

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2011 AND 2010**

NATIONAL PARKS CONSERVATION ASSOCIATION

CONTENTS

	PAGE NO.
INDEPENDENT AUDITORS' REPORT	2
EXHIBIT A - Statements of Financial Position, as of June 30, 2011 and 2010	3 - 4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2011 and 2010	5 - 6
EXHIBIT C - Statement of Functional Expenses, for the Year Ended June 30, 2011	7 - 8
EXHIBIT D - Statement of Functional Expenses, for the Year Ended June 30, 2010	9 - 10
EXHIBIT E - Statements of Cash Flows, for the Years Ended June 30, 2011 and 2010	11
NOTES TO FINANCIAL STATEMENTS	12 - 27



GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
National Parks Conservation Association
Washington, D.C.

We have audited the accompanying statements of financial position of the National Parks Conservation Association (the Association) as of June 30, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2011 and 2010, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

November 16, 2011

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NATIONAL PARKS CONSERVATION ASSOCIATION

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND 2010

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,705,922	\$ 7,363,727
Short-term investments (Notes 2, 4, 7 and 14)	2,292,700	2,211,242
Grants and contributions receivable, net of allowance for uncollectable pledges of \$173,845 and \$274,701 in 2011 and 2010, respectively (Note 3)	14,801,838	12,787,501
Accounts receivable	33,147	60,338
Prepaid expenses	<u>216,072</u>	<u>72,073</u>
Total current assets	<u>25,049,679</u>	<u>22,494,881</u>
FIXED ASSETS		
Equipment	801,456	655,023
Furniture	606,681	28,779
Software	342,730	318,391
Leasehold improvements (Note 11)	<u>2,607,880</u>	<u>121,310</u>
	4,358,747	1,123,503
Less: Accumulated depreciation and amortization	<u>(1,045,921)</u>	<u>(839,720)</u>
Net fixed assets	<u>3,312,826</u>	<u>283,783</u>
OTHER ASSETS		
Deposits	39,817	47,861
Investments (Notes 2, 7 and 14)	29,114,226	23,074,312
Grants and contributions receivable, long-term portion (Note 3)	<u>2,222,788</u>	<u>13,629,986</u>
Total other assets	<u>31,376,831</u>	<u>36,752,159</u>
TOTAL ASSETS	<u>\$ 59,739,336</u>	<u>\$ 59,530,823</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

	2011	2010
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,071,870	\$ 1,649,255
Accrued salaries and related benefits	699,896	601,994
Charitable gift annuities, current portion (Note 7)	223,350	179,439
Deferred membership dues	665,196	806,985
Deferred rent, current portion (Note 11)	<u>263,832</u>	<u>59,514</u>
Total current liabilities	<u>3,924,144</u>	<u>3,297,187</u>
LONG-TERM LIABILITIES		
Charitable gift annuities, long-term portion (Note 7)	1,255,381	1,164,551
Deferred rent, long-term portion (Note 11)	<u>2,655,333</u>	<u>242</u>
Total long-term liabilities	<u>3,910,714</u>	<u>1,164,793</u>
Total liabilities	<u>7,834,858</u>	<u>4,461,980</u>
NET ASSETS		
Unrestricted (Note 4)	12,939,104	6,134,658
Temporarily restricted (Note 5)	24,626,064	34,794,875
Permanently restricted (Note 6)	<u>14,339,310</u>	<u>14,139,310</u>
Total net assets	<u>51,904,478</u>	<u>55,068,843</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 59,739,336</u>	<u>\$ 59,530,823</u>

NATIONAL PARKS CONSERVATION ASSOCIATION

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUE				
Contributions (Notes 7 and 9)	\$ 16,662,901	\$ 3,030,242	\$ 200,000	\$ 19,893,143
Grants and contracts	104,933	3,609,217	-	3,714,150
Membership dues	1,416,355	-	-	1,416,355
Bequests	877,509	-	-	877,509
Investment return (Note 2)	1,982,687	2,402,885	-	4,385,572
Marketing income	472,133	695,000	-	1,167,133
Special events	179,703	320,100	-	499,803
Other revenue (Note 11)	284,746	-	-	284,746
Net assets released from donor restrictions (Note 5)	<u>20,226,255</u>	<u>(20,226,255)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>42,207,222</u>	<u>(10,168,811)</u>	<u>200,000</u>	<u>32,238,411</u>
EXPENSES				
Program Services:				
Protect and Enhance Natural and Cultural Resources	11,518,496	-	-	11,518,496
Engage, Educate and Empower Americans	10,673,790	-	-	10,673,790
Park Funding and Management	<u>4,858,166</u>	<u>-</u>	<u>-</u>	<u>4,858,166</u>
Total program services	<u>27,050,452</u>	<u>-</u>	<u>-</u>	<u>27,050,452</u>
Supporting Services:				
Management and General	463,520	-	-	463,520
Fundraising	<u>7,888,804</u>	<u>-</u>	<u>-</u>	<u>7,888,804</u>
Total supporting services	<u>8,352,324</u>	<u>-</u>	<u>-</u>	<u>8,352,324</u>
Total expenses	<u>35,402,776</u>	<u>-</u>	<u>-</u>	<u>35,402,776</u>
Changes in net assets	6,804,446	(10,168,811)	200,000	(3,164,365)
Net assets at beginning of year	<u>6,134,658</u>	<u>34,794,875</u>	<u>14,139,310</u>	<u>55,068,843</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,939,104</u>	<u>\$ 24,626,064</u>	<u>\$ 14,339,310</u>	<u>\$ 51,904,478</u>

See accompanying notes to financial statements.

2010			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 15,282,097	\$ 1,546,605	\$ 50,000	\$ 16,878,702
199,805	18,299,378	-	18,499,183
828,864	-	-	828,864
1,927,493	-	-	1,927,493
3,094,389	57,199	-	3,151,588
1,405,980	-	-	1,405,980
244,591	2,089,190	-	2,333,781
154,776	-	-	154,776
<u>13,311,080</u>	<u>(13,311,080)</u>	<u>-</u>	<u>-</u>
<u>36,449,075</u>	<u>8,681,292</u>	<u>50,000</u>	<u>45,180,367</u>
13,299,625	-	-	13,299,625
9,804,457	-	-	9,804,457
<u>5,929,142</u>	<u>-</u>	<u>-</u>	<u>5,929,142</u>
<u>29,033,224</u>	<u>-</u>	<u>-</u>	<u>29,033,224</u>
420,898	-	-	420,898
<u>7,595,271</u>	<u>-</u>	<u>-</u>	<u>7,595,271</u>
<u>8,016,169</u>	<u>-</u>	<u>-</u>	<u>8,016,169</u>
<u>37,049,393</u>	<u>-</u>	<u>-</u>	<u>37,049,393</u>
(600,318)	8,681,292	50,000	8,130,974
<u>6,734,976</u>	<u>26,113,583</u>	<u>14,089,310</u>	<u>46,937,869</u>
<u>\$ 6,134,658</u>	<u>\$ 34,794,875</u>	<u>\$ 14,139,310</u>	<u>\$ 55,068,843</u>

See accompanying notes to financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011**

	Program Services			
	Protect and Enhance Natural and Cultural Resources	Engage, Educate and Empower Americans	Park Funding and Management	Total Program Services
Salaries and benefits (Note 8)	\$ 6,083,496	\$ 3,387,958	\$ 2,594,334	\$12,065,788
Professional and outside services (Note 9)	2,596,602	1,586,130	1,196,682	5,379,414
Grants and awards	298,149	692,094	2,286	992,529
Office supplies and expense	149,948	147,700	92,918	390,566
Telephone	182,751	40,021	46,333	269,105
Postage, shipping, lists and related costs	98,714	1,817,020	65,729	1,981,463
Equipment rental and maintenance	59,056	20,015	23,604	102,675
Printing	291,053	1,901,104	135,055	2,327,212
Publications, subscriptions and membership dues	29,489	57,436	26,944	113,869
Travel	570,620	209,774	320,838	1,101,232
Meetings and conferences	19,050	16,198	17,359	52,607
Special events	182,791	175,554	27,422	385,767
Building occupancy expense (Note 11)	616,074	249,406	198,954	1,064,434
Depreciation and amortization	154,015	62,350	49,737	266,102
Other	186,688	311,030	59,971	557,689
TOTAL	\$ 11,518,496	\$ 10,673,790	\$ 4,858,166	\$27,050,452

See accompanying notes to financial statements.

Supporting Services

Management and General	Fundraising	Total Supporting Services	Total Expenses
\$ 164,068	\$ 2,723,380	\$ 2,887,448	\$ 14,953,236
31,977	926,003	957,980	6,337,394
306	19,318	19,624	1,012,153
9,617	24,736	34,353	424,919
7,597	24,417	32,014	301,119
1,400	1,545,517	1,546,917	3,528,380
7,556	15,196	22,752	125,427
2,076	1,727,889	1,729,965	4,057,177
2,047	8,467	10,514	124,383
5,224	149,426	154,650	1,255,882
-	4,373	4,373	56,980
7,416	180,356	187,772	573,539
144,458	197,651	342,109	1,406,543
36,113	49,412	85,525	351,627
43,665	292,663	336,328	894,017
\$ 463,520	\$ 7,888,804	\$ 8,352,324	\$ 35,402,776

See accompanying notes to financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Services			
	Protect and Enhance Natural and Cultural Resources	Engage, Educate and Empower Americans	Park Funding and Management	Total Program Services
Salaries and benefits (Note 8)	\$ 5,880,386	\$ 3,188,213	\$ 2,432,030	\$11,500,629
Professional and outside services (Note 9)	3,687,984	1,449,760	1,782,717	6,920,461
Grants and awards	154,878	462,198	707,641	1,324,717
Office supplies and expense	106,055	26,750	23,509	156,314
Telephone	180,543	40,687	38,859	260,089
Postage, shipping, lists and related costs	100,565	1,719,295	63,059	1,882,919
Equipment rental and maintenance	86,701	22,033	24,225	132,959
Printing	383,320	1,974,309	165,026	2,522,655
Publications, subscriptions and membership dues	31,957	51,389	7,202	90,548
Travel	586,581	229,023	391,517	1,207,121
Meetings and conferences	8,558	10,388	7,672	26,618
Special events	1,095,736	132,389	10,896	1,239,021
Building occupancy expense (Note 11)	866,042	344,642	239,558	1,450,242
Depreciation and amortization	40,673	15,921	11,444	68,038
Other	89,646	137,460	23,787	250,893
TOTAL	\$ 13,299,625	\$ 9,804,457	\$ 5,929,142	\$29,033,224

See accompanying notes to financial statements.

Supporting Services

Management and General	Fundraising	Total Supporting Services	Total Expenses
\$ 148,647	\$ 2,702,614	\$ 2,851,261	\$ 14,351,890
40,721	855,588	896,309	7,816,770
(250)	25,126	24,876	1,349,593
10,213	20,721	30,934	187,248
8,537	23,490	32,027	292,116
985	1,489,561	1,490,546	3,373,465
8,063	13,820	21,883	154,842
407	1,686,192	1,686,599	4,209,254
250	5,432	5,682	96,230
1,328	108,831	110,159	1,317,280
113	2,310	2,423	29,041
796	160,825	161,621	1,400,642
175,272	256,454	431,726	1,881,968
8,382	11,756	20,138	88,176
17,434	232,551	249,985	500,878
\$ 420,898	\$ 7,595,271	\$ 8,016,169	\$ 37,049,393

See accompanying notes to financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (3,164,365)	\$ 8,130,974
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	351,627	88,176
Net appreciation of investments	(3,402,397)	(2,433,480)
Loss on disposal of fixed assets	4,663	-
Change in allowance for uncollectable pledges	(100,856)	32,511
Change in discount on grants and contributions receivable	(591,824)	(379,887)
Permanently restricted contributions	(200,000)	(50,000)
(Increase) decrease in:		
Grants and contributions receivable	10,085,541	(3,186,124)
Accounts receivable	27,191	(18,141)
Prepaid expenses	(143,999)	125,462
Deposits	8,044	13,377
Increase (decrease) in:		
Accounts payable and accrued liabilities	422,615	65,134
Accrued salaries and related benefits	97,902	(11,043)
Charitable gift annuities	134,741	69,899
Deferred membership dues	(141,789)	694,242
Deferred rent	221,089	(98,471)
Deposits	-	(11,863)
Net cash provided by operating activities	<u>3,608,183</u>	<u>3,030,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(747,013)	(262,599)
Purchase of investments	(28,591,646)	(4,495,468)
Proceeds from sale of investments	<u>25,872,671</u>	<u>2,718,303</u>
Net cash used by investing activities	<u>(3,465,988)</u>	<u>(2,039,764)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions	<u>200,000</u>	<u>50,000</u>
Net cash provided by financing activities	<u>200,000</u>	<u>50,000</u>
Net increase in cash and cash equivalents	342,195	1,041,002
Cash and cash equivalents at beginning of year	<u>7,363,727</u>	<u>6,322,725</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,705,922</u>	<u>\$ 7,363,727</u>
SCHEDULE OF NONCASH INVESTING TRANSACTIONS		
Leasehold Improvements Funded by Landlord	<u>\$ 2,638,320</u>	<u>\$ -</u>

See accompanying notes to financial statements.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The National Parks Conservation Association (the Association) was established in 1919 as a national nonprofit membership organization that focuses on defending, promoting and improving America's National Park System while educating the public about the parks. The Association seeks to protect park visitors, natural and historic resources from the impacts of air pollution and climate change. The Association also seeks to ensure the long-term health of park wildlife populations and habitat for the enjoyment of this and future generations. The Association was incorporated in the District of Columbia.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

The Association considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding cash and cash equivalents held by investment managers in the amounts of \$2,671,420 and \$451,922 for the years ended June 30, 2011 and 2010, respectively.

At times during the year, the Association maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Unrealized and realized gains and losses are included in investment return in the Statements of Activities and Changes in Net Assets.

Accounts, grants and contributions receivable -

Accounts, grants and contributions receivable approximate fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the customer.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost, or if donated, are recorded at the fair market value at the date of donation. Equipment, furniture and software are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Grants and contributions -

Grants and contributions are recorded as revenue in the year notification is received from the donor. Grants and contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Contributions that include unconditional promises to give are recognized as revenue in the period received. Conditional promises to give are not included as support until the conditions are substantially met.

Membership dues -

Membership dues are recognized when earned. Membership dues received in advance and not yet earned are deferred to the applicable period.

Net asset classification -

The net assets are reported in three self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Association and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by the Association.

Income taxes -

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association is not a private foundation. The Association earns unrelated business income on advertising. The Association did not have income tax expense for the years ended June 30, 2011 and 2010.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Uncertain tax positions (continued) -

For the years ended June 30, 2011 and 2010, the Association has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurements -

The Association adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Association accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

2. INVESTMENTS

Investments consisted of the following at June 30, 2011 and 2010:

	Market Value	
	2011	2010
Cash and cash equivalents	\$ 2,671,420	\$ 451,922
Equity mutual funds	12,744,591	12,047,173
Fixed income	10,837,601	8,934,774
Real estate funds	1,181,744	-
Commodities	972,561	-
Alternative investments	<u>2,999,009</u>	<u>3,851,685</u>
	31,406,926	25,285,554
Less: Short-term investments	<u>(2,292,700)</u>	<u>(2,211,242)</u>
	\$ 29,114,226	\$ 23,074,312

Short-term investments include operating funds and Board Project Funds (see Note 4).

Under the terms of certain agreements for several alternative investments, the Association is obligated to remit additional funding periodically as capital calls are exercised. As of June 30, 2011 and 2010, the Association has uncalled commitments of \$837,600 and \$1,141,597, respectively.

Alternative investments are comprised of the following at June 30, 2011:

Investment Type	Amount	Liquidity
Northgate IV Limited Partnership	\$ 728,152	Long-term limited partnerships with investment period where capital is drawn down and then as investments are sold, capital is returned. Term will continue until assets are sold and proceeds distributed and will expire in approximately 14 years.
Siguler Guff Distressed Opportunities Fund Limited Partnership	975,292	Long-term limited partnerships with investment period where capital is drawn down and then as investments are sold, capital is returned. Term will expire on December 31, 2019 or the date all assets have been distributed.
J.D. Clark & Company Common Sense Long-Biased Offshore, LTD	<u>1,295,565</u>	One-year lock-up period expired August 1, 2009; liquidity semi-annual with 95 days written notice.
ALTERNATIVE INVESTMENTS	\$ <u>2,999,009</u>	

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

2. INVESTMENTS (Continued)

Alternative investments are comprised of the following at June 30, 2010:

<u>Investment Type</u>	<u>Amount</u>	<u>Liquidity</u>
Common Sense Long-Biased Off-Shore Fund, LTD	\$ 1,244,117	One-year lock-up period expired August 1, 2009; liquidity annual with 100 days written notice.
Northgate IV Limited Partnership	369,154	Long-term limited partnerships with investment period where capital is drawn down and then as investments are sold, capital is returned. Term will continue until assets are sold and proceeds distributed and will expire in approximately 15 years.
Siguler Guff Distressed Opportunities Fund Limited Partnership	991,060	Long-term limited partnerships with investment period where capital is drawn down and then as investments are sold, capital is returned. Term will expire on December 31, 2019 or the date all assets have been distributed.
FEG Absolute Fund	<u>1,247,354</u>	One-year lock-up period expired August 1, 2009; liquidity semi-annual with 95 days written notice.
ALTERNATIVE INVESTMENTS	<u>\$ 3,851,685</u>	

Included in the investments balance at June 30, 2011 and 2010 are investments related to certain split interest agreements as follows:

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 126,303	\$ 321,111
Equity mutual funds	1,191,196	787,205
Fixed income	1,260,427	724,961
Real estate funds	<u>148,128</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 2,726,054</u>	<u>\$ 1,833,277</u>

Included in investment return are the following:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 983,175	\$ 718,108
Net unrealized and realized gains	<u>3,402,397</u>	<u>2,433,480</u>
TOTAL INVESTMENT RETURN	<u>\$ 4,385,572</u>	<u>\$ 3,151,588</u>

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following at June 30, 2011 and 2010:

	2011	2010
Amounts due in:		
Less than one year	\$ 14,975,683	\$ 13,062,202
One to five years	2,383,834	14,382,856
Total amounts due	17,359,517	27,445,058
Less: Present value discount	(161,046)	(752,870)
Allowance for uncollectable pledges	(173,845)	(274,701)
NET GRANTS AND CONTRIBUTIONS RECEIVABLE	\$ 17,024,626	\$ 26,417,487

The present value discount is calculated using a rate of 5% for the years ended June 30, 2011 and 2010. Grants and contributions receivable include \$4,097,799 and \$3,938,112 from officers, directors, employees and other related parties of the Association as of June 30, 2011 and 2010, respectively.

4. BOARD DESIGNATED FUNDS

The Board has established a Board Reserve Fund to provide financial stability and capital in order to meet the future needs of the Association. Investment income may be used to support programs and operations of the Association up to 4.5% of the rolling average of the fund's market value of the previous twelve quarters.

At June 30, 2011 and 2010, the Board Reserve Fund amounted to \$11,595,413 and \$9,339,434, respectively.

The Board established a Board Project Fund to meet the expenses occurring as a result of unanticipated activities and multi-year projects funded through temporarily restricted income, improve the return on funds held for expenditure over the next one to five years, and to manage investment risk. Income generated by the Board Project Fund may be used to fund current operating expenses. At June 30, 2011 and 2010, the Board Project Fund amounted to \$2,282,573 and \$2,211,242, respectively.

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2011 and 2010:

	2011	2010
Timing Restrictions	\$ 9,000,476	\$ 15,606,068
Protect and Enhance Natural and Cultural Resources	4,305,577	726,160
Engage, Educate and Empower Americans	2,223,960	3,368,482
Park Funding and Management	7,522,622	12,478,251
Regional	1,573,429	2,615,914
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$ 24,626,064	\$ 34,794,875

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

5. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors or the passage of time:

	<u>2011</u>	<u>2010</u>
Timing Restrictions	\$ 8,685,689	\$ 5,569,378
Protect and Enhance Natural and Cultural Resources	2,302,154	1,322,329
Engage, Educate and Empower Americans	2,419,984	1,240,524
Park Funding and Management	6,380,111	4,309,526
Regional	<u>438,317</u>	<u>869,323</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 20,226,255</u>	<u>\$ 13,311,080</u>

6. PERMANENTLY RESTRICTED NET ASSETS

The Association's endowment consists of donor-restricted endowment funds. As required by GAAP, endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors 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 Association classifies as permanently restricted net assets (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 classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 1,590,142</u>	<u>\$ 14,339,310</u>	<u>\$ 15,929,452</u>

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

6. PERMANENTLY RESTRICTED NET ASSETS (Continued)

Changes in endowment net assets for the year ended June 30, 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2010	\$ <u>(774,847)</u>	\$ <u>14,492</u>	\$ <u>14,139,310</u>	\$ <u>13,378,955</u>
Investment return:				
Investment income	-	444,442	-	444,442
Net appreciation (realized and unrealized)	<u>774,847</u>	<u>1,183,596</u>	<u>-</u>	<u>1,958,443</u>
Total investment return	<u>774,847</u>	<u>1,628,038</u>	<u>-</u>	<u>2,402,885</u>
Contributions	-	-	200,000	200,000
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(52,388)</u>	<u>-</u>	<u>(52,388)</u>
ENDOWMENT NET ASSETS, JUNE 30, 2011	\$ <u>-</u>	\$ <u>1,590,142</u>	\$ <u>14,339,310</u>	\$ <u>15,929,452</u>

Endowment net asset composition by type of fund as of June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ <u>(774,847)</u>	\$ <u>14,492</u>	\$ <u>14,139,310</u>	\$ <u>13,378,955</u>

Changes in endowment net assets for the year ended June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2009	\$ <u>(2,229,140)</u>	\$ <u>1,355</u>	\$ <u>14,089,310</u>	\$ <u>11,861,525</u>
Investment return:				
Investment income	323,806	46,328	-	370,134
Net depreciation (realized and unrealized)	<u>1,130,487</u>	<u>10,871</u>	<u>-</u>	<u>1,141,358</u>
Total investment return	<u>1,454,293</u>	<u>57,199</u>	<u>-</u>	<u>1,511,492</u>
Contributions	-	-	50,000	50,000
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(44,062)</u>	<u>-</u>	<u>(44,062)</u>
ENDOWMENT NET ASSETS, JUNE 30, 2010	\$ <u>(774,847)</u>	\$ <u>14,492</u>	\$ <u>14,139,310</u>	\$ <u>13,378,955</u>

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

6. PERMANENTLY RESTRICTED NET ASSETS (Continued)

Permanently restricted net assets are restricted for the following programs:

	2011	2010
Park Protection Endowment	\$ 9,999,981	\$ 9,999,981
EDAR Endowment	1,207,942	1,207,942
Frank H. Filley and Family Endowment Fund	440,416	440,416
H. William Walter Endowed Internship Program	305,300	305,300
Stephen Tyng Mather Award Endowed by Booz, Allen, Hamilton	100,000	100,000
General NPCA Endowment Fund	77,441	77,441
Norman G. Cohen Park Education Endowment	51,230	51,230
Yellowstone Conservation Fund Endowment	657,000	457,000
NERO Endowment	1,500,000	1,500,000
	\$ 14,339,310	\$ 14,139,310

Park Protection Endowment:

This endowment is funded through the generosity of an anonymous donor. Its purpose is to enhance the long term financial base of the Association in order to consistently propel the organization towards protecting and enhancing America's National Parks for present and future generations.

EDAR Endowment:

The EDAR Endowment was created and initially funded by Armstrong Chinn, Jr. for the purpose of creating a permanent memorial endowment fund to further the mission of the Association.

Frank H. Filley and Family Endowment Fund:

The Frank H. Filley and Family Endowment Fund was created in December 2001 and was established as an endowment generally supporting the activities of the Association.

H. William Walter Endowed Internship Program:

This endowment is funded by the friends and family of William Walter, to honor him for his years of generous support, leadership and outreach on behalf of the Association and our national parks. The investment income is to support an internship program at the Association, so that college and graduate students can have an opportunity to gain experience, possibly leading to careers in park conservation.

Stephen Tyng Mather Award (Endowed by Booz, Allen, Hamilton):

The Stephen Tyng Mather Award Endowed by Booz Allen Hamilton Fund was set up in the Winter of 2007. The investment income of the fund is specifically directed to be used to offset the cost of the award, given each year to a deserving National Park Service employee who has exhibited exemplary and distinguished performance in park protection and enhancement.

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

6. PERMANENTLY RESTRICTED NET ASSETS (Continued)

General National Parks Conservation Association Endowment Fund:

The General National Parks Conservation Association Endowment was established for the purpose of supporting the Association's activities. This endowment was initiated through the generosity of John and Jane Strandberg who indicated a desire to fund a general endowment for the Association.

Norman G. Cohen Park Education Endowment:

The Norman G. Cohen Park Education Endowment established by Norman G. Cohen in 1992, with the purpose to provide youth from the Washington, D.C. area with educational activities that help them appreciate and understand the national parks.

Yellowstone Conservation Fund Endowment:

The Yellowstone Conservation Endowment Fund was established for the purpose of protecting the greater Yellowstone ecosystem. Individuals from the Midwest and Northern Rockies Regions area are supporting the fund. Income from the fund may be used to support any type of strategy or project to protect the national park and its surroundings.

Northeast Regional Office (NERO) Endowment:

The Northeast Regional Office (NERO) Endowment fund was established to produce income designated for the Association's work through its Northeast Regional Office (NERO) or in direct support of it. Income from this fund may be used for Association work that directly supports NERO, for NERO staff salaries and/or benefits, consultants, direct operating expenses, office space, or other reasonable and necessary expenses to maintain an effective presence in the Northeast region.

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Association to retain as fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets totaled \$0 and \$774,847 at June 30, 2011 and 2010, respectively. These deficiencies resulted from unfavorable market fluctuations occurred after the investment of permanently restricted contributions and continued appropriations for certain programs that was deemed prudent by the Board of Directors.

Return Objectives and Risk Parameters -

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in-perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide real (inflation adjusted) growth of capital, without undue risk.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

6. PERMANENTLY RESTRICTED NET ASSETS (Continued)

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Association will utilize a strategy of fixed income, equities and cash equivalents in a mix which is conducive to participation in rising markets while allowing for protection in falling markets. The assets will be invested with the care, skill, prudence and diligence under the circumstances then prevailing. The greatest concern should be long-term appreciation of the assets and consistency of total portfolio returns. The criteria utilized to determine the target investment allocation include the total return against CPI, Treasury Bill Index and a standard deviation based on acceptable risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Association has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters, unless explicitly directed otherwise by the donor. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long-term, the Association expects the current spending policy to allow its endowment to grow at an average of at least 4.5% annually. This is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in-perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

7. CHARITABLE GIFT ANNUITIES

The Association administers various charitable gift annuity agreements that allow a donor to contribute assets to the Association in exchange for a promise to pay a fixed amount to the donor or to other designated beneficiaries over the agreements' term, usually the designated beneficiary's lifetime. At the end of the agreements' term, the remaining assets are available for the Association's use. The portion of the agreement attributable to the future interest of the Association is recorded in the Statements of Activities and Changes in Net Assets as unrestricted contributions in the period the agreement is established. Assets are recorded at readily determinable fair value in the Statements of Financial Position. On an annual basis, the Association revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate ranging from 2.0% to 8.2% and applicable mortality tables.

The following liabilities have been recorded in the Statements of Financial Position at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Current liability to the beneficiaries	\$ 223,350	\$ 179,439
Long-term liability to the beneficiaries	<u>1,255,381</u>	<u>1,164,551</u>
TOTAL LIABILITY TO THE BENEFICIARIES	<u>\$ 1,478,731</u>	<u>\$ 1,343,990</u>

Unrestricted contribution revenue of \$271,699 and \$127,103 was recorded in the Statements of Activities and Changes in Net Assets for the years ended June 30, 2011 and 2010, respectively.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

8. PENSION PLAN

The Association has a money purchase plan for employer contributions for all eligible employees. The Association provides employee contributions, only through salary deferral arrangements, up to the maximum allowable amount. Total pension expense for the years ended June 30, 2011 and 2010 was \$875,697 and \$851,579, respectively.

9. DONATED SERVICES AND MATERIALS

A substantial number of volunteers have donated significant amounts of time to the Association's program services and to its fundraising campaigns. No amounts have been recognized in the Statements of Activities and Changes in Net Assets since services performed by the Association's volunteers do not fall into the criteria established by the Financial Accounting Standards Board in this area.

The Association records donated legal services at the fair market values of the services rendered. For the years ended June 30, 2011 and 2010, the amount of legal services recorded was \$1,691,346 and \$1,978,266, respectively.

10. ALLOCATION OF JOINT COSTS

Joint costs incurred for mailings were \$4,427,983 and \$4,192,338 for the years ended June 30, 2011 and 2010, respectively. Mailings consisted of program strategies and activities that included fundraising appeals. These costs include the costs of keeping the members of the Association informed of park issues through letters, the annual report and implementation materials relating to specific programs. Fundraising is that component of joint costs associated with asking the Association's current members for contributions.

Joint costs were allocated as follows at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Program Services:		
Visitors Experience	\$ 2,295,158	\$ 2,217,016
Supporting Services:		
Membership Development	1,246,949	1,057,407
Fundraising	<u>885,876</u>	<u>917,915</u>
TOTAL EXPENSES	<u>\$ 4,427,983</u>	<u>\$ 4,192,338</u>

11. COMMITMENTS

The Association has commitments under several operating leases for office space expiring at various times. Some leases have scheduled rental increases and some contain options to renew. During fiscal year 2010, the Association signed a new lease for their headquarters which begins in fiscal year 2011 and expires in the year ending June 30, 2021. The landlord provided \$2,638,320 of leasehold improvements, which was recorded as deferred rent and is being amortized over the life of the lease. Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is being deferred.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

11. COMMITMENTS (Continued)

Future minimum rental payments, by year and in aggregate, under the operating leases are as follows:

<u>Year Ended June 30,</u>	
2012	\$ 1,579,324
2013	1,696,019
2014	1,694,526
2015	1,732,862
2016	1,759,965
Thereafter	<u>9,126,413</u>
	<u>\$ 17,589,109</u>

Rent expense, which is included in building occupancy expense in the Statement of Functional Expenses, for the years ended June 30, 2011 and 2010 was \$1,355,325 and \$1,845,916, respectively.

The Association sublets space to a third party. The lease operates on a month to month basis.

Rental income is included in other income in the Statements of Activities and Changes in Net Assets. Rental income received for the years ended June 30, 2011 and 2010 was \$10,375 and \$20,609, respectively.

12. PROGRAM AND SUPPORTING SERVICES DESCRIPTIONS

Since 1919, the nonpartisan National Parks Conservation Association has been the leading voice of the American people in protecting and enhancing our National Park System. The Association, its members and partners work together to protect the park system and preserve our nation's natural, historical and cultural heritage for America's tomorrow. A brief description of the Association programs and supporting services follows:

Protect and Enhance Natural and Cultural Resources:

These programs protect parks from external threats that negatively impact, degrade, or destroy park resources or values, and serve to protect, restore, and maintain park, natural, and cultural resources unimpaired for future generations. The Association has offices across the nation to ensure that threats to resources at our parks are detected early and solutions to these threats implemented quickly. These offices also work to seize opportunities to measure the health of and improve the condition of these resources.

Engage, Educate, and Empower Americans:

The long-term viability and vibrancy of the national parks depend on a broader, more diverse, committed, and engaged constituency that values the national park idea. To gain broader support for the parks, the Association will seek through this strategic priority to create a larger national park community that is engaged, educated, and empowered to protect and enhance our national parks and monuments.

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011 AND 2010

12. PROGRAM AND SUPPORTING SERVICES DESCRIPTIONS (Continued)

Engage, Educate, and Empower Americans (continued):

This broader community will include non-traditional allies and a broader constituency that more closely represents the changing demographics of America.

Park Funding and Management:

The Association's research indicates that the National Park Service faces an operating funding deficit of approximately \$600 million, a maintenance backlog of over \$10 billion, and a backlog of land acquisition needs within park boundaries of over \$2 billion. The Association is working to minimize this gap in a challenging budgetary climate. A better managed national park system is a better protected national park system. Through its Center for Park Management the Association works with the National Park Service to promote and enhance the management capacity within the National Park Service.

Management and General:

Expenses include the functions necessary to provide the coordination and articulation of the Association's program strategy through the executive offices; to secure proper administrative functioning of the Board of Trustees; to manage the financial and budgetary responsibilities of the Association; and to maintain an equitable employment program and ensure an adequate work environment.

Fundraising:

Activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; soliciting for prospective members and conducting other activities involved in soliciting contributions from individuals, foundations, corporations and others.

13. CONTINGENCIES

Various lawsuits and other contingent liabilities arise in the ordinary course of the Association's activities. Based upon information currently available, management believes that any liability resulting there from will not materially affect the financial position or the operations of the Association.

14. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Association has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

NATIONAL PARKS CONSERVATION ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

14. FAIR VALUE MEASUREMENTS (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Association has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

Financial assets recorded on the Statements of Financial Position are categorized based on the inputs to the valuation technique as follows for the years ended June 30, 2011 and 2010:

	2011			
	Level 1	Level 2	Level 3	Total
Asset Category - Investments:				
Cash and cash equivalents	\$ 2,671,420	\$ -	\$ -	\$ 2,671,420
Equity mutual funds	12,744,591	-	-	12,744,591
Fixed income	-	10,837,601	-	10,837,601
Real estate funds	-	1,181,744	-	1,181,744
Commodities	-	972,561	-	972,561
Alternative investments	-	-	2,999,009	2,999,009
TOTAL	<u>\$ 15,416,011</u>	<u>\$ 12,991,906</u>	<u>\$ 2,999,009</u>	<u>\$ 31,406,926</u>

	2010			
	Level 1	Level 2	Level 3	Total
Asset Category - Investments:				
Cash and cash equivalents	\$ 451,922	\$ -	\$ -	\$ 451,922
Equity mutual funds	12,047,173	-	-	12,047,173
Fixed income	-	8,934,774	-	8,934,774
Alternative investments	-	-	3,851,685	3,851,685
TOTAL	<u>\$ 12,499,095</u>	<u>\$ 8,934,774</u>	<u>\$ 3,851,685</u>	<u>\$ 25,285,554</u>

NATIONAL PARKS CONSERVATION ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

14. FAIR VALUE MEASUREMENTS (Continued)

Level 3 Financial Assets

The following table provides a summary of changes in fair value of the Association's Level 3 financial assets for the years ended June 30, 2010 and 2011:

	<u>Investments</u>
Beginning balance as of July 1, 2009	\$ 3,005,216
Purchases	483,600
Distributions	(34,033)
Unrealized and realized losses	<u>396,902</u>
BALANCE AS OF JUNE 30, 2010	3,851,685
Purchases	279,600
Distributions	(1,427,059)
Unrealized and realized gains	<u>294,783</u>
BALANCE AS OF JUNE 30, 2011	<u>\$ 2,999,009</u>

15. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 16, 2011, the date the financial statements were issued.