POINT REYES NATIONAL SEASHORE ASSOCIATION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Point Reyes National Seashore Association
Point Reyes Station, California

We have audited the accompanying financial statements of Point Reyes National Seashore Association (PRNSA) (a California corporation), which comprise the statement of financial position as of March 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Board of Directors
Point Reyes National Seashore Association

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Point Reyes National Seashore Association as of March 31, 2021 and change in their net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note 1 to the financial statements, PRNSA has adopted Accounting Standards Update (ASU) No. 2014-19*, Revenue from Contracts with Customers (Topic 606).* The adoption of this standard did not have a significant impact on PRNSA's reported historical revenue. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
May 24, 2022

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	1,826,123
Investments		150,199
Accounts and Grants Receivable		153,242
Inventory, Net of Inventory Reserve for Obsolescence of $13,078		117,703
Prepaid Expenses		1,470
Total Current Assets		2,248,737
PROPERTY AND EQUIPMENT, NET		33,558
Land Held for the National Park Service		1,654,900
Total Assets	$	3,937,195

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$	17,772
Accrued Liabilities		90,619
Deferred Revenue		48,562
Total Current Liabilities		156,953
LONG-TERM LIABILITIES		
Paycheck Protection Program Loan		412,000
Total Long-Term Liabilities		412,000
Total Liabilities		568,953
NET ASSETS		
Without Donor Restrictions:		1,248,203
With Donor Restrictions:		2,120,039
Total Net Assets		3,368,242
Total Liabilities and Net Assets	$	3,937,195

See accompanying Notes to Financial Statements

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Donations and Grants	$ 1,525,300	$ 409,097	$ 1,934,397
Membership Contributions	187,511	-	187,511
Sponsorship Contributions	239,000	-	239,000
Investment Income	50,660	-	50,660
Interest Income	686	-	686
Other Income	36,099	-	36,099
Net Assets Released from Restriction	202,749	(202,749)	-
Total Revenue, Support, and Gains	2,242,005	206,348	2,448,353
EXPENSES			
Program Services	754,042	-	754,042
Management and General	220,458	-	220,458
Fundraising	338,891	-	338,891
Total Expenses	1,313,391	-	1,313,391
CHANGE IN NET ASSETS	$ 928,614	$ 206,348	$ 1,134,962
Net Assets - Beginning of Year, As Previously Reported	$ 723,489	$ 1,509,791	$ 2,233,280
Prior Period Adjustment	(403,900)	403,900	-
Net Assets - Beginning of Year, As Restated	319,589	1,913,691	2,233,280
Change in Net Assets	928,614	206,348	1,134,962
NET ASSETS - END OF YEAR	$ 1,248,203	$ 2,120,039	$ 3,368,242

See accompanying Notes to Financial Statements

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2021

	Program Services				Support services		
	Stores	Education	Pak Project	Total Program	Management and General	Fundraising	Totals
Salaries and Wages	$ 15,191	$ 237,431	$ 256,358	$ 508,980	$ 106,542	$ 152,566	$ 768,088
Employee Benefits	4,189	56,873	44,454	105,516	26,789	34,576	166,881
Bank Fees	-	-	-	-	1,737	144	1,881
Communications	420	12,663	-	13,083	-	33,460	46,543
Contract Services	-	13,872	17,788	31,660	-	25,910	57,570
Computer Equipment	2,974	1,829	40	4,843	6,935	505	12,283
Cost of Goods Sold	19,110	-	-	19,110	-	-	19,110
Dues and Memberships	-	3,490	-	3,490	1,450	70	5,010
Food	-	452	167	619	670	7,443	8,732
Information Technology	5,696	9,797	455	15,948	1,139	12,526	29,613
Insurance	5,089	8,753	408	14,250	1,018	5,089	20,357
Mail House	-	-	-	-	-	4,208	4,208
Miscellaneous	308	-	75	383	31,638	2,073	34,094
Merchant Service Charges	1,908	2,025	9	3,942	260	12,954	17,156
Park projects	-	-	150	150	-	-	150
Postage	-	209	-	209	101	4,905	5,215
Printing	-	-	-	-	-	9,690	9,690
Professional Fees	-	-	431	431	29,641	462	30,534
Property Maintenance	179	1,536	14	1,729	4,950	233	6,912
Supplies and Service	737	2,657	5,532	8,926	1,355	6,288	16,569
Telephone and Internet	4,627	7,957	370	12,954	974	4,627	18,555
Training	-	-	150	150	1,378	1,522	3,050
Travel	-	976	-	976	66	-	1,042
Utilities	2,390	4,112	191	6,693	478	2,390	9,561
Website	-	-	-	-	500	17,250	17,750
Depreciation	-	-	-	-	2,837	-	2,837
Total Expenses	$ 62,818	$ 364,632	$ 326,592	$ 754,042	$ 220,458	$ 338,891	$ 1,313,391

See accompanying Notes to Financial Statements

POINT REYES NATIONAL SEASHORE ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 1,134,962
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	2,837
Realized/Unrealized Gain on Investments	(39,507)
Changes in Operating Assets and Liabilities:	
Receivables	18,687
Inventory	19,073
Prepaid Expenses and Deposits	19,639
Accounts Payable	(56,337)
Accrued Expenses	(5,726)
Deferred Revenue	(179,483)
Net Cash Provided by Operating Activities	914,145
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Paycheck Protection Program Loan	412,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,326,145
Cash and Cash Equivalents - Beginning of Year	499,978
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,826,123

See accompanying Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following items comprise the significant accounting policies of Point Reyes National Seashore Association (PRNSA). The policies reflect industry practices and conform to accounting principles generally accepted in the United States of America.

Nature of Activities

In 1964, PRNSA was formed to help the National Park Service (NPS) preserve and enhance the Point Reyes National Seashore's extraordinary natural, cultural, and recreational resources. PRNSA partners' with the National Park Service to create opportunities for all people to experience, enhance, and preserve Point Reyes National Seashore for present and future generations. PRNSA is a cooperating association, which means we are the Seashore's primary nonprofit partner. PRNSA raises funds to support critical resource preservation projects and offer year-round environmental education programs that engage the public in accessing, enjoying, and understanding Point Reyes National Seashore. Since our founding, PRNSA has raised millions of dollars to support park projects and environmental education programs that enhance the visitor experience, protect the park's resources, improve wildlife habitat, and make a profound difference in the lives of children and adults.

Financial Statement Presentation

PRNSA follows the recommendations of the Financial Accounting Standards Board (FASB). The FASB establishes standards for financial reporting by nonprofit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. A description of the two net asset categories is as follows:

Net Assets Without Donor Restrictions – Net assets are available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor-stipulation or by law. When a restriction expires (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has elapsed), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restriction.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Method

Assets, liabilities, revenues, and expenses are recorded under the accrual method of accounting.

National Park Service Agreements

PRNSA operates as the primary nonprofit partner of the park under a Cooperating Association Agreement (CAA). The latest CAA became effective December 20, 2010, and with extensions will expire on March 7, 2032. In addition, the NPS reserves the right to terminate the CAA at any time.

NPS provides financial assistance to PRNSA, in the form of task agreements and work orders, for specific park projects. Such financial assistance is governed by a Cooperative Agreement. The latest Cooperative Agreement became effective on July 15, 2019, and will expire on July 15, 2024.

Cash and Cash Equivalents

PRNSA considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Concentrations

Credit Risk:

PRNSA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. PRNSA has not experienced any losses in such accounts. PRNSA believes it is not exposed to any significant credit risk on cash and cash equivalents.

Receivables:

At March 31, 2021, two customers accounted for approximately 92% of accounts and grants receivable. Accounts and grants receivable as of March 31, 2021 and 2020, are $153,242 and $171,929, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and Grants Receivable

Accounts receivable and grants receivable consists of grants which have been recorded as revenue but have not been received as of March 31, 2021. PRNSA considers accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory

Inventory consists principally of books and other merchandise available for sale at the bookstores. PRNSA states its inventory at the lower of costs or net realizable value, using the first-in, first-out basis. An inventory reserve is maintained to provide for obsolescence or outdated inventory items that can be expected over the normal course of operations. The reserve is based on management's analysis of the inventory balance and general business and economic conditions in the community. As of March 31, 2021, management determined a reserve of $13,078.

Investments

PRNSA records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management, and custodial fees.

Property and Equipment

Property and equipment, carried at cost, is depreciated over the estimated useful life of the related asset. PRNSA's policy is to capitalize such items with a cost of $5,000 or more. Costs of repairs and maintenance are charged to expense. Upon retirement or disposal of property and equipment, the costs and related depreciation are removed from the accounts, and gains or losses, if any, are reflected in the change in net assets. Depreciation is provided for under the straight-line method for financial reporting. The estimated useful lives used for calculating depreciation for property and equipment are as follows:

Furniture and Equipment	3-7 Years
Leasehold Improvements	15 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land Held for the National Park Service

Periodically, PRNSA purchases or receives contributions of land, usually contiguous with the park. Donors generally restrict such contributions as additions to the park. PRNSA records purchases of land at cost and contributions of land at fair value, generally determined using an independent appraisal. PRNSA expenses subsequent costs required to maintain the land. Due to various requirements and conditions that the NPS puts on contributions of land, there can be a significant lag between the time PRNSA purchases or receives a contribution of land and the subsequent transfer of that land to the NPS. Accordingly, "Land Held for the National Park Service" on the statement of financial position consist of land purchased or received by PRNSA but not transferred to the NPS.

Contributions, Sponsorships and Grants

PRNSA recognizes contributions when a donor makes an unconditional promise to provide support. Grant support consist principally of conditional cost-reimbursement government grants. PRNSA does not recognize support from these grants until it fulfils the condition; generally, by expending costs and performing services to accomplish the requirements of the grants. PRNSA fulfils the condition and meets the restriction of such grants simultaneously. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. PRNSA does not have cost reimbursable grants that have not been recognized at March 31, 2021 because qualifying expenditures have not yet been incurred.

Contributed Services

Under the CAA with the NPS, PRNSA may occupy and use certain buildings within the park rent-free. PRNSA has not estimated the fair value of such rent-free occupancy or recognized the amount. In addition, the NPS charges PRNSA certain maintenance costs, which PRNSA expenses.

Volunteers contribute their time assisting PRNSA in carrying out its activities. Although the value of volunteer contributions is substantial to the activities of PRNSA, PRNSA does not recognize their value because they do not meet the criteria for recognition in accordance with US GAAP.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on the statement functional expenses based on their natural classification. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Such allocations are determined by management on an equitable basis. PRNSA allocates indirect expenses among programs, management and general, and fundraising services, on a basis proportionate to the direct staff time or other method which best measures the relative degree of benefit. The expenses that are allocated include payroll, taxes and benefits, which are allocated on the basis of estimates of time and effort.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Under applicable laws and regulations, PRNSA has been determined to be exempt from federal and California income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and from California bank and corporation taxes under Section 23701 (d) of the California Revenue and Taxation Code, respectively. In addition, PRNSA qualifies for charitable deduction under IRS Section 509(a)(1) and has been classified as a publicly supported organization as described in the IRC Section 509(a)(1). Accordingly, donors are entitled to the maximum charitable contribution deduction by law.

Management believes that none of the activities of PRNSA jeopardized its exemption from income taxes or its classification as a “public charity”. Accordingly, no provision for income taxes has been recorded in these financial statements.

Uncertain Income Taxes

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires PRNSA to report information regarding its exposure to various tax positions taken by PRNSA. PRNSA has determined whether any tax positions have met the recognition threshold and have measured the exposure to those tax positions. Management believes that PRNSA has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to PRNSA are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Change in Accounting Principles

On May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606).* Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

PRNSA’s financial statements reflect the application of ASC 606 guidance beginning in April 2020. PRNSA has adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, as management believes the standard improves the usefulness and understandability of PRNSA, financial reporting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principles (Continued)

Analysis of various provisions of this standard resulted in no significant changes in the way PRNSA recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required as the adoption of ASU 2014-09 did not significantly impact PRNSA's reported historical revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard. Effective April 1, 2020, PRNSA adopted topic 606 using the full retrospective method for transition and applied the guidance to all contracts, with no impact to prior year balances or beginning of year end net assets.

Revenue Recognition

All revenue streams that fall under Accounting Standards Update (ASU) 2014-09*, Revenue Contracts with Customers, (Topic 606*) are recognized at a point in time. Revenue streams consist of inventory sales, field institute classes, summer camps and school fees. All revenue received in advance of products or services provided are deferred. Deferred revenue as of March 31, 2021, was $48,562. Lastly, no revenue was recognized from inventory sales, summer camps or school fees because of the COVID-19 pandemic closed or cancelled all events/classes.

Subsequent Events

PRNSA has evaluated all subsequent events through May 24, 2022, the date the financial statements were available to be issued. See Note 10 and Note 11.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets at Year End:	
Cash and Cash Equivalents	$ 1,826,123
Investments	150,199
Accounts Receivable	153,242
Total Financial Assets	2,129,564
Less: Amounts not Available to be Used Within One Year	
Board Reserves	(905,000)
Donor Restricted Funds	(474,139)
Financial Assets Not Available to be Used in One Year	(1,379,139)
Financial Assets Available to Meet General Expenditures Within One Year	$ 750,425

PRNSA endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

NOTE 3 ACCOUNTS AND GRANTS RECEIVABLE

As of March 31, 2021, accounts and grants receivable consists of the following:

State of California -- Department of Fish and Wildlife	$	12,981
One Voice Charitable Fund		100,000
U.S. Department of the Interior -- National Park Service		40,261
Total Accounts and Grants Receivable	$	153,242

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2021:

Furniture and Equipment	$	116,763
Leasehold Improvements		42,526
Total Property and Equipment		159,289
Less: Accumulated Depreciation		(125,731)
Total Property and Equipment, Net	$	33,558

Depreciation expense for the year ended March 31, 2021, was $2,837, and is included in the statement of functional expenses.

NOTE 5 FAIR VALUE MEASUREMENT OF INVESTMENTS

The Fair Value Measurements Topic of the FASB Codification establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurements Topic are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that PRNSA has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 5 FAIR VALUE MEASUREMENT OF INVESTMENTS (CONTINUED)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value of measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position. There were no changes in methodologies in the year ended March 31, 2021.

Investments

Certificates of Deposits: Valued at cost, which approximates fair value, with original maturities in excess of three months.

Endowment Funds, Foundation Investments: Valued at the net asset value (NAV) of shares held by PRNSA at year-end.

The methods described above may produce a fair value calculation that may not be as indicative of net realizable value or reflective of future fair values. Furthermore, while PRNSA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes the assets measured at fair value on a recurring basis, at March 31, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marin County Community Foundation Investments	$ 145,199	$ -	$ 145,199	$ -
Total	145,199	$ -	$ 145,199	$ -
Investments Valued at Cost:				
Certificates of Deposit	5,000			
Total Investments	$ 150,199			

NOTE 6 ENDOWMENTS

Endowment funds consist of net assets with donor restrictions related to the Neubacher and Kearns funds and net assets without donor restrictions designated by the board of directors (BOD) to function as endowments. PRNSA classifies and reports net assets associated with endowment funds, including funds designated by the BOD to function as endowments, based on the existence or absence of any donor restrictions.

Endowment funds with donor restrictions are subject to US-GAAP and the California version of the Uniform Prudent Management of Institutional Funds Act (CA-UPMIFA). Funds designated by the BOD to function as endowments are subject only to US-GAAP.

Under CA-UPMIFA, PRNSA classifies endowment funds with donor restrictions as net assets with donor restrictions until the BOD appropriates amounts for expenditures, consistent with the standards of prudence prescribed by CA-UPMIFA, including the limitation under California state law limiting appropriations to seven percent of the fair value of the endowment funds, and meets any time or purpose restriction. PRNSA holds endowment funds with donor restriction that require them to maintain the original value of initial and subsequent gifts donated to the fund and any accumulations to the fund that the applicable donor gift instrument requires PRNSA to maintain in perpetuity. In addition, the endowment assets are held by the Marin County Community Foundation and are subject to the “Spending Rule” of the community foundation. As of March 31, 2021, PRNSA had the following endowment net asset composition by type of fund:

Endowment Funds	Without Donor Restriction	With Donor Restrictions	Total
Board-Designated (Note 7)	$ 100,658	$ -	$ 100,658
Donor-Restricted	-	149,540	149,540
Total	$ 100,658	$ 149,540	$ 250,198

NOTE 6 ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the fiscal year ended March 31, 2021, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 100,663	$ 110,029	$ 210,692
Investment Return:			
Investment Income, Net of Fees	(5)	(389)	(394)
Realized and Unrealized Gains	-	39,900	39,900
Total Investment Return	(5)	39,511	39,506
Endowment Contributions and Other Changes to Board-Designated Amounts	-	-	-
Appropriation of Endowment Assets Pursuant to Spending Policy	-	-	-
Endowment Net Assets - End of Year	$ 100,658	$ 149,540	$ 250,198

Investment and Spending Policies

PRNSA has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Under this policy, the primary investment objective for net assets with donor restrictions related to the Kearns fund shall be protection of principal, not maximization of return. Maintaining liquidity sufficient to meet projected expenditures shall be a priority. PRNSA invests such funds in low-risk investments such as money market funds, short-term deposits, and Treasury securities.

The primary investment objective for net assets with donor restrictions related to the Neubacher fund and net assets without donor restrictions designated by the BOD is to function as endowments and shall be the maintenance of inflation-adjusted principal and to earn income from interest, dividends, and capital appreciation equal to or exceeding accepted marketing indices, e.g., the Dow Jones Industrial Average and the S&P 500. Liquidity is not a priority since PRNSA does not expect to expend next assets with donor restrictions related to the Neubacher funds and net assets without donor restrictions designated by the BOD to function as endowments on short notice. PRNSA may invest these funds in low-risk securities, such as diversified stock and bond portfolios, but not in options, futures or through short selling or trading on the margin.

If there are donor-specific investment guidelines, those guidelines supersede the investment policy of PRNSA and PRNSA shall adhere to those guidelines.

In addition, the endowment assets held by the community foundation are subject to the “Investment Policy” of the community foundation. Under this policy, actual returns in any given year may vary from expectations.

NOTE 6 ENDOWMENTS (CONTINUED)

Net assets without donor restrictions designated by the BOD to function as endowments are subject to redesignation at any time, including redesignation as other than endowment funds.

NOTE 7 NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

As of March 31, 2021, the board of directors of PRNSA designated certain net assets without donor restrictions for specific purposes, totaling as follows:

Programs	$ 805,000
Emergency Reserve	100,000
Total Designated Net Assets Without Donor Restrictions	905,000
Total Undesignated Net Assets Without Donor Restrictions	343,203
Total Net Assets Without Donor Restrictions	$ 1,248,203

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of March 31, 2021:

Subject to Expenditure for Specified Purpose:	
Park Projects	$ 1,728,253
Education	141,588
Endowments:	
Subject to Appropriation and Expenditure when a Specified Event Occurs:	
Unappropriated Earnings on Permanently Restricted Endowment Funds for Various Programs	39,506
Subject to Endowment Spending Policy and Appropriation:	
Donor-Restricted Endowment Funds for Various Programs	210,692
Total Net Assets With Donor Restrictions	$ 2,120,039

During the year ended March 31, 2021, net assets were released from donor restrictions totaling $202,749 by incurring expenses for parks projects, education, and other donor restrictions.

NOTE 9 RETIREMENT PLANS

PRNSA sponsors a defined contribution salary deferral plan under Internal Revenue Code Section 403(b) for its eligible employees. Eligible employees may contribute up to 100% of their eligible salary to the plan, subject to limits imposed by the Internal Revenue Code. During the year ended March 31, 2021, PRNSA matched 100% of employee contributions, up to 2% of the eligible compensation of each contributing employee, totaling $13,615.

NOTE 10 PAYCHECK PROTECTION PROGRAM LOAN

On April 28, 2020, and February 11, 2021, PRNSA received proceeds in the amount of $150,000 (Draw 1) and $262,000 (Draw 2), respectively to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. As of March 31, 2021, PRNSA has not satisfied the performance barriers attributable to the $412,000 of the PPP Loan proceeds, and this amount is classified as Paycheck Protection Program Loan in the accompanying statement of financial position. Payment of principal and interest was deferred until the date on which the amount of forgiveness is remitted to the lender or, if PRNSA fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The covered period from April 28, 2020 to November 28, 2020 (Draw 1), and February 11, 2021 to September 11, 2021 (Draw 2), respectively is the time that PRNSA had to spend their PPP Loan funds. PRNSA's policy is to follow ASC 470. Under this guidance, PRNSA recorded the PPP Loan proceeds as a liability on the statement of financial position and will recognize revenue and reduce the liability at the time when notification of forgiveness has been received.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on PRNSA's financial position.

Subsequent to the year ended March 31, 2021, the SBA processed PRNSA's PPP Loan forgiveness application for Draw 1 and notified Bank of Marin the PPP loan qualified for forgiveness. Loan proceeds were received by the bank from the SBA on this date.

NOTE 11 CONTINGENCIES

PRNSA receives government grants support pursuant to agreements with NPS and other governmental agencies. The agreements provide NPS and other governmental agencies with the opportunity to review or audit the expenditure of government grants support to establish compliance with laws and regulations and the specific terms of the agreements. Management believes that PRNSA has complied with the various requirements under these agreements and that any adjustments, if they were to occur, would not severely impact the financial position of PRNSA.

NOTE 11 CONTINGENCIES (CONTINUED)

In 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic caused significant effects on global markets, supply chains, businesses, and communities. Specific to PRNSA, COVID-19 may impact various parts of its 2022 operations and financial results, including contributions. Management believes PRNSA is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 12 PRIOR PERIOD ADJUSTMENT

During the fiscal year ended March 31, 2021, it was noted that PRNSA did not properly reflect the full value of the land held for the National Park Service as a net asset with donor restrictions. By properly recognizing the land held for use as with donor restriction resulted in a restatement of net assets as of April 1, 2020. See table below:

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	2020 Balances as Previously Reported	Adjustment for Property Held for NPS	2020 Balances As Restated
Net Assets Without Donor Restrictions	$ 723,489	$ (403,900)	$ 319,589
Net Assets With Donor Restrictions	1,509,791	403,900	1,913,691
Total Net Assets	$ 2,233,280	$ -	$ 2,233,280