CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED AUGUST 31, 2024
(WITH COMPARATIVE TOTALS FOR AUGUST 31, 2023)

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
FINANCIAL STATEMENTS
AUGUST 31, 2024

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS:	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-20

Card Palmer
Certified Public Accountants

Card, Palmer, Sibbison & Co.
4545 Hinckley Parkway
Cleveland, OH 44109–6009
216.621.6100 fax: 216.621.8025
website: www.cps-cpa.com

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the 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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Conservancy for Cuyahoga Valley National Park as of August 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Conservancy for Cuyahoga Valley National Park and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Conservancy for Cuyahoga Valley National Park's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Conservancy for Cuyahoga Valley National Park's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Conservancy for Cuyahoga Valley National Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Conservancy for Cuyahoga Valley National Park's August 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Caird, Palmer, Sibbison & Co.

Cleveland, Ohio
December 17, 2024

FINANCIAL STATEMENTS

CONSERVANCY FOR CUYAHOGA VALLEY NATIONAL PARK
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2024
(With Comparative Totals as of August 31, 2023)

ASSETS

	2024	2023
ASSETS:		
Cash and cash equivalents, without donor restrictions	$ 1,146,564	$ 352,101
Cash and cash equivalents, with donor restrictions	3,710,993	1,415,712
Accounts receivable, program, net of allowance for doubtful accounts	37,740	24,386
Accounts receivable, National Park Service	1,213,400	921,655
Pledges and grants receivable	554,457	2,584,473
Investments	1,498,615	1,259,276
Endowment funds	2,181,908	2,044,153
Prepaid expenses and other assets	482,707	373,097
Operating lease right-of-use assets, net of amortization	261,744	340,585
Property and equipment, net	517,306	519,593
TOTAL ASSETS	$11,605,434	$ 9,835,031

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	$ 825,587	$ 1,503,415
Accounts payable, National Park Service	31,545	76,058
Accrued expenses	126,519	97,685
Deferred revenue	52,950	18,825
Program deposits	358,545	274,962
Lines of credit, Capital Project	-	500,000
Operating lease liabilities	261,744	340,585
Total liabilities	1,656,890	2,811,530
NET ASSETS:		
Without donor restrictions	920,915	1,877,232
With donor restrictions	9,027,629	5,146,269
Total net assets	9,948,544	7,023,501
TOTAL LIABILITIES AND NET ASSETS	$11,605,434	$ 9,835,031

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, 2024
(With Comparative Totals as of August 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT:				
Environmental education:				
Program fees, net of scholarships of $104,610 and $97,402 in 2024 and 2023, respectively	$ 274,827	$ -	$ 274,827	$ 192,919
Community outreach	3,225,873	-	3,225,873	2,547,264
Contributions and grants:				
National Park Service program support	-	437,290	437,290	346,660
National Park Service assigned use of facilities	122,103	-	122,103	122,103
Special events	-	517,943	517,943	504,519
Environmental education programs	-	887,699	887,699	686,739
General operations and memberships	1,075,494	16,000	1,091,494	1,292,562
Community outreach	24,138	269,998	294,136	305,766
Trails Forever	-	20,040	20,040	3,180
Capital projects	-	5,963,415	5,963,415	3,749,445
Investment income	382,914	212,526	595,440	282,525
Other income	6,018	-	6,018	27,755
Net assets released from restrictions	4,443,551	(4,443,551)	-	-
Total revenue, support and reclassifications	9,554,918	3,881,360	13,436,278	10,061,437
EXPENDITURES:				
Program services:				
Environmental education programs	1,692,237	-	1,692,237	1,301,391
Community outreach and park support	3,748,504	-	3,748,504	2,801,900
Capital projects	2,661,769	-	2,661,769	5,236,987
Total program services	8,102,510	-	8,102,510	9,340,278
Support services:				
Management and general	1,069,228	-	1,069,228	1,013,829
Fundraising	1,339,497	-	1,339,497	1,367,261
Total support services	2,408,725	-	2,408,725	2,381,090
Total expenditures	10,511,235	-	10,511,235	11,721,368
CHANGES IN NET ASSETS	(956,317)	3,881,360	2,925,043	(1,659,931)
NET ASSETS, BEGINNING OF YEAR	1,877,232	5,146,269	7,023,501	8,683,432
NET ASSETS, END OF YEAR	$ 920,915	$ 9,027,629	$ 9,948,544	$ 7,023,501

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, 2024
(With Comparative Totals as of August 31, 2023)

	2024							
	Program Services			Support Services				
					Fundraising			
	Environmental Education Programs	Community Outreach and Park Support	Capital Projects	Management and General	Special Events	Philanthropy	2024 Total	2023 Total
Salaries and wages	$ 909,562	$ 1,353,518	$ 198,564	$ 506,243	$ 21,280	$ 632,270	$ 3,621,437	$ 2,717,904
Payroll taxes and benefits	193,359	274,032	33,052	143,022	1,834	123,923	769,222	669,889
Program supplies and merchandise	58,069	1,146,592	1,476	1,312	95,622	23,253	1,326,324	1,071,031
Food services and facility supplies	197,608	106,273	12,045	11,197	67,260	2,588	396,971	261,457
Contractor fees and services	133,899	265,653	1,822,369	13,386	153,614	3,451	2,392,372	3,968,906
Transportation services	64,255	15,950	-	-	-	-	80,205	63,437
Marketing	1,710	34,285	3,500	96,243	1,570	45,798	183,106	142,569
Office supplies, equipment, and support	18,964	32,655	571	78,984	-	21,553	152,727	161,546
Utilities, communications, and postage	11,747	91,637	105	26,012	1,574	20,113	151,188	138,143
Staff related expenses	11,333	20,564	1,126	53,042	36	6,186	92,287	95,803
Professional fees, dues, and subscriptions	4,015	139,999	8,234	68,475	6,258	10,464	237,445	252,785
Interest expense	-	-	12,792	-	-	-	12,792	69,868
Liability insurance	14,269	34,376	6,486	9,774	-	-	64,905	56,000
Rental expense	-	134,823	-	-	-	-	134,823	95,126
National Park Service assigned use of facilities	69,235	10,874	-	34,916	-	7,078	122,103	122,103
Donations and grants	410	64,149	561,449	14,787	78,022	15,750	734,567	1,788,821
Depreciation	3,802	23,124	-	10,635	-	-	37,561	44,771
Other expenses	-	-	-	1,200	-	-	1,200	1,209
Total functional expenses	$ 1,692,237	$ 3,748,504	$ 2,661,769	$ 1,069,228	$ 427,070	$ 912,427	$ 10,511,235	$ 11,721,368

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, 2024
(With Comparative Totals as of August 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	$ 2,925,043	$ (1,659,931)
Adjustments to reconcile change in net assets		
to cash provided (used) by operating activities:		
Depreciation	37,561	44,771
Increase in allowance for credit losses	1,200	1,200
Loss on disposal of fixed assets	21,701	-
Gain on investments	(224,802)	(93,221)
Gain on endowment funds	(212,526)	(173,816)
Donation of property	-	1,661,500
Amortization of operating lease right-of-use assets	78,841	84,976
(Increase) decrease in operating assets:		
Accounts receivable, program	(14,554)	(206)
Accounts receivable, National Park Service	(291,745)	(45,972)
Pledges and grants receivable	2,030,016	(2,324,681)
Prepaid expenses and other assets	(109,610)	22,349
Increase (decrease) in operating liabilities:		
Accounts payable	(677,828)	1,336,382
Accounts payable, National Park Service	(44,513)	69,614
Accrued expenses	28,834	(40,950)
Deferred revenue	34,125	(6,544)
Program deposits	83,583	(4,240)
Operating lease liabilities	(78,841)	(84,976)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,586,485	(1,213,745)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in endowment funds with donor restrictions	(23,431)	(100,032)
Purchase of investments	(397,867)	(9,628)
Proceeds on stock sales	383,331	-
Capital expenditures	(56,976)	(127,699)
Proceeds from sale of property	-	3,011,617
Distribution from endowment funds	98,202	93,950
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,259	2,868,208
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lines of credit activity, net	(500,000)	(1,476,448)
Recoverable grants	-	(2,500,000)
NET CASH USED BY FINANCING ACTIVITIES	(500,000)	(3,976,448)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	3,089,744	(2,321,985)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	1,767,813	4,089,798
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 4,857,557	$ 1,767,813

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

1. NATURE OF OPERATIONS

Conservancy for Cuyahoga Valley National Park (the "Conservancy") is a nonprofit corporation with the mission to enrich people's lives and enhance our region 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) co-management of the park's award-winning "Volunteer in Parks" (VIP) program; 3) education programs for school age children at the Cuyahoga Valley Environmental Education Center, throughout the park and surrounding communities; 4) marketing and awareness campaigns to reach out to existing and new visitors; 5) planning and implementation of Capital Projects in Cuyahoga Valley National Park including the purchase of Brandywine Golf Course on behalf of the Conservancy and Cuyahoga Valley National Park.

Cuyahoga Valley Environmental Education Center

Children are provided with overnight and day program experiences. During the school year, classes participate with their teachers in field trips, day programs or overnight experiences in the park. Students can receive financial support from the Conservancy, which provides child the ability to participate. 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.

Community engagement

Park visitation to Cuyahoga Valley National Park remains high. The Conservancy engages the community within the National Park in a variety of ways. The retail stores operated by the Conservancy were open for visitors to enhance their park experience as well as provide visitor information about activities in and around the park. This past year, more volunteers were able to provide support to the park through the park's volunteer program, which is co-managed by the Conservancy. The Conservancy offers reservations to host events and meetings in our unique park buildings with operational support including event planning, catering as well as facility rentals.

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. Cash paid for interest during the year ended August 31, 2024 was $12,792.

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 credit losses

The Conservancy grants credit to program activity participants as deemed necessary and mitigates the associated risk by performing ongoing credit evaluations. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for receivables held at August 31, 2024 because the composition of the receivables at this date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable and allowance for credit losses (continued)

Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical rates have not been adjusted for differences in current conditions or forecasted changes.

The allowance for credit losses is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable and the management of the Company has determined the potential of credit losses to be immaterial. The allowance for credit losses totaled $5,518 within the accounts receivable for the year ended August 31, 2024. Credit loss expense amounted to $1,200 for the year ended August 31, 2024.

Pledges receivable

Included in pledges receivable are unconditional promises to give. As of August 31, 2024, all outstanding pledges receivable are expected to be collected currently.

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, 2024 was $37,561.

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.

Revenue and revenue recognition

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.

The Conservancy recognizes program service revenue at a point in time when the program or event occurs. There are no performance obligations to be satisfied over time.

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.

Leases

The Conservancy calculates operating lease liabilities with a risk-free discount rate, using a comparable lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2024 was $183,106.

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.

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.

Adoption of new accounting standard

Effective September 1, 2023, the Conservancy adopted Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under this standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in ASU No. 2016-13 were accounts receivable. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

3. LIQUIDITY, AVAILABILITY AND BOARD DESIGNATED FUNDS

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	$ 1,146,564
Accounts and pledges receivable	1,805,597
	$ 2,952,161

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 $558,000 as of August 31, 2024, which is included in investments as reported on the statement of financial position.

3. LIQUIDITY, AVAILABILITY AND BOARD DESIGNATED FUNDS (Continued)

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, 2024:

Buildings	$	552,124
Land		331,272
Office equipment		248,473
Computer equipment		96,040
Vehicles		38,914
Leasehold improvements		3,892
Less accumulated depreciation		(753,409)
Property and equipment, net	$	517,306

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.

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, 2024.

Endowment net asset composition by type of fund as of August 31, 2024 is as follows:

	With Donor Restrictions
Donor-restricted endowment funds	$ 2,181,908

Changes in endowment net assets as of August 31, 2024 are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	$ 2,044,153
Contributions	23,431
Net investment gain	212,526
Appropriated for expenditures	(98,202)
Endowment net assets, end of year	$ 2,181,908

6. LINES OF CREDIT

The Conservancy had a line of credit with a financial institution with a maximum borrowing amount of $1,000,000 through December 2023 at which time all outstanding borrowings were paid in full. In January 2024, the Conservancy entered into a new revolving line of credit with a financial institution with a maximum borrowing amount of $300,000. Interest is paid monthly at the prime rate (prime rate was 8.50% at August 31, 2024). The Conservancy had no outstanding borrowings on the line as of August 31, 2024. The line is secured by substantially all assets of the Conservancy.

7. 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 1,383 hours for the year ended August 31, 2024.

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 $122,103 for the year ended August 31, 2024. This amount is a contributed nonfinancial asset recognized within the statement of activities as National Park Service assigned use of facilities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of August 31, 2024:

Subject to expenditure for specific purposes:	
Philanthropy	$ 725,380
Community outreach	858,700
Environmental education	835,580
Fundraising and projects	3,946,557
Environmental education program scholarships	479,503
	6,845,720

8. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Endowments:	
Subject to appropriation and expenditure when a specific event occurs:	
Restricted by donors for:	
Trails Forever	1,732,864
Environmental education general operations	227,094
Environmental education program scholarships	221,951
	2,181,909
Total net assets with donor restrictions	$ 9,027,629

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, 2024:

Satisfaction of purpose restrictions:	
Fundraising and projects	$ 2,608,895
Environmental education	971,943
Philanthropy	273,050
Community outreach	497,944
Environmental education program scholarships	91,719
	$ 4,443,551

9. RETIREMENT 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. Retirement plan expense was $169,952 for the year ended August 31, 2024.

10. COOPERATIVE AGREEMENT

The Conservancy has an agreement with the National Park Service (NPS), Department of the Interior, which is effective through September 30, 2025. Under this agreement, the Conservancy is required to engage public support for and enhance public use and enjoyment of Cuyahoga Valley National Park through the development and operation of a variety of programs and services that educate the public, add to the park experience, and reach a diverse community 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 $437,290 for the Conservancy's various programs under this agreement during the year ended August 31, 2024.

11. OPERATING LEASES

The Conservancy has an agreement with an unrelated party to lease space to operate an educational gift shop. The ten-year lease called 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 expired on December 31, 2021 at which time the first of two allowable extensions came into effect. The five-year lease extension calls for monthly rental payments of $2,705 through December 31, 2026.

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 $23,000 per year and 8% of the gross revenue from the rentals. The lease expires August 31, 2031.

The Conservancy entered into a lease agreement with the National Park Service for the use and occupancy of the Boston Store. The rent under this agreement was $1,240 per month and the lease expired March 2, 2024. The lease was extended for an additional year through March 2025 at $1,280 per month.

The Conservancy entered into a lease agreement with the National Park Service for the use and occupancy of the Stanford House. The rent under this agreement is $1,500 per month and the lease expires February 28, 2026.

The Conservancy also leases office equipment from various unrelated parties. Monthly payments range from $83 to $556 expiring at various dates through April 2026.

11. OPERATING LEASES (Continued)

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities for the years ending August 31:

	2025	$ 88,409
	2026	68,994
	2027	33,820
	2028	23,000
	2029	23,000
	Thereafter	46,000
Total operating lease payments		283,223
Less imputed interest		(21,479)
Total operating lease liabilities		$ 261,744

The following summarizes the total lease cost related to operating leases for the year ending August 31, 2024:

Operating lease cost	$ 89,070
Short-term lease cost	15,120
Variable lease cost	46,243
Total lease cost	$ 150,433

The following summarizes the cash flow activity related to operating leases for the year ending August 31, 2024:

Operating cash flows used for operating leases	$ 150,433

The following is the weighted-average remaining lease terms and risk-free rate as of August 31, 2024:

Weighted-average remaining lease term:	
Operating leases	3.2 years
Weighted-average risk free rate:	
Operating leases	3.35%

12. 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, 2023, from which the summarized information was derived.

13. 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, 2024, 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, 2021 through August 31, 2024. 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.

14. 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.

14. FAIR VALUE MEASUREMENT (Continued)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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, 2024.

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.

Alternative asset funds – Alternative asset funds consist of marketable equity securities in niche asset classes like real estate, gold, and diversified equity funds that are valued based on quoted prices in active markets.

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.

14. FAIR VALUE MEASUREMENT (Continued)

The following table sets forth by level, within the fair value hierarchy, the Conservancy's assets at fair value as of August 31, 2024.

Assets at Fair Value as of August 31, 2024

	Level 1	Level 2	Level 3	Total
Endowment funds	$ -	$ -	$2,181,908	$2,181,908
Cash and cash equivalents	60,075	-	-	60,075
Fixed income funds	370,784	-	-	370,784
Equity funds	986,784	-	-	986,784
Alternative assets	80,972	-	-	80,972
	$1,498,615	$ -	$2,181,908	$3,680,523

15. PENDING LITIGATION

During the normal course of operations, the Conservancy may be named in claims or legal actions. The Conservancy follows guidance, as required by the Contingencies Topic of the FASB Accounting Standards Codification, in determining when such a contingency requires recognition or disclosure. The Conservancy's management and legal counsel assess such contingent liabilities and have determined that no such claims or legal action fit the criteria for recognition or disclosure for the year ended August 31, 2024.

16. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation. The reclassifications have no effect on assets, liabilities or changes in net assets of the Conservancy for the year ended August 31, 2023.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 17, 2024, which is the date the financial statements were available to be issued.