Golden Gate National Parks Conservancy

Financial Statements

September 30, 2019
(With Summarized Comparative Information
For the Year Ended September 30, 2018)

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Golden Gate National Parks Conservancy
San Francisco, California

Report on the Financial Statements

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, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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.

Opinion

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, 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, Golden Gate National Parks Conservancy has adopted ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited Golden Gate National Parks Conservancy's 2018 financial statements, and our report dated February 16, 2019 expressed an unmodified opinion on those audited financial statements. As part of our audit of the 2019 financial statements, we also audited the adjustments to the 2018 financial statements to apply the change in accounting principle discussed above. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, adjusted for the change in accounting principle discussed above, is consistent, in all material respects, with the audited financial statements from which it has been derived. Also, in our opinion, such adjustments are appropriate and have been properly applied.

Armanino LLP

Armanino LLP
San Francisco, California

March 6, 2020

GOLDEN GATE NATIONAL PARKS CONSERVANCY
Statement of Financial Position
September 30, 2019
(With Comparative Totals for September 30, 2018)

ASSETS

	2019	2018
Current Assets:		
Cash and cash equivalents	$ 52,866,717	$ 43,951,190
Accounts receivable, net	7,449,393	4,860,525
Contributions receivable	10,195,806	9,348,769
Inventories	3,488,499	3,103,649
Prepaid expenses	541,413	671,157
Short-term investments	5,000,946	6,302,618
Total current assets	79,542,774	68,237,908
Long-Term Assets		
Contributions receivable, net	5,910,436	6,961,852
Investments	36,174,505	36,257,467
Furniture, fixtures and equipment, net	1,693,488	1,715,331
Deposits and other assets, net	2,190,095	3,239,384
Total long-term assets	45,968,524	48,174,034
Total assets	$ 125,511,298	$ 116,411,942

LIABILITIES AND NET ASSETS

	2019	2018
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,996,515	$ 2,977,021
Accrued payroll related expenses	3,342,920	2,952,450
Deferred revenue	2,018,392	2,406,433
Total current liabilities	9,357,827	8,335,904
Long-Term Liabilities:		
Deferred revenue	663,994	865,599
Deferred rent liability	90,469	73,618
Advance deposits	2,125,956	2,044,046
Agency funds payable	576,816	577,175
Total long-term liabilities	3,457,235	3,560,438
Total liabilities	12,815,062	11,896,342
Net assets		
Without donor restrictions		
Undesignated	19,550,687	18,442,274
Board-designated	12,471,713	11,713,854
Total net assets without donor restrictions	32,022,400	30,156,128
Total net assets with donor restrictions	80,673,836	74,359,472
Total net assets	112,696,236	104,515,600
Total liabilities and net assets	$ 125,511,298	$ 116,411,942

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, 2019
(With Comparative Totals for 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	Total	2018 Total
Support and revenue				
Program revenue	$ 43,311,132		$ 43,311,132	$ 43,051,358
Contributed income	3,451,959	$18,747,577	22,199,536	28,576,090
Special events, net of donor benefits of $181,630	1,016,044	183,468	1,199,512	1,712,460
Cooperative agreement reimbursements	6,890,962		6,890,962	5,356,352
Other income	67,585		67,585	117,267
Net assets released from restrictions	12,640,128	(12,640,128)		
Total support and revenue	67,377,810	6,290,917	73,668,727	78,813,527
Expenses				
Program services				
Park interpretation and visitor services	23,785,170		23,785,170	23,971,916
Park enhancements, restoration and stewardship	23,311,880		23,311,880	15,500,078
Youth, volunteer and community programs	6,599,076		6,599,076	6,340,040
Total program services	53,696,126		53,696,126	45,812,034
Management and general	7,256,636		7,256,636	6,200,498
Fundraising	4,862,882		4,862,882	3,891,301
Total expenses	65,815,644	-	65,815,644	55,903,833
Change in net assets from operations	1,562,166	6,290,917	7,853,083	22,909,694
Endowment and investment activities				
Contributed income				500,000
Net realized and unrealized gain (loss) on investments	(406,681)	(98,291)	(504,972)	1,215,132
Interest and dividend income	705,301	121,738	827,039	486,125
Other investment income	5,486		5,486	84,858
Change in net assets	1,866,272	6,314,364	8,180,636	25,195,809
Net assets, beginning of year	30,156,128	74,359,472	104,515,600	79,319,791
Net assets, end of year	$ 32,022,400	$ 80,673,836	$ 112,696,236	$ 104,515,600

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, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 8,180,636	$ 25,195,809
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation and amortization	1,745,668	1,687,555
Net realized and unrealized gain (loss) on investments	504,972	(1,215,132)
Other investment income included in other assets	(5,486)	(84,858)
Change in discount on contributions receivable	36,560	(66,405)
Contributions restricted for investment in perpetuity		(500,000)
Changes in assets and liabilities		
Accounts receivable	(2,588,868)	713,138
Contributions receivable	167,819	2,128,929
Inventories	(384,850)	191,900
Prepaid expenses	129,744	108,910
Deposits and other assets	(222,805)	
Accounts payable and accrued liabilities	1,019,494	(820,331)
Accrued payroll related expenses	390,470	96,226
Deferred rent liability	16,851	39,211
Advance deposits	81,910	2,044,046
Grants payable		(3,304,000)
Agency funds payable	(359)	35,235
Deferred revenue	(589,646)	2,012,181
Net cash provided by operating activities	8,482,110	28,262,414
Cash flows from investing activities		
Purchases of investments	(11,117,304)	(11,319,924)
Proceeds from maturities or sales of investments	11,996,966	10,545,227
Purchases of furniture, fixtures and equipment	(446,245)	(515,801)
Net cash provided by (used in) investing activities	433,417	(1,290,498)
Cash flows provided by financing activities		
Contributions restricted for investment in perpetuity	-	500,000
Change in cash and cash equivalents	8,915,527	27,471,916
Cash and cash equivalents, beginning of year	43,951,190	16,479,274
Cash and cash equivalents, end of year	$ 52,866,717	$ 43,951,190

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

1. Organization and Summary of Significant Accounting Policies

Organization

Golden Gate National Parks Conservancy (the "Conservancy") is the not-for-profit cooperating association of the National Park Service and the Presidio Trust whose mission is to preserve the Golden Gate National Parks (the "Parks"), enhance the park visitor experience, and build a community dedicated to conserving the Parks for future generations. The Parks, also known as the Golden Gate National Recreation Area, stretch across 84,000 acres north and south of the Golden Gate Bridge, constituting one of the world's largest national parks in an urban setting. The Conservancy is supported by private contributions, cooperative agreements, and income earned from interpretive tours and the sale of educational materials at visitor centers throughout the Parks. The Conservancy is dedicated to protecting these Parks, making them relevant and accessible for everyone, and instilling a sense of stewardship in this and future generations to ensure their vitality 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 Presidio Tunnel Tops project, which will connect Crissy Field and the Presidio’s Main Post to create a world-class public space welcoming everyone.

Youth, volunteer and community programs include programs conducted at the Crissy Field Center (an urban environmental education center) and the Institute at the Golden Gate, through the Conservancy's other various programs, and under the auspices of the Park Youth Collaborative.

Basis of 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. 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.

1. Organization and Summary of Significant Accounting Policies (continued)

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.

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

- Level I - 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 I, includes listed equity and debt securities.

- Level II - 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 I. 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.

1. Organization and Summary of Significant Accounting Policies (continued)

Fair value measurements (continued)

- Level III - 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 had no Level III investments as of September 30, 2019.

The Organization 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 Organization's 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 reimbursable grant agreements, Alcatraz audio tours and wholesale merchandise sales. At September 30, 2019, accounts receivable also include an investment redemption receivable in the amount of $1,636,600.

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. 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 included in contributions receivable. The fair value of the interest is measured at the estimated present value of the remainder interest using the RP-2000 combined healthy mortality table and a discount rate of 3.25%. Subsequent changes in fair value are recognized in the statement of activities.

1. Organization and Summary of Significant Accounting Policies (continued)

Allowance for doubtful accounts

The Conservancy uses the allowance method to account for uncollectible accounts and contributions receivable. The allowance for doubtful accounts is based on historical experience and an evaluation of the outstanding receivables at the end of the year. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and potential for recovery is considered remote. The allowance for uncollectible accounts was $0 as of September 30, 2019.

Inventories

Inventories are stated at the lower of 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.

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.

Deposits and other assets

Deposits and other assets primarily include intangible assets associated with the Conservancy's production of the 75th anniversary of the Golden Gate Bridge, net of amortization, as well as security deposits paid and prepaid Software as a Service (SaaS).

During the fiscal year ended September 30, 2011, the Conservancy entered into a 10-year agreement (the Agreement) with the Golden Gate Bridge, Highway and Transportation District (the District) to produce a program for the 75th anniversary of the Golden Gate Bridge in May 2012, and to construct, and subsequently manage, various visitor improvements (the Project).

The Agreement provides for reimbursement of the Conservancy's Project costs, including interest from the earnings of the 75th anniversary celebration and future earned revenues generated by the visitor improvements. Other assets represent the unreimbursed costs of the Project, which are being amortized on a straight-line basis over the remaining life of the Agreement.

1. Organization and Summary of Significant Accounting Policies (continued)

Deferred revenue

Deferred revenue consists primarily of advances received on contracts for construction project management and native seed collection and amplification services, as well as admission fees to Muir Woods National Monument collected on behalf of the California State Department of Parks and Recreation (the Department) that will fund future project work by agreement with the Department. Deferred revenue also includes 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 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.

Advance deposits

Advance deposits represent funds received from a conditional grant receivable of $2.075 million contingent on identifying and receiving final approval to fund specific projects by the granting organization in advance of meeting such condition. The grant agreement requires investment earnings to be redirected to this fund.

Deferred rent liability

For lease agreements that provide for escalating rent payments or free-rent occupancy periods, the Conservancy recognizes rent expense on a straight-line basis over the non-cancelable lease term. The Conservancy includes option renewal periods as part of the lease term where failure to exercise such options would result in an economic penalty in such amount that renewal appears to be reasonably assured.

Revenue recognition

Contributions are recognized as revenue at fair value when unconditionally promised to the Conservancy. Unconditional promises received with donor stipulations that limit the use of the contribution are recorded as 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. Conditional promises to give are not included as support until the conditions are substantially met.

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.

Cooperative reimbursement agreements consist of federal and non-federal reimbursable grant agreements. Under the terms of the agreements, the grantor reimburses the Conservancy for allowable expenses incurred for the specific program funded. Accordingly, revenue is recognized as the related expenses are incurred.

1. Organization and Summary of Significant Accounting Policies (continued)

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, 2019. 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.

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, 2019 approximated $17,000 and is included in contributed income on the accompanying Statement of Activities.

Other investment income

Other investment income represents interest on the Project.

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 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 received.

1. Organization and Summary of Significant Accounting Policies (continued)

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 approximately $103,800 for 2019.

Comparative information and reclassifications

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, 2018, from which the summarized information is derived. Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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 23701(d).

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 2016 and 2015, respectively.

1. Organization and Summary of Significant Accounting Policies (continued)

Change in accounting principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities.* ASU 2016-14 makes certain improvements to current reporting requirements, including:

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted, and permanently restricted) to two (with donor restrictions and without donor restrictions).

2. Enhancing disclosures about:

    a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
    b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
    c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date.
    d. Amounts of expenses by both their natural classification and their functional classification in one location as a separate statement or in the notes to the financial statements.
    e. Methods used to allocate costs among program and support functions
    f. Underwater endowment funds.

3. Reporting investment return net of external and direct internal investment expenses.

4. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments have been applied on a retrospective basis in 2019.

Subsequent events

The Conservancy has performed an evaluation of subsequent events through March 6, 2020, the date the financial statements were available to be issued (see Note 20).

2. Contributions Receivable

Contributions receivable at September 30, 2019 are expected to be received as follows:

Year Ending September 30,	
2020	$ 10,195,806
2021	3,105,332
2022	1,562,000
2023	1,252,000
2024	50,000
Thereafter	150,000
	16,315,138
Less discount on multi-year contributions receivable	(325,395)
Subtotal	15,989,743
Receivable from charitable remainder unitrust	116,499
Contributions receivable, net	$ 16,106,242

As of September 30, 2019, the Conservancy had conditional grants receivable of $1 million contingent on identifying and receiving final approval to fund specific projects by the granting organization.

3. Investments

Investments consisted of the following at September 30, 2019:

Equity securities and funds	$ 21,875,042
Fixed income funds	7,529,549
Alternative investments	9,234,692
Cash and cash equivalents	2,536,168
Total	$ 41,175,451

Included in the investment balance is the Cash Balance Retirement Plan assets totaling $1,492,682 as of September 30, 2019 (see Note 17).

Investment return was comprised of the following for the year ended September 30, 2019:

Net realized and unrealized loss on investments	$ (161,162)
Interest and dividend income	832,525
Advisory fees	(343,810)
Investment return, net	$ 327,553

4. 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, 2019, and indicates the fair value hierarchy of the valuation techniques utilized by the Conservancy to determine the fair values:

	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	$ 2,536,168	$ 2,536,168		
Equity Securities and Funds:				
Large/Mid Cap	3,719,346	3,719,346		
Developed International	2,259,206	2,259,206		
Small Cap	1,238,125	1,238,125		
Fixed Income Funds:				
Short-Term Bond Index	185,372	185,372		
Intermediate Term Bonds	446,163	446,163		
Certificates of Deposit	2,900,937	2,900,937		
Total investments in the fair value hierarchy	13,285,317	13,285,317		
Other investments measured at net asset value*	27,890,134			
Total investments measured at fair value	41,175,451	13,285,317		
Charitable remainder unitrust	116,499		$ 116,499	
Total assets measured at fair value	$ 41,291,950	$ 13,285,317	$ 116,499	$ -

* 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 net asset value (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. The following table lists investments by major category and investment strategy as of September 30, 2019:

4. Fair Value Measurements (continued)

Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commit-ments	Redemption Term	Redemption Restrictions
Large Mid-Cap	$2,111,160	1	N/A	N/A	N/A	Next liquidity date 12/31/2020	90 days written notice w/ 25% investor level gate
Large Mid-Cap	$556,930	1	N/A	N/A	N/A	Quarterly	90 days written notice w/ 25% investor level gate
Large Mid-Cap	$1,590,686	1	N/A	N/A	N/A	Next liquidity date 6/30/2020	60 days written notice
Developed International Equity	$2,997,801	2	N/A	N/A	N/A	Monthly	6 to 7 days written notice
Developed International Equity	$1,732,778	1	N/A	N/A	N/A	Next liquidity date 12/31/2020	36 months lock-up period, quarterly with 90 days written notice, special 5% redemption once per 12 months
Developed International Equity	$1,685,379	1	N/A	N/A	N/A	Monthly	60 days written notice (remaining balance must exceed $249,999)
Emerging Markets Equity	$1,464,985	1	N/A	N/A	N/A	Monthly	30 days written notice
Emerging Markets Equity	$1,085,016	1	N/A	N/A	N/A	Monthly	10 business days written notice
Small Cap	$1,433,629	1	N/A	N/A	N/A	Quarterly	90 days written notice. 25% of capital balance
Pooled Fixed Income	$2,841,989	1	N/A	N/A	N/A	Monthly	5 business days prior to month-end
Global Fixed Income	$1,155,089	1	N/A	N/A	N/A	Twice monthly	5 business days written notice
High Yield Fixed Income	$1,599,203	1	N/A	N/A	N/A	Monthly	45 days written notice
Long/Short Hedged Equity	$1,282,607	1	N/A	N/A	N/A	Monthly	90 days written notice
Long/Short Hedged Equity	$1,052,662	1	N/A	N/A	N/A	Quarterly	60 days written notice
Long/Short Hedged Equity	$1,344,373	1	N/A	N/A	N/A	Quarterly with soft lockup until 9/30/2020	60 days written notice
Long/Short Hedged Equity	$1,133,056	1	N/A	N/A	N/A	Early after one year with fees; Next liquidity date 10/31/2020	60 days written notice
Long/Short Hedged Equity	$949,107	1	N/A	N/A	N/A	Next liquidity date 12/31/2020	75 days written notice
Multi-Strategy Hedge Funds	$1,577,126	1	N/A	N/A	N/A	Quarterly	70 days notice (85 if more than 10% of outstanding shares)
Private Equity	$296,558	1	N/A	$62,500	N/A	Discretion of Fund Manager	Discretion of Fund Manager

5. Liquidity and Availability

The table below presents financial assets available for general expenditures within one year at September 30, 2019:

Financial assets at year-end:	
Cash and cash equivalents	$ 52,866,717
Accounts receivable, net	7,449,393
Contributions receivable, net	16,106,242
Short term Investments	5,000,946
Long term Investments	36,174,505
Total financial assets at year-end	117,597,803
Less amounts not available to be used within one year:	
Restricted by donors for future projects	(71,265,115)
Board-designated net assets less appropriated amount	(11,685,653)
Portion of donor-restricted endowment to be retained in perpetuity	(6,642,212)
Investments in non-liquid securities	(5,089,604)
Advance deposits	(2,125,956)
Future expendable donor-restricted endowment	(1,406,096)
Deferred revenue to be earned in future years	(663,994)
Agency funds	(576,816)
Financial assets available to meet cash needs for general expenditures within one year	$ 18,142,357

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, 2019, restricted contributions of $980,144 were included in financial assets available to meet cash needs for general expenditures within one year. The Conservancy also considers amounts appropriated from Board-designated net assets and the future expendable donor-restricted endowment to be available to meet cash needs for general expenditures; such amounts totaled $786,060 and $380,269, respectively as of September 30, 2019. The organization 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, 2019, the level of liquidity and reserves was managed within the policy requirements.

6. Furniture, Fixtures and Equipment

Furniture, fixtures and equipment as of September 30, 2019 consisted of the following:

Equipment	$ 3,854,888
Vehicles	506,260
Total	4,361,148
Less accumulated depreciation and amortization	(2,667,660)
Furniture, fixtures and equipment, net	$ 1,693,488

Depreciation amounted to $468,088 for the year ended September 30, 2019.

7. Deposits and Other Assets

Deposits and other assets as of September 30, 2019 consisted of the following:

Golden Gate Bridge Project costs	$ 7,022,600
Golden Gate Bridge Project interest	3,264,442
Total	10,287,042
Less accumulated amortization	(8,369,856)
Golden Gate Bridge Project, net	1,917,186
Deposits	139,675
Prepaid SaaS	133,234
Total Deposits and Other Assets	$ 2,190,095

Amortization amounted to $1,277,580 for the year ended September 30, 2019.

8. Board-Designated Net Assets

Board-designated net assets for the following park projects and programs as of September 30, 2019:

Park preservation and enhancement	$ 6,269,974
Greg Moore Parks for All fund	5,250,000
Crissy Field enhancement and repair	1,297,168
Alcatraz preservation and embarkation	(345,429)
Total Board-designated net assets	$ 12,471,713

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 recovered through future audio tour fees.

9. Net Assets with Donor Restrictions and Net Assets Released From Restrictions

Net assets with donor restrictions include the following as of September 30, 2019:

Subject to expenditure for specified purpose:	
Presidio Tunnel Tops Project	$ 64,436,202
Crissy Field projects and programs	2,350,607
One Tam Initiative	2,059,211
Other park improvements and conservation projects	1,474,104
Other Presidio trails and projects	548,649
Youth programs	738,259
Community engagement, education and outreach	186,541
National Park Service Projects	120,595
Institute at the Golden Gate	70,544
	71,984,712
Subject to the passage of time:	
For periods after September 30, 2019	260,547
Subject to Conservancy spending policy and appropriation:	
Investment in perpetuity (including amounts above original gift amounts) which, once appropriated, is expendable to support:	
Other Presidio trails and projects	3,246,570
Crissy Field projects and programs	2,893,943
Other park improvements and conservation projects	2,148,253
Youth programs	139,811
	8,428,577
Total net assets with donor restrictions	$ 80,673,836

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, 2019 as follows:

Subject to expenditure for specified purpose:	
Presidio Tunnel Tops Project	$ 4,761,253
Other park improvements and conservation projects	4,104,570
One Tam Initiative	1,579,552
Youth programs	792,974
Crissy Field projects and programs	598,402
Other Presidio trails and projects	63,617
Community engagement, education and outreach	246,613
Institute at the Golden Gate	145,557
	12,292,538
Subject to the passage of time:	
For periods after September 30, 2018	16,325
Endowment earnings appropriated for expenditure	331,265
Total net assets released from restrictions	$ 12,640,128

10. Endowment

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

	Accumulated Gains/(Losses)	Original Gift Amount	Total with Donor Restriction
James R. Harvey Restoration Fund	$ 828,084	$ 2,418,486	$ 3,246,570
Bernard Osher Endowment	581,973	2,152,752	2,734,725
Ted Chong Endowment Fund	6,665	25,768	32,433
Anne Kincaid Endowment Fund	30,561	102,888	133,449
Madeleine Tang Fund	19,284	68,882	88,166
Mark Kutnink Endowment	132,653	318,436	451,089
Greg Hind Endowment	187,145	1,555,000	1,742,145
	$ 1,786,365	$ 6,642,212	$ 8,428,577

The James R. Harvey Restoration Fund was established as an endowment to benefit the ongoing preservation and restoration of the Presidio. The 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 Madeleine Tang Fund was established for the benefit of the Watersheds Inspiring Student Education (WISE) Program in 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.

Interpretation of relevant law

The Board of Trustees of the Conservancy 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.

10. Endowment (continued)

Endowment net asset composition by type of fund

	Accumulated Gains/(Losses)	Original Gift Amount	Total With Donor Restrictions
Donor-restricted endowment funds	$ 1,786,365	$ 6,642,212	$ 8,428,577
Total	$ 1,786,365	$ 6,642,212	$ 8,428,577

Changes in endowment net assets

	Accumulated Gains/(Losses)	Original Gift Amount	Total With Donor Restrictions
Endowment net assets, beginning of year	$ 2,117,876	$ 6,642,212	$ 8,760,088
Investment return			
Investment income	80,848		80,848
Net depreciation (realized and unrealized)	(81,094)		(81,094)
Total investment return	(246)	-	(246)
Contributions			
Appropriations of endowment assets for expenditure	(331,265)		(331,265)
Endowment net assets, end of year	$ 1,786,365	$ 6,642,212	$ 8,428,577

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, 2019, there were no such 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 percent annually. Actual returns in any given year may vary from this amount.

10. 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 percent of the trailing 12-quarter average estimated fair value of the endowment investments. Appropriations in excess of 4.5 percent 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.

11. 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, 2019:

Gross sales	$ 20,525,196
Less cost of goods sold	(6,812,689)
Gross profit	$ 13,712,507

12. 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, 2019:

Total program service expenses	$ 53,696,126
Less cost of goods sold	(6,812,689)
Aid to the Park	$ 46,883,437

13. 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, 2019:

	Program Services						
	Park Interpretation and Visitor Services	Park Enhancements, Restoration and Stewardship	Youth, Volunteer and Community Programs	Total Program Services	Management and General	Fund-raising	Total
Employee compensation and benefits	$11,488,133	$ 7,106,746	$4,061,454	$22,656,333	$4,703,896	$2,573,645	$29,933,874
Cost of interpretive goods sold	6,812,689			6,812,689			6,812,689
Plant and design	28,495	6,005,044	4,125	6,037,664		59,820	6,097,484
Grants made		5,119,646	2,410	5,122,056			5,122,056
Professional fees and contract services	222,958	1,661,291	206,406	2,090,655	1,330,519	832,643	4,253,817
Occupancy costs	1,155,533	219,729	180,833	1,556,095	253,176	47,344	1,856,615
Depreciation and amortization	1,375,628	76,628	231,383	1,683,640	56,048	5,981	1,745,668
Information technology	406,683	323,223	144,153	874,059	480,088	140,244	1,494,391
Materials and supplies	301,174	567,418	304,236	1,172,828	122,782	63,688	1,359,298
Office expenses	61,449	176,131	177,844	415,424	257,645	443,454	1,116,523
Equipment rental	479,860	135,593	58,256	673,709	45,792	167,452	886,953
Stipends and honoraria	5,150	43,601	828,940	877,691		200	877,891
Conferences, meetings and travel	90,844	266,435	266,681	623,960	64,642	31,116	719,718
Ticketing services	703,384			703,384			703,384
Bank and merchant fees	498,348	1,127	1,573	501,048	10,652	37,309	549,009
Printing	32,313	134,931	21,463	188,707	111,431	238,732	538,870
Environmental consulting		535,077		535,077	1,097		536,174
Catering	10,168	40,163	19,186	69,517	67,194	394,701	531,412
Surveys		397,306	50,513	447,819			447,819
Landscaping		403,347		403,347			403,347
Insurance	112,361	98,444	39,620	250,423	95,483	8,183	354,091
Total	23,785,170	23,311,880	6,599,076	53,696,126	7,600,445	5,044,512	66,341,083
Less donor benefits netted from special event revenue						(181,630)	(181,630)
Less advisory fees netted from investment return					(343,810)		(343,810)
Total expenses per Statement of Activities	$23,785,170	$23,311,880	$6,599,076	$53,696,126	$7,256,636	$4,862,882	$65,815,644

14. Lease Obligations

The Conservancy leases certain office equipment, warehouse facilities, audio tour headsets, office space and vehicles under operating leases through 2025. The aggregate future minimum annual rental payments under noncancelable operating leases in effect at September 30, 2019, are as follows:

Years Ending September 30	
2020	$ 958,615
2021	981,267
2022	971,947
2023	894,100
2024	79,176
Thereafter	14,304
Total	$3,899,409

Rent expense for the year ended September 30, 2019 was approximately $1,518,000.

The Conservancy entered into a lease with the Port of San Francisco on December 17, 2019 for two portions of the ferry embarkation site for Alcatraz Island (the "Embarkation Site") in connection with a revitalization of the Embarkation Site to significantly enhance the visitor experience. Planned improvements include new visitor amenities such as a new café (Phase I) and interpretive retail space (Phase II) that will allow park visitors to begin their Alcatraz experience before setting foot on Alcatraz Island. The lease expires on June 30, 2049, unless terminated early and contains two 10-year renewal options. The lease provides for Base Rent of $15,300 and $20,986 per month for Phases I and II of the Embarkation Site, respectively, to commence 270 days after each Phase is turned over to the Conservancy (the "Rent Commencement Date). Base Rent will be phased in at 70% and 85% of Base Rent for the first and second year beginning after each Rent Commencement Date, respectively. Percentage Rent is also due beginning on each Rent Commencement Date equal to the difference between 7.5% of monthly gross revenue for each Phase and the Base Rent for such calendar month in any month in which the Percentage Rent exceeds the Base Rent. Neither Phase had been turned over to the Conservancy as of September 30, 2019.

15. 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. The Conservancy matches the amount contributed by each participant up to a maximum of 5% of the participant's annual salary. Contributions made by the Conservancy for the year ended September 30, 2019 approximated $779,500.

16. 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, 2019.

17. 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 revised on March 27, 2017 and September 29, 2017 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.

The funded status of the plan is as follows:

Plan Assets at fair value	$1,492,682
Accumulated benefits obligation	(1,068,139)
	$ 424,543

Components of the net periodic pension benefit cost for the plan is as follows:

Service cost	$ 261,505
Interest cost	53,407
Expected return on plan assets	(74,634)
Prior service amortization	-
Amortization of gains	(9,473)
	$ 230,805

17. Cash Balance Retirement Plan (continued)

Assumptions - Weighted average assumptions used to determine benefit obligations and net periodic benefit cost for the year were as follows:

Discount rate - net periodic benefit cost	5%
Expected long term rate of return on plan assets	5%
Rate of compensation increase	0%
Discount rate - benefit obligation	5%

The overall expected long-term rate of return on plan assets is determined by the plans' historical long-term investment performance, current asset allocation and estimate of future long-term return rates.

Plan assets - Weighted average asset allocation of the Conservancy's pension plans was as follows:

	Policy Allocation Target	Allocation of Plan Assets
Intermediate-Term Bonds	30.0%	29.9%
Large Cap Stocks	25.0%	25.5%
Small Cap Stocks	10.0%	10.2%
Foreign Stocks	35.0%	34.4%
Cash	0.0%	0.0%

The Conservancy's Investment Policy for the Cash Balance Plan outlines the governance structure for decision making, set investment objectives and restrictions, and establish criteria for selecting and evaluating investment managers. The Finance Committee, consisting of members of the Board, both supported by independent consultants, are responsible for monitoring compliance with the investment policies noted above.

Benefits paid – The Conservancy paid benefits of $5,868 for the year ended September 30, 2019.

Contributions - The Conservancy contributed $260,411 to the Cash Balance Plan during the year ended September 30, 2019.

Cash flows - Based on the Company's forecast at September 30, 2019, the Company expects to contribute $400,000 to the Cash Balance during the year ending September 30, 2020.

The Conservancy anticipates future benefit payments, which reflect future service, to be paid from the pension plans as follows:

Years Ending September 30	
2021	$ 785,789
2022	26,809
2023	1,615
2024	9,540
Thereafter	854,232
Total	$ 1,677,985

18. 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.

19. 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

Revenues from programs on Alcatraz Island, including audio and interpretive tour fees, and sales of educational publications and interpretive merchandise, totaled approximately 70% of program revenue for fiscal 2019.

Approximately 14% of contributed income for the year ended September 30, 2019, including the net proceeds from special events, was attributable to various members of the Board of Trustees.

20. Commitments

The Conservancy has entered into various construction contracts for trail enhancement and conservation projects totaling approximately $6 million. As of September 30, 2019, the total remaining balances on these contracts for work to be completed, was approximately $2.9 million. The Conservancy also had outstanding purchase commitments for publications and other interpretive merchandise approximating $69,000 at September 30, 2019.