

**CONSERVANCY FOR CUYAHOGA
VALLEY NATIONAL PARK**
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED AUGUST 31, 2020
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2019)

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
FINANCIAL STATEMENTS
AUGUST 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Conservancy for Cuyahoga Valley National Park

Report on the Financial Statements

We have audited the accompanying financial statements of Conservancy for Cuyahoga Valley National Park (the "Conservancy", a nonprofit organization), which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Conservancy for Cuyahoga Valley National Park as of August 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Conservancy for Cuyahoga Valley National Park's August 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020 on our consideration of Conservancy for Cuyahoga Valley National Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Conservancy for Cuyahoga Valley National Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Conservancy for Cuyahoga Valley National Park's internal control over financial reporting and compliance.

Card, Palmer, Sibbison & Co.

Cleveland, Ohio
December 14, 2020

FINANCIAL STATEMENTS

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2020
(With Comparative Totals as of August 31, 2019)

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents, without donor restrictions	\$ 788,963	\$ 660,084
Cash and cash equivalents, with donor restrictions	1,527,527	1,442,371
Accounts receivable, program, net of allowance for doubtful accounts	13,113	29,480
Accounts receivable, National Park Service	101,332	589,022
Pledges and grants receivable, with donor restrictions	641,893	818,194
Investments	1,136,752	1,033,235
Endowment funds, with donor restrictions	1,819,731	1,785,014
Prepaid expenses and other assets	307,317	177,140
Property and equipment, net	<u>101,088</u>	<u>5,085,704</u>
TOTAL ASSETS	<u>\$ 6,437,716</u>	<u>\$ 11,620,244</u>
	<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES:		
Accounts payable	\$ 173,191	\$ 117,047
Accounts payable, National Park Service	35,850	66,006
Accrued expenses	108,138	112,888
Deferred revenue	549,905	89,244
Program deposits	238,027	258,282
Note payable	<u>70,000</u>	<u>70,000</u>
Total liabilities	<u>1,175,111</u>	<u>713,467</u>
NET ASSETS:		
Without donor restrictions	1,051,117	801,333
With donor restrictions	<u>4,211,488</u>	<u>10,105,444</u>
Total net assets	<u>5,262,605</u>	<u>10,906,777</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,437,716</u>	<u>\$ 11,620,244</u>

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

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020
(With Comparative Totals as of August 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT:				
Environmental education:				
Program fees, net of scholarships of \$88,994 and \$206,443 in 2020 and 2019, respectively	\$ 191,120	\$ -	\$ 191,120	\$ 520,099
Community outreach	1,036,108	-	1,036,108	1,346,977
Contributions and grants:				
National Park Service program support	-	261,500	261,500	267,188
National Park Service assigned use of facilities	173,127	-	173,127	173,127
Special events	-	227,206	227,206	464,114
Environmental education programs	-	436,077	436,077	645,413
Memberships	1,109,033	16,247	1,125,280	1,434,997
Community outreach	6,403	146,209	152,612	79,308
Trails Forever	-	28,058	28,058	36,249
Capital projects	-	31,801	31,801	739,587
General operations	253,300	330,003	583,303	209,541
Paycheck Protection Program grant	-	471,447	471,447	-
Investment income	112,813	7,440	120,253	100,889
Other income	44,511	-	44,511	8,849
Net assets released from restrictions	7,849,944	(7,849,944)	-	-
Total revenue, support and reclassifications	10,776,359	(5,893,956)	4,882,403	6,026,338
EXPENDITURES:				
Program services:				
Environmental education programs	1,214,025	-	1,214,025	1,439,297
Community outreach and park support	1,684,667	-	1,684,667	1,657,565
Capital projects	5,843,317	-	5,843,317	238,201
Total program services	8,742,009	-	8,742,009	3,335,063
Support services:				
Management and general	887,677	-	887,677	867,311
Fundraising	896,889	-	896,889	894,796
Total support services	1,784,566	-	1,784,566	1,762,107
Total expenditures	10,526,575	-	10,526,575	5,097,170
CHANGES IN NET ASSETS	249,784	(5,893,956)	(5,644,172)	929,168
NET ASSETS, BEGINNING OF YEAR	801,333	10,105,444	10,906,777	9,977,609
NET ASSETS, END OF YEAR	\$ 1,051,117	\$ 4,211,488	\$ 5,262,605	\$ 10,906,777

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

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2020
(With Comparative Totals as of August 31, 2019)

	2020							
	Program Services			Support Services				
	Environmental Education Programs	Community Outreach and Park Support	Capital Projects	Management and General	Fundraising		2020 Total	2019 Total
					Special Events	Development		
Salaries and wages	\$ 668,349	\$ 704,196	\$ 48,676	\$ 388,212	\$ 58,702	\$ 427,298	\$ 2,295,433	\$ 2,135,725
Payroll taxes and benefits	151,800	200,277	7,567	113,352	12,075	83,643	568,714	504,886
Program supplies and merchandise	172,900	395,349	11,883	6,189	97,854	25,989	710,164	791,199
Food services and facility supplies	56,860	33,243	16,815	15,202	-	317	122,437	145,922
Contractor fees and services	22,318	71,028	55,934	54,790	27,217	6,190	237,477	495,907
Transportation services	30,231	930	-	-	-	-	31,161	70,247
Marketing	2,954	10,468	-	43,343	-	35,486	92,251	102,607
Office supplies, equipment, and support	7,835	13,949	-	77,821	-	1,171	100,776	86,428
Utilities, communications, and postage	7,059	51,549	-	22,460	-	12,175	93,243	118,516
Staff related expenses	8,489	7,800	-	57,467	-	21,104	94,860	88,949
Professional fees, dues, and subscriptions	2,218	30,751	-	50,313	4,500	9,787	97,569	104,822
Liability insurance	11,825	16,403	5,076	9,885	-	-	43,189	36,934
Rental expense	-	40,209	-	-	-	-	40,209	44,231
National Park Service assigned use of facilities	69,235	61,898	-	34,916	-	7,078	173,127	173,127
Donations and grants	-	-	5,697,366	9,387	66,303	-	5,773,056	143,516
Depreciation	1,952	44,117	-	3,140	-	-	49,209	48,896
Other expenses	-	2,500	-	1,200	-	-	3,700	5,258
Total functional expenses	<u>\$ 1,214,025</u>	<u>\$ 1,684,667</u>	<u>\$ 5,843,317</u>	<u>\$ 887,677</u>	<u>\$ 266,651</u>	<u>\$ 630,238</u>	<u>\$ 10,526,575</u>	<u>\$ 5,097,170</u>

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

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2020
(With Comparative Totals as of August 31, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (5,644,172)	\$ 929,168
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	49,209	48,896
(Decrease) increase in allowance for doubtful accounts	(3,484)	1,200
Gain on investments	(94,706)	(13,275)
Gain on endowment funds	(7,440)	(58,319)
Donation of visitor center	5,682,366	-
(Increase) decrease in operating assets:		
Accounts receivable, program	19,851	15,490
Accounts receivable, National Park Service	487,690	490,988
Pledges and grants receivable	176,301	(309,823)
Prepaid expenses and other assets	(130,177)	(43,539)
Increase (decrease) in operating liabilities:		
Accounts payable	56,144	(28,110)
Accounts payable, National Park Service	(30,156)	26,343
Accrued expenses	(4,750)	14,494
Deferred revenue	460,661	51,213
Program deposits	(20,255)	(6,992)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>997,082</u>	<u>1,117,734</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in endowment funds with donor restrictions	(111,456)	(63,196)
Net redemption of certificates of deposit	-	249,962
Purchase of investments	(199,404)	(498,763)
Proceeds on stock sales	190,593	489,459
Capital expenditures	(746,959)	(3,555,836)
Distribution from endowment funds	84,179	76,101
NET CASH USED BY INVESTING ACTIVITIES	<u>(783,047)</u>	<u>(3,302,273)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	214,035	(2,184,539)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>2,102,455</u>	<u>4,286,994</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	<u>\$ 2,316,490</u>	<u>\$ 2,102,455</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 2,107</u>	<u>\$ 2,107</u>

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

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

1. NATURE OF OPERATIONS

Conservancy for Cuyahoga Valley National Park (the “Conservancy”) is a nonprofit corporation with the mission to enrich lives and communities by inspiring use, preservation, and support of Cuyahoga Valley National Park. The Conservancy’s work embraces the following values:

- Belief that Cuyahoga Valley National Park (CVNP) is one of the greatest assets to the region and will protect it, promote it, and encourage people to enjoy it.
- Commitment to equity and justice in the organizational practices, in outreach and in community engagement.
- Diversity and inclusion, internally and externally, assuring that all people are welcome in the park, in employment, in volunteerism, and in Conservancy programs.
- Commitment to the health and well-being of park visitors, employees, volunteers, and the broader community.
- Active engagement in the broader northeast Ohio community to assure the work is relevant, nimble and adapts to the needs and interests of those who live, work, and play in the region.

The Conservancy engages community involvement through 1) programs and services to enhance the park visitor experience; 2) raising funds to assist with projects not able to be funded by the National Park yet desired by the community including the finalization of a fundraising campaign for a new visitor center for Cuyahoga Valley National Park that opened in November 2019; 3) co-management of the park’s award-winning “Volunteer in Parks” (VIP) program; 4) education programs for school age children at the Cuyahoga Valley Environmental Education Center and throughout the park; 5) marketing and awareness campaigns to reach out to existing and new visitors; 6) planning and implementation of Capital Projects in Cuyahoga Valley National Park.

Cuyahoga Valley Environmental Education Center

Children are provided with overnight and day programs. Classes participate with their teachers in field trips and day or overnight experiences in the park. Students that attend overnight experiences can receive financial support from the Conservancy, so any child can participate in the program. The educational programs are curriculum based and supplement schools’ core standards. Summer programs include day camps as well as summer academics and family-oriented programs.

School field trips were cancelled in 2020 due to the pandemic described in Note 7. The Conservancy continues to provide school programs and teacher education virtually and with limited groups of less than ten. The program team also provides opportunities for the general public through “themed” virtual activities and self-guided exploration of CVNP. Additionally, the Conservancy’s website provides opportunities for interaction with kids and families through a variety of activities.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

1. NATURE OF OPERATIONS (Continued)

Community engagement

Although 2020 proved to be a challenge with the onset of the pandemic, visitation to Cuyahoga Valley National Park throughout the summer was at a record high. The Conservancy continued the work on serving thousands of new and returning visitors who sought solace in the park and the outdoors. The retail stores operated by the Conservancy were able to open late spring, summer, and into the fall for visitors to purchase products that enhanced their park experience as well as being a place that provides visitors information about activities in and around the park. Fundraising on behalf of the park and park projects continued as did reservations to use unique park buildings for small scale life events and meetings. The Volunteer in Parks program has been put on hold until volunteers can safely engage in volunteer activities while ongoing planning for the volunteer program continues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Conservancy is presented to assist in understanding the Conservancy's financial statements. The financial statements and notes are representations of Conservancy management, which is responsible for their integrity and objectivity.

Basis of accounting

The Conservancy's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. While actual results could differ from those estimates, management does not expect those differences to be significant to the financial statements.

Cash and cash equivalents

For purposes of the statement of cash flows, the Conservancy considers cash on hand, demand deposits, and money market funds to be cash and cash equivalents. Cash and cash equivalents received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the statement of cash flows.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of credit risk

The Conservancy maintains its cash and cash equivalents in accounts which at times may exceed federally insured limits. The Conservancy has not experienced any losses in such accounts and management of the Conservancy believes it is not exposed to any significant credit risk.

Accounts receivable and allowance for doubtful accounts

The Conservancy grants credit to program activity participants as deemed necessary and mitigates the associated risk by performing ongoing credit evaluations. Accounts are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of accounts. At August 31, 2020, accounts receivable are stated net of an allowance for doubtful accounts of \$3,715. Bad debt expense amounted to \$1,200 for the year ended August 31, 2020.

Pledges receivable

Included in pledges receivable are unconditional promises to give. As of August 31, 2020, \$369,892 of pledges receivable are expected to be collected currently. The remaining \$272,001 as of August 31, 2020 is expected to be collected within one to four years.

Investments

Available for sale securities include equity investments that are reported at fair value. The Conservancy has developed an investment policy to ensure that the funds are effectively managed. The goals under the policy include seeking real growth after inflation, developing an operating reserve, and managing investment risk.

Property and equipment

Acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance, and renewals that significantly extend the useful lives of assets are capitalized. Property and equipment are carried at cost. When property and equipment are retired or otherwise disposed of, the cost of the property or equipment is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations as a gain or loss.

Depreciation has been provided using the straight-line and accelerated methods of accounting in order to relate the cost of the assets to operations over their estimated service lives. Depreciation expense for the year ended August 31, 2020 was \$49,209.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor or grantor-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 resources be maintained into 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.

Contributions

Contributions and support received are recorded depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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 restrictions.

Investment income

Investments are reported at fair value. Net investment income is reported on the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Advertising and marketing costs

The Conservancy conducts non-direct response advertising. These costs are expensed as incurred. Advertising expense for the year ended August 31, 2020 was \$92,251.

Functional allocation of expenses

The costs of program and supporting services activities have been detailed on both a functional and natural basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses (continued)

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, all expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated directly, based on the nature of the expense incurred.

Change in accounting principle

The Conservancy has adopted Accounting Standard Update (ASU) No. 2016-18 – Statement of Cash Flows (Topic 230) – *Restricted Cash*. This ASU requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows. The Conservancy has implemented ASU 2016-18 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all years presented.

Recent accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) and has since modified the standard with ASU 2015-14, *Deferral of the Effective Date*. These standards replace existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and expanded disclosure requirements. ASU 2014-09 is effective for non-public companies for fiscal years beginning after December 15, 2019, with early adoption permitted. The Conservancy is evaluating the impact the pronouncement may have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*, (Topic 842), which will require leases to be recorded as an asset on the balance sheet for the right to use the leased asset and a liability for the corresponding lease obligation for leases with terms of more than twelve months. ASU 2016-02 is effective for non-public companies for fiscal years beginning after December 15, 2021, with early adoption permitted. The Conservancy is evaluating the impact the pronouncements may have on the financial statements.

3. LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 788,963
Accounts receivable	<u>13,113</u>
	<u><u>\$ 802,076</u></u>

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

3. LIQUIDITY AND AVAILABILITY (Continued)

As part of the Conservancy's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Conservancy has a board-designated operating reserve of \$500,000 as of August 31, 2020, which is included in investments as reported on the statement of financial position. Although the Conservancy does not intend to spend from the operating reserve for general expenditure as part of its annual budget approval and appropriation process, amounts could be made available if necessary.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of August 31, 2020:

Store buildings	\$ 362,802
Office equipment	230,559
Computer equipment	91,060
Leasehold improvements	3,892
Less accumulated depreciation	<u>(587,225)</u>
Property and equipment, net	<u><u>\$ 101,088</u></u>

5. ENDOWMENT FUNDS

The Conservancy's endowment consists of seven individual funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Conservancy has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Conservancy classifies net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not considered restricted into perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Conservancy in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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 Conservancy's investment policies.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

5. ENDOWMENT FUNDS (Continued)

Investment Return Objectives, Risk Parameters and Strategies. The Conservancy has granted ultimate authority and control over the endowment funds to the Akron Community Foundation and the Cleveland Foundation, together the "Foundations", who each hold certain individual endowment funds. In doing so, the Conservancy allows the Foundations to manage the endowment funds and set the investment return objectives, risk parameters and strategies. While the Foundations manage the endowment funds, the Conservancy holds variance power over the funds.

Spending Policy. The Conservancy has different spending policies for each endowment. These policies vary from appropriating the distribution of only net income to appropriating up to 6% of the endowment's fair value for distribution.

Underwater endowment policy. From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Conservancy has interpreted UPMIFA to permit spending from underwater endowments, if any, will be reflected in net assets with donor restrictions. There were no underwater endowments at August 31, 2020.

Endowment net asset composition by type of fund as of August 31, 2020 is as follows:

	With Donor Restrictions
Donor-restricted endowment funds	\$ 1,819,731

Changes in endowment net assets as of August 31, 2020 are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 1,785,014
Contributions	111,456
Net investment gain	7,440
Appropriated for expenditures	(84,179)
Endowment net assets, end of year	\$ 1,819,731

6. NOTE PAYABLE

The Conservancy entered into a loan and grant agreement with an unrelated party. Per the terms of the agreement, the unrelated party agreed to lend the Conservancy \$90,000 to be used for the construction of certain improvements to a store space that the Conservancy leases from the same unrelated party. The loan bears interest at 3%, which is payable quarterly.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

6. NOTE PAYABLE (Continued)

The Conservancy met certain provisions of the agreement and \$20,000 of the note payable was forgiven by the unrelated party. All outstanding principal on the note is payable on May 1, 2022. The outstanding balance of the loan as of August 31, 2020 was \$70,000.

7. PAYCHECK PROTECTION PROGRAM

In December 2019, a novel strain of coronavirus was reported to have surfaced in China and has since spread throughout the world. The spread of the virus has caused significant disruptions in operations for the Conservancy. In March 2020, President Donald Trump declared a national emergency in the United States of America due to this virus. H.R. 748, Coronavirus Aid, Relief, and Economic Security (CARES) Act, was also passed to stimulate the economy. As part of the CARES Act, small businesses are eligible for governmental grants and loans with the intention of assisting employers in retaining and paying their employees.

In April 2020, the Conservancy entered into a note payable agreement with a bank under the Paycheck Protection Program ("PPP") of the CARES Act. The unsecured note has a principal amount of \$471,447, accrues interest at 1% and contractually matures in April 2022. Management has elected to apply ASC 958-605 to the funds received as part of the PPP program as it has high confidence that the Conservancy is an eligible recipient and meets conditions for forgiveness of the loan. The Conservancy used the loan proceeds for allowable payroll, benefits, rent and utilities with the intent of applying for loan forgiveness in the future as specified in the CARES Act. The funds received as part of the PPP program are reflected as Paycheck Protection Program grant in Contributions and Grants in the accompanying Statement of Activities. In the event any amount of the loan is not forgiven, payment is deferred for at least 10 months after the end of the loan forgiveness cover period.

Due to the pandemic and temporary closure, programs and events were cancelled. Community support has been shown through generous contributions and grants. The Conservancy is currently evaluating their programs and the timeline for any modifications is not known at this time due to the uncertainty of the pandemic. The impact of the virus and the Acts in the future cannot be reasonably estimated at this time.

8. BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions that are designated by the Board and are being held by the Conservancy include the following as of August 31, 2020:

Operating reserve	\$ 500,000
Photographic society	<u>4,754</u>
Total board-designated net assets without donor restrictions	<u><u>\$ 504,754</u></u>

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of August 31, 2020:

Subject to expenditure for specific purposes:

Fundraising and projects	\$ 199,992
Environmental education	520,621
Development	1,237,193
Environmental education program scholarships	328,356
Community outreach	<u>105,595</u>
	<u>2,391,757</u>

Endowments:

Subject to appropriation and expenditure when a specific event occurs:

Restricted by donors for:

Trails Forever	1,467,087
General operations	169,464
Environmental education program scholarships	<u>183,180</u>
	<u>1,819,731</u>

Total net assets with donor restrictions \$ 4,211,488

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended August 31, 2020:

Satisfaction of purpose restrictions:

Environmental education	\$ 817,698
Development	365,579
Environmental education program scholarships	88,994
Paycheck Protection Program	471,447
Community outreach	199,044
Fundraising and projects	<u>5,907,182</u>
	<u>\$ 7,849,944</u>

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

10. DONATED SERVICES AND FACILITIES

The Conservancy receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied. Volunteer hours totaled approximately 5,500 hours for the year ended August 31, 2020.

In addition, the Conservancy occupies, without charge, certain administrative and program facilities owned by the National Park Service. The fair rental value of these premises, including utilities and services such as security and parking is \$173,127 for the year ended 2020 and is reflected in the financial statements.

11. PENSION PLANS

The Conservancy has a defined contribution retirement plan and a tax-deferred annuity plan, both of which cover all employees of the Conservancy who have met certain length of service, age and hour requirements. Employee deferral contributions to the defined contribution retirement plan are made on a tax-deferred basis pursuant to a salary reduction agreement, which can be terminated or modified at any time at the employee's request. The Conservancy automatically contributes an employer contribution of 3% of each employee's salary to the plans, regardless of the amount contributed by the employee. In addition, the Conservancy matches 100% up to the first 3% contributed by the employee. Pension expense was \$88,357 for the year ended August 31, 2020.

12. COOPERATIVE AGREEMENT

The Conservancy has an agreement with the National Park Service (NPS), Department of the Interior, which is effective through September 20, 2022. Under this agreement, the Conservancy is required to provide programs and projects that enhance public understanding and enjoyment of and involvement in Cuyahoga Valley National Park, manage assigned buildings in support of park programs, maintain food service and kitchen equipment, and work with NPS staff on various other projects while the National Park Service is required to provide financial support, space, maintenance, equipment, staff, and other assistance as needed. The Conservancy received National Park Service program support of \$261,500 for the Conservancy's various programs under this agreement during the year ended August 31, 2020.

The Conservancy had another agreement with the National Park Service, Department of the Interior, which was effective through September 30, 2020. This cooperative agreement was entered into for the purpose of full implementation of the indoor and outdoor exhibit space for the new Cuyahoga Valley National Park Visitor Center.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

13. OPERATING LEASES

The Conservancy entered into an agreement with an unrelated party to lease space to operate an educational gift shop. The ten-year lease calls for monthly rental payments of \$2,550 per month for the first five years and \$2,627 per month for the remaining five years. The lease will expire on December 31, 2021 at which time certain renewal options are available. Rental expense for the year ended August 31, 2020 was \$31,524.

The Conservancy also has a facilities lease with the National Park Service to maintain and rent out certain National Park Service facilities to the public. The National Park Service charges the Conservancy a base rent of \$300 per month and 2% of the gross revenue from the rentals. Rental expense for the year ended August 31, 2020 was \$8,685. The lease was set to expire on August 31, 2020, however an agreement was reached to extend the lease one year.

The Conservancy also leases office equipment from an unrelated party. Total expense for the year ended August 31, 2020 was \$19,774.

The future minimum lease payments are as follows for the years ending August 31,

2021	\$	48,518
2022		17,512
2023		3,108
2024		990
2025		<u>330</u>
Total	\$	<u>70,458</u>

14. TAX STATUS

The Conservancy is a nonprofit corporation exempt from federal income taxes under the current provisions of the Internal Revenue Code, Section 501(c)(3).

The Conservancy has adopted guidance, as required by the Income Taxes Topic of the FASB Accounting Standards Codification regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Conservancy's income tax returns. As of August 31, 2020, the Conservancy has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Conservancy records related interest expenses and penalties, if any, as a tax expense, consistent with this guidance. The Conservancy's open audit periods are for the tax years ended August 31, 2017 through August 31, 2020. In evaluating the Conservancy's tax provisions and accruals, future taxable income, the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Conservancy believes their estimates are appropriate based on the current facts and circumstances.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

15. FAIR VALUE MEASUREMENT

The Financial Accounting Standards Board has established a framework for measuring fair value. That 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 FASB guidance are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Conservancy has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">- quoted prices for similar assets or liabilities in active markets;- quoted prices for identical or similar assets or liabilities in inactive markets;- inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>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.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input 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.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at August 31, 2020.

Endowment funds – Based on model-based valuation techniques for which all significant assumptions are unobservable in the market.

Equity funds – Equity funds consist of marketable equity securities of domestic and international corporations in a variety of industries that are valued based on quoted prices in active markets.

Cash and cash equivalents – Cash and cash equivalents consist of investments in money market accounts that are based on quoted prices in active markets.

Fixed income funds – Fixed income funds consist of fixed maturity securities that are valued based on quoted prices in active markets.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

15. FAIR VALUE MEASUREMENT (Continued)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Conservancy believes its valuation methods are appropriate and consistent with other market participants, the use of different instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Conservancy's assets at fair value as of August 31, 2020.

Assets at Fair Value as of August 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment funds	\$ -	\$ -	\$ 1,819,731	\$ 1,819,731
Cash and cash equivalents	29,583	-	-	29,583
Fixed income funds	396,293	-	-	396,293
Equity funds	710,876	-	-	710,876
	<u>\$1,136,752</u>	<u>\$ -</u>	<u>\$ 1,819,731</u>	<u>\$ 2,956,483</u>

Level 3 Assets Year Ended August 31, 2020

	<u>Endowment Funds</u>
Balance, beginning of year	\$ 1,785,014
Contributions	111,456
Fund appreciation	7,440
Distributions	<u>(84,179)</u>
Balance, end of year	<u>\$ 1,819,731</u>

16. VISITOR CENTER

The Conservancy had a capital campaign to raise funds to build a new park visitor center using an existing historic structure. Expenditures incurred related to the planning, design, and construction of the Visitor's Center had been accumulated as Projects in Progress and were included in Property and equipment – net on the balance sheet. The project was successfully completed during the year ended August 31, 2020. The related donor restricted contributions were released from donor restrictions and the accumulated capitalized project costs of \$5,682,366 were donated to the National Park Service.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

17. PRIOR-YEAR SUMMARIZED INFORMATION

The financial statements contain certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Conservancy's financial statements for the year ended August 31, 2019, from which the summarized information was derived.

18. COMMITMENTS AND CONTINGENCIES

During the year ended August 31, 2020, the Conservancy entered into an Equity Purchase and Sales Agreement to purchase parcels of land near Cuyahoga Valley National Park. The purchase price will be the greater of \$5,200,000 or the appraised value of the property. There are certain conditions that must be satisfied before the property can be purchased. The Conservancy plans to raise funds for the purchase of the property through a potential capital campaign.

19. SUBSEQUENT EVENTS

In connection with the land purchase described in Note 18, the Conservancy entered into a Line of Credit Agreement with a financial institution subsequent to year end. The line allows for borrowings up to \$1,500,000 through October 8, 2021 at which time all outstanding borrowings are due in full. The Conservancy currently has approximately \$191,000 in outstanding borrowings on the line.

Subsequent events have been evaluated through December 14, 2020, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Conservancy for Cuyahoga Valley National Park

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Conservancy for Cuyahoga Valley National Park, which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Conservancy for Cuyahoga Valley National Park's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Conservancy for Cuyahoga Valley National Park's internal control. Accordingly, we do not express an opinion on the effectiveness of Conservancy for Cuyahoga Valley National Park's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Conservancy for Cuyahoga Valley National Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Card, Palmer, Sibbison & Co.

Cleveland, Ohio
December 14, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH *THE UNIFORM GUIDANCE***

To the Board of Trustees of
Conservancy for Cuyahoga Valley National Park

Report on Compliance for Each Major Federal Program

We have audited Conservancy for Cuyahoga Valley National Park's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Conservancy for Cuyahoga Valley National Park's major federal programs for the year ended August 31, 2020. Conservancy for Cuyahoga Valley National Park's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Conservancy for Cuyahoga Valley National Park's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Conservancy for Cuyahoga Valley National Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Conservancy for Cuyahoga Valley National Park's compliance.

Opinion on Each Major Federal Program

In our opinion, Conservancy for Cuyahoga Valley National Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

Report on Internal Control over Compliance

Management of Conservancy for Cuyahoga Valley National Park is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Conservancy for Cuyahoga Valley National Park's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Conservancy for Cuyahoga Valley National Park's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Card, Palmer, Sibbison & Co.

Cleveland, Ohio
December 14, 2020

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal Catalog Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF INTERIOR, NATIONAL PARK SERVICE (NPS)			
National Park Centennial Challenge	15.406	n/a	\$ 491,204
National Park Service Conservation, Protection, Outreach and Education	15.954	n/a	424,513
Great Lakes Restoration	15.662	National Fish and Wildlife Foundation Ohio and Erie Canalway	98,584
National Heritage Area Federal Financial Assistance	15.939		<u>17,600</u>
TOTAL FEDERAL FUNDS EXPENDED			<u>\$ 1,031,901</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Conservancy for Cuyahoga Valley National Park, and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2, *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Conservancy for Cuyahoga Valley National Park has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – RELATIONSHIP OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO FINANCIAL STATEMENTS

The expenditures related to the centennial challenge were previously included with construction in progress as they related to construction of a visitor's center. The expenditures were included with property and equipment, net on the prior year statement of financial position. The visitor center was completed and donated during the year ended August 31, 2020.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020

**NOTE 3 – RELATIONSHIP OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO
FINANCIAL STATEMENTS (CONTINUED)**

Expenditures reported on the Schedule agree to amounts reported within the Conservancy for Cuyahoga Valley National Park financial statements.

NOTE 4 – PASS-THROUGH AWARDS

Conservancy for Cuyahoga Valley National Park receives federal awards from pass-through agencies. The total amount of such pass-through awards is included on the Schedule.

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified? yes X none reported

Type of auditor’s report issued on compliance for major federal programs:
unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:
15.406 National Park Centennial Challenge

Dollar threshold used to distinguish between
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None