

NATIONAL PARK TRUST, INC.
AND
CANONIE IDNL ACQUISITION LLC
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2015 AND 2014

PHILLIPS & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC

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PHILLIPS & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC

We have audited the accompanying consolidated financial statements of National Park Trust, Inc. and Canonie IDNL Acquisition LLC (both nonprofit organizations and herein referred to as the Trust) which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years 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 audits. We conducted our audits 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 of 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 auditors consider 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 National Park Trust, Inc. and Canonie IDNL Acquisition LLC as of June 30, 2015 and 2014, 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.

Other-Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on page 16-18 is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Philip & Associates, LLC

Rockville, Maryland

October 28, 2015

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 99,766	\$ 167,408
Restricted cash (NOTE 2)	726,281	383,994
Contributions receivable, net (NOTE 4)	229,126	310,150
Inventory	34,307	31,186
Prepaid expenses	13,251	13,149
Total Current Assets	1,102,731	905,887
Investments (NOTE 3)	308,340	298,013
Office furniture and equipment, net of accumulated depreciation of \$18,576 and \$17,674, respectively	925	1,549
Real estate and related holdings:		
Conservation easement (NOTE 10)	1,465,100	1,465,100
Mineral rights (NOTE 11)	1,390,600	1,390,600
Property for parks (NOTE 12)	650,377	618,031
Total real estate and related holdings (NOTE 3)	3,506,077	3,473,731
TOTAL ASSETS	\$ 4,918,073	\$ 4,679,180

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 77,572	\$ 33,274
Total Current Liabilities	77,572	33,274
NET ASSETS		
Unrestricted		
Undesignated	320,418	473,802
Board designated:		
Property held for exempt purposes	2,855,700	2,855,700
Total Unrestricted	3,176,118	3,329,502
Temporarily Restricted (NOTE 7)	1,385,003	1,002,024
Permanently Restricted (NOTE 8)	279,380	314,380
Total Net Assets	4,840,501	4,645,906
TOTAL LIABILITIES AND NET ASSETS	\$ 4,918,073	\$ 4,679,180

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

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014 TOTAL	
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED		TOTAL
REVENUE					
Contributions and grants	\$ 669,353	\$ 505,000	\$ -	\$ 1,174,353	\$ 1,392,594
Consignment and other sales income, net of COGS (NOTE 15)	23,863	-	-	23,863	78,827
Investment income (NOTE 3)	10,453	-	-	10,453	8,406
In-kind contributions (NOTE 13)	239,000	-	-	239,000	156,000
Other income	1,000	-	-	1,000	767
TOTAL REVENUE	943,669	505,000	-	1,448,669	1,636,594
NET ASSETS RELEASED FROM RESTRICTIONS (NOTE 7)	157,021	(122,021)	(35,000)	-	-
TOTAL REVENUE AND RECLASSIFICATIONS	\$ 1,100,690	\$ 382,979	\$ (35,000)	\$ 1,448,669	\$ 1,636,594

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

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014 TOTAL
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	
EXPENSES				
Program Services:				
Youth projects	\$ 646,823	\$ -	\$ -	\$ 646,823
Land conservation	195,534	-	-	195,534
Public education	130,309	-	-	130,309
Total program services	<u>972,666</u>	<u>-</u>	<u>-</u>	<u>972,666</u>
Supporting Services:				
General and administrative	134,518	-	-	134,518
Fundraising	147,198	-	-	147,198
	<u>281,716</u>	<u>-</u>	<u>-</u>	<u>281,716</u>
TOTAL EXPENSES	1,254,382	-	-	1,254,382
CHANGES IN NET ASSETS BEFORE NON-OPERATING ITEMS	(153,692)	382,979	(35,000)	194,287
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>
CHANGE IN NET ASSETS	(153,384)	382,979	(35,000)	194,595
NET ASSETS BEGINNING OF YEAR	<u>3,329,502</u>	<u>1,002,024</u>	<u>314,380</u>	<u>4,645,906</u>
END OF YEAR	<u>\$ 3,176,118</u>	<u>\$ 1,385,003</u>	<u>\$ 279,380</u>	<u>\$ 4,840,501</u>

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

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 194,595	\$ 637,595
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Permanently restricted contributions (released) received	(35,000)	1,250
Donated investment securities	(28,806)	-
Realized and unrealized gains	(308)	(24,942)
Depreciation	623	899
Changes in:		
Receivables and prepaid expenses	80,926	81,210
Inventory	(3,121)	(5,378)
Accounts payable and accrued expenses	44,298	(30,852)
Net Cash Provided By Operating Activities	<u>253,207</u>	<u>659,782</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/redemption of investments	18,784	(17,939)
Purchase of real estate	<u>(32,346)</u>	<u>(618,030)</u>
Net Cash (Used For) Investing Activities	<u>(13,562)</u>	<u>(635,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions received (released)	<u>35,000</u>	<u>(1,250)</u>
Net Cash Provided By (Used For) Financing Activities	<u>35,000</u>	<u>(1,250)</u>
NET INCREASE IN CASH	274,645	22,563
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>551,402</u>	<u>528,839</u>
End of year	<u>\$ 826,047</u>	<u>\$ 551,402</u>

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

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. ORGANIZATION AND PURPOSE

NATIONAL PARK TRUST, INC. (the Trust) is incorporated as a not-for-profit organization in the District of Columbia and, as such, its purposes shall be limited to only charitable, scientific, literary or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

National Park Trust's mission is to preserve parks today and create park stewards for tomorrow.

Preserve parks today: The Trust has completed more than 100 land conservation projects from Florida to Alaska and has preserved more than 40,000 acres of parkland from development. The Trust moves quickly to select, acquire, and protect park land by dedicating funding to high-priority projects. The Trust also serves as a partner with national and local land trusts and friends groups to provide critical funding to complete park preservation projects.

Create park stewards for tomorrow: To meet the growing disconnect between kids and nature, the Trust's environmental education initiatives, the Buddy Bison School Program and grassroots movement Kids to Parks Day, provide in-depth park experiences for under-served youth, their families and teachers. The park experiences complement and enhance classroom curriculum. To date, the Trust's youth programs have reached more than 1,000,000 children and families and have garnered recognition from the First Lady and her Let's Move! office, the Secretary of the Interior, the Director of the National Park Service and numerous education and conservation communities.

CANONIE IDNL ACQUISITION LLC is a Limited Liability Company formed on March 14, 2014, under the laws of Indiana. Its sole member is the National Park Trust. It is organized and operated exclusively for the tax exempt purpose of acquiring parcels of land on Canonie Road adjacent to Indiana Dunes National Lakeshore (IDNL), holding them for conservation, and donating them to the US National Park Service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Unrestricted net assets – Net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Trust and/or the passage of time.
- Permanently restricted net assets – Donor-imposed restrictions that stipulate that resources be maintained permanently but permits the organization to use up or expend part of all of the income (or other economic benefits) derived from the donated assets.

Principles of Consolidation

The consolidated financial statements include the accounts of National Park Trust, Inc. and Canonie IDNL Acquisition LLC. All material inter-company transactions and accounts have been eliminated.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the statements of financial position and cash flows, management considers its operating bank accounts to be cash and cash equivalents. Short-term investments are not considered to be cash and cash equivalents. Market funds not held for long-term investments are considered part of cash and cash equivalents.

Balances in bank accounts occasionally exceed \$250,000, which is the maximum amount covered by federal depository insurance. As of June 30, 2015 and 2014, the Trust had cash in a financial institution that exceeded federally insured limits by \$49,558 and \$0, respectively.

In addition, NPT has restricted cash that is not available for immediate use. Such cash cannot be used by NPT until a certain point or event in the future. Restricted cash includes amounts in money market and savings accounts restricted to be spent on mitigation settlement-directed park projects and direct land purchases under temporarily restricted grant agreements. As of June 30, 2015 and 2014, the balance of restricted cash was \$726,281 and \$383,994, respectively.

Investments

The Trust carries investments in equity securities with readily determinable fair values and investments in debt securities at their fair values in the statement of financial position. Fair value is determined, when available, from quoted prices on major markets such as the New York Stock Exchange. Unrealized gains and losses are included in the changes in net assets in the accompanying statement of activities.

Fair Value Measurements

The Trust has adopted FASB Accounting Standards Codification (ASC) 820 relating to standards on fair value measurement, which apply whenever other authoritative literature requires certain assets and liabilities to be measured at fair value. Items carried at fair value on a recurring basis consist primarily of financial instruments which are valued primarily based on quoted prices in active or brokered markets for identical as well as similar assets and liabilities. The Trust also uses fair value concepts to test various long-lived assets for impairment, if applicable.

Contributions Receivable

The Trust records support from fundraising campaigns in the year in which the fundraising activity occurs.

Property and Equipment

The Trust capitalizes all property and equipment over \$1,000. Property and equipment is recorded at cost or, if donated, at the approximate fair value at the date of donation. Equipment is being depreciated over estimated useful lives, primarily five years.

Real Estate and Related Holdings

Real estate and related holdings are recorded at cost if purchased, or, if donated, at fair market value on the date of the donation as determined primarily by one of the following valuation procedures:

- For material donations where a current appraisal is available from a professional qualified appraiser, such value may be adopted when the Trust is satisfied that the appraisal is reasonable.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Real Estate and Related Holdings (Continued)

- For immaterial donations where a current appraisal is not available, the Trust may use alternative methods that are cost effective for the individual circumstances. These methods may include self-appraisal and/or information provided by third parties including brokers, agents and others.

The Trust acquires, either through purchases or donation, real estate and related holding with the intention of holding, selling or transferring for the purpose of preserving the National System of Parks.

Net Assets

Unrestricted net assets consist of undesignated and board designated net assets. Undesignated net assets are funds which are currently available to support daily operations. Board designated net assets consist of unrestricted funds designated by the Board of Trustees for specific purposes.

Temporarily Restricted Net Assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because of the passage of time or because certain actions are taken by NPT which fulfill the restrictions.

Permanently Restricted Net Assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained permanently.

Revenues and Expenses

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in restricted net assets where their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor stipulated purposes or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets. If the restriction is met in the same period in which the revenue is received, the revenue is recognized as unrestricted support.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at a rate commensurate with the risks involved.

In-Kind Contributions

The Trust receives in-kind contributions from individuals and organizations interested in the Trust's programs. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. The in-kind contributions include mainly legal services and are recorded as revenue at a value estimated by the donor.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Trust and Canonie IDNL Acquisition LLC are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the Trust is required to report unrelated business income to the Internal Revenue Service and the District of Columbia. There was no unrelated business income tax expense for the year ended June 30, 2015.

The Trust adopted a policy that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on an income tax return that are not certain to be realized. The implementation of this policy had no impact on the Trust's financial statements.

The income tax positions taken by the Trust for any years open under the various statutes of limitations are that the Trust continues to be exempt from income taxes and the Trust has properly reported unrelated business income that is subject to income taxes. The Trust believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax benefits within 12 months of the reporting date. None of the Trust's federal income tax returns are currently under examination. However, fiscal years 2012 and later remain subject to examination by the IRS and state authorities.

Impairment of Long-lived Assets

Each year, the Trust reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a recognized loss, to its current fair value.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year expense information has been reclassified to conform to the June 30, 2015 financial presentation.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

3. INVESTMENTS

Investments are categorized by Level 1, 2, and 3, which are based on the degree of certainty around the investments' underlying value. Level 1 investment's can be valued with certainty because they are liquid and have clear market prices. Level 3 investments are illiquid and estimating their value requires inputs that are unobservable and reflect management assumptions.

	<u>2015</u>	<u>2014</u>
<u>Level 1</u>		
Cash and cash equivalent	\$ 9,972	\$ 6,858
Corporate securities	217,734	205,811
Property for parks	650,377	618,031
Fixed income, asset-backed securities	<u>80,634</u>	<u>85,344</u>
	<u>\$ 958,717</u>	<u>\$ 916,044</u>
 <u>Level 3</u>		
Mineral rights	\$ 1,390,600	\$ 1,390,600
Conservation easement	<u>1,465,100</u>	<u>1,465,100</u>
	<u>\$ 2,855,700</u>	<u>\$ 2,855,700</u>

The following schedule summarizes investment return at June 30:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 10,453	\$ 8,406
Unrealized gains on investments	<u>308</u>	<u>24,942</u>
	<u>\$ 10,761</u>	<u>\$ 33,348</u>

4. CONTRIBUTIONS RECEIVABLE

The Trust records contributions receivable upon the receipt of unconditional promises to give, with payments due in future periods. The Trust considers contributions receivable to be fully collectible. On occasion, the Trust may deem it appropriate to reserve any receivables that have not been collected within one year. Outstanding contributions are reported as contributions receivable in the statement of financial position and are due as follows:

	<u>2015</u>	<u>2014</u>
Gross contributions receivable due in:		
Less than one year	\$ 231,626	\$ 312,650
Less allowance for uncollectible	<u>(2,500)</u>	<u>(2,500)</u>
Net contributions receivable	<u>\$ 229,126</u>	<u>\$ 310,150</u>

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

5. LEASE COMMITMENTS

The following leases were in force at June 30, 2015:

<u>Lessor</u>	<u>Property</u>	<u>Terms</u>
Jeff Park Associates	Office space in Rockville MD	Lease term is for five years starting June 1, 2012 and terminating on May 30, 2017. Base rent is \$2,645 per month, starting June 1, 2012 through May 30, 2013 (base year) plus pro-rata share of operating expenses. Rent increases by 3% every June 1, after the base year.
UBT	Copier	\$218 per month for 60 months beginning in July 2012.

Total rental expenses were \$38,603 and \$38,234 for the years ended June 30, 2015 and 2014, respectively.

Future minimum annual rental payments under the terms of existing leases are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 37,386
2017	<u>35,363</u>
Total	<u>\$ 72,749</u>

6. RETIREMENT PLAN

The Trust maintains a defined contribution plan (the plan) under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the plan on the first month following three months of employment. The plan allows for the Trust to make discretionary contributions to eligible participants. For the years ended June 30, 2015 and 2014, the Trust made no contributions to the plan.

7. TEMPORARILY RESTRICTED NET ASSETS

The following is an analysis of restricted net assets at June 30,

	<u>2015</u>	<u>2014</u>
Temporarily restricted net assets:		
Mitigation settlement-directed park projects	<u>\$ 880,003</u>	<u>\$ 1,002,024</u>

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

7. TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Land acquisition	<u>\$ 500,000</u>	<u>\$ -</u>
Other projects	<u>\$ 5,000</u>	<u>\$ -</u>

The following is an analysis of net assets released from restriction at June 30,

	<u>2015</u>	<u>2014</u>
Specific programs	<u>\$ 157,021</u>	<u>\$ 131,720</u>

8. PERMANENTLY RESTRICTED NET ASSETS

	<u>2015</u>	<u>2014</u>
Permanently restricted net assets:	<u>\$ 279,380</u>	<u>\$ 314,380</u>

During the year ended June 30, 2015 a donor lifted permanent restrictions from a gift recorded in previous years, in the amount of \$35,000.

Endowment

The Trust's endowment fund includes permanently restricted assets which is a traditional donor-restricted endowment. The fund's investment earnings will be used in the unrestricted operations of the Trust. As required by generally accepted accounting principles, net assets of endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Trust's Board of Trustees has interpreted the law (DC UPMIFA) that underlies the net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Trust classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. Without explicit instructions from the donor, investment income from permanently restricted funds will be classified within temporarily restricted activities even if the intended use of the earnings is for unrestricted purposes.

Return Objectives and Risk Parameters

The Trust has adopted investment and spending policies for endowment assets that attempt to support the current and future operations of the Trust while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Trust must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are currently invested in equities and fixed income securities.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

8. PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Trust relies on a strategy in which investment returns are achieved through both growth in principal and income from dividends and interest. The Trust targets a diversified asset allocation to achieve its long-term return objectives.

Spending Policy and How Investment Objectives Relate to Spending Policy

The Trust's spending policy is a target rate of 4.0% of the average market value of the endowment over the rolling trailing twelve fiscal quarters. The spending policy will be calculated on an annual basis, with the resulting draw to be applied over the next twelve months on a not-less-than quarterly basis. The Trust will review and re-evaluate this spending policy on an annual basis, and any amount to be spent must be approved by the Board of Trustees.

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 originally contributed as an endowment fund to the Trust. In accordance with generally accepted accounting principles, deficiencies of this nature would be reported in unrestricted net assets. There were no such deficiencies at June 30, 2015.

Changes in the endowment fund consist of the following as of and for the year ended June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment fund, July 1, 2014	\$ -	\$ -	\$ 314,380	\$ 314,380
Releases	-	-	(35,000)	(35,000)
Endowment fund, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,380</u>	<u>\$ 279,380</u>

9. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Trust to a concentration of credit risk consist principally of investments. The Trust places investments with creditworthy financial institutions. By agreements with the individual investment managers, these investments are kept within limits designed to prevent risks caused by concentration. Credit risk with respect to fundraising and other receivables is limited because the Trust deals with a large number of donors. As of June 30, 2015, the Trust had \$49,558 in excess of FDIC insured limit in one bank account. The Trust had no significant concentration of credit risk at June 30, 2014.

10. CONSERVATION EASEMENT

The Trust received a contribution of a conservation easement known as the Johnnycake Ranch in Arkansas that represents restrictions over the use and development of land not owned by the Trust. This easement provides for retaining or protecting natural, scenic, historical or open space values of real property, assuring its availability for agricultural, forest, recreation, education or open space use, protecting natural features and resources, maintaining or enhancing air quality or preserving the natural, historical, agricultural, archeological or cultural aspects of real property.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

11. MINERAL RIGHTS

During 2008 and 2003, the Trust received donations of mineral rights, and the rights to remove said minerals from 5,676 acres of land situated in Capon District, Hardy County, West Virginia. The surface of the land is owned by the U.S. Department of Agriculture Forest Service.

12. PROPERTY FOR PARKS

The Trust had a Property for Parks program to receive donations of property. The Trust has the option to either transfer the property for no consideration or sell it and use the money to help preserve America's parklands. One such donated property in the state of New York lost resale value and was written down to an estimated market value of \$1. As of June 30, 2015 and 2014, the value of this property was \$1 and \$1, respectively.

During fiscal year 2014, Canonie IDNL Acquisition LLC bought land with the intention of donating this land to the National Park Service. The property consists of land only and is to be transferred to the federal government upon completion of governmental documentation/procedures and preserved as such. Although the Trust is reporting the property as part of its consolidated books, the Trust retains no rights to this property and is acting only as an intermediary in the transfer process.

13. IN-KIND CONTRIBUTIONS

The Trust received in-kind contributions for legal services totaling \$239,000 and \$156,000 for 2015 and 2014, respectively.

14. DESCRIPTION OF PROGRAMS AND SUPPORTING SERVICES

Land conservation and Youth education

This program consists of preservation and expansion of our nation's parks and public lands (the Parks) including those remaining four million plus acres of privately owned lands within the existing 407 units of the National Park System and adjacent to the existing Parks. The Trust has completed more than 100 land conservation projects from Florida to Alaska and has preserved more than 40,000 acres of parkland from development.

To meet the growing disconnect between kids and nature, the Trust's environmental education initiatives, the Buddy Bison School Program and grassroots movement Kids to Parks Day, provide in-depth park experiences for under-served youth, their families and teachers. The park experiences complement and enhance classroom curriculum. To date, the Trust's youth programs have reached more than 1,000,000 children and families and have garnered recognition from the First Lady and her Let's Move! office, the Secretary of the Interior, the Director of the National Park Service and numerous education and conservation communities.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

15. CONSIGNMENT AND OTHER SALES INCOME

Consignment and other sales income is stated at net for financial reporting purposes. As of June 30, 2015, and 2014, consignment and other sales income is as follows:

	<u>2015</u>	<u>2014</u>
Gross consignment sales	\$ 30,506	\$ 30,198
Less: cost of goods sold	<u>(11,053)</u>	<u>(10,499)</u>
Net consignment sales	19,453	19,699
Other sales and events income	<u>4,410</u>	<u>59,128</u>
	<u>\$ 23,863</u>	<u>\$ 78,827</u>

16. SUBSEQUENT EVENTS

In accordance with FASB ASC 855, the Trust evaluated subsequent events through October 28, 2015, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE CONSOLIDATED TOTALS FOR 2014)

	2015			2014	
	National Park Trust, Inc.	Canonie IDNL Acquisition LLC	Eliminations	Consolidated Total	Consolidated Total
CURRENT ASSETS					
Cash and cash equivalents	\$ 99,766	\$ -	\$ -	\$ 99,766	\$ 167,408
Restricted cash (NOTE 2)	726,281	-	-	726,281	383,994
Contributions receivable, net (NOTE 4)	229,126	-	-	229,126	310,150
Due from Canonie IDNL LLC	595,768	-	(595,768)	-	-
Inventory	34,307	-	-	34,307	31,186
Prepaid expenses	13,251	-	-	13,251	13,149
Total Current Assets	1,698,499	-	(595,768)	1,102,731	905,887
Investments (NOTE 3)	308,340	-	-	308,340	298,013
Office furniture and equipment, net of accumulated depreciation of \$19,200 and \$18,576, respectively	925	-	-	925	1,549
Real estate and related holdings:					
Conservation easement (NOTE 10)	1,465,100	-	-	1,465,100	1,465,100
Mineral rights (NOTE 11)	1,390,600	-	-	1,390,600	1,390,600
Property for parks (NOTE 12)	1	650,376	-	650,377	618,031
Total real estate and related holdings (NOTE 3)	2,855,701	650,376	-	3,506,077	3,473,731
TOTAL ASSETS	\$ 4,863,465	\$ 650,376	\$ (595,768)	\$ 4,918,073	\$ 4,679,180
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 77,572	\$ -	\$ -	\$ 77,572	\$ 33,274
Due to NPT	-	595,768	(595,768)	-	-
Total Current Liabilities	77,572	595,768	(595,768)	77,572	33,274
NET ASSETS					
Unrestricted					
Undesignated	265,810	54,608	-	320,418	473,802
Board designated:					
Property held for exempt purposes	2,855,700	-	-	2,855,700	2,855,700
Total Unrestricted	3,121,510	54,608	-	3,176,118	3,329,502
Temporarily Restricted (NOTE 7)	1,385,003	-	-	1,385,003	1,002,024
Permanently Restricted (NOTE 8)	279,380	-	-	279,380	314,380
Total Net Assets	4,785,893	54,608	-	4,840,501	4,645,906
TOTAL LIABILITIES AND NET ASSETS	\$ 4,863,465	\$ 650,376	\$ (595,768)	\$ 4,918,073	\$ 4,679,180

The accompanying notes are an integral part
of these financial statements

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE CONSOLIDATED TOTALS FOR 2014)

	2015			2014	
	NATIONAL PARK TRUST, INC.	CANONIE IDNL ACQUISITION LLC	Eliminations	Consolidated Total	Consolidated Total
REVENUE					
Contributions and grants	\$ 1,174,353	\$ -	\$ -	\$ 1,174,353	\$ 1,392,594
Consignment and other sales income, net of COGS (NOTE 15)	23,863	-	-	23,863	78,827
Investment income (NOTE 3)	10,453	-	-	10,453	8,406
In-kind contributions (NOTE 13)	239,000	-	-	239,000	156,000
Other income	1,000	-	-	1,000	767
TOTAL REVENUE	1,448,669	-	-	1,448,669	1,636,594
EXPENSES					
Program Services:					
Youth projects	646,823	-	-	646,823	497,370
Land conservation	195,534	-	-	195,534	176,451
Public education	130,309	-	-	130,309	173,345
Total program services	<u>972,666</u>	<u>-</u>	<u>-</u>	<u>972,666</u>	<u>847,166</u>
Supporting Services:					
General and administrative	134,518	-	-	134,518	90,357
Fundraising	147,198	-	-	147,198	86,418
	<u>281,716</u>	<u>-</u>	<u>-</u>	<u>281,716</u>	<u>176,775</u>
TOTAL EXPENSES	1,254,382	-	-	1,254,382	1,023,941
CHANGES IN NET ASSETS BEFORE NON-OPERATING ITEMS	194,287	-	-	194,287	612,653
REALIZED AND UNREALIZED GAINS ON INVESTMENTS	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>	<u>24,942</u>
CHANGE IN NET ASSETS	194,595	-	-	194,595	637,595
NET ASSETS					
BEGINNING OF YEAR	<u>4,645,906</u>	<u>-</u>	<u>-</u>	<u>4,645,906</u>	<u>4,008,311</u>
END OF YEAR	<u>\$ 4,840,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,840,501</u>	<u>\$ 4,645,906</u>

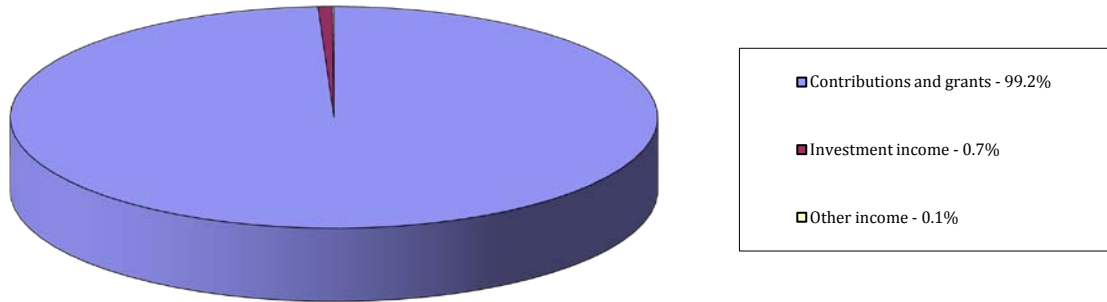
The accompanying notes are an integral part
of these financial statements.

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE CONSOLIDATED TOTALS FOR THE YEAR ENDED JUNE 30, 2014)

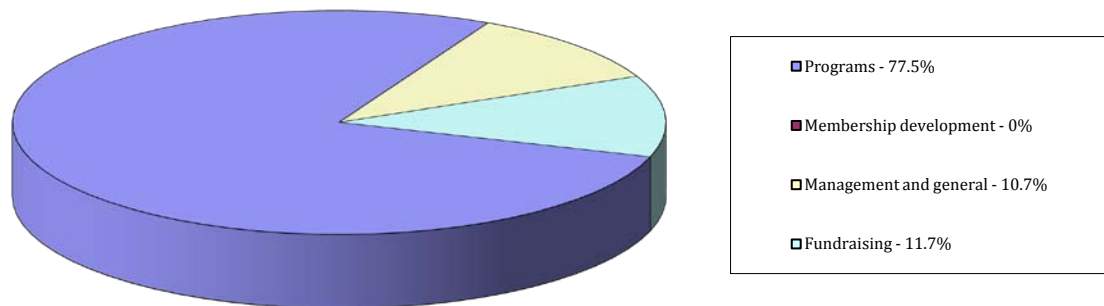
	Program Services				Supporting Services			Totals	
	Youth Projects	Land Conservation	Public Education	Total Program Services	Management & General	Fundraising	Total Supporting Services	Consolidated Totals 2015	Consolidated Totals 2014
Professional & Outside Service	\$ 295,235	\$ 44,244	\$ 17,943	\$ 357,422	\$ 15,919	\$ 75,020	\$ 90,939	\$ 448,361	\$ 289,906
Salaries & Benefits	165,907	22,403	51,197	239,507	91,136	35,015	126,151	365,658	319,623
Rent & Utilities	17,515	2,365	5,405	25,285	9,621	3,697	13,318	38,603	38,234
Bad Debt Expense	-	-	-	-	-	3,272	3,272	3,272	3,178
Travel & Conference	18,718	2,804	40,324	61,846	2,805	1,137	3,942	65,788	73,482
Newsletter & Public Education	1,135	-	-	1,135	-	-	-	1,135	4,274
Toolkit and Field Trips	65,130	-	-	65,130	-	-	-	65,130	57,724
Program Grants	45,167	65,154	-	110,321	-	-	-	110,321	103,922
Office & Equipment Expense	18,979	32,911	6,375	58,265	8,658	19,779	28,437	86,702	87,089
Computer Services	8,567	175	5,680	14,422	711	273	984	15,406	14,734
Depreciation	283	38	87	408	155	60	215	623	898
Miscellaneous Expenses	10,187	25,440	3,298	38,925	5,513	8,945	14,458	53,383	30,877
Totals	\$ 646,823	\$ 195,534	\$ 130,309	\$ 972,666	\$ 134,518	\$ 147,198	\$ 281,716	\$ 1,254,382	\$ 1,023,941

NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
SELECTED GRAPHIC INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

2015 Support and Revenue

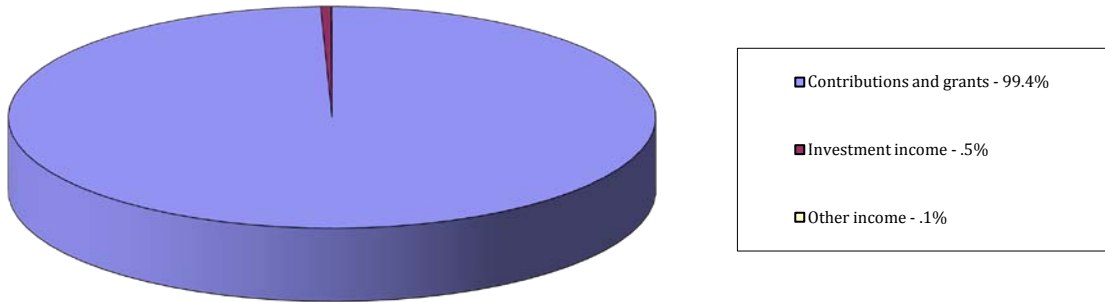


2015 Expenses



NATIONAL PARK TRUST, INC.
AND CANONIE IDNL ACQUISITION LLC
SELECTED GRAPHIC INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

2014 Support and Revenue



2014 Expenses

