National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidated Financial Statements,
Supplemental Schedules and
Independent Auditor's Report
Years Ended June 30, 2021 and 2020

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National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

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Independent Auditor's Report

Board of Trustees
National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates
Washington, D.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the **National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates** (the Trust), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements. We did not audit the financial statements of the National Trust Community Investment Corporation (NTCIC), a wholly-owned subsidiary which constitutes $20,764,006 and $15,448,067 of total consolidated assets as of June 30, 2021 and 2020, respectively and $14,573,198 and $5,573,938 of total consolidated operating revenues for the years ended June 30, 2021 and 2020, respectively. Those statements were audited in accordance with accounting principles generally accepted in the United States of America, and were audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for NTCIC, is based solely on the report of the other auditors.

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 consolidated 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 consolidated 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 the Trust'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust'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.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and consolidating schedule of activities as of and for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP

McLean, Virginia
December 17, 2021

Consolidated Financial Statements

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidated Statements of Financial Position

June 30,	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ **30,681,438**	$ 21,462,011
Short-term investments (Notes 9 and 10)	**3,598,552**	4,441,870
Accounts receivable	**7,124,883**	6,699,457
Contributions receivable, current (Note 5)	**4,846,821**	7,263,831
Prepaid expenses and other assets	**1,477,507**	1,481,992
Total current assets	**47,729,201**	41,349,161
Noncurrent investments: (Notes 9, 10, and 11)		
Endowments and similar funds	**314,948,859**	233,095,986
Amounts held for others (Notes 6 and 9)	**17,734,562**	14,050,733
Other investments (Notes 7 and 9)	**63,611,636**	51,014,544
Total noncurrent investments	**396,295,057**	298,161,263
Contributions receivable, net of current (Note 5)	**6,867,883**	16,158,607
Property and equipment, net (Note 4)	**16,026,760**	17,057,532
Other long-term assets	**680,031**	798,119
Total noncurrent assets	**419,869,731**	332,175,521
Total assets	$ **467,598,932**	$ 373,524,682
Liabilities and net assets		
Liabilities		
Current liabilities:		
Accounts payable	$ **9,215,996**	$ 7,125,576
Accrued expenses	**2,651,910**	3,244,023
Refundable advances and deferred revenue, current	**5,279,792**	5,255,572
Notes payable, current (Note 13)	**2,432,258**	679,750
Total current liabilities	**19,579,956**	16,304,921
Refundable advances and deferred revenue, net of current	**3,777,280**	5,284,311
Notes payable, net of current (Note 13)	**4,806,828**	4,910,711
Amounts held for others (Note 6)	**17,734,562**	14,050,733
Deferred rent	**4,450,849**	4,857,094
Other liabilities	**3,308,461**	2,746,871
Total liabilities	**53,657,936**	48,154,641
Commitments and Contingencies (Notes 8, 17, 18)		
Net assets (Note 14)		
Without donor restrictions	**126,454,819**	96,571,539
With donor restrictions	**287,486,177**	228,798,502
Total net assets	**413,940,996**	325,370,041
Total liabilities and net assets	$ **467,598,932**	$ 373,524,682

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States
and its Subsidiaries and Affiliates

Consolidated Statement of Activities

Year ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Contributions and grant income	$ 18,786,809	$ 31,764,699	$ 50,551,508
Contract services	18,862,694	-	18,862,694
Investment return	10,199,252	2,626,842	12,826,094
Admissions and special events	2,635,867	-	2,635,867
Program fees and other income	3,914,788	-	3,914,788
Net assets released from restrictions	20,829,673	(20,829,673)	-
Total operating revenues, gains, and other support	75,229,083	13,561,868	88,790,951
Operating expenses			
Program services			
Historic sites	22,767,074	-	22,767,074
Preservation services	24,759,782	-	24,759,782
Education and publications	5,000,180	-	5,000,180
Total program services	52,527,036	-	52,527,036
Support services			
General and administrative	8,942,636	-	8,942,636
Fundraising	4,043,171	-	4,043,171
Membership outreach	3,835,514	-	3,835,514
Total support services	16,821,321	-	16,821,321
Total operating expenses	69,348,357	-	69,348,357
Excess of operating revenues, gains, and other support over operating expenses	5,880,726	13,561,868	19,442,594
Nonoperating support (expense)			
Investment gains in excess of amounts designated for operations	24,745,452	52,237,507	76,982,959
Change in contributions receivable estimate (Note 1i)	-	(7,111,700)	(7,111,700)
Provision for income taxes (Note 1p)	(742,898)	-	(742,898)
Total nonoperating support (expense)	24,002,554	45,125,807	69,128,361
Change in net assets	29,883,280	58,687,675	88,570,955
Net assets, beginning of year	96,571,539	228,798,502	325,370,041
Net assets, end of year	$ 126,454,819	$ 287,486,177	$ 413,940,996

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidated Statement of Activities

Year ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Contributions and grant income	$ 16,733,253	$ 41,399,340	$ 58,132,593
Investment return	10,030,497	2,743,496	12,773,993
Contract services	8,731,341	-	8,731,341
Admissions and special events	2,366,551	-	2,366,551
Program fees and other income	5,229,709	-	5,229,709
Net assets released from restrictions	21,016,485	(21,016,485)	-
Total operating revenues, gains, and other support	64,107,836	23,126,351	87,234,187
Operating expenses			
Program services			
Historic sites	24,850,785	-	24,850,785
Preservation services	19,687,707	-	19,687,707
Education and publications	8,467,606	-	8,467,606
Total program services	53,006,098	-	53,006,098
Support services			
General and administrative	8,958,303	-	8,958,303
Fundraising	5,476,203	-	5,476,203
Membership outreach	4,207,141	-	4,207,141
Total support services	18,641,647	-	18,641,647
Total operating expenses	71,647,745	-	71,647,745
(Deficiency) excess of operating revenues, gains, and other support (under) over operating expenses	(7,539,909)	23,126,351	15,586,442
Nonoperating support (expense)			
Investment losses in excess of amounts designated for operations	(2,371,177)	(1,146,871)	(3,518,048)
Benefit from income taxes (Note 1p)	1,755,509	-	1,755,509
Total nonoperating support (expense)	(615,668)	(1,146,871)	(1,762,539)
Change in net assets	(8,155,577)	21,979,480	13,823,903
Net assets, beginning of year	104,727,116	206,819,022	311,546,138
Net assets, end of year	$ 96,571,539	$ 228,798,502	$ 325,370,041

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States
and its Subsidiaries and Affiliates

Consolidated Statement of Functional Expenses

Year ended June 30, 2021	Historic sites	Preservation services	Education and publications	Total Program services	General and administrative	Fundraising	Membership outreach	Total support services	Total
Employee costs:									
Salaries	$ 5,984,408	$ 8,345,299	$ 1,928,689	$ 16,258,396	$ 4,548,520	$ 2,529,646	$ 529,111	$ 7,607,277	$ 23,865,673
Payroll taxes and benefits	677,179	1,483,620	345,127	2,505,926	788,389	444,637	89,352	1,322,378	3,828,304
Total employee costs	6,661,587	9,828,919	2,273,816	18,764,322	5,336,909	2,974,283	618,463	8,929,655	27,693,977
Grants	261,058	10,811,969	653,170	11,726,197	-	-	-	-	11,726,197
Real estate	9,676,967	-	-	9,676,967	-	-	-	-	9,676,967
Professional services	350,022	1,753,192	361,365	2,464,579	1,887,882	99,290	966,361	2,953,533	5,418,112
Miscellaneous	1,484,544	359,279	591,370	2,435,193	400,635	67,522	110,777	578,934	3,014,127
Occupancy	758,562	862,679	270,338	1,891,579	475,423	294,996	219,949	990,368	2,881,947
Maintenance	1,658,908	117,900	-	1,776,808	70,521	-	-	70,521	1,847,329
Computer and telecommunications	453,191	509,378	302,179	1,264,748	370,803	129,034	72,351	572,188	1,836,936
Printing and media	112,954	107,757	360,622	581,333	10,133	238,194	822,051	1,070,378	1,651,711
Postage and delivery	29,892	5,089	124,486	159,467	12,133	168,747	970,730	1,151,610	1,311,077
Depreciation and amortization	534,378	347,022	62,834	944,234	143,573	71,105	54,832	269,510	1,213,744
Insurance	785,011	56,598	-	841,609	234,624	-	-	234,624	1,076,233
Total other expenses	16,105,487	14,930,863	2,726,364	33,762,714	3,605,727	1,068,888	3,217,051	7,891,666	41,654,380
Total operating expenses	$ 22,767,074	$ 24,759,782	$ 5,000,180	$ 52,527,036	$ 8,942,636	$ 4,043,171	$ 3,835,514	$ 16,821,321	$ 69,348,357

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidated Statement of Functional Expenses

Year ended June 30, 2020	Historic sites	Preservation services	Education and publications	Total Program services	General and administrative	Fundraising	Membership outreach	Total support services	Total
Employee costs:									
Salaries	$ 6,067,293	$ 7,990,083	$ 2,627,989	$ 16,685,365	$ 3,981,662	$ 3,066,031	$ 583,550	$ 7,631,243	$ 24,316,608
Payroll taxes and benefits	1,083,014	1,580,330	472,453	3,135,797	727,744	419,888	88,618	1,236,250	4,372,047
Total employee costs	7,150,307	9,570,413	3,100,442	19,821,162	4,709,406	3,485,919	672,168	8,867,493	28,688,655
Real estate	9,539,147	-	-	9,539,147	-	-	-	-	9,539,147
Grants	735,490	5,495,235	1,623,634	7,854,359	-	-	-	-	7,854,359
Professional services	601,612	1,679,180	903,054	3,183,846	2,481,074	126,288	953,807	3,561,169	6,745,015
Occupancy	786,351	966,090	429,860	2,182,301	346,934	443,453	217,435	1,007,822	3,190,123
Miscellaneous	1,186,630	328,748	826,074	2,341,452	443,780	177,382	107,395	728,557	3,070,009
Printing and media	204,364	49,323	929,596	1,183,283	13,682	279,865	821,420	1,114,967	2,298,250
Depreciation and amortization	680,519	390,060	46,997	1,117,576	154,448	532,274	465,006	1,151,728	2,269,304
Maintenance	1,736,090	43,724	-	1,779,814	74,397	4,425	-	78,822	1,858,636
Computer and telecommunications	370,557	455,771	312,088	1,138,416	342,153	196,199	54,772	593,124	1,731,540
Postage and delivery	16,828	16,888	140,530	174,246	21,661	158,885	910,864	1,091,410	1,265,656
Travel	104,736	605,778	152,340	862,854	164,878	68,366	4,274	237,518	1,100,372
Property development	1,023,570	-	-	1,023,570	-	-	-	-	1,023,570
Insurance	714,584	86,497	2,991	804,072	205,890	3,147	-	209,037	1,013,109
Total other expenses	17,700,478	10,117,294	5,367,164	33,184,936	4,248,897	1,990,284	3,534,973	9,774,154	42,959,090
Total operating expenses	$ 24,850,785	$ 19,687,707	$ 8,467,606	$ 53,006,098	$ 8,958,303	$ 5,476,203	$ 4,207,141	$ 18,641,647	$ 71,647,745

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidated Statements of Cash Flows

Year ended June 30,	2021	2020
Cash flows from operating activities		
Change in net assets	$ 88,570,955	$ 13,823,903
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation and amortization	1,213,744	2,269,304
Gain on sale of donated properties	-	(160,684)
Gain on disposal of property and equipment	(27,042)	-
Loss on properties held for resale	-	52,020
NTCIC deferred income taxes	783,336	(675,071)
Net realized and unrealized gain on investments	(93,267,611)	(7,673,133)
Contributions restricted for long-term investment	(3,589,686)	(3,859,946)
Investment earnings allocated to endowments held for others	5,092,916	528,554
Change in contributions receivable estimate	7,111,700	-
Accretion of discount on long-term contributions receivable	(1,230,840)	(2,584,280)
Allowance for uncollectible receivables	119,916	(41,263)
Forgiveness of PPP loans	(3,646,832)	-
Amortization of retained life estates	(449,660)	-
Decrease (increase) in assets		
Accounts receivable	(578,027)	(2,547,747)
Contributions receivable	5,859,559	8,066,604
Prepaid expenses and other assets	4,485	112,152
Other long-term assets	(128,655)	10,747
Increase (decrease) in liabilities		
Accounts payable	2,090,420	(1,387,521)
Accrued expenses	(592,113)	885,693
Refundable advances and deferred revenue	2,613,681	(4,169,174)
Amounts held for others	(1,409,087)	(1,178,413)
Deferred rent	(406,245)	(311,501)
Other liabilities	24,997	455,399
Net cash provided by operating activities	8,159,911	1,615,643
Cash flows from investing activities		
Purchases of investments	(32,093,979)	(25,798,541)
Proceeds from sales of investments	28,071,114	20,628,775
Proceeds from sales of donated property	-	539,400
Purchases of property and equipment	(155,930)	(573,235)
Net cash used in investing activities	(4,178,795)	(5,203,601)
Cash flows from financing activities		
Contributions restricted for long-term investment	3,589,686	3,859,946
Proceeds from notes payable	4,750,000	11,923,558
Principal payments on notes payable	(3,101,375)	(16,471,075)
Net cash provided by (used in) financing activities	5,238,311	(687,571)
Net increase (decrease) in cash and cash equivalents	9,219,427	(4,275,529)
Cash and cash equivalents, beginning of the year	21,462,011	25,737,540
Cash and cash equivalents, end of the year	$ 30,681,438	$ 21,462,011
Supplemental cash flow information		
Cash paid for income taxes	$ 650,000	$ 60,000
Cash paid for interest	$ 343,695	$ 525,670

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Organization

The National Trust for Historic Preservation in the United States (the National Trust) and its subsidiaries and affiliates (collectively referred to as the Trust) is a private, non-profit organization chartered by Congress. The Trust's mission is to protect significant places representing our diverse cultural experience by taking direct action and inspiring broad public support.

National Main Street Center, Inc. (NMSC) was established in 2012 as a non-profit organization, with the National Trust as its sole member, but is governed by its own board of directors, bylaws, and operating procedures. NMSC is committed to preservation-based community revitalization of historic commercial and neighborhood districts throughout the United States.

The National Trust Community Investment Corporation (NTCIC) was organized as a wholly-owned for-profit subsidiary of the National Trust in 2000. It is governed by its own board of directors, bylaws, and operating procedures. NTCIC serves as the managing member of a number of limited liability companies that invest in properties that qualify for federal and state historic tax credits, New Markets Tax Credits, and Low-Income Housing Tax Credits. Nearly all of NTCIC's investments are in qualified low-income census tracts. Among other purposes, its certificate of incorporation allows it to provide other similar financial investment services related to the mission of historic preservation in the United States.

National Trust Insurance Services, LLC (NTIS) was formed in 2003 to provide insurance services for the preservation community. NTIS was established to qualify as a licensed insurance producer. NTIS is 99% owned by NTCIC with the remaining ownership interest held by Maury, Donnelly & Parr, Inc. who acts as the agent for NTIS and markets and fulfills all insurance products as an experienced insurance producer.

National Trust Tours, LLC (NTT), formerly known as Heritage Travel, LLC, was formed in 2008 and is wholly-owned and governed by NTCIC to provide and promote services related to heritage travel.

NT Solar, Inc. (NTS) was organized as a wholly-owned, for-profit subsidiary of NTCIC and was incorporated in 2014. NTS was established to participate in the financing, directly or indirectly, of renewable energy transactions for which investment tax credits are being utilized.

National Trust Historic Real Estate Debt Fund, LLC (NTHREDF) was formed in 2016. NTHREDF was established to provide debt investment services and products for historic real estate under management by NTCIC, but with majority ownership by the National Trust. As of June 30, 2021, the entity has no operating activity, and there is no operating agreement established with NTCIC.

Cooper-Molera Preservation LLC (CMP LLC) is a joint venture between the National Trust and FHP Adobe LLC (FHP). CMP LLC was established in 2016 to further the rehabilitation, reuse, and historic preservation of Cooper-Molera Adobe, an important historic site located in downtown Monterey, California. The National Trust is a 98% equity partner as of June 30, 2021 and 2020, respectively. FHP is an affiliate of Foothill Partners. Foothill Partners is the managing partner who maintains the books and records on behalf of CMP LLC.

Greenrock Corporation (Greenrock) is a wholly-owned, for-profit subsidiary of the National Trust. Greenrock provides building and grounds maintenance, and security services and oversees construction of capital improvements and special projects for the Pocantico estate (former home of the Rockefeller family) owned by the National Trust. Greenrock is located in Tarrytown, New York. Greenrock was a bequest to the National Trust by the estate of Greenrock's deceased former owner in 2017. The Trust became sole owner of Greenrock on July 15, 2018.

The accompanying consolidated financial statements present the consolidated financial position and changes in net assets of the Trust. All significant inter-organizational accounts and transactions have been eliminated in consolidation.

(b) Basis of Accounting

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), whereby support and revenue are recognized when earned and expenses are recognized when incurred.

(c) Basis of Presentation

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

Net Assets Without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed stipulations. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Revenues from sources other than restricted contributions and investment income are reported as increases in net assets without donor restrictions. Expenses charged to programs without restrictions are reported as decreases in net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor imposed-restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

(d) Recently Adopted Authoritative Guidance

In May 2014, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of ASC 606 is an entity should recognize revenue to depict the transfer of control for promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the revenue principles, an entity is required to identify the contract(s) with a customer, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations, and recognize revenue when the performance obligation is satisfied (i.e., either over time or point in time). ASC 606 further requires that companies disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. On July 1, 2020, the Trust adopted ASU 2014-09 using the modified retrospective approach. Comparative period information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of this ASU did not materially impact the timing or amount of revenue recognized by the Trust in the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)* (ASU 2018-13). *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modified certain disclosure requirements in Topic 820, *Fair Value Measurement* in Note 10. The guidance is effective for the Trust for the fiscal year ended June 30, 2021. The adoption of this ASU did not have an effect on the change in net assets reported as of June 30, 2021 and 2020.

(e) Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842*). ASU 2016-02 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. The guidance is effective for the Trust for the fiscal year ending June 30, 2023. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. Management is evaluating the effect that adoption of this new standard will have on the Trust’s consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires disclosure of contributed nonfinancial assets in a separate line item within the statement of activities, disclosure of the policy about monetizing rather than utilizing contributed nonfinancial assets and qualitative information about those monetized or utilized during the fiscal year, and a description of any donor-imposed restrictions on the contributed nonfinancial assets. This guidance must be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. The guidance is effective for the Trust for the fiscal year ending June 30, 2022. Early adoption is permitted. Management is currently evaluating the impact this ASU will have on disclosures in the consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04 *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provides optional guidance for limited period of time to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. The ASU applies only to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. The ASU can be adopted any time between March 12, 2020 through December 31, 2022. Management has evaluated the ASU and does not anticipate any major impact on its disclosures.

(f) Accounting for Historic Sites

Historic Sites Owned by the Trust

The Trust owns certain historic sites that are operated as museums or are otherwise integral to the Trust's preservation programs and are either managed by the Trust or are managed for the Trust by other non-profit preservation organizations or other groups under various cooperative arrangements. Sites identified in italics below are managed by other entities.

Historic Sites Open to the Public

Belle Grove, Middletown, Virginia	*Brucemore, Cedar Rapids, Iowa*
Chesterwood, Stockbridge, Massachusetts	*Cliveden, Philadelphia, Pennsylvania*
Cooper-Molera Adobe, Monterey, California	*Decatur House, Washington, District of Columbia*
Drayton Hall, Charleston, South Carolina	Edith Farnsworth House, Plano, Illinois
Filoli, Woodside, California	*The Gaylord Building, Lockport, Illinois*
The Glass House, New Canaan, Connecticut	*James Madison's Montpelier, Orange, Virginia*
Kykuit, Tarrytown, New York	Lyndhurst, Tarrytown, New York
Oatlands, Leesburg, Virginia	Pope-Leighey House, Alexandria, Virginia
President Lincoln's Cottage, Washington, District of Columbia	The President Woodrow Wilson House, Washington, District of Columbia
The Shadows, New Iberia, Louisiana	*Villa Finale, San Antonio, Texas*
Woodlawn, Alexandria, Virginia	

On December 22, 2017, the Trust received a gift of Thornton Gardens, a historic site in San Marino, California, subject to a life estate of the donors. Due to the life estate, the site is not currently open to the public.

Accounting Practice for Trust-Owned Property and Other Collections

The Trust's museum collection includes historic sites, structures, landscapes and objects that are available to the public or held for that purpose. It acquires its collections by purchase or by donation. The Trust's *Collections Management Policy* includes guidance on the documentation, preservation, care, and management of the collections and procedures related to the accession and deaccession of collections items.

In conformity with the practice generally followed by museums, no value is assigned to the collections in the consolidated statements of financial position. The historic sites, including objects and furnishings, owned by the Trust with the intent of retention are not reported in the accompanying consolidated statements of financial position. Purchases of collection items are recognized as reductions in net assets without donor restrictions in the period of acquisition. Per the Trust's *Collections Management Policy* and following professional standards and guidelines, proceeds from deaccessions of collection items are designated for the replenishment or care of other objects within the museum collection and the preservation of historic structures or historic landscape features that are part of the Historic Structures and Landscapes Collection. Expenditures for restoration, stabilization, reconstruction, and development are charged to expense as incurred.

Property the Trust May Own with Intent of Sale

Certain non-collection properties may be held with the intent for future sale. Properties accepted with the intent of sale are recognized as revenue at the time of receipt at the then estimated fair value less protected costs for historic evaluation, repair, maintenance, and the impact of the easement on the fair value. Upon sale, the Trust ensures the preservation of these historic properties by imposing perpetual preservation easements, where appropriate. Historic properties held with the intent of sale have been acquired by the Trust through outright gifts, bequests, gifts with retained life estates, purchases or other means. Properties with a retained life estate are recorded as other investments and operated as non-collection real estate until the ultimate sale is executed.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and amounts invested in money market accounts. Cash equivalents held in investment accounts are excluded as they are considered to be held for long-term purposes. As of June 30, 2021 and 2020, the Trust's cash accounts held in excess of federally-insured limits were $27,702,841 and $19,355,604, respectively.

(h) Accounts Receivable

Accounts receivable consist primarily of amounts due from advertising placed in the Trust's publications, royalties due, historic site receivables, government grants, and acquisition fees.

Accounts receivable are stated at their net realizable value and are charged to bad debt expense when they are determined to be uncollectible based upon review by management. U.S. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(i) Contributions Receivable

Unconditional promises to give are recorded as contributions receivable and contribution revenue in the period in which the Trust is notified by the donor of a commitment to make a contribution. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Contributions receivable are recorded at net present value. An allowance for uncollectible contributions is based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors. At June 30, 2021 and 2020, approximately 70% and 71% of net contributions receivable respectively, was attributable to two donors. During the year ended June 30, 2021, contributions receivable decreased by $7.1 million due to a change in the donor's intent. This decrease is reflected in the nonoperating support (expense) section in the accompanying consolidated statement of activities.

(j) Endowment Investments

Endowment assets consist of board-designated endowment funds and endowment funds with donor restrictions. The Investments Committee monitors and approves all changes to the investment of these funds. Investments are reported at fair value. Income from interest and dividends is recognized as investment income and realized and unrealized gains and losses, net of board-authorized spending designated for operations, are reported as nonoperating support.

(k) Other Investments

Other investments consist of irrevocable retained life estates of non-collection real estate, short-term investments, and split-interest agreements.

The Trust is the beneficiary of irrevocable retained life estates wherein the Trust has a remainder interest in donated property. The donor has the right to live in the property until death at which time the Trust takes possession of the property. In the year of the gift, revenue is recognized for the assessed fair value of the property, with or without donor restrictions based on donors' intentions, and is included in contribution revenue. Based on donors' intentions, contributions receivable may be reduced instead. Assets and the related liabilities are stated at fair value and the liabilities are included in deferred revenue on the consolidated statements of financial position.

Short-term investments are invested in treasury instruments and certificates of deposit and are reported at fair value.

The Trust is also the beneficiary in various split-interest agreements with donors primarily consisting of charitable gift annuities and irrevocable charitable remainder unitrusts. In the year of the gift of charitable gift annuities and irrevocable charitable remainder unitrusts for which the Trust serves as the trustee (the agreements), the Trust recognizes contribution revenue on the net amount of assets received and liabilities assumed on the agreements, either with donor restrictions or without donor restrictions, based on donors' intentions. Assets held under the agreements are stated at fair value.

The Trust pays a variable annuity amount equal to the specified percentage of the fair value of assets on the date of payment to the donors or the donors' designees for the remainder of their lives. The discount rate is based on rates commensurate with the expected remaining life of donors or donors designees and was 3.375% at June 30, 2021 and 2020. The liability under these agreements is recognized at the present value of estimated future payments based on actuarial assumptions provided in the 2012 Individual Annuity Reserve Mortality Table and is included in other liabilities in the consolidated statements of financial position. Adjustments to the liability to reflect changes in actuarial assumptions and amortization of discount are recognized in contributions revenue in the consolidated statements of activities.

The Trust is also named as a beneficiary of the remaining assets of irrevocable charitable remainder unitrusts whose trust funds are managed by third parties. In the year of the gift, revenue is recognized for the fair value of the Trust’s beneficial interest in the trust funds, with or without donor restrictions based on donors’ intentions and is included in contribution revenue. Assets are stated at fair value. The related liabilities are the responsibility of the third-party manager and are not recorded in the Trust’s consolidated financial statements.

(l) Property and Equipment

All property and equipment are capitalized at their historical cost. The Trust capitalizes all property and equipment purchased with a cost of $10,000 or more.

Depreciation of equipment and vehicles and amortization of computer software is calculated on the straight-line basis over estimated useful lives of three-to-10 years. The leasehold improvements and fixtures for the Watergate headquarters building are amortized over the lesser of the 15-year term of the lease, or the estimated useful life of the leasehold improvements using the straight-line basis. Costs associated with renovation and construction projects at historic sites, which are not part of the historic site, are capitalized and depreciated over 20-to-30 years using the straight-line basis once the project has been placed in service. Land is not depreciated or amortized.

(m) Impairment of Long-Lived Assets

The Trust reviews asset carrying amounts periodically in addition to whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced to its current fair value and charged to the consolidated statements of activities. No impairment loss has been recognized at June 30, 2021 and 2020.

(n) Refundable Advances and Deferred Revenue

Refundable advances include amounts received under the Paycheck Protection Program (See Note 19). Deferred revenue consists of use obligations which are based on the actuarial life expectancy of the donor related to irrevocable retained life estates (See Note 1k), which totaled $4,226,940 and $4,676,600 as of June 30, 2021 and 2020, respectively. Adjustments to the deferred revenue to reflect changes in actuarial assumptions and amortization of discount are recognized in contributions and grant income in the consolidated statements of activities.

(o) Measure of Operations

The Trust defines operations as all revenues and expenses that are an integral part of its current year programs and supporting activities. Non-operating support includes investment return in excess of the Trust's aggregate board-authorized spending rate, if any.

The Trust's authorized spending rate was 4.90% and 4.95% for restricted endowment funds, endowment funds without donor restriction, and the two general Historic Sites Funds in 2021 and 2020, respectively.

(p) Functional Allocation of Expenses

The costs of providing various programs and support activities have been summarized on a functional basis in the consolidated statements of activities. Direct expenses are charged to the respective program or supporting activity. Certain costs have been allocated among the programs and support services benefited based upon management's estimate of each program's share of the allocated costs. The method of allocation is listed below.

Expense	Method of Allocation
Benefits	Actual fringe benefit rate
Occupancy	Full time equivalent employee headcount
Depreciation	Full time equivalent employee headcount
Equipment and computer supplies	Full time equivalent employee headcount

(q) Income Tax Status

The Trust accounts for uncertain tax positions in accordance with FASB ASC 740, *Income Taxes* (ASC 740), which requires that an income tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in an income tax return. The Trust does not believe its consolidated financial statements include any material uncertain tax positions. The Trust is still open to examination by taxing authorities from fiscal year ended June 30, 2018 forward.

The National Trust and NMSC are Section 501(c)(3) organizations exempt from income taxes as provided under Section 501(a) of the Internal Revenue Code (the IRC). Unrelated business taxable income is subject to income tax.

NTT, a single member limited liability company, is a disregarded entity of NTCIC under the IRC and operating activity from NTT flows to NTCIC.

NTIS, NTHREDF and CMP LLC are treated as partnerships under the IRC. Accordingly, the members of these limited liability companies are taxed on their proportionate share of NTIS's, NTHREDF's, and CMP LLC's taxable income, respectively.

NTCIC, NTS, and Greenrock operate as private entities and are subject to federal and state income taxes. They account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards.

The components of the provision for (benefit from) income taxes for NTCIC and Greenrock, included in nonoperating support (expenses) in the consolidated statements of activities for the years ended June 30, 2021 and 2020, were as follows:

June 30,	**2021**	2020
Current:		
Federal	**$ 299,286**	$ (379,961)
Investment tax credits	**(434,237)**	-
State and local	**94,510**	-
Total current tax benefit	**(40,441)**	(379,961)
Deferred:		
Federal	**783,339**	(1,179,574)
State and local	**-**	(195,974)
Total deferred tax expense	**783,339**	(1,375,548)
Provision for (benefit from) income taxes	**$ 742,898**	$ (1,755,509)

The Trust uses the flow-through method to account for investment tax credits allocated to the Trust from its equity investments in certain operating entities. Under this method, the investment tax credits are recognized as a reduction to income tax expense in the year they are utilized.

Deferred tax assets and liabilities are adjusted for the effect of changes in tax laws and rates on the date of enactment. The components of NTCIC's deferred income taxes as of June 30, 2021 and 2020 were as follows:

June 30,	**2021**	2020
State net operating loss carryforward	**$ -**	$ 261,802
Unrealized gain on equity securities	**(182,658)**	-
Depreciation	**56,848**	65,325
Other	**(410,786)**	(14,556)
Valuation allowance	**-**	(65,828)
Deferred tax (liability) asset	**$ (536,596)**	$ 246,743

Greenrock had approximately $465,000 and $443,000 in deferred tax assets as of December 31, 2020 and 2019, respectively. Deferred tax assets are related to net operating loss carryforwards that can be used to offset taxable income in future periods and reduce income taxes payable in those future periods. Total net operating losses carried forward totaled $2,212,647 and $2,107,467 as of December 31, 2021 and 2020, respectively. A valuation allowance was recorded against all of Greenrock's deferred tax assets. Greenrock considers it more likely than not that it will not have sufficient taxable income in the future that will allow them to utilize these deferred tax assets. There were no material changes to Greenrock's income tax balances as of June 30, 2021 and 2020.

(r) Revenue Recognition

Contributions and Grant Income

Contributions, including unconditional promises to give, are recognized as revenues in the period received or when the pledge is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. (See Note 5).

Contributions of assets other than cash are recorded at their estimated fair value at the date of gift, except that contributions of works of art, historical treasures, historic sites, and similar assets held as part of collections are not recognized or capitalized.

Donated professional services and goods are recognized as contributions revenue at their fair value at the time the services are rendered. The value of donated services and goods recognized for the years ended June 30, 2021 and 2020 totaled $858,332 and $1,410,835, respectively, and includes donated professional services which would otherwise have been purchased.

Grants awarded by federal sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying reimbursable expenses have been incurred and conditions under the agreements are met. The Trust has elected the simultaneous release policy for donor-restricted contributions that were initially conditional contributions, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Revenue is recognized as costs are incurred.

National Trust membership revenue is recognized when received as the receipt is solicited as and is considered a contribution and is recognized immediately. Trust programs are made available to both members and non-members and as such there is no exchange of commensurate value in its memberships.

Contract Services

As directed by ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, the Trust recognizes contract services revenue when it satisfies its performance obligation(s) by performing services for a customer. The amount of revenue recognized reflects the consideration the Trust expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Trust combines it with other performance obligations until a distinct bundle of services exist.

Amounts received in advance of services performed, but not yet earned, are held and recorded as deferred revenue. The Trust expects that the period between the Trust’s transfer of services to its customers and when the customers pay for those services will be one year or less or paid upfront. Therefore, the Trust has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component.

Acquisition fee income is generated from contracts with investors or project sponsors for services provided in conjunction with the selection, structuring, underwriting, and project closing of investment transactions. Acquisition fees are negotiated at the time of the contract and invoiced based on contractual terms. Acquisition fee revenue is recognized at a point in time at the financial closing of each transaction.

Fund management and asset management fee income are generated from contracts with investors or project sponsors for services provided in conjunction with the ongoing programmatic compliance oversight of investment transactions. Fund management and asset management fees are negotiated at the time of the contract and invoiced based on contractual terms. Fund and asset management fee income is recognized over time using time as a measure of progress in satisfaction of the series of distinct services included in the contractual performance obligations.

Client fees include amounts paid by customers for maintenance services and are invoiced in monthly installments based on actual time and materials for the month. Revenue from client fees is recognized over time using time as a measure of progress in satisfaction of the series of distinct services included in the contractual performance obligations.

Other contract services revenue includes educational services to local nonprofit revitalization organizations and consulting, planning, and training services to assist communities with the revitalization of their traditional commercial districts. Contract services fees are negotiated at the time of the contract and invoiced based on contractual terms. Revenue from services is recognized over time using the input method based on the Trust’s level of effort over time relative to the total estimated level of effort of the project.

The composition of contract services revenue is as follows:

June 30,	**2021**	2020
Acquisition fee income	**$ 11,675,745**	$ 2,247,036
Fund management and asset management fee income	**2,149,988**	1,828,625
Client fees	**2,647,404**	2,447,553
Other contract services revenue	**2,389,557**	2,208,127
Total contract services revenue	**$ 18,862,694**	$ 8,731,341

Investment Return

Investment return is reported as increases or decreases in net assets without donor restrictions unless their use is limited by donor-imposed stipulations whereby they are reported as changes in net assets with donor restrictions. Income from interest and dividends and unrealized and realized gains and losses representing board-approved spending designated for operations are recorded in investment return in the consolidated statements of activities, net of investment expenses.

Admissions and Special Events

Admissions and special events revenue include revenue from admissions to Trust-operated historic sites, the exchange portion (fair market value) of special events held at historic sites, special property usage of historic sites, and registration fees and sponsorships from annual conferences.

Revenue from admissions and special events at historic sites managed by the Trust, which help to educate the public about historic preservation, is recognized at a point in time as the individual receives the benefit of admission at the historic site or event.

Conference registration revenue includes amounts paid by conference participants and sponsors. Registration fees are based on published fixed rates and are collected either at the time of registration, in advance of the conference, course or workshop resulting in a deferred revenue balance, or at the time that the conference, course or workshop takes place and immediately recognized as revenue. Conference registration revenue is recognized in the period the events are conducted.

Conference sponsorships, which are generally considered nonreciprocal transactions, are recognized when the conditions associated with providing the sponsorship are met at the conference. As such, all conference revenue is recognized upon completion of the annual conference.

Program Fees and Other Income

Program fees and other income consists of the following types of revenue:

Revenue from NMSC membership dues is invoiced based on fixed rate schedules at the beginning of the individual member's membership year, which creates a deferred revenue balance upon collection. Revenue is recognized on a pro rata basis over the individual member's membership year as commensurate value is provided. Membership dues received for membership periods subsequent to year end or associated with unsatisfied performance obligations are recorded as deferred revenue.

Rental income is recognized on a straight-line basis over the period relating to the rental of buildings at the Trust's historic sites and other buildings owned by the Trust to staff and other unrelated parties for business or office usage or housing.

Commission income is considered earned when specified events have taken place and/or the Trust's obligations have been met, most notably commission income equaling 12.5% is earned on the sale of insurance products by NTIS.

Revenue from merchandise sales is primarily earned at the Trust's historic sites, which operate gift shops that sell books and merchandise that reflect the site's history and architecture and the field of historic preservation. The shops further the educational and interpretive missions of the historic sites and of the Trust. Revenue is recognized at a point in time, when the historic site delivers the physical product to the customer, as the customer receives the benefit when the item is purchased at the store or online.

Royalty revenue consists primarily of revenues resulting from various third-party trademark licensing agreements for the use of the Trust's name on certain commercial products and marketing arrangements, primarily from affinity credit card programs. Contracts with customers for the licensing of intangible property rights are considered under specific licensing guidance and the right to use the Trust's name is satisfied at a point in time based on activity generated by the program.

Advertising revenue consists primarily of revenue from the sale of advertisements in the "Preservation" magazine and on the Trust's website. The Trust recognizes revenue at a point in time in an amount equal to the amount the Trust has the right to invoice when the advertisement appears in the publication or when the impressions on the Trust's website are made available as the customer purchasing the advertising receives the benefit when the publication is distributed to recipients.

Miscellaneous or other revenue is received and recognized when the goods and services are rendered and typically occur in the same fiscal year.

The composition of program fees and other income revenue is as follows:

June 30,	**2021**	2020
NMSC membership dues	**$ 801,981**	$ 401,945
Rental income	**743,688**	868,729
Commission income	**666,113**	1,415,633
Merchandise sales	**438,505**	466,565
Royalty revenue	**368,938**	356,499
Advertising revenue	**313,037**	611,824
Miscellaneous and other revenue	**582,526**	1,108,514
Total program fees and other income	**$ 3,914,788**	$ 5,229,709

(s) *Guarantees*

In accordance with FASB ASC 460, *Guarantees*, for all guarantees entered into after January 1, 2003, the Trust's obligation under the guarantee agreement (See Note 8) is estimated at the face value of the underlying debt agreement.

(t) *Joint Costs*

In accordance with FASB ASC 958-720-50-2, *Not-For-Profit Entities – Other Expenses – Disclosure – Accounting for Costs of Activities That Include Fundraising*, the Trust allocates costs between fundraising and programmatic expenses where such joint costs serve education, advocacy, or other programmatic purposes in addition to fundraising. During the years ended June 30, 2021 and 2020, all costs were charged to fundraising as there were no calls to action which is required to allocate costs in accordance with the applicable guidance.

(u) Investments in Operating Entities

NTCIC accounts for its investments in various operating entities (the Investment Entities) under the equity method. Under the equity method, the investments are recorded at cost and adjusted for NTCIC's share of income or loss of the Investment Entities, additional investments, and cash distributions from the Investment Entities. Since NTCIC has no obligation to fund liabilities of the Investment Entities beyond its investments, including loans and advances, investments in the Investment Entities may not be reduced below zero. To the extent that equity losses are incurred when NTCIC's carrying values of its investments in the Investment Entities have reached a zero balance, any losses will be suspended to be used against future income.

NTCIC has determined that the Investment Entities are variable interest entities and NTCIC is not the primary beneficiary. As a result, NTCIC is not required to consolidate its investments in the Investment Entities. This conclusion was based on the determination that NTCIC does not have the power to direct the activities that most significantly impact the Investment Entities economic performance.

(v) Investment Risks and Uncertainties

The Trust's invested assets consist of money market funds, short-term fixed income, marketable and nonmarketable equity, and debt securities. These investment assets are exposed to interest rate, market, and credit risk. Due to the level of uncertainty related to changes in interest rate, market volatility, and credit risk, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the consolidated statements of financial position. However, the diversification of the Trust's investment assets among these various asset classes is designed to mitigate the impact of any dramatic change on any one investment asset class.

(w) Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(x) Reclassifications

Certain amounts have been reclassified in the 2020 consolidated financial statements to conform to the 2021 presentation.

2. Description of Program and Support Services

Descriptions of the program and support services in the accompanying consolidated financial statements are as follows:

Historic Sites – Preserve and manage for public benefit the Trust's property, real and personal; encourage an understanding of historic preservation and history through site-based educational programs; administer networks of historic sites that collaborate on preservation issues with the Trust; and review any potential acquisition opportunities for new historic sites.

Preservation Services – Provide direct action to save historic places that are either nationally significant or the preservation of which will have national implications and undertake deep, sustained effort on nationally important preservation priorities focusing on diversity, equity, inclusion, and accessibility.

Within the preservation category, the law and preservation divisions advocate national historic preservation policy positions before government agencies, Congress, and state and local legislative bodies, and in courts of law (both as a party litigant and as a friend of the court); conduct research on public policy issues relating to historic preservation; administer preservation easements on sites nationwide; and provide professional expertise on the protection of historic resources and educational materials to the legal and preservation communities.

Education and Publications – The education division encourages an understanding of historic preservation through conferences and seminars, communications, training, internships, merchandising, public service announcements, and preservation-related products.

The publications division educates, fosters knowledge, stimulates interest, and facilitates participation in public and private historic preservation through the printing and publication of the Trust's general materials, newsletters, professional journals, and magazines.

General and Administrative – Includes the functions necessary to maintain an equitable employment program; ensures an adequate working environment; provides general management, coordination, and articulation of the Trust's programs and operations; secures proper administrative functioning of the Board of Trustees and Board of Advisors; provides legal counsel; manages the Trust's information technology requirements; and manages the financial, endowment, and budgetary responsibilities of the Trust.

Fundraising – Provides the structure necessary to encourage and secure financial support from individuals, foundations, corporations, and other grant makers.

Membership Outreach – Educates the general public on the value of and techniques for preserving our nation's architectural and cultural heritage and develops membership.

3. Liquidity and Availability

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

June 30,	**2021**	2020
Cash and cash equivalents	**$ 12,200,383**	$ 6,162,015
Short-term investments	**3,598,552**	4,441,870
Accounts receivable	**7,124,883**	6,699,457
Contributions receivable, current	**506,000**	2,235,637
Financial assets available to meet cash needs for general expenditures within one year	**$ 23,429,818**	$ 19,538,979

The Trust has net assets with donor restrictions of $287,486,177 and $228,798,502 as of June 30, 2021 and 2020, respectively. Donor-restricted endowment funds and unspent donor-restricted gifts are not available for general use.

The Trust has board-designated quasi-endowments which include $98,730,834 and $74,382,571 of net assets without donor restrictions subject to a board-imposed annual spending rate of 4.90% and 4.95% as of June 30, 2021 and 2020, respectively. Although the Trust does not intend to spend from board-designated quasi-endowment funds, these amounts could be made available, if necessary.

Cash and cash equivalents and investments are subject to certain guarantees. See Note 8 for additional information on guarantees and Note 13 for additional information on outstanding notes payable.

Liquidity management

The Trust maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, to help manage daily liquidity needs, the Trust has a line-of-credit facility of up to $10 million with JPMorgan Chase Bank. See Note 13 for additional information on the line-of-credit.

4. Property and Equipment

Property and equipment comprised the following:

June 30,	**2021**	2020
Land	**$ 133,000**	$ 133,000
Buildings and improvements	**17,533,915**	17,592,126
Leasehold improvements	**3,344,302**	3,359,252
Furniture and equipment	**2,553,835**	2,482,097
Computer equipment	**3,778,499**	6,095,108
	27,343,551	29,661,583
Less accumulated depreciation	**(11,316,791)**	(12,604,051)
Total	**$ 16,026,760**	$ 17,057,532

5. Contributions Receivable

Contributions receivable are summarized as follows:

June 30,	**2021**	2020
Unconditional promises to give expected to be collected in:		
Less than one year	**$ 4,846,821**	$ 7,263,831
One to five years	**1,166,644**	3,724,989
More than five years	**6,340,776**	14,336,680
	12,354,241	25,325,500
Less:		
Allowances for uncollectible pledges	**(49,567)**	(82,252)
Unamortized discount	**(589,970)**	(1,820,810)
	11,714,704	23,422,438
Less current contributions receivable	**(4,846,821)**	(7,263,831)
Contributions receivable, net of current	**$ 6,867,883**	$ 16,158,607

The discount rates used to calculate the present value of contributions receivable range from 0.16% to 2.91% and from 0.21% to 2.92% as of June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, the Trust recognized $1,230,840 and $2,584,280, respectively, in accretion of discounts relating to contributions receivable.

Commitments from donors for conditional promises to give totaled $2,211,422 and $1,252,509 at June 30, 2021 and 2020, respectively. For June 30, 2021 and 2020, these include pledges of $1,512,500 and $100,000, respectively, that are letters of intent for existing programs and $698,922 and $1,152,509, respectively, in gifts with matching requirements which will be accrued in future periods as the conditions for revenue recognition are met.

At June 30, 2021 and 2020, the Trust had remaining available award balances on the federal grants and contracts of $1,195,538 and $1,195,118, respectively. These award balances are not recognized as assets and will be recognized as revenue as the project progress and conditions are met, generally as expenses are incurred.

6. Amounts Held for Others

Amounts held for others, reported as both an asset and liability in the consolidated statements of financial position, comprised the following:

June 30,		2021		2020
Endowment held for James Madison's Montpelier	$	**10,669,932**	$	8,634,380
Endowment held for the benefit of Congressional Cemetery		**6,719,786**		5,105,978
Endowment held for the benefit of Belle Grove		**344,844**		257,970
Endowment held for National Main Street Center		**-**		52,405
Total amounts held for others	$	**17,734,562**	$	14,050,733

7. Split-Interest Agreements

The Trust is a beneficiary of split-interest agreements in the form of charitable gift annuities, charitable remainder unitrusts, unitrusts, and pooled income funds that are included in other investments in the consolidated statements of financial position, and include the following:

June 30,		2021		2020
Charitable gift annuities	$	**2,783,981**	$	2,281,931
Charitable remainder unitrusts, non-trusteed		**1,709,171**		1,955,913
Charitable remainder unitrusts, trusteed		**849,445**		690,341
Unitrusts		**268,622**		224,297
Pooled income funds		**105,289**		91,780
Total assets held under split-interest agreements	$	**5,716,508**	$	5,244,262

As of June 30, 2021 and 2020, liabilities associated with split-interest agreements comprised the following:

June 30,		2021		2020
Charitable gift annuities	$	**1,909,416**	$	1,972,654
Charitable remainder unitrusts, trusteed		**374,328**		317,861
Pooled income funds		**17,432**		16,129
Total liabilities related to split-interest agreements	$	**2,301,176**	$	2,306,644

Liability balances represent the present value of future cash flows expected to be paid to the donor or the donor's designee over the estimated remaining term of the agreement. During the years ended June 30, 2021 and 2020, the Trust recognized $242,656 and $64,992, respectively, in accretion of discounts related to split-interest agreements. Liabilities related to split-interest agreements are included in other liabilities in the consolidated statements of financial position.

The Trust is the beneficiary of irrevocable retained life estates wherein the Trust has a remainder interest in donated property. The donor has the right to live in the property until death at which time the Trust takes possession of the property. Retained life estates are recorded at fair value in the consolidated statements of activities in the period received. Fair value is generally determined by appraisal at the time of the transfer of ownership. The input to the fair value estimate is classified in Level 3 of the fair value hierarchy. Non-collection real estate held with retained life estates totaled $20.8 million at June 30, 2021 and 2020, and is included in other investments in the consolidated statements of financial position.

8. Guarantees

Bond Purchase and Loan Agreement

The Trust has executed a Guaranty Agreement with respect to the obligation of The Montpelier Foundation (the Foundation) under a Bond Purchase and Loan Agreement. The Trust would be obligated to pay any outstanding obligation, without limitations, to Capital One Bank in the event the Foundation defaults under the Bond Purchase and Loan Agreement. The maximum potential amount of future payments under the guarantee is $9.1 million at June 30, 2021 and 2020. The outstanding bond balance at June 30, 2021 is $7,743,000 under the Bond Purchase and Loan Agreement. The funds invested by the Trust for the benefit of Montpelier or donor-restricted for Montpelier are sufficient to offset potential costs or payments incurred by the Trust under the Agreement.

At June 30, 2021 and 2020, no liability was reported in the accompanying consolidated statements of financial position related to the Agreement as: (a) at this time, no information exists to indicate that a future event will occur that would cause the Trust to incur a contingent liability under the Agreement; (b) the Trust is exempt from fair valuation treatment of non-contingent liabilities under FASB ASC 460-10-30-1 and 460-10-25-1; and (c) the Trust and Foundation are considered related parties.

Construction Debt

On June 21, 2017, CMP LLC and Merchants Bank of Commerce were parties to a $3,800,000 construction loan for the renovation of the Cooper-Molera Adobe historic site. The National Trust, FHP, and an individual partner of Foothill Partners are co-guarantors of the loan and guarantee the full repayment of the loan. The loan is secured with real and personal property of the historic site and is a ten-year loan with a maturity date of June 20, 2027. The loan balance outstanding was $3,644,829 and $3,714,365 as of June 30, 2021 and 2020, respectively.

NTCIC Line-of-Credit

Through the Amended and Restated Operations Agreement between NTCIC and the National Trust dated June 16, 2016, the Trust agreed to provide a line-of-credit of $1 million to be used for NTCIC's direct operating expenses. NTCIC must consult with the Trust in order to use this line-of-credit for any other purpose. The line-of-credit has never been drawn upon by NTCIC. In December 2021, the Trust approved the extension of the line-of-credit from its maturity date on December 22, 2021 for an additional one-year term to December 22, 2022.

9. Investments

The composition of investments owned by the Trust at June 30, 2021 is presented below:

	Endowment and similar funds including amounts held for others	Other investments including short-term investments	Total
Cash holdings	$ 8,696,914	$ 113,780	$ 8,810,694
Short-term holdings	-	35,363,009	35,363,009
Mutual funds	-	152,172	152,172
Equities - U.S.	80,384,274	2,205,907	82,590,181
Equities - global	78,517,452	1,167,185	79,684,637
Fixed income	12,635,741	2,221,337	14,857,078
Hedge funds	66,167,592	-	66,167,592
Opportunistic	-	541,416	541,416
Real assets	15,626,080	4,685,382	20,311,462
Non-collection real estate	-	20,760,000	20,760,000
Private equity	70,655,368	-	70,655,368
Total investments	$ 332,683,421	$ 67,210,188	$ 399,893,609

The composition of investments owned by the Trust at June 30, 2020 is presented below:

	Endowment and similar funds including amounts held for others	Other investments including short-term investments	Total
Cash holdings	$ 7,420,820	$ 371,624	$ 7,792,444
Short-term holdings	-	18,222,562	18,222,562
Mutual funds	-	317,622	317,622
Equities - U.S.	62,439,748	1,711,348	64,151,096
Equities - global	69,695,683	886,083	70,581,766
Fixed income	12,385,225	6,594,248	18,979,473
Hedge funds	48,534,375	-	48,534,375
Opportunistic	-	498,053	498,053
Real assets	12,295,255	6,094,874	18,390,129
Non-collection real estate	-	20,760,000	20,760,000
Private equity	34,375,613	-	34,375,613
Total investments	$ 247,146,719	$ 55,456,414	$ 302,603,133

The endowment and similar funds include all original donor-restricted gift amounts and amounts required to be maintained in perpetuity, accumulated investment gains, assets designated by the board for long-term purposes, and a general fund for unspent contributions with donor restrictions. Funds held for others are a component of the endowment funds. Other investments represent donated non-collection property under irrevocable retained life estates, unspent grant funds received that the Trust has invested to obtain higher yields and split-interest agreements.

10. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820) defines fair value, requires disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the inputs to the valuations of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following three-level hierarchy classifies the inputs used to determine fair value:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs, other than quoted prices, that are observable by a marketplace participant, either directly or indirectly; and
- Level 3 - unobservable inputs that are significant to the fair value measurement.

The Trust applies the guidance in ASC 820 to its investments including equities, bonds and fixed income, hedge funds, real assets, and private equity. This guidance permits, as a practical expedient, the fair values of investments within its scope to be estimated using net asset value per share or its equivalent.

It should be noted that investment risk cannot be estimated based on this classification methodology.

The following table classifies all investments into the hierarchy set forth by ASC 820 as of June 30, 2021:

	Level 1	Level 2	Level 3	Reported at NAV *	Total
Cash holdings	$ 8,810,694	$ -	$ -	$ -	$ 8,810,694
Short-term holdings	35,363,009	-	-	-	35,363,009
Mutual funds	152,172	-	-	-	152,172
Equities – U.S.	3,613,582	-	-	78,976,599	82,590,181
Equities – global	14,172,008	-	-	65,512,629	79,684,637
Fixed income	3,711,332	121,638	-	11,024,108	14,857,078
Hedge funds - other	-	-	-	1,206,501	1,206,501
Hedge funds - credit-driven/ distressed	-	-	-	14,724,010	14,724,010
Hedge funds – global	-	-	-	50,237,081	50,237,081
Opportunistic	541,416	-	-	-	541,416
Real assets	-	-	-	20,311,462	20,311,462
Non-collection real estate	-	-	20,760,000	-	20,760,000
Private equity	-	-	-	70,655,368	70,655,368
Total	$ 66,364,213	$ 121,638	$ 20,760,000	$ 312,647,758	$ 399,893,609

* Certain investments that are measured at NAV, as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

The following table classifies all investments into the hierarchy set forth by ASC 820 as of June 30, 2020:

	Level 1	Level 2	Level 3	Reported at NAV *	Total
Cash holdings	$ 7,792,444	$ -	$ -	$ -	$ 7,792,444
Short-term holdings	18,206,324	16,238	-	-	18,222,562
Mutual funds	317,622	-	-	-	317,622
Equities – U.S.	2,771,086	-	-	61,380,010	64,151,096
Equities – global	17,152,744	-	-	53,429,022	70,581,766
Fixed income	7,833,146	146,125	-	11,000,202	18,979,473
Hedge funds - other	-	-	-	311,966	311,966
Hedge funds - credit-driven/ distressed	-	-	-	12,610,048	12,610,048
Hedge funds – global	-	-	-	35,612,361	35,612,361
Opportunistic	498,053	-	-	-	498,053
Real assets	-	-	-	18,390,129	18,390,129
Non-collection real estate	-	-	20,760,000	-	20,760,000
Private equity	-	-	-	34,375,613	34,375,613
Total	$ 54,571,419	$ 162,363	$ 20,760,000	$ 227,109,351	$ 302,603,133

* Certain investments that are measured at NAV, as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

Changes in Fair Value Levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Trust's management evaluates the significance of transfers between levels based upon the nature of the investment. For the year ended June 30, 2021, there were no transfers in or out of Level 3.

The purchases and sales of the Trust's activity for level 3 investments for the year ended June 30, 2020 totaled $20,000,000 and $0, respectively. The Trust did not have purchases and sales for the year ended June 30, 2021 for level 3 investments.

The following table sets forth a summary of the Trust's investments with a reported Level 3 and net asset value as of June 30, 2021:

	Fair value	Unfunded commitments	Redemption frequency	Notice period
Equities – U.S. (a)	$ 78,976,599	$ -	Monthly to quarterly	30 - 60 days
Equities - global (a)	65,512,629	-	Daily to monthly	6 - 30 days
Fixed income (b)	11,024,108	-	Daily	3 days
Hedge funds - other (c)	1,206,501	-	Quarterly	60 - 90 days
Hedge funds - credit-driven/distressed (c)	14,724,010	3,703,974	Quarterly	60 - 90 days
Hedge funds - global (c)	50,237,081	-	Quarterly to annually	60 - 90 days
Real assets (d)	20,311,462	1,107,374	Locked	N/A
Non-collection real estate (e)	20,760,000	-	No fixed redemption period	N/A
Private equity (f)	70,655,368	11,790,111	Locked	N/A
Total investments valued using the practical expedient	$ 333,407,758	$ 16,601,459		

The nature and risks inherent in each of the Trust's major categories of investments where the fair value was estimated using the practical expedient are summarized as follows:

a) This category includes U.S. and global equity investments and share in the returns and risks associated with exposure to their respective markets.
b) This category includes fixed income investments and share in the returns and risks associated with exposure to U.S. and non-U.S. credit markets, interest rates, and foreign currencies.
c) Hedge fund investments are comprised of a diversified portfolio and share in the returns and risks associated with the equity markets, credit markets, interest rates, and foreign currencies. In addition, some of these funds may present lower liquidity, organizational risk, event and deal risks, leverage, and counterparty risk. Reduced redemption rights have been accepted for certain funds in order to access these funds.
d) Real assets are invested globally, principally in the energy and materials sector with smaller amounts invested in land, timber, and renewable energy, and share in the returns and risks associated with equity markets, interest rates, and commodities markets.
e) Non-collection real estate held consists of donated property with irrevocable retained life estates wherein the Trust has a remainder interest in the property.
f) Private equity investments are invested globally in consumer, computer, medical/pharmaceuticals, communications, financials, services, energy, and electronics and share in the risks and returns associated with the equity markets and credit market risks.

The following table sets forth a summary of the Trust's investments with a reported level 3 and net asset value as of June 30, 2020:

	Fair value	Unfunded commitments	Redemption frequency	Notice period
Equities – U.S. (a)	$ 61,380,010	$ -	Monthly to quarterly	30 – 60 days
Equities - global (a)	53,429,022	-	Daily to monthly	6 – 30 days
Fixed income (b)	11,000,202	-	Daily	3 days
Hedge funds - other (c)	311,966	-	Quarterly	60 – 90 days
Hedge funds - credit-driven/distressed (c)	12,610,048	3,000,000	Quarterly	60 – 90 days
Hedge funds - global (c)	35,612,361	-	Quarterly to annually	60 - 90 days
Real assets (d)	18,390,129	1,305,917	Locked	N/A
Non-collection real estate (e)	20,760,000	-	No fixed redemption period	N/A
Private equity (f)	34,375,613	10,555,664	Locked	N/A
Total investments valued using the practical expedient	$ 247,869,351	$ 14,861,581		

The nature and risks inherent in each of the Trust's major categories of investments where the fair value was estimated using the practical expedient are summarized as follows:

a) This category includes U.S. non-U.S., and global equity investments and share in the returns and risks associated with exposure to their respective markets.
b) This category includes fixed income investments and share in the returns and risks associated with exposure to U.S. and non-U.S. credit markets, interest rates, and foreign currencies.
c) Hedge fund investments are comprised of a diversified portfolio and share in the returns and risks associated with the equity markets, credit markets, interest rates, and foreign currencies. In addition, some of these funds may present lower liquidity, organizational risk, event and deal risks, leverage, and counterparty risk. Reduced redemption rights have been accepted for certain funds in order to access these funds.
d) Real assets are invested globally, principally in the energy and materials sector with smaller amounts invested in land, timber, and renewable energy, and share in the returns and risks associated with equity markets, interest rates, and commodities markets.
e) Non-collection real estate held consists of donated property with irrevocable retained life estates wherein the Trust has a remainder interest in the property.
f) Private equity investments are invested globally in consumer, computer, medical/pharmaceuticals, communications, financials, services, energy, and electronics and share in the risks and returns associated with the equity markets and credit market risks.

11. Management of Endowment Funds

The Trust's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Donor-restricted endowment funds and donor-restricted term endowment funds are classified as net assets with donor restrictions.

The Trust has interpreted the District of Columbia *Uniform Prudent Management of Institutional Funds Act of 2007* (the Act) as requiring the Trust, absent explicit donor stipulations to the contrary, to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate donor-restricted endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. The Trust classifies as 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 required by the applicable donor gift instrument. The remaining portion of donor-restricted endowment funds that are not classified as described above, are classified as accumulated investment gain net assets with donor restrictions until those amounts are appropriated for expenditure by the Trust.

In making a determination to appropriate or accumulate, the Trust adheres to the standard of prudence prescribed by the Act and considers the following factors:

1) The duration and preservation of the fund;
2) The purpose of the Trust and the donor-restricted endowment;
3) General economic conditions;
4) The possible effect of inflation and deflation;
5) The expected unrealized appreciation and depreciation of the investments;
6) Other resources of the Trust; and
7) The investment policy of the Trust.

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 the Act requires. There were no donor-restricted endowment funds as of June 30, 2021 and 2020 that fell below the level that the donor or the Act requires.

Endowment net assets consist of the following as of June 30, 2021:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated quasi-endowment funds	**$ 98,730,834**	**$ -**	**$ 98,730,834**
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	**-**	**99,101,504**	**99,101,504**
Accumulated investment gains	**-**	**105,715,553**	**105,715,553**
Term endowments	**-**	**15,222,762**	**15,222,762**
Total	**$ 98,730,834**	**$ 220,039,819**	**$ 318,770,653**

Changes in endowment net assets for year ended June 30, 2021 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	**$ 74,382,571**	**$ 164,133,301**	**$ 238,515,872**
Contributions	**970,829**	**3,654,686**	**4,625,515**
Appropriation for operational expenditures	**(2,354,266)**	**(8,837,219)**	**(11,191,485)**
Investment return	**25,731,700**	**61,089,051**	**86,820,751**
Endowment net assets, end of year	**$ 98,730,834**	**$ 220,039,819**	**$ 318,770,653**

Endowment net assets consist of the following as of June 30, 2020:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 74,382,571	$ -	$ 74,382,571
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	95,511,818	95,511,818
Accumulated investment gains	-	53,463,721	53,463,721
Term endowments	-	15,157,762	15,157,762
Total	$ 74,382,571	$ 164,133,301	$ 238,515,872

Changes in endowment net assets for year ended June 30, 2020 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 73,737,441	$ 161,258,792	$ 234,996,233
Contributions	1,869,899	3,984,853	5,854,752
Appropriation for operational expenditures	(3,484,180)	(7,216,325)	(10,700,505)
Investment return	2,259,411	6,105,981	8,365,392
Endowment net assets, end of year	$ 74,382,571	$ 164,133,301	$ 238,515,872

12. Rental Income and Expense

The Emerson building, located in Denver, Colorado, is used for both Trust staff offices and a leased space to third parties. The cost of the Emerson building and renovations at June 30, 2021 was $4,623,513 with accumulated depreciation and amortization of $489,864. The Cooper-Molera Adobe historic site leases commercial portions of the site to third parties. The cost of renovations to the buildings used for commercial purposes at June 30, 2021 was $7,721,911 with accumulated depreciation and amortization of $601,906. The Trust also rents buildings at its historic sites to staff or unrelated parties as housing or other uses and also leases space for site staff offices, visitor facilities, and related uses with various lease expiration dates. Most of these buildings are considered a part of the Trust's collection and are therefore not included in the consolidated financial statements.

Future minimum lease income from non-cancelable operating leases is as follows:

Years ending June 30,	
2022	**$ 626,106**
2023	**499,267**
2024	**325,295**
2025	**275,385**
2026	**276,082**
Thereafter	**558,620**
Total	**$ 2,560,755**

The Trust leases certain office space for the headquarters building, field offices, and equipment under operating leases. Total lease expense was $2,019,161 and $2,272,383 for the years ended June 30, 2021 and 2020, respectively, and is included in occupancy expenses within the consolidated statement of functional expenses.

Minimum future lease commitments on office space and equipment are as follows:

Years ending June 30,		
2022	$	**2,197,571**
2023		**2,253,267**
2024		**2,320,152**
2025		**2,388,818**
2026		**2,449,323**
Thereafter		**6,213,976**
Total	$	**17,823,107**

13. Notes Payable

Notes payable at June 30, 2021 and 2020 consist of the following:

		2021		2020
JPMorgan Chase Bank line-of-credit $10,000,000 for operations with an interest rate of LIBOR plus 1.28% paid monthly. The line expires, if not renewed, on July 23, 2022.	$	**1,750,000**	$	-
Ruth Falkenberg $1,500,000 loan for the renovation of Emerson School Building in Denver at 5% monthly interest with interest and principal payments of $8,052 due May 1, 2013 through September 30, 2022. Secured with the deed of trust on the Emerson School Building.		**1,279,701**		1,311,540
Merchants Bank of Commerce $3,800,000 construction loan for the renovation of the Cooper-Molera Adobe property at 5.15% monthly interest for the first seven years and the five-year Constant Maturity Treasury Rate plus 2.75% thereafter. Payments are interest only. Beginning July 1, 2019, principal and interest payments of $22,719 with principal payments based on a 25-year amortization. This loan matures on June 20, 2027 and is secured with a leasehold interest in the commercial portions of the property.		**3,644,829**		3,714,365
Unsecured promissory notes for the renovation of Cooper-Molera Adobe historic site in Monterey, California at 8-9% interest per annum.		**564,556**		564,556
Total		**7,239,086**		5,590,461
Less: current portion		**(2,432,258)**		(679,750)
Noncurrent portion	$	**4,806,828**	$	4,910,711

Future principal payments of notes payable outstanding at June 30, 2021 are as follows:

Years ending June 30,		
2022	$	2,432,258
2023		1,335,109
2024		93,065
2025		71,711
2026		75,547
Thereafter		3,231,396
Total	$	7,239,086

14. Net Assets

Net assets without donor restrictions consist of the following at June 30, 2021:

	Available for operations	Board-designated	Total
Net investment in property and equipment	$ 16,026,762	$ -	$ 16,026,762
Other operating funds	9,284,817	-	9,284,817
Funds functioning as board - designated quasi-endowment funds	-	98,730,834	98,730,834
Other board-designated	-	2,412,406	2,412,406
	$ 25,311,579	$ 101,143,240	$ 126,454,819

Net assets without donor restrictions consist of the following at June 30, 2020:

	Available for operations	Board-designated	Total
Net investment in property and equipment	$ 17,057,532	$ -	$ 17,057,532
Other operating funds	1,709,648	-	1,709,648
Funds functioning as board - designated quasi-endowment funds	-	74,382,571	74,382,571
Other board-designated	-	3,421,788	3,421,788
	$ 18,767,180	$ 77,804,359	$ 96,571,539

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions to (a) support particular program activities, (b) invest for a specified term, (c) use in a specified period, or (d) acquire long-lived assets. Net assets with donor restrictions are restricted for the following purposes or periods:

June 30,	**2021**	2020
Subject to expenditure for a specified purpose:		
NMSC subsidiary	**$ 911,466**	$ 757,935
Specific properties or programs	**46,106,674**	35,056,254
	47,018,140	35,814,189
Subject to the passage of time:		
Beneficial interest in charitable trusts	**11,583**	305
Assets held under split-interest agreements	**45,468**	34,683
	57,051	34,988
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for		
Preservation and maintenance of specific historic properties or programs	**120,938,314**	68,621,483
Subject to endowment policy and appropriation:		
Specific properties	**63,333,559**	60,643,122
Specific programs	**24,093,813**	23,204,563
General operations	**11,674,133**	11,664,133
	220,039,819	164,133,301
Unconditional promises to give, net – permanently restricted to endowment	**20,206,254**	28,331,409
Not subject to spending policy or appropriation:		
Beneficial interest in charitable trusts held by others	**246,592**	569,317
Assets held under split-interest agreements	**(81,679)**	(84,702)
	164,913	484,615
Total net assets with donor restrictions	**$ 287,486,177**	$ 228,798,502

15. Designated by Board of Trustees

Funds designated by the Board of Trustees represent the portion of funds without donor restrictions that have been set aside for specific purposes by action of the Board of Trustees.

Following is a summary of activity in funds designated by the Trustees for the years ended June 30:

	2021	2020
Board-designated net assets, beginning of year	**$ 77,804,359**	$ 79,268,888
Activity for the year:		
Amounts transferred to board-designated	**277,172**	512,973
Amounts transferred from board-designated	**-**	(60,000)
Net gains on quasi-endowments	**25,732,572**	2,278,447
Funds expended for board-designated purposes	**(2,670,863)**	(4,195,949)
Total activity for the period	**23,338,881**	(1,464,529)
Board-designated net assets, end of period	**$ 101,143,240**	**$ 77,804,359**

16. Retirement Plans

The Trust adopted a noncontributory defined contribution pension plan, effective January 1, 1986. The plan provides benefits to all eligible employees of the Trust. Contributions are determined based on 5% of the eligible employees' earnings for the calendar year. In 2020, the plan document was amended to state that the money purchase contribution rate is 0% of eligible compensation other than for non-highly compensated employees at NMSC and Trust participants who are 55 years of age or older and terminated during the plan year. Subsequent to year-end, the plan was amended to reinstate the money purchase contribution rate to 5% of eligible compensation. Employer contributions for eligible employees were $78,660 and $807,650 for the year ended 2021 and 2020, respectively.

Participants are 20% vested after two years of service, 50% vested after three years of service, 75% vested after four years of service, and 100% vested after five years of service or upon reaching age 55. Forfeitures of non-vested participant balances are used to offset future employer contributions.

The Trust adopted a voluntary employee contribution 403(b) retirement plan in 2007 to provide retirement benefits to eligible employees on an elective deferral contribution basis. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). Employees are 100% vested in their accounts at all times.

The Trust adopted a nonqualified deferred retirement savings plan (457(b)) for senior management and highly compensated employees on January 1, 2003. The plan currently allows eligible employees to defer salary amounts up to the maximum allowed under IRS regulations. The Retirement Committee adopted a resolution on November 18, 2015 specifying that a select group of management or highly compensated employees are eligible to participate. As of June 30, 2021 and 2020, assets and liabilities associated with this plan are $402,939 and $363,059, respectively.

17. Contingencies

Government Grants

The Trust receives federal grants which are subject to audit. Until such audits have been completed and final settlement reached, there exists a contingency to refund amounts received in excess of allowable costs. Management believes that adjustments, if any, would not have a significant effect on the consolidated financial statements.

Litigation

The Trust occasionally has participated as plaintiff or defendant in litigation to defend its general corporate interests, for example in matters relating to contractual, employment, or tort-related claims. Management believes that the outcome of litigation, if any, will not be material to the consolidated financial statements.

18. Risks and Uncertainties

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to volatility and instability in the financial markets. Most of the Trust's historic sites were closed to the public in March 2020, resuming operations as permitted by various states. Because the values of the Trust's individual investments have and will fluctuate in response to changing market conditions, the related impact on the Trust's liquidity cannot be determined at this time.

19. Payment Protection Program and the CARES Act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." On May 4, 2020, pursuant to the Paycheck Protection Program (PPP) under the CARES Act, the National Trust received funds totaling $3.3 million. As management expected to meet the PPP's forgiveness criteria, the receipt of the funds was treated as a grant, under the guidance contained in ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. As a result, the funds were classified as a refundable advance in the accompanying consolidated statements of financial position as of June 30, 2020. The Trust filed a loan forgiveness application in fiscal year 2021, and received full forgiveness from the Small Business Administration (SBA) on July 26, 2021. As such, the entire $3.3 million was recognized as revenue and is included in contributions and grant income in the consolidated statements of activities for the year ended June 30, 2021.

On March 15, 2021, the National Trust received additional funds totaling $2 million pursuant to the Paycheck Protection Program. As described above, management's policy is to treat the proceeds as a grant, and such funds have been recorded as a refundable advance in the accompanying consolidated statements of financial position as of June 30, 2021. The Trust will file a loan forgiveness application in fiscal year 2022.

The National Trust's subsidiaries, NTCIC and NMSC, applied for and received $606,700 and $315,847, in funds respectively, under the Paycheck Protection Program in fiscal year 2020. NMSC received full forgiveness in fiscal year 2021 and the entire $315,847 was recognized as revenue and is included in contributions and grant income in the consolidated statements of activities for the year ended June 30, 2021. NTCIC filed for and received full loan forgiveness in fiscal year 2022. Because the application for forgiveness, as well as actual forgiveness by the SBA did not occur until after year-end, the loan balance of $606,700 is being considered as a refundable advance and is included as such in the accompanying consolidated statements of financial position as of June 30, 2021 and 2020. Contribution revenue will be recognized in fiscal year 2022 totaling $606,700.

On December 28, 2020, the Consolidated Appropriations Act, 2021 (the Act) was passed, which includes $900 billion in stimulus relief as a result of the COVID-19 pandemic. The Trust does not believe that the Act will have any impact on its operations.

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law which includes $1.9 trillion in stimulus relief as a result of the COVID-19 pandemic. Currently, management does not expect this law to have a material impact on the consolidated statements of financial position, changes in net assets, or liquidity to the Trust.

20. Subsequent Events

The Trust has evaluated events subsequent to June 30, 2021 and through December 17, 2021, which is the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these consolidated financial statements, except as described in Note 8 as it relates to NTCIC's line-of-credit and Note 16.

Supplemental Schedules

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidating Schedule of Financial Position

June 30, 2021	National Trust	Subsidiaries and affiliates	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 19,348,068	$ 11,333,370	$ -	$ 30,681,438
Short-term investments	-	3,598,552	-	3,598,552
Accounts receivable	1,727,120	6,082,052	(684,289)	7,124,883
Contributions receivable, current	4,846,821	-	-	4,846,821
Prepaid expenses and other assets	1,043,201	434,306	-	1,477,507
Investment in subsidiaries	21,284,385	-	(21,284,385)	-
Total current assets	48,249,595	21,448,280	(21,968,674)	47,729,201
Noncurrent investments:				
Endowments and similar funds	314,911,760	37,099	-	314,948,859
Amounts held for others	17,771,661	-	(37,099)	17,734,562
Other investments	59,649,045	4,483,591	(521,000)	63,611,636
Total noncurrent investments	392,332,466	4,520,690	(558,099)	396,295,057
Contributions receivable, net of current	6,867,883	-	-	6,867,883
Property and equipment, net	7,771,942	8,254,818	-	16,026,760
Other long-term assets	591,247	88,784	-	680,031
Total noncurrent assets	407,563,538	12,864,292	(558,099)	419,869,731
Total assets	$ 455,813,133	$ 34,312,572	$ (22,526,773)	$ 467,598,932
Liabilities and net assets				
Current liabilities:				
Accounts payable	$ 7,217,910	$ 2,636,376	$ (638,290)	$ 9,215,996
Accrued expenses	1,903,010	748,900	-	2,651,910
Refundable advances and deferred revenue, current	3,173,732	2,106,060	-	5,279,792
Notes payable, current	1,783,401	648,857	-	2,432,258
Total current liabilities	14,078,053	6,140,193	(638,290)	19,579,956
Refundable advances and deferred revenue, net of current	3,777,280	-	-	3,777,280
Notes payable, net of current	1,246,300	4,127,528	(567,000)	4,806,828
Amounts held for others	17,771,661	-	(37,099)	17,734,562
Deferred rent	4,330,093	120,756	-	4,450,849
Other liabilities	2,739,234	569,227	-	3,308,461
Total liabilities	43,942,621	10,957,704	(1,242,389)	53,657,936
Net assets				
Without donor restrictions	125,295,800	22,443,403	(21,284,384)	126,454,819
With donor restrictions	286,574,712	911,465	-	287,486,177
Total net assets	411,870,512	23,354,868	(21,284,384)	413,940,996
Total liabilities and net assets	$ 455,813,133	$ 34,312,572	$ (22,526,773)	$ 467,598,932

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States and its Subsidiaries and Affiliates

Consolidating Schedule of Activities

Year ended June 30, 2021	National Trust	Subsidiaries and affiliates	Eliminations	Total
Operating revenues, gains, and other support				
Contributions and grant income	$ 46,746,847	$ 3,752,714	$ 51,947	$ 50,551,508
Contract services	297,586	18,808,170	(243,062)	18,862,694
Investment income	17,837,253	166,821	(5,177,980)	12,826,094
Admissions and special events	1,950,997	684,870	-	2,635,867
Program fees and other income	2,670,268	2,076,121	(831,601)	3,914,788
Total operating revenues, gains and other support	69,502,951	25,488,696	(6,200,696)	88,790,951
Operating expenses				
Program services				
Historic sites	18,640,804	4,126,270	-	22,767,074
Preservation services	15,298,617	10,590,538	(1,129,373)	24,759,782
Education and publications	3,746,971	1,253,209	-	5,000,180
Total program services	37,686,392	15,970,017	(1,129,373)	52,527,036
Support services				
General and administration	5,641,284	3,301,351	-	8,942,636
Fundraising	4,043,171	-	-	4,043,171
Membership outreach	3,835,515	-	-	3,835,514
Total support services	13,519,970	3,301,351	-	16,821,321
Total operating expenses	51,206,362	19,271,368	(1,129,373)	69,348,357
Excess of operating revenues, gains, and other support over operating expenses	18,296,589	6,217,328	(5,071,323)	19,442,594
Nonoperating support (expense)				
Investment gains (losses) in excess of amounts designated for operations	76,643,611	(953,262)	1,292,610	76,982,959
Change in contributions receivable estimate	(7,111,700)	-	-	(7,111,700)
Provision for income taxes	-	(742,898)	-	(742,898)
Total nonoperating support (expense)	69,531,911	(1,696,160)	1,292,610	69,128,361
Change in net assets	87,828,500	4,521,168	(3,778,713)	88,570,955
Net assets, beginning of year	324,042,012	18,833,700	(17,505,671)	325,370,041
Net assets, end of year	$ 411,870,512	$ 23,354,868	$ (21,284,384)	$ 413,940,996

See accompanying notes to consolidated financial statements.