Golden Gate National Parks Conservancy

Financial Statements

September 30, 2020
(With Summarized Comparative Information
For the Year Ended September 30, 2019)

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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, 2020, 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, 2020, 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 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Golden Gate National Parks Conservancy's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

Armanino LLP
San Francisco, California

May 24, 2021

GOLDEN GATE NATIONAL PARKS CONSERVANCY
Statement of Financial Position
September 30, 2020
(With Comparative Totals for September 30, 2019)

ASSETS

	2020	2019
Current Assets:		
Cash and cash equivalents	$ 77,552,043	$ 52,866,717
Accounts receivable, net	1,377,236	3,873,977
Grants and contributions receivable	12,725,722	13,771,222
Inventories	3,931,263	3,488,499
Prepaid expenses	625,333	541,413
Short-Term Investments	1,732,286	5,000,946
Total current assets	97,943,883	79,542,774
Long-Term Assets		
Grants and contributions receivable, net	10,399,435	5,910,436
Investments	22,548,902	36,174,505
Furniture, fixtures and equipment, net	1,764,073	1,693,488
Deposits and other assets, net	978,036	2,190,095
Total long-term assets	35,690,446	45,968,524
Total assets	$ 133,634,329	$ 125,511,298

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities		
Accounts payable and accrued liabilities	$ 11,636,436	$ 3,996,515
Accrued payroll related expenses	4,031,232	3,342,920
Deferred revenue	1,790,268	2,018,392
Total current liabilities	17,457,936	9,357,827
Long-Term Liabilities:		
Deferred revenue	543,971	663,994
Deferred rent liability	95,642	90,469
Refundable advances	2,173,687	2,125,956
Agency funds payable	547,471	576,816
Note payable	150,000	
Total long-term liabilities	3,510,771	3,457,235
Total liabilities	20,968,707	12,815,062
Net assets		
Without donor restrictions		
Undesignated	8,688,847	19,550,687
Board-designated	12,541,002	12,471,713
Total net assets without donor restrictions	21,229,849	32,022,400
With donor restrictions	91,435,773	80,673,836
Total net assets	112,665,622	112,696,236
Total liabilities and net assets	$ 133,634,329	$ 125,511,298

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, 2020
(With Comparative Totals for 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Support and revenue				
Program revenue	$ 17,101,881		$ 17,101,881	$ 44,062,885
Contributed income	3,420,100	$ 29,824,321	33,244,421	22,199,536
Special events, net of donor benefits of $1,500	635,209	94,475	729,684	1,199,512
Cooperative agreement reimbursements	10,998,750		10,998,750	6,139,209
Other income	41,869		41,869	67,585
Net assets released from restrictions	19,345,318	(19,345,318)		
Total support and revenue	51,543,127	10,573,478	62,116,605	73,668,727
Expenses				
Program services				
Park interpretation and visitor services	16,610,278		16,610,278	23,785,170
Park enhancements, restoration and stewardship	27,797,884		27,797,884	23,311,880
Youth, volunteer and community programs	5,886,855		5,886,855	6,599,076
Total program services	50,295,017		50,295,017	53,696,126
Management and general	7,996,816		7,996,816	7,256,636
Fundraising	3,825,109		3,825,109	4,862,882
Total expenses	62,116,942	-	62,116,942	65,815,644
Change in net assets from operations	(10,573,815)	10,573,478	(337)	7,853,083
Endowment and Investment activities				
Contributed income		5,200	5,200	
Net realized and unrealized gain (loss) on investments	(871,395)	117,123	(754,272)	(504,972)
Interest and dividend income	652,659	66,136	718,795	827,039
Other investment income				5,486
Change in net assets	(10,792,551)	10,761,937	(30,614)	8,180,636
Net assets, beginning of year	32,022,400	80,673,836	112,696,236	104,515,600
Net assets, end of year	$ 21,229,849	$ 91,435,773	112,665,622	$ 112,696,236

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, 2020
(With Comparative Totals for 2019)

	2020	2019
Cash flows from operating activities		
Change in net assets	$ (30,614)	$ 8,180,636
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,769,831	1,745,668
Net realized and unrealized (gain) loss on investments	754,272	504,972
Other investment income included in other assets		(5,486)
Amortization of discount on contributions receivable	208,862	36,560
Permanently restricted contributions	(5,200)	
Changes in assets and liabilities		
Accounts receivable	2,496,741	(1,236,096)
Contributions receivable	(3,652,361)	(1,184,953)
Inventories	(442,764)	(384,850)
Prepaid expenses	(83,920)	129,744
Deposits and other assets	(69,464)	(222,805)
Accounts payable and accrued liabilities	7,639,921	1,019,494
Accrued payroll related expenses	688,312	390,470
Deferred rent liability	5,173	16,851
Refundable advances	47,731	81,910
Grants payable		
Agency funds payable	(29,345)	(359)
Deferred revenue	(348,147)	(589,646)
Net cash provided by operating activities	8,949,028	8,482,110
Cash flows from investing activities		
Purchases of investments	(15,731,755)	(11,117,304)
Proceeds from maturities or sales of investments	31,871,746	11,996,966
Purchases of furniture, fixtures and equipment	(558,893)	(446,245)
Net cash provided by investing activities	15,581,098	433,417
Cash flows provided by financing activities		
Proceeds from issuance of note payable	150,000	
Receipt of permanently restricted contributions	5,200	-
Net cash provided by financing activities	155,200	-
Change in cash and cash equivalents	24,685,326	8,915,527
Cash and cash equivalents, beginning of year	52,866,717	43,951,190
Cash and cash equivalents, end of year	$ 77,552,043	$ 52,866,717

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 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 our local and federal partners, the Conservancy is committed to the work of supporting Bay Area national parks as places where we 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 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, 2020.

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 consists primarily of amounts due from Alcatraz audio tours and wholesale merchandise sales. At September 30, 2020, accounts receivable also include an investment redemption receivable in the amount of $80,848.

Grants and contributions receivable

Grants receivable consist of amounts due from reimbursable grant agreements.

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 $5,612 as of September 30, 2020.

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 75^{th} 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 75^{th} 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 75^{th} 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 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.

Refundable advances

Refundable advances 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

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 - are not recognized until the conditions on which they depend have been met.

Consequently, at September 30, 2020, conditional contributions of $3,164,710 have not been recognized in the accompanying consolidated statement of activities because they are contingent on identifying and receiving final approval to fund specific projects by the donors. 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 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.

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

Revenue recognition (continued)

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 refundable advances in the statement of financial position. The Conservancy received cost-reimbursable grants of $8,731,206 that have not been recognized at September 30, 2020 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. Donated professional services totaling $10,000 were received during the year ended September 30, 2020. 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, 2020 approximated $16,400 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.

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

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.

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 $110,260 for 2020.

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, 2019, from which the summarized information is derived. Certain 2019 amounts have been reclassified to conform to the 2020 presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

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).

1. Organization and 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 2017 and 2016, respectively.

Change in accounting principle

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. GAAP. Revenue from contributions and investment income are not impacted by this new standard. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Conservancy adopted ASU 2014-09 with a date of the initial application of October 1, 2019, using the full retrospective method.

The adoption of ASU 2014-09 did not have a significant impact on the Conservancy's financial position, result of operations, or cash flows. The majority of the Conservancy's service revenue arrangements consist of a single performance obligation to transfer promised goods or services at a point in time. Based on the Conservancy's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenue as a result of the adoption of this standard.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies the criteria for evaluating whether a transaction is a contribution or an exchange transaction and whether a contribution is conditional or unconditional. The Conservancy adopted ASU 2018-08 with a date of the initial application of October 1, 2019, using the modified prospective method.

The adoption of ASU 2018-08 did not have a significant impact on the Conservancy's financial position, result of operations, or cash flows.

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

COVID-19 pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Conservancy is closely monitoring its investment portfolio and its liquidity and is actively working to minimize impact of these declines. As a result of the COVID-19 pandemic, in March 2020, the Conservancy was required to close down all of the visitor centers and touring operations that it manages for an indefinite period, raising substantial doubt about the Conservancy's ability to continue as a going concern within one year after the date that the financial statements were available to be issued. Since then, the Conservancy has only been allowed to reopen a few sites at far reduced capacity, resulting in lost revenue of approximately $19 million, which would have been included in program service revenue on the Statement of Activities for the fiscal year ended September 30, 2020.

In order to mitigate the financial impact of its COVID-19 closure, the Conservancy obtained a $150,000 Economic Disaster Injury Loan ("EIDL") (see Note 8) as well as a Paycheck Protection Program ("PPP") loan $6,155,984 (see Note 22) in April 2020. The Conservancy also furloughed 124 employees on June 30, 2020.

The Conservancy will take the following measures during the year ending September 30, 2021:
apply for the Second Draw PPP loan; apply for a revolving line-of-credit with a bank; seek relief through the Employee Retention Credit program; and drastically cut expenses guided by a new strategic focus to support Bay Area national parks as places where we can further racial and social justice for our community and climate resilience for these protected lands.

As a result of the above, the doubts raised about the Conservancy's ability to continue as a going concern were alleviated as of the date the financial statements were available to be issued.

Subsequent events

The Conservancy has performed an evaluation of subsequent events through May 24, 2021, the date the financial statements were available to be issued (see Note 23).

2. Grants and Contributions Receivable

Grants and contributions receivable at September 30, 2020 are expected to be received as follows:

Year Ending September 30,	
2021	$ 12,725,722
2022	4,261,610
2023	3,802,000
2024	2,603,583
Thereafter	150,000
	23,543,915
Less discount on multi-year contributions receivable	(534,257)
Subtotal	23,008,658
Receivable from charitable remainder unitrust	116,499
Contributions receivable, net	$ 23,125,157

3. Investments

Investments consisted of the following at September 30, 2020:

Equity securities and funds	$ 14,462,225
Fixed income funds	2,285,994
Alternative investments	7,092,990
Cash and cash equivalents	439,978
Total	$ 24,281,188

Included in the investment balance is the Cash Balance Retirement Plan assets totaling $2,087,806 as of September 30, 2020 (see Note 18).

Investment return was comprised of the following for the year ended September 30, 2020:

Net realized and unrealized loss on investments	$ (444,151)
Interest and dividend income	718,795
Advisory fees	(310,121)
Investment return, net	$ (35,477)

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, 2020, 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	$ 439,978	$ 439,978		
Equity Securities and Funds:				
Large/Mid Cap	551,786	551,786		
Developed International	775,620	775,620		
Small Cap	206,693	206,693		
Fixed Income Funds:				
Intermediate Term Bonds	560,994	560,994		
Certificates of Deposit	1,725,000	1,725,000		
Total investments in the fair value hierarchy	4,260,070	4,260,070		
Other investments measured at net asset value*	20,021,117	-		
Total investments measured at fair value	24,281,188	4,260,061		
Charitable remainder unitrust	116,499		$ 116,499	
Total assets measured at fair value	$ 24,397,686	$ 4,260,061	$ 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, 2020:

4. Fair Value Measurements (continued)

Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Term	Redemption Restrictions
Large Mid-Cap	$2,237,828	1	N/A	N/A	N/A	Next liquidity date 12/31/2021	90 days written notice w/ 25% investor level gate
Large Mid-Cap	$624,026	1	N/A	N/A	N/A	Quarterly	90 days written notice w/ 25% investor level gate
Large Mid-Cap	$1,664,512	1	N/A	N/A	N/A	Next liquidity date 3/31/2021	60 days written notice
Developed International Equity	$774,849	1	N/A	N/A	N/A	Next liquidity date 6/30/2021; Quarterly (1/12 availability per quarter)	180 days written notice
Developed International Equity	$1,114,970	1	N/A	N/A	N/A	Monthly	One week prior to month-end
Developed International Equity	$1,726,273	1	N/A	N/A	N/A	Next liquidity date 12/31/2023	N/A
Developed International Equity	$1,880,415	1	N/A	N/A	N/A	Monthly	60 days written notice
Emerging Markets Equity	$1,425,475	1	N/A	N/A	N/A	Monthly	30 days written notice
Small Cap	$1,479,778	1	N/A	N/A	N/A	Quarterly	90 days written notice. 25% of capital balance
Long/Short Hedged Equity	$3,088,832	2	N/A	N/A	N/A	Quarterly	60 days written notice
Long/Short Hedged Equity	1,243,962	1	N/A	N/A	N/A	Next liquidity date 10/31/2021; early redemption after 1 year with fees	60 days written notice
Long/Short Hedged Equity	$1,049,841	1	N/A	N/A	N/A	Next liquidity date 12/31/2021	75 days written notice
Multi-Strategy Hedge Funds	$1,447,547	1	N/A	N/A	N/A	Quarterly	70 days notice (85 if more than 10% of outstanding shares)
Private Equity	$262,809	1	N/A	$54,688	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, 2020:

Financial assets at year-end:	
Cash and cash equivalents	$ 77,552,043
Accounts receivable, net	1,377,236
Contributions receivable, net	23,125,157
Short term Investments	1,732,286
Long term Investments	22,548,902
Total financial assets at year-end	126,335,624
Less amounts not available to be used within one year:	
Restricted by donors for future projects	(77,938,041)
Board-designated net assets	(12,541,002)
Portion of donor-restricted endowment to be retained in perpetuity	(6,578,530)
Investments in non-liquid securities	(5,922,459)
Refundable advances	(2,173,687)
Cash Balance Retirement Plan investments	(2,087,806)
Future expendable donor-restricted endowment	(1,175,812)
Deferred revenue to be earned in future years	(543,971)
Agency funds payable	(547,471)
Note payable	(150,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 16,676,845

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, 2020, restricted contributions of $5,368,248 were included in financial assets available to meet cash needs for general expenditures within one year. The Conservancy also considers $375,142 appropriated from the future expendable donor-restricted endowment to be available to meet cash needs for general expenditures as of September 30, 2021. 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, 2020, 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, 2020 consisted of the following:

Equipment	$ 4,201,729
Vehicles	558,426
Total	4,760,155
Less accumulated depreciation and amortization	(2,996,082)
Furniture, fixtures and equipment, net	$ 1,764,073

Depreciation amounted to $488,308 for the year ended September 30, 2020.

7. Deposits and Other Assets

Deposits and other assets as of September 30, 2020 consisted of the following:

Golden Gate Bridge Project costs	$ 7,028,037
Golden Gate Bridge Project interest	3,264,442
Total	10,292,479
Less accumulated amortization	(9,651,378)
Golden Gate Bridge Project, net	641,101
Deposits	139,675
Prepaid SaaS	197,260
Total Deposits and Other Assets	$ 978,036

Amortization amounted to $1,281,523 for the year ended September 30, 2020.

8. Note Payable

The Conservancy received an Economic Disaster Injury Loan from the Small Business Administration for $150,000 on June 24, 2020. The note bears interest at 2.75% from the loan issuance date and requires interest and principal payments of $641 beginning 12 months from the date of the note. Payments will first be applied to interest and any remaining balance to reduce principal. All remaining principal and accrued interest becomes due and payable thirty years from the date of the note.

Principal payments are due on the note payable at September 30, 2020 as follows:

Year Ending September 30,	
2022	$ 135
2023	3,612
2024	3,713
2025	3,816
Thereafter	138,724
	$ 150,000

9. Board-Designated Net Assets

Board-designated net assets for the following park projects and programs as of September 30, 2020:

Park preservation and enhancement	$ 5,811,279
Greg Moore Parks for All fund	5,250,000
Crissy Field enhancement and repair	1,297,168
Alcatraz preservation and embarkation	182,555
Total Board-designated net assets	$ 12,541,002

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.

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

Net assets with donor restrictions include the following as of September 30, 2020:

Subject to expenditure for specified purpose:	
Presidio Tunnel Tops Project	$ 64,859,883
Other park improvements and conservation projects	7,230,893
One Tam Initiative	4,424,109
Community engagement, education and outreach	3,056,099
Crissy Field projects and programs	2,305,060
Other Presidio trails and projects	548,646
Youth programs	604,288
National Park Service Projects	113,025
Institute at the Golden Gate	5,841
	83,147,844
Subject to the passage of time:	
For periods after September 30, 2020	158,445
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	3,158,896
Crissy Field projects and programs	2,660,471
Other park improvements and conservation projects	1,945,745
Youth programs	364,372
	8,129,484
Total net assets with donor restrictions	$ 91,435,773

10. 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, 2020 as follows:

Subject to expenditure for specified purpose:	
Presidio Tunnel Tops Project	$ 15,363,385
One Tam Initiative	1,310,197
Community engagement, education and outreach	879,871
Other park improvements and conservation projects	675,309
Youth programs	503,814
Crissy Field projects and programs	99,559
Institute at the Golden Gate	74,703
National Park Service Projects	35,868
	18,942,706
Subject to the passage of time:	
For periods after September 30, 2019	40,000
Endowment earnings appropriated for expenditure	362,612
Total net assets released from restrictions	$ 19,345,318

11. 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	$ 735,210	$ 2,423,686	$ 3,158,896
Bernard Osher Endowment	507,719	2,152,752	2,660,471
Ted Chong Endowment Fund	5,784	25,768	31,552
Anne Kincaid Endowment Fund	26,938	102,888	129,826
Mark Kutnink Endowment	131,324	318,436	449,760
Greg Hind Endowment	143,980	1,555,000	1,698,980
	$ 1,550,954	$ 6,578,530	$ 8,129,484

11. Endowment (continued)

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 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 Madeleine Tang Fund was established for the benefit of the Watersheds Inspiring Student Education (WISE) Program in the Golden Gate National Parks and was released from endowment restriction by the donor who established the fund so that it could be deployed to meet the needs of the WISE Program during the year ended September 30, 2020.

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.

Endowment net asset composition by type of fund

	Accumulated Gains/(Losses)	Original Gift Amount	Total With Donor Restrictions
Donor-restricted endowment funds	$ 1,550,954	$ 6,578,530	$ 8,129,484
Total	$ 1,550,954	$ 6,578,530	$ 8,129,484

11. Endowment (continued)

Changes in endowment net assets

	Accumulated Gains/(Losses)	Original Gift Amount	Total With Donor Restrictions
Endowment net assets, beginning of year	$ 1,786,365	$ 6,642,212	$ 8,428,578
Investment return			
Investment income	46,426		46,426
Net depreciation (realized and unrealized)	109,076		109,076
Total investment return	155,502	-	155,502
Contributions		5,200	5,200
Reclassification from endowment to purpose-restricted	(28,302)	(68,882)	(97,184)
Appropriations of endowment assets for expenditure	(362,612)		(362,612)
Endowment net assets, end of year	$ 1,550,954	$ 6,578,530	$ 8,129,484

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, 2020, 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.

11. 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.

12. 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, 2020:

Gross sales	$ 7,751,430
Less cost of goods sold	(2,602,412)
Gross profit	$ 5,149,018

13. 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, 2020:

Total program service expenses	$ 50,295,017
Less cost of goods sold	(2,602,412)
Less donated services	(16,400)
Aid to the Park	$ 47,676,205

14. 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, 2020:

	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	$10,367,847	$ 7,713,808	$4,121,902	$22,203,557	$5,380,272	$2,563,608	$30,147,437
Grants made		15,422,641		15,422,641	150,000		15,572,641
Professional fees and contract services	140,427	1,824,044	135,830	2,100,301	918,541	538,728	3,557,570
Cost of interpretive goods sold	2,602,412			2,602,412			2,602,412
Depreciation and amortization	1,380,298	81,349	234,756	1,696,403	67,362	6,066	1,769,831
Information technology	364,894	242,790	153,698	761,382	631,782	124,269	1,517,433
Office expenses	69,194	155,066	784,794	1,009,054	239,400	263,218	1,511,672
Occupancy costs	893,213	144,001	115,778	1,152,992	298,003	60,329	1,511,324
Materials and supplies	178,507	246,746	147,370	572,623	181,861	37,599	792,083
Planning and design	6,084	594,490	450	601,024	650	11,500	613,174
Landscaping		493,807	12,416	506,223			506,223
Conferences, meetings and travel	74,352	144,008	91,826	310,186	38,289	17,580	366,055
Insurance	109,710	99,260	42,708	251,678	98,806	8,033	358,517
Equipment rental	189,104	97,335	31,903	318,342	15,351	8,285	341,978
Surveys		287,732	8,238	295,970			295,970
Printing	14,779	80,907	4,460	100,146	34,197	145,695	280,038
Bank and merchant fees	218,742		726	219,468	10,928	41,699	272,095
Audit and legal fees	715			715	241,495		242,210
Environmental consulting		169,900		169,900			169,900
Total	16,610,278	27,797,88	5,886,855	50,295,017	8,306,937	3,826,609	62,428,563
Less donor benefits netted from special event revenue						(1,500)	(1,500)
Less advisory fees netted from investment return					(310,121)		(310,121)
Total expenses per Statement of Activities	$16,610,278	$27,797,884	$5,886,855	$50,295,017	$7,996,816	$3,825,109	$62,116,942

15. Lease Obligations

The Conservancy leases certain office equipment, warehouse facilities, audio tour headsets, office space and vehicles and space at the Port of San Francisco under operating leases through 2069. The aggregate future minimum annual rental payments under noncancelable operating leases in effect at September 30, 2020, are as follows:

Years Ending September 30	
2021	$ 964,107
2022	1,062,831
2023	1,025,469
2024	275,146
2025	237,181
Thereafter	16,265,471
Total	$19,830,204

Rent expense for the year ended September 30, 2020 was $1,004,468.

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. No rent is due during periods in which Alcatraz Island is closed. The Rent Commencement Date for Phase I began on July 1, 2020; Phase II had not been turned over to the Conservancy as of September 30, 2020.

16. 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, 2020 approximated $648,875.

17. 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, 2020.

18. 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.

The funded status of the plan is as follows:

Plan Assets at fair value	$2,087,806
Accumulated benefits obligation	(1,492,009)
	$ 595,797

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

Service cost	$ 410,534
Interest cost	55,223
Expected return on plan assets	(85,012)
Prior service amortization	0
Amortization of gains	(3,685)
	$ 377,060

18. 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%	26.9%
Large Cap Stocks	25.0%	26.1%
Small Cap Stocks	10.0%	9.9%
Foreign Stocks	35.0%	37.1%
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 establishes 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 $9,537 for the year ended September 30, 2020.

Contributions - The Conservancy contributed $391,200 to the Cash Balance Plan during the year ended September 30, 2020.

Cash flows - Based on the Company's forecast at September 30, 2020, the Company expects to contribute $300,000 to the Cash Balance during the year ending September 30, 2021 (see Note 23).

18. Cash Balance Retirement Plan (continued)

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

Years Ending September 30	
2021	$ 775,115
2022	33,796
2023	1,446
2024	27,115
2025	39,780
Thereafter	1,274,834
Total	$ 2,124,971

19. 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.

20. 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 65% of program revenue for fiscal 2020.

Approximately 13% of contributed income for the year ended September 30, 2020, including the net proceeds from special events, was attributable to various members of the Board of Trustees.

21. Commitments

The Conservancy has entered into various construction contracts for trail enhancement and conservation projects totaling approximately $8 million. As of September 30, 2020, the total remaining balances on these contracts for work to be completed, was approximately $4.4 million. The Conservancy also had outstanding purchase commitments for publications and other interpretive merchandise approximating $5,500 at September 30, 2020.

22. Paycheck Protection Program

On April 24, 2020, the Conservancy received loan proceeds of $6,155,984 from a promissory note issued by City National Bank under the PPP which was established under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by the U.S. Small Business Administration. The term of the loan is two years and the annual interest rate is 1%. Payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Conservancy believes it has met the PPP's eligibility criteria and has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven, and accordingly has accounted for the PPP loan in accordance with contribution revenue recognition guidance. Proceeds received under the PPP loan are recognized as revenue when the Conservancy has incurred expenditures in compliance with the promissory note provisions and when the barrier and right of return have been overcome. The Conservancy recognized substantially all of the loan proceeds as grant revenue during the year ended September 30, 2020 based on qualifying expenditures made under the PPP that are expected to be forgiven.

23. Subsequent Events

Leases

The Conservancy terminated an office lease in the Presidio on December 31, 2020 before the lease expired. No penalties or fees were assessed for the early lease termination.

Cash Balance Retirement Plan

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 ending 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.

Paycheck Protection Program

On February 3, 2021, the Conservancy received loan proceeds of $2,000,000 from a promissory note issued by City National Bank under the PPP established by the CARES Act. This represents the Conservancy's second loan under the PPP (see Note 22). The term of the loan is five years and the annual interest rate is 1.00%. Payments of principal and interest and deferred up to the first ten months of the loan. Consistent with the terms of the first PPP loan, the Conservancy can apply for and can be granted forgiveness for all or a portion of the loan proceeds, based on the use of the loan proceeds.