental agencies. The Conservancy's management believes that the outcome of such matters will not have a significant effect on the Conservancy's financial position.

21. CONCENTRATIONS

Credit risk

Financial instruments, which potentially subject the Conservancy to credit risk, consist primarily of cash and cash equivalents, accounts and contributions receivable, and investments. The Conservancy maintains cash and cash equivalents with various financial institutions. At times, such amounts might exceed Federal Deposit Insurance Corporation limits. The Conservancy manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. Accounts and contributions receivable are due from various individuals, companies and governmental agencies. The Conservancy's investments have been placed with major financial institutions and counterparties. The Conservancy closely monitors these financial instruments.

Revenues and receivables

Revenues from programs on Alcatraz Island, including audio and interpretive tour fees, and sales of educational publications and interpretive merchandise, totaled approximately 52% of program revenue for September 30, 2024.

Approximately 18% of contributed income for the year ended September 30, 2024, including the net proceeds from special events, was attributable to various members of the Board of Trustees. Approximately 51% of contributions receivable were comprised of amounts due from two members of the Board of Trustees.

Approximately 25% of contributed income during the year ended September 30, 2024 was received from two donors. Approximately 89% of contributions receivable were comprised of amounts due from 4 donors.

Golden Gate National Parks Conservancy  
Notes to Financial Statements  
September 30, 2024

22. COMMITMENTS

The Conservancy has entered into various construction contracts for trail enhancement and conservation projects totaling approximately \$8.7 million. As of September 30, 2024, the total remaining balances on these contracts for work to be completed, was approximately \$3,522,000. The Conservancy also had outstanding purchase commitments for publications and other interpretive merchandise approximating \$1,090,000 at September 30, 2024.