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, 2023 and 2022

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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.

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, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Trust adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases* on July 1, 2022. Our opinion is not modified with respect to this matter.

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 consolidated financial statements of the National Trust Community Investment Corporation and Subsidiaries (NTCIC), a wholly-owned subsidiary which constitutes $20,716,728 and $21,133,917 of total consolidated assets as of June 30, 2023 and 2022, respectively and $13,180,885 and $11,211,255 of total consolidated operating revenues for the years ended June 30, 2023 and 2022, 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, consolidating schedule of activities, and schedule of activities (parent company only) as of and for the year ended June 30, 2023 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, P.C.

December 21, 2023
McLean, Virginia

Consolidated Financial Statements

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

Consolidated Statements of Financial Position

June 30,		2023		2022
Assets				
Current assets:				
Cash and cash equivalents	$	**21,692,192**	$	31,281,687
Short-term investments (Notes 9 and 10)		**2,892,942**		3,050,436
Accounts receivable		**15,322,398**		12,812,993
Contributions receivable, current (Note 5)		**9,577,427**		6,490,353
Prepaid expenses and other assets		**1,422,253**		1,506,589
Total current assets		**50,907,212**		55,142,058
Noncurrent investments: (Notes 9, 10, and 11)				
Endowments and similar funds		**291,133,456**		279,701,769
Amounts held for others (Note 6)		**15,766,355**		15,285,767
Other investments (Note 7)		**110,348,774**		77,687,098
Total noncurrent investments		**417,248,585**		372,674,634
Contributions receivable, net of current (Note 5)		**6,786,241**		10,786,045
Property and equipment, net (Note 4)		**14,063,602**		15,003,435
Right-of-use asset—operating (Note 12)		**8,399,452**		-
Other long-term assets		**922,814**		1,103,419
Total noncurrent assets		**447,420,694**		399,567,533
Total assets	$	**498,327,906**	$	454,709,591
Liabilities and Net Assets				
Liabilities				
Current liabilities:				
Accounts payable	$	**15,921,465**	$	12,533,622
Accrued expenses		**3,338,744**		3,858,255
Refundable advances and deferred revenue, current		**5,514,865**		4,858,383
Lease liability—operating lease, current (Note 12)		**2,789,272**		-
Notes payable, current (Note 13)		**2,607,877**		5,675,684
Total current liabilities		**30,172,223**		26,925,944
Refundable advances and deferred revenue, net of current		**2,697,960**		3,147,620
Lease liability—operating lease, net of current (Note 12)		**11,943,946**		-
Notes payable, net of current (Note 13)		**6,028,895**		4,698,257
Amounts held for others (Note 6)		**15,766,355**		15,285,767
Other liabilities (Note 7)		**3,056,933**		9,063,137
Total liabilities		**69,666,312**		59,120,725
Commitments and Contingencies (Notes 8 and 17)				
Net assets (Note 14)				
Without donor restrictions		**116,548,247**		110,584,524
With donor restrictions		**312,113,347**		285,004,342
Total net assets		**428,661,594**		395,588,866
Total liabilities and net assets	$	**498,327,906**	$	454,709,591

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, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Contributions and grant income	$ 27,692,808	$ 41,147,452	$ 68,840,260
Contributions of nonfinancial assets	1,254,848	-	1,254,848
Contract services	18,662,008	-	18,662,008
Investment return	12,890,530	4,091,322	16,981,852
Admissions and special events	4,129,724	-	4,129,724
Program fees and other income	7,104,101	-	7,104,101
Net assets released from restrictions	23,017,508	(23,017,508)	-
Total operating revenues, gains, and other support	94,751,527	22,221,266	116,972,793
Operating expenses and loss			
Program services			
Historic sites	25,488,450	-	25,488,450
Preservation services	37,630,131	-	37,630,131
Education and publications	6,028,526	-	6,028,526
Total program services	69,147,107	-	69,147,107
Support services			
General and administrative	10,534,212	-	10,534,212
Fundraising	5,099,520	-	5,099,520
Membership outreach	3,670,650	-	3,670,650
Total support services	19,304,382	-	19,304,382
Loss on sublease activity	525,021	-	525,021
Total operating expenses and loss	88,976,510	-	88,976,510
Excess of operating revenues, gains, and other support over operating expenses and loss	5,775,017	22,221,266	27,996,283
Nonoperating support (expense)			
Investment gains in excess of amounts designated for operations	917,226	5,824,887	6,742,113
Change in contributions receivable estimate (Note 1i)	-	(937,148)	(937,148)
Provision for income taxes (Note 1r)	(728,520)	-	(728,520)
Total nonoperating support (expense)	188,706	4,887,739	5,076,445
Change in net assets	5,963,723	27,109,005	33,072,728
Net assets, beginning of year	110,584,524	285,004,342	395,588,866
Net assets, end of year	$ 116,548,247	$ 312,113,347	$ 428,661,594

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, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Contributions and grant income	$ 20,091,694	$ 49,107,968	$ 69,199,662
Contributions of nonfinancial assets	1,413,351	-	1,413,351
Contract services	15,477,077	-	15,477,077
Investment return	11,126,532	2,725,158	13,851,690
Admissions and special events	4,006,327	-	4,006,327
Program fees and other income	6,084,071	-	6,084,071
Net assets released from restrictions	19,196,252	(19,196,252)	-
Total operating revenues, gains, and other support	77,395,304	32,636,874	110,032,178
Operating expenses			
Program services			
Historic sites	23,297,174	-	23,297,174
Preservation services	25,743,714	-	25,743,714
Education and publications	6,104,396	-	6,104,396
Total program services	55,145,284	-	55,145,284
Support services			
General and administrative	9,373,185	-	9,373,185
Fundraising	4,260,768	-	4,260,768
Membership outreach	3,304,815	-	3,304,815
Total support services	16,938,768	-	16,938,768
Loss on sublease activity	2,881,288	-	2,881,288
Total operating expenses and loss	74,965,340	-	74,965,340
Excess of operating revenues, gains, and other support over operating expenses	2,429,964	32,636,874	35,066,838
Nonoperating support (expense)			
Investment losses in excess of amounts designated for operations	(18,067,159)	(36,115,081)	(54,182,240)
Change in contributions receivable estimate (Note 1i)	-	996,372	996,372
Provision for income taxes (Note 1r)	(233,100)	-	(233,100)
Total nonoperating support (expense)	(18,300,259)	(35,118,709)	(53,418,968)
Change in net assets	(15,870,295)	(2,481,835)	(18,352,130)
Net assets, beginning of year	126,454,819	287,486,177	413,940,996
Net assets, end of year	$ 110,584,524	$ 285,004,342	$ 395,588,866

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, 2023	Historic sites	Preservation services	Education and publications	Total program services	General and administrative	Fundraising	Membership outreach	Total support services	Total
Employee costs:									
Salaries	$ 7,584,262	$ 11,648,828	$ 2,275,663	$ 21,508,753	$ 4,603,774	$ 2,820,515	$ 291,922	$ 7,716,211	$ 29,224,964
Payroll taxes and benefits	1,504,206	2,258,363	544,316	4,306,885	1,055,036	474,528	95,749	1,625,313	5,932,198
Total employee costs	9,088,468	13,907,191	2,819,979	25,815,638	5,658,810	3,295,043	387,671	9,341,524	35,157,162
Grants	555,963	16,965,964	49,800	17,571,727	-	-	-	-	17,571,727
Professional services	864,210	2,958,018	546,459	4,368,687	1,880,005	305,667	676,241	2,861,913	7,230,600
Real estate	5,369,629	-	-	5,369,629	-	-	-	-	5,369,629
Miscellaneous	1,439,125	1,089,722	139,395	2,668,242	614,025	186,140	129,590	929,755	3,597,997
Occupancy	1,429,885	670,989	290,907	2,391,781	309,996	354,668	91,908	756,572	3,148,353
Maintenance	2,440,594	38,203	-	2,478,797	44,052	2,159	-	46,211	2,525,008
Printing and media	273,819	123,455	633,181	1,030,455	14,574	217,390	1,176,519	1,408,483	2,438,938
Computer and telecommunications	514,073	482,999	407,056	1,404,128	583,800	139,384	33,332	756,516	2,160,644
Postage and delivery	30,856	12,831	166,187	209,874	12,043	211,317	1,152,481	1,375,841	1,585,715
Insurance	1,059,128	90,390	-	1,149,518	262,074	-	-	262,074	1,411,592
Travel	204,095	771,564	116,216	1,091,875	146,619	111,604	1,754	259,977	1,351,852
Special events	499,889	63,684	408,273	971,846	128,573	194,837	-	323,410	1,295,256
Donated services	-	80,718	388,718	469,436	785,412	-	-	785,412	1,254,848
Property development	1,191,168	-	-	1,191,168	-	-	-	-	1,191,168
Depreciation and amortization	527,548	374,403	62,355	964,306	94,229	81,311	21,154	196,694	1,161,000
Total other expenses	16,399,982	23,722,940	3,208,547	43,331,469	4,875,402	1,804,477	3,282,979	9,962,858	53,294,327
Total operating expenses	$ 25,488,450	$ 37,630,131	$ 6,028,526	$ 69,147,107	$ 10,534,212	$ 5,099,520	$ 3,670,650	$ 19,304,382	$ 88,451,489

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, 2022	Historic sites	Preservation services	Education and publications	Total program services	General and administrative	Fundraising	Membership outreach	Total support services	Total
Employee costs:									
Salaries	$ 6,332,553	$ 8,838,533	$ 2,315,997	$ 17,487,083	$ 4,687,272	$ 2,648,306	$ 271,435	$ 7,607,013	$ 25,094,096
Payroll taxes and benefits	1,256,483	1,753,736	444,749	3,454,968	933,298	431,429	33,694	1,398,421	4,853,389
Total employee costs	7,589,036	10,592,269	2,760,746	20,942,051	5,620,570	3,079,735	305,129	9,005,434	29,947,485
Grants	99,512	9,886,895	191,000	10,177,407	-	-	-	-	10,177,407
Real estate	6,361,887	-	-	6,361,887	-	-	-	-	6,361,887
Professional services	636,980	2,307,203	593,779	3,537,962	1,169,370	162,567	677,226	2,009,163	5,547,125
Miscellaneous	1,411,166	820,701	490,921	2,722,788	457,215	173,842	125,811	756,868	3,479,656
Occupancy	1,178,849	961,495	418,664	2,559,008	380,023	278,214	139,433	797,670	3,356,678
Maintenance	2,155,749	32,614	-	2,188,363	56,023	2,192	-	58,215	2,246,578
Printing and media	216,529	54,934	610,310	881,773	12,076	191,760	971,818	1,175,654	2,057,427
Computer and telecommunications	537,470	458,054	311,727	1,307,251	511,381	113,759	50,177	675,317	1,982,568
Property development	1,569,167	-	-	1,569,167	-	-	-	-	1,569,167
Postage and delivery	28,356	10,157	170,182	208,695	7,264	198,240	1,004,400	1,209,904	1,418,599
Donated services	3,110	148,051	477,917	629,078	784,273	-	-	784,273	1,413,351
Insurance	971,040	124,075	-	1,095,115	268,715	400	-	269,115	1,364,230
Depreciation and amortization	538,323	347,266	79,150	964,739	106,275	60,059	30,821	197,155	1,161,894
Total other expenses	15,708,138	15,151,445	3,343,650	34,203,233	3,752,615	1,181,033	2,999,686	7,933,334	42,136,567
Total operating expenses	$ 23,297,174	$ 25,743,714	$ 6,104,396	$ 55,145,284	$ 9,373,185	$ 4,260,768	$ 3,304,815	$ 16,938,768	$ 72,084,052

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

Years ended June 30,		2023		2022
Cash flows from operating activities				
Change in net assets	$	**33,072,728**	$	(18,352,130)
Adjustments to reconcile change in net assets to cash provided by operating activities				
Depreciation and amortization		**1,161,000**		1,161,894
Loss on sublease activity		**525,021**		2,881,288
Loss on disposal of property and equipment		**3,187**		1,408
Loss on properties held for resale		**187,980**		-
NTCIC deferred income tax (benefit) provision		**(130,687)**		62,941
Net realized and unrealized (gains) losses on investments		**(19,445,298)**		44,097,092
Contributions restricted for long-term investment		**(3,063,997)**		(4,501,752)
Investment losses allocated to endowments held for others		**(1,119,215)**		(2,038,485)
Change in contributions receivable estimate		**937,148**		(996,372)
Accretion of discount on long-term contributions receivable, net		**(400,462)**		65,209
Allowance for uncollectible receivables		**454,655**		145,499
Forgiveness of PPP loans		**-**		(2,614,958)
Amortization of retained life estates		**(579,660)**		(499,660)
Non-cash operating lease expense		**958,104**		-
Decrease (increase) in assets				
Accounts receivable		**(2,970,261)**		(5,723,448)
Contributions receivable		**382,245**		(4,740,692)
Prepaid expenses and other assets		**84,336**		(29,082)
Other long-term assets		**529,221**		113,208
Increase (decrease) in liabilities				
Accounts payable		**3,387,843**		3,317,626
Accrued expenses		**(519,511)**		178,857
Refundable advances and deferred revenue		**786,482**		2,063,549
Amounts held for others		**1,599,803**		(410,310)
Deferred rent		**-**		(4,251,533)
Lease liability-operating leases		**(2,023,182)**		-
Other liabilities		**461,710**		3,102,023
Net cash provided by operating activities		**14,279,190**		13,032,172
Cash flows from investing activities				
Purchases of investments		**(83,936,668)**		(46,385,806)
Proceeds from sales of investments		**58,965,509**		26,457,253
Purchases of property and equipment		**(224,354)**		(139,977)
Net cash used in investing activities		**(25,195,513)**		(20,068,530)
Cash flows from financing activities				
Contributions restricted for long-term investment		**3,063,997**		4,501,752
Proceeds from notes payable		**14,260,000**		4,000,000
Principal payments on notes payable		**(15,997,169)**		(865,145)
Net cash provided by financing activities		**1,326,828**		7,636,607
Net (decrease) increase in cash and cash equivalents		**(9,589,495)**		**600,249**
Cash and cash equivalents, beginning of the year		**31,281,687**		30,681,438
Cash and cash equivalents, end of the year	$	**21,692,192**	$	31,281,687
Supplemental cash flow information				
Cash paid for income taxes	$	245,000	$	325,000
Cash paid for interest	$	528,539	$	372,835

(continued)

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

Consolidated Statements of Cash Flows

Years ended June 30,		**2023**		2022
Supplemental disclosure of noncash operating activity				
Non-cash operating lease assets obtained in exchange for new operating lease liabilities - upon adoption	$	7,652,326	$	-
Non-cash operating lease assets and deposits obtained in exchange for new operating lease liabilities - new lease	$	2,230,251	$	-
Non-cash change in deferred rent in other liabilities	$	195,148	$	-
Non-cash change in accrued lease cost in other liabilities	$	6,678,675	$	-
Forgiveness of PPP loans	$	-	$	2,614,958

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, 2023, 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, 2023 and 2022, 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.

(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

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.

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 February 2016, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*. From a lessee perspective, the new guidance is intended to increase transparency and comparability by recognizing lease assets and lease liabilities in the consolidated statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a right-of-use asset along with a lease liability for both operating and finance leases. The FASB has issued ASUs subsequent to ASU 2016-02 to further clarify and improve Topic 842. The Trust also adopted ASU 2023-01, *Common Control Arrangements,* to allow practical expedients in the assessment of leases between entities under common control (Topic 842).

The Trust adopted ASU 2016-02 using the modified retrospective method to record a cumulative-effect adjustment to the beginning of the period of adoption. The Trust elected to apply practical expedients allowing it to 1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; 2) not reassess the lease classification for any expired or existing leases; and 3) not reassess initial direct costs for any existing leases. The Trust also elected to apply the practical expedient to use hindsight in determining the lease term.

Upon the adoption of Topic 842 on July 1, 2022, the Trust recorded an initial right-of-use asset of $7,652,326, an initial lease liability of $15,051,170 (see Note 12), a reduction of deferred rent of $195,148, a reduction of accrued lease cost in accrued expenses and other liabilities in the consolidated statements of financial position of $6,678,675, and a loss on sublease activity of $525,021 in the consolidated statements of activities effective July 1, 2022 (see Note 12). The adoption of ASU 2016-02 did not have a significant impact on the Trust's accounting for operating leases in which the Trust is the lessor.

(e) Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. This update, along with ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses* changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU is effective for the Trust beginning on July 1, 2023. An entity must apply the amendments in the ASU through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective except for certain exclusions. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

The Trust also assessed other accounting pronouncements issued or effective during the year ended June 30, 2023 and deemed they were not applicable to the Trust or are not anticipated to have a material effect on the consolidated financial statements.

(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 Historic House and Gardens, 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 existence of the life estate, the site is not currently open to the public.

The National Trust and Oatlands, Inc. were parties to an amended and restated cooperative agreement, an amended and restated lease, and an amended and restated loan agreement, dated April 15, 2019 (the co-stewardship agreements), which provided for Oatlands, Inc. to manage and operate Oatlands Historic House and Gardens as a National Trust historic site. On September 20, 2023, the National Trust terminated the co-stewardship agreements with Oatlands, Inc. The National Trust and Oatlands, Inc. have subsequently facilitated the transition of the management of Oatlands Historic House and Gardens back to the National Trust utilizing a license agreement dated September 28, 2023.

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 sale is executed.

Subsequent to June 30, 2023, the Trust purchased the historic Robert Smalls House, a private residence, located in Beaufort, South Carolina for $2.1 million. The Trust will hold the property for resale.

(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, 2023 and 2022, the Trust's cash accounts held in excess of federally-insured limits were $18,266,452 and $27,975,027, respectively.

(h) Accounts Receivable

Accounts receivable consist primarily of amounts due from government grants, employee retention credits, fundraising events, customers and lessees, income taxes, acquisition fees, and asset and fund management 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, 2023 and 2022, approximately 59% and 77% of net contributions receivable was attributable to three and four donors, respectively. During the years ended June 30, 2023 and 2022, contributions receivable decreased by $937,148 and increased by $996,372, respectively, due to a change in the donor's intent. This change is reflected in the nonoperating support (expense) section in the accompanying consolidated statements 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 refundable advances and 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 both June 30, 2023 and 2022, respectively. 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) Leases

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Trust determines if an arrangement is or contains a lease at inception. The Trust does not apply the recognition requirements under FASB Accounting Standards Codification (ASC) Topic 842, *Leases,* to short-term leases. Leases with an initial term of 12 months or less are not recorded in the consolidated statements of financial position. The lease term is the non-cancelable period of the lease, including any options to extend, purchase or terminate the lease when it is reasonably certain that the Trust will exercise that option.

Right-of-use (ROU) assets represent the Trust's right to use an underlying asset for the lease term and lease liabilities represent the Trust's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at lease commencement date based on the present value of lease payments over the lease term, calculated using a rate of return selected based on the term of the lease. As an implicit rate for most leases is not determinable, the Trust made an accounting policy election to use a risk-free discount rate as a practical expedient in lieu of its incremental borrowing rate when assessing lease classification and when measuring its lease liabilities. The lease payments for the initial measurement of lease ROU assets and lease liabilities include fixed payments only. The Trust has elected the practical expedient to account for each separate lease component of a contract and its associated non-lease components as a single lease payment for all leases, except real estate leases, and to utilize the written terms and conditions of a lease between entities under common control for purposes of assessing whether a lease exists and the classification of and accounting for that lease. For real estate leases, non-lease components are separated from lease components for accounting purposes. The right-of-use asset is amortized over the shorter of the lease term or the economic life of the leased asset. Rent expense is recognized on a straight-line basis over the operating lease term and included as occupancy costs in the accompanying consolidated statements of functional expenses.

(n) 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, 2023 and 2022.

(o) Refundable Advances and Deferred Revenue

The Trust recognizes revenue from conditional grants as conditions are met. When cash is received before conditions are met, a refundable advance is recorded as a liability and shown in the statements of financial position. 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 $3,147,620 and $3,727,280 as of June 30, 2023 and 2022, respectively. Adjustments to 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.

(p) 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. Nonoperating support includes investment return in excess of the Trust's aggregate board-authorized spending rate, if any.

The Trust's authorized spending rate was 4.80% and 4.85% for restricted endowment funds, endowment funds without donor restriction, and the two general Historic Sites Funds for the years ended June 30, 2023 and 2022, respectively.

(q) 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

(r) 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, 2020 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 income taxes for NTCIC and Greenrock, included in nonoperating support (expense) in the consolidated statements of activities for the years ended June 30, 2023 and 2022 are as follows:

June 30,	**2023**	2022
Current:		
Federal income tax expense	**$ 489,044**	$ 274,396
Investment tax credits	**(162,061)**	(196,400)
State and local	**165,000**	92,160
Total current tax expense	**491,983**	170,156
Deferred:		
Federal income tax expense	**236,537**	62,944
Provision for income taxes	**$ 728,520**	$ 233,100

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 and they are included with other liabilities in the accompanying statements of financial position. The components of NTCIC's deferred income taxes as of June 30, 2023 and 2022 were as follows:

June 30,	**2023**	2022
Deferred income	**$ 287,111**	$ 253,320
Investment tax credits	**525,255**	128,931
Unrealized (loss) gain on equity securities	**(55,209)**	206,778
Investments in investment entities	**(655,843)**	(698,107)
IRC Section 50(d) income	**(670,667)**	(645,581)
Other	**124,239**	155,122
Deferred tax liability	**$ (445,114)**	$ (599,537)

Greenrock had approximately $424,000 and $438,000 in deferred tax assets as of December 31, 2022 and 2021, 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 $2,019,228 and $2,085,842 as of December 31, 2022 and 2021, respectively. The net operating losses can be carried forward indefinitely until utilized. Greenrock establishes a valuation allowance when they no longer consider it more likely than not that a deferred tax asset will be realized. As of each reporting date, Greenrock's management considers new evidence, both positive and negative, that could impact management's view with regard to future realization of deferred tax assets. A full valuation allowance was recorded against Greenrock's deferred taxes. Management reviewed Greenrock's deferred taxes and related valuation allowance as of June 30, 2023 and 2022, noting no material change from Greenrock's calendar year presentation.

(s) Revenue Recognition

Contributions and Grant Income

Contributions, including unconditional promises to give, are recognized as revenue 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).

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. National Trust programs are made available to both members and non-members, and as such, there is no exchange of commensurate value in its memberships.

Contributions of Nonfinancial Assets

During the years ended June 30, 2023 and 2022, contributions of nonfinancial assets recognized in the consolidated statements of activities, none of which had donor-imposed restrictions include the following:

June 30,	**2023**	2022
Professional services	**$ 866,130**	$ 935,434
Public service announcements	**388,718**	477,917
Contributions of nonfinancial assets	**$ 1,254,848**	$ 1,413,351

Professional services are comprised of attorneys who advise the Trust on various legal matters and other professional services. Public service announcements are comprised of messages shared with the general public that raise awareness of the mission of the Trust. For all services, the Trust valued and reported the contributed services at the estimated fair value based on current rates for similar services.

Contract Services

In accordance with FASB 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 exists.

Amounts received in advance of services performed, but not yet earned, are held and recorded as refundable advances. 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,	2023	2022
Acquisition fee income	$ 6,133,735	$ 6,256,479
Fund management and asset management fee income	4,803,654	3,214,868
Client fees	4,787,270	4,220,970
Other contract services revenue	2,937,349	1,784,760
Total contract services revenue	$ 18,662,008	$ 15,477,077

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. Conference sponsorship revenue was $413,743 and $540,864 for the years ended June 30, 2023 and 2022, respectively.

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,	2023	2022
Commission income	$ 2,177,645	$ 1,589,361
Rental income	1,895,509	1,030,176
NMSC membership dues	817,411	836,673
Merchandise sales	548,778	708,497
Advertising revenue	488,404	658,723
Royalty revenue	323,594	314,280
Miscellaneous and other revenue	852,760	946,361
Total program fees and other income	$ 7,104,101	$ 6,084,071

(t) *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.

(u) *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, 2023 and 2022, 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.

(v) 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.

(w) 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.

(x) 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.

(y) Reclassifications

Deferred rent in the amount of $199,316 has been reclassified to other liabilities in the 2022 consolidated financial statements to conform to the current year presentation. There has been no change in the previously recorded change in net assets.

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,	**2023**	2022
Cash and cash equivalents, unrestricted	**$ 16,004,748**	$ 14,941,510
Short-term investments	**2,892,942**	3,050,436
Accounts receivable	**15,322,398**	10,710,221
Contributions receivable, current, without donor restrictions	**4,031,746**	843,000
Financial assets available to meet cash needs for general expenditures within one year	**$ 38,251,834**	$ 29,545,167

The Trust has net assets with donor restrictions of $312,113,347 and $285,004,342 as of June 30, 2023 and 2022, 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 $83,643,386 and $82,470,736 of net assets without donor restrictions subject to a board-imposed annual spending rate of 4.80% and 4.85% as of June 30, 2023 and 2022, respectively. Although the Trust does not intend to spend from board-designated quasi-endowment funds, these amounts could be made available by board action, 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 Bank of America. See Note 13 for additional information related to the line-of-credit.

4. Property and Equipment

Property and equipment comprised the following:

June 30,	**2023**	2022
Land	**$ 133,000**	$ 133,000
Buildings and improvements	**17,633,827**	17,533,915
Leasehold improvements	**3,344,302**	3,344,302
Furniture and equipment	**2,711,898**	2,609,878
Computer equipment	**3,791,159**	3,814,905
	27,614,186	27,436,000
Less: accumulated depreciation and amortization	**(13,550,584)**	(12,432,565)
Total	**$ 14,063,602**	$ 15,003,435

5. Contributions Receivable

Contributions receivable are summarized as follows:

June 30,	**2023**	2022
Unconditional promises to give expected to be collected in:		
Less than one year	**$ 9,577,427**	$ 6,490,353
One to five years	**7,194,485**	5,326,644
More than five years	**-**	6,274,308
	16,771,912	18,091,305
Less:		
Allowances for uncollectible pledges	**(153,526)**	(159,728)
Unamortized discount	**(254,718)**	(655,179)
	16,363,668	17,276,398
Less: current contributions receivable	**(9,577,427)**	(6,490,353)
Contributions receivable, net of current	**$ 6,786,241**	$ 10,786,045

The discount rates used to calculate the present value of contributions receivable range from 0.68% to 4.90% and from 0.53% to 2.93% as of June 30, 2023 and 2022, respectively. During the years ended June 30, 2023 and 2022, the Trust recognized $400,461 of net positive accretion income and $65,209 of net negative accretion income, respectively, on discounts relating to contributions receivable.

Commitments from donors for conditional promises to give totaled $1,050,000 and $1,150,000 at June 30, 2023 and 2022, respectively, and consisted of letters of intent for existing programs. At June 30, 2023 and 2022, the Trust also had $2,750,000 and $4,000,000, respectively, in conditional promises for which it did not satisfy the donor's conditions.

At June 30, 2023 and 2022, the Trust had remaining available award balances on the federal grants and contracts of $9,508,967 and $5,561,698, 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,	**2023**	2022
Endowment held for James Madison's Montpelier	**$ 9,170,219**	$ 8,941,789
Endowment held for the benefit of Congressional Cemetery	**5,846,390**	5,862,681
Endowment held for the benefit of Belle Grove	**749,746**	481,297
Total amounts held for others	**$ 15,766,355**	$ 15,285,767

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,	**2023**	2022
Charitable gift annuities	**$ 2,288,380**	$ 2,274,729
Charitable remainder unitrusts, non-trusteed	**1,849,417**	1,662,923
Charitable remainder unitrusts, trusteed	**699,518**	691,678
Unitrusts	**217,445**	214,961
Pooled income funds	**37,789**	89,414
Total assets held under split-interest agreements	**$ 5,092,549**	$ 4,933,705

As of June 30, 2023 and 2022, liabilities associated with split-interest agreements in other liabilities in the consolidated statements of financial position comprised the following:

June 30,		**2023**		2022
Charitable gift annuities	**$**	**1,794,736**	$	1,858,042
Charitable remainder unitrusts, trusteed		**281,144**		291,310
Pooled income funds		**4,396**		13,887
Total liabilities related to split-interest agreements	**$**	**2,080,276**	$	2,163,239

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, 2023 and 2022, the Trust recognized $114,885 and $72,902, respectively, in accretion of discounts related to 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. 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 $20.0 million and $20.8 million at June 30, 2023 and 2022, respectively, 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, 2023 and 2022. The outstanding bond balance at June 30, 2023 is $6,754,000 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, 2023 and 2022, 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, *Guarantees*, under 460-10-30-1, and 460-10-25-1; and (c) the Trust and Foundation are considered related parties.

Construction and 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 were co-guarantors of the loan and guarantee the full repayment of the loan. The loan was secured with real and personal property of the historic site and was a ten-year loan with a maturity date of June 20, 2027. The loan balance outstanding was $0 and $3,560,020 as of June 30, 2023 and 2022, respectively.

On February 15, 2023, CMP LLC entered into a permanent loan in the amount of $4,760,000 with Pacific Valley Bank. Proceeds from the financing were used to repay in full the loan with Merchants Bank of Commerce, as described above. 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 March 15, 2033. The loan balance outstanding was $4,709,718 as of June 30, 2023.

9. Investments

The composition of investments held by the Trust at June 30, 2023 is presented below:

	Endowment and similar funds including amounts held for others	Other investments including short-term investments	Total
Cash holdings	$ 12,159,888	$ 4,705,502	$ 16,865,390
Short-term holdings	-	17,959,673	17,959,673
Mutual funds	-	5,915,172	5,915,172
Equities – U.S.	83,581,433	4,869,703	88,451,136
Equities – global	54,697,936	2,841,873	57,539,809
Fixed income	11,832,497	47,302,605	59,135,102
Hedge funds	57,506,909	2,145,739	59,652,648
Opportunistic	-	652,263	652,263
Real assets	13,309,605	4,106,407	17,416,012
Non-collection real estate	-	20,000,000	20,000,000
Private equity	73,811,543	2,742,779	76,554,322
Total investments	$ 306,899,811	$ 113,241,716	$ 420,141,527

The composition of investments held by the Trust at June 30, 2022 is presented below:

	Endowment and similar funds including amounts held for others	Other investments including short-term investments	Total
Cash holdings	$ 18,068,823	$ 953,005	$ 19,021,828
Short-term holdings	-	40,000,688	40,000,688
Mutual funds	-	260,920	260,920
Equities – U.S.	75,965,655	4,377,930	80,343,585
Equities – global	49,237,641	2,517,267	51,754,908
Fixed income	11,726,991	2,468,830	14,195,821
Hedge funds	54,469,688	1,970,029	56,439,717
Opportunistic	-	532,701	532,701
Real assets	14,177,672	4,342,143	18,519,815
Non-collection real estate	-	20,760,000	20,760,000
Private equity	71,341,066	2,554,021	73,895,087
Total investments	$ 294,987,536	$ 80,737,534	$ 375,725,070

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 (NAV) 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, 2023:

	Fair Value Hierarchy Level				
Description	Level 1	Level 2	Level 3	Reported at NAV *	Total
Cash holdings	$ 16,865,390	$ -	$ -	$ -	$ 16,865,390
Short-term holdings	17,959,673	-	-	-	17,959,673
Mutual funds	5,915,172	-	-	-	5,915,172
Equities – U.S.	1,783,202	-	-	86,667,934	88,451,136
Equities – global	11,551,770	-	-	45,988,039	57,539,809
Fixed income	47,334,988	605,936	-	11,194,179	59,135,103
Hedge funds - other	-	-	-	408,997	408,997
Hedge funds - credit-driven/ distressed	-	-	-	11,259,067	11,259,067
Hedge funds – global	-	-	-	47,984,583	47,984,583
Opportunistic	652,263	-	-	-	652,263
Real assets	-	-	-	17,416,012	17,416,012
Non-collection real estate	-	-	20,000,000	-	20,000,000
Private equity	-	-	-	76,554,322	76,554,322
Total	$ 102,062,458	$ 605,936	$ 20,000,000	$ 297,473,133	$ 420,141,527

* 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, 2022:

	Fair Value Hierarchy Level				
Description	Level 1	Level 2	Level 3	Reported at NAV *	Total
Cash holdings	$ 19,021,828	$ -	$ -	$ -	$ 19,021,828
Short-term holdings	40,000,688	-	-	-	40,000,688
Mutual funds	260,920	-	-	-	260,920
Equities – U.S.	1,659,994	-	-	78,683,591	80,343,585
Equities – global	10,065,412	-	-	41,689,496	51,754,908
Fixed income	2,921,739	136,167	-	11,137,915	14,195,821
Hedge funds - other	-	-	-	243,262	243,262
Hedge funds - credit-driven/ distressed	-	-	-	3,932,444	3,932,444
Hedge funds – global	-	-	-	52,264,011	52,264,011
Opportunistic	532,701	-	-	-	532,701
Real assets	-	-	-	18,519,815	18,519,815
Non-collection real estate	-	-	20,760,000	-	20,760,000
Private equity	-	-	-	73,895,087	73,895,087
Total	$ 74,463,282	$ 136,167	$ 20,760,000	$ 280,365,621	$ 375,725,070

* 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, 2023, there were $760,000 of sales/redemptions of Level 3 non-collection real estate investments. For the year ended June 30, 2022, there were no transfers in or out of Level 3.

The following table sets forth a summary of the Trust's investments with a reported Level 3 and NAV as of June 30, 2023:

	Investments measured at NAV and Level 3	Unfunded commitments	Redemption frequency	Notice period
Equities – U.S. (a)	$ 86,667,934	$ -	Monthly to quarterly	30 – 60 days
Equities - global (a)	45,988,039	-	Daily to monthly	6 – 30 days
Fixed income (b)	11,194,179	-	Daily	3 days
Hedge funds - other (c)	408,997	-	Quarterly	60 – 90 days
Hedge funds - credit-driven/distressed (c)	11,259,067	728,069	Quarterly	60 – 90 days
Hedge funds - global (c)	47,984,583	-	Quarterly to annually	60 - 90 days
Real assets (d)	17,416,012	401,116	Locked	N/A
Non-collection real estate (e)	20,000,000	-	No fixed redemption period	N/A
Private equity (f)	76,554,322	22,745,315	Locked	N/A
Total investments measured at NAV and Level 3	$ 317,473,133	$ 23,874,500		

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 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 NAV as of June 30, 2022:

	Investments measured at NAV and Level 3	Unfunded commitments	Redemption frequency	Notice period
Equities – U.S. (a)	$ 78,683,591	$ -	Monthly to quarterly	30 – 60 days
Equities - global (a)	41,689,496	-	Daily to monthly	6 – 30 days
Fixed income (b)	11,137,915	-	Daily	3 days
Hedge funds - other (c)	243,262	-	Quarterly	60 – 90 days
Hedge funds - credit-driven/distressed (c)	3,932,444	2,277,114	Quarterly	60 – 90 days
Hedge funds - global (c)	52,264,011	-	Quarterly to annually	60 - 90 days
Real assets (d)	18,519,815	1,045,459	Locked	N/A
Non-collection real estate (e)	20,760,000	-	No fixed redemption period	N/A
Private equity (f)	73,895,087	15,121,366	Locked	N/A
Total investments measured at NAV and Level 3	$ 301,125,621	$ 18,443,939		

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 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. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of net contributions for donor-restricted endowment funds. While the Trust has interpreted UPMIFA to permit spending from underwater endowments in accordance with the prudent measures required under law, no funds were appropriated from these funds once balances were determined to be underwater. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2023, funds with deficiencies had an original gift value of $1,088,500, a current fair value of $995,437 and a deficiency of $(93,063). As of June 30, 2022, funds with deficiencies had an original gift value of $1,000,000, a current fair value of $888,206 and a deficiency of $(111,794).

Endowment net assets consist of the following as of June 30, 2023:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated quasi-endowment funds:	$ 83,643,386	$ -	$ 83,643,386
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	106,567,153	106,567,153
Accumulated investment gains	-	78,421,800	78,421,800
Term endowments	-	24,768,841	24,768,841
Total	$ 83,643,386	$ 209,757,794	$ 293,401,180

Changes in endowment net assets for year ended June 30, 2023 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 82,470,736	$ 199,877,050	$ 282,347,786
Contributions	635,413	3,128,997	3,764,410
Appropriation for operational expenditures	(4,936,726)	(7,815,600)	(12,752,326)
Investment return	5,473,963	14,567,347	20,041,310
Endowment net assets, end of year	$ 83,643,386	$ 209,757,794	$ 293,401,180

Endowment net assets consist of the following as of June 30, 2022:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated quasi-endowment funds	$ 82,470,736	$ -	$ 82,470,736
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	103,503,156	103,503,156
Accumulated investment gains	-	71,670,053	71,670,053
Term endowments	-	24,703,841	24,703,841
Total	$ 82,470,736	$ 199,877,050	$ 282,347,786

Changes in endowment net assets for year ended June 30, 2022 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 98,730,834	$ 220,039,819	$ 318,770,653
Contributions	30,000	13,982,730	14,012,730
Appropriation for operational expenditures	(4,519,633)	(7,673,500)	(12,193,133)
Investment return	(11,770,465)	(26,471,999)	(38,242,464)
Endowment net assets, end of year	$ 82,470,736	$ 199,877,050	$ 282,347,786

12. Rental Income (Lessor) and Rental Expense (Lessee)

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, 2023 was $4,623,513, with accumulated depreciation and amortization of $740,392. The leased portion of the Emerson building accounts for 82% of the total square footage of 14,120. Of the leased portion, the property is 93% occupied under 10 leases ranging from 16 to 182 months. The individual tenants' square footage leased ranges from 192 to 1,697 square feet. Leases expire at various periods through December 2024. 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, 2023 was $7,821,823, with accumulated depreciation and amortization of $1,020,487. The commercial portion of the Cooper-Molera Adobe historic site is 8,565 square feet. The property is 100% occupied under three leases ranging from 61 to 121 months. The individual tenants' square footage leased ranges from 1,761 to 3,789 square feet. Leases expire at various periods through July 2028. The exercise of lease renewals, if available under the lease options, is generally at the Trust's discretion and is considered in the Trust's assessment of the respective lease term. There is no option for a lessee to purchase the rental space in the lease agreement.

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 part of the Trust's collection and are therefore not included in the consolidated financial statements.

During the years ended June 30, 2023 and 2022, the Trust recognized rental income of $761,905 and $904,891, respectively, which is included program fees and other income in the accompanying consolidated statements of activities.

During 2022, the Trust entered into a sublease agreement for its Washington, D.C. headquarters office space, which is currently under the terms of an operating lease. The lease includes provisions for rental abatement and rental rate escalation and expires December 2028. The rental income received under the terms of the sublease agreement does not exceed the costs of the original lease. In accordance with FASB ASC 840, *Leases*, the resulting estimated loss from sublease income not exceeding the core operating lease payments was recognized in 2022. The loss was accrued and is included in accrued expenses and other liabilities in the accompanying consolidated statement of financial position as of June 30, 2022, and as a loss in the accompanying consolidated statement of activities. Upon the adoption of ASU 2016-02 on July 1, 2022, the accrued loss was removed from the consolidated statement of financial position and was credited against the right-of-use asset-operating balance associated with the lease. During the years ended June 30, 2023 and 2022, the Trust recognized sublease income of $1,110,730 and $97,227, respectively, which is included in program fees and other income in the accompanying consolidated statements of activities.

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

Years ending June 30,	
2024	$ **1,745,261**
2025	**1,885,056**
2026	**1,920,031**
2027	**1,990,961**
2028	**2,064,551**
Thereafter	**814,940**
Total	$ **10,420,800**

Rental Expense

The Trust leases office space that was previously used for its Washington, D.C. headquarters office space under an operating lease that extends through December 2028. The lease requires fixed monthly payments with annual escalations and provided for certain rent abatement and improvement allowances. The lease includes an option to extend the lease for one five-year term. The exercise of this option is not considered reasonably certain; and therefore, the period covered under the option term has not been included in the calculation of the related lease liability and right-of-use asset that are included in the accompanying consolidated statement of financial position.

During the year ended June 30, 2023, the Trust entered into a lease agreement for office space to be used for its new Washington, DC headquarters. The lease requires fixed monthly payments with annual escalations. The original term of the lease is for three years with options to extend the term for two consecutive one-year periods (through November 2027). The Trust is reasonably certain to exercise these two options; and therefore, the periods covered under the option terms have been included in the calculation of the related lease liability and right-of-use asset that are included in the accompanying consolidated statement of financial position. Effective December 1, 2023, the Trust executed an amendment to the original agreement to lease additional space under the same terms as the original agreement.

The Trust leases certain other facilities and equipment under operating leases with terms that expire at various times through 2027. Right-of-use assets and lease liabilities for these leases are included in the accompanying consolidated statement of financial position. Total lease expense under these operating leases was $2,415,067 and $2,661,534 for the years ended June 30, 2023 and 2022, respectively, and is included in occupancy expenses within the consolidated statements of functional expenses.

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

Years ending June 30,		**Operating**
2024	$	**3,180,491**
2025		**2,922,359**
2026		**2,942,325**
2027		**3,020,167**
2028		**2,708,571**
Thereafter		**1,207,320**
Total undiscounted future cash flows		**15,981,233**
Less: imputed interest		**(1,248,015)**
Net lease liabilities	$	**14,733,218**

Supplemental information related to the Trust's operating leases is as follows:

Year ended June 30, 2023		**Operating**
Cash paid for amounts included in the measurement of lease liabilities—operating cash flows	$	**2,942,163**
Right-of-use assets obtained in exchange for new lease obligations	$	**2,217,252**
Weighted-average remaining lease term (in years)		**5.2**
Weighted-average discount rate		**3.09%**

Previous lease standard – 2022 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, 2022 was $4,623,513, with accumulated depreciation and amortization of $615,128. 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, 2022 was $7,721,911, with accumulated depreciation and amortization of $811,374. 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.

During 2022, the Trust entered into a sublease agreement for its Washington D.C. headquarters office space, which is currently under the terms of an operating lease. The lease includes provisions for rental abatement and rental rate escalation, and expires December 2028. The anticipated rental income under the terms of the sublease agreement did not exceed the costs of the original lease. In accordance with FASB ASC 840 *Leases*, the resulting estimated loss from sublease income not exceeding the core operating lease payments was recognized in 2022. The loss was accrued and is included in accrued expenses and other liabilities in the accompanying consolidated statements of financial position, and as a loss in the accompanying consolidated statement of activities.

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

Years ending June 30,	
2023	$ **1,094,760**
2024	**1,508,282**
2025	**1,617,806**
2026	**1,663,726**
2027	**1,714,963**
Thereafter	**2,579,322**
Total	$ **10,178,859**

The Trust leases certain office space for the headquarters buildings and equipment under operating leases. Total lease expense was $2,661,534 for the year ended June 30, 2022, and is included in occupancy expenses within the consolidated statement of functional expenses. During 2022, the Trust entered into a lease agreement to lease new Washington D.C. headquarters office space under an operating lease with two one-year term extension options. The lease includes provisions for rental rate escalation and expires in November 2027.

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

Years ending June 30,	
2023	$ **2,510,532**
2024	**2,769,569**
2025	**2,852,917**
2026	**2,929,900**
2027	**3,010,040**
Thereafter	**3,913,468**
Total	$ **17,986,426**

13. Notes Payable

Notes payable at June 30, 2023 and 2022 consist of the following:

	2023	2022
Bank of America line-of-credit $10,000,000 for operations with an interest rate of Daily Secured Overnight Financing Rate (SOFR) plus the SOFR adjustment (0.11448%) plus 0.75% (5.92% at June 30, 2023) paid monthly. The line-of-credit expires, if not renewed, on July 15, 2024. The line-of-credit is secured with deposits and accounts maintained with Bank of America.	$ **2,500,000**	$ -

		2023		2022
JPMorgan Chase Bank line-of-credit $10,000,000 for operations with an interest rate of LIBOR plus 1.28% (2.90% at June 30, 2022) paid monthly. The line-of-credit was not renewed on July 23, 2022. The outstanding balance was paid in full with the proceeds from the new line-of-credit on July 18, 2022.		**-**		5,000,000
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. In March 2022, the loan was amended at 4% monthly interest with interest and principal payments of $5,991 due May 1, 2022 through April 1, 2027. The loan is secured with the deed of trust on the Emerson School Building.		**1,227,046**		1,249,365
Pacific Valley Bank $4,760,000 permanent loan at 6.20% annual interest through February 14, 2028. Beginning February 15, 2028, the annual interest rate will be equal to the United States Treasury Securities yield, adjusted to a constant maturity of 10 years, plus 2.74%. Principal and interest payments are $31,513 per month. The loan matures on December 5, 2032 and is secured with a leasehold interest in the commercial portions of the Cooper-Molera Adobe property.		**4,709,718**		-
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. Principal and interest payments are $22,719 per month with principal payments based on a 25-year amortization. The loan was set to mature on June 20, 2027 and was secured with a leasehold interest in the commercial portions of the property. The outstanding balance was paid in full with the proceeds from the new permanent loan with Pacific Valley Bank on February 28, 2023.		**-**		3,560,020
Unsecured promissory notes for the renovation of Cooper-Molera Adobe historic site in Monterey, California at 8-9% interest per annum. Principal and unpaid accrued interest are due and payable in full on May 15, 2025.		**200,008**		564,556
Total		**8,636,772**		10,373,941
Less: current portion		**(2,607,877)**		(5,675,684)
Noncurrent portion	**$**	**6,028,895**	$	4,698,257

Effective December 1, 2023, the Trust reduced its line-of-credit facility with Bank of America from $10 million to $7.5 million and extended the maturity date from July 15, 2024 to March 31, 2026. Additionally, the interest rate was changed to the Daily Secured Overnight Financing Rate (SOFR) plus the SOFR Adjustment (0.10%) plus 1.10%. At the date of issuance, the line-of-credit had a drawn balance of $1.5 million.

Future principal payments of notes payable outstanding at June 30, 2023 are as follows:

Years ending June 30,	
2024	**$ 2,607,877**
2025	**318,208**
2026	**125,184**
2027	**1,260,886**
2028	**112,459**
Thereafter	**4,212,158**
Total	**$ 8,636,772**

14. Net Assets

Net assets without donor restrictions consist of the following at June 30, 2023:

	Available for operations	**Board-designated**	**Total**
Net investment in property and equipment	**$ 14,063,602**	**$ -**	**$ 14,063,602**
Other operating funds	**16,611,995**	**-**	**16,611,995**
Funds functioning as board - designated quasi-endowment funds	**-**	**83,643,386**	**83,643,386**
Other board-designated	**-**	**2,229,264**	**2,229,264**
	$ 30,675,597	**$ 85,872,650**	**$ 116,548,247**

Net assets without donor restrictions consist of the following at June 30, 2022:

	Available for operations	Board-designated	Total
Net investment in property and equipment	$ 15,003,435	$ -	$ 15,003,435
Other operating funds	10,234,644	-	10,234,644
Funds functioning as board - designated quasi-endowment funds	-	82,470,736	82,470,736
Other board-designated	-	2,875,709	2,875,709
	$ 25,238,079	$ 85,346,445	$ 110,584,524

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,	**2023**	2022
Subject to expenditure for a specified purpose:		
NMSC subsidiary	**$ 2,546,364**	$ 3,720,376
Specific properties or programs	**79,909,461**	58,588,423
	82,455,825	62,308,799
Subject to the passage of time:		
Beneficial interest in charitable trusts	**3,516**	2,211
Assets held under split-interest agreements	**46,112**	38,440
	49,628	40,651
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for preservation and maintenance of specific historic properties or programs	**103,190,641**	96,373,893
Subject to endowment policy and appropriation:		
Specific properties	**69,181,650**	66,326,775
Specific programs	**25,701,371**	25,502,249
General operations	**11,684,132**	11,674,133
	209,757,794	199,877,050
Unconditional promises to give, net – permanently restricted to endowment	**19,687,074**	22,615,286
Not subject to spending policy or appropriation:		
Beneficial interest in charitable trusts held by others	**246,592**	246,591
Assets held under split-interest agreements	**(83,566)**	(84,035)
	163,026	162,556
Total net assets with donor restrictions	**$ 312,113,347**	$ 285,004,342

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:

	2023	2022
Board-designated net assets, beginning of year	**$ 85,346,445**	$ 101,143,240
Activity for the year:		
Amounts transferred to board-designated	**659,266**	465,012
Net gains (losses) on quasi-endowments	**5,473,963**	(11,770,465)
Funds expended for board-designated purposes	**(5,607,024)**	(4,491,342)
Total activity for the year	**526,205**	(15,796,795)
Board-designated net assets, end of year	**$ 85,872,650**	$ 85,346,445

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. Employer contributions for eligible employees were $848,429 and $745,016 for the year ended 2023 and 2022, 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, 2023 and 2022, assets and liabilities associated with this plan are $491,982 and $382,733, 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. 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 March 15, 2021, the National Trust received funds totaling $2 million pursuant to the Paycheck Protection Program under the CARES Act. 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*. The Trust filed a loan forgiveness application in fiscal year 2022 and received full forgiveness from the Small Business Administration (SBA) on February 13, 2022. As such, the entire $2 million was recognized as revenue and is included in contributions and grant income in the consolidated statement of activities for the year ended June 30, 2022.

The National Trust's subsidiary, NTCIC applied for and received $606,700 in funds under the Paycheck Protection Program in fiscal year 2020. NTCIC filed for and received full loan forgiveness in fiscal year 2022. In fiscal year 2022, the entire $606,700 was recognized as revenue and is included in contributions and grant income in the consolidated statement of activities for the year ended June 30, 2022.

19. Subsequent Events

The Trust has evaluated events subsequent to June 30, 2023 and through December 21, 2023, 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 1(f) as it relates to historic sites owned by the Trust and property the Trust may own with intent of sale, Note 12 as it relates to rental expense, and Note 13 as it relates to the Trust's amended line-of-credit.

Supplemental Schedules

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

Consolidating Schedule of Financial Position

June 30, 2023	National Trust	Subsidiaries and affiliates	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 6,933,556	$ 14,758,636	$ -	$ 21,692,192
Short-term investments	374,197	2,892,942	(374,197)	2,892,942
Accounts receivable	9,615,136	6,086,028	(378,766)	15,322,398
Contributions receivable, current	9,577,427	-	-	9,577,427
Prepaid expenses and other assets	1,109,073	313,180	-	1,422,253
Investment in subsidiaries	19,494,938	-	(19,494,938)	-
Total current assets	47,104,327	24,050,786	(20,247,901)	50,907,212
Noncurrent investments:				
Endowments and similar funds	290,926,463	206,365	628	291,133,456
Amounts held for others	15,973,348	-	(206,993)	15,766,355
Other investments	106,972,519	3,376,255	-	110,348,774
Total noncurrent investments	413,872,330	3,582,620	(206,365)	417,248,585
Contributions receivable, net of current	6,786,241	-	-	6,786,241
Property and equipment, net	6,230,029	7,833,573	-	14,063,602
Right-of-use asset—operating lease	7,958,709	1,795,990	(1,355,247)	8,399,452
Other long-term assets	922,814	-	-	922,814
Total noncurrent assets	435,770,123	13,212,183	(1,561,612)	447,420,694
Total assets	$ 482,874,450	$ 37,262,969	$ (21,809,513)	$ 498,327,906
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	$ 12,491,473	$ 3,502,462	$ (72,470)	$ 15,921,465
Accrued expenses	2,324,418	1,014,326	-	3,338,744
Refundable advances and deferred revenue, current	2,879,282	2,635,583	-	5,514,865
Lease liability—operating lease, current	2,388,183	401,089	-	2,789,272
Notes payable, current	2,523,229	84,648	-	2,607,877
Total current liabilities	22,606,585	7,638,108	(72,470)	30,172,223
Refundable advances and deferred revenue, net of current	2,697,960	-	-	2,697,960
Lease liability—operating lease, net of current	11,846,587	1,758,274	(1,660,915)	11,943,946
Notes payable, net of current	1,203,816	5,199,279	(374,200)	6,028,895
Amounts held for others	15,973,348	-	(206,993)	15,766,355
Other liabilities	2,636,726	420,207	-	3,056,933
Total liabilities	56,965,022	15,015,868	(2,314,578)	69,666,312
Net assets				
Without donor restrictions	116,342,443	19,700,739	(19,494,935)	116,548,247
With donor restrictions	309,566,985	2,546,362	-	312,113,347
Total net assets	425,909,428	22,247,101	(19,494,935)	428,661,594
Total liabilities and net assets	$ 482,874,450	$ 37,262,969	$ (21,809,513)	$ 498,327,906

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, 2023	National Trust	Subsidiaries and affiliates	Eliminations	Total
Operating revenues, gains, and other support				
Contributions and grant income	$ 63,145,261	$ 5,694,999	$ -	$ 68,840,260
Contributions of nonfinancial assets	1,174,130	80,718	-	1,254,848
Contract services	307,634	18,657,193	(302,819)	18,662,008
Investment income	18,991,724	661,606	(2,671,478)	16,981,852
Admissions and special events	2,868,828	1,261,796	(900)	4,129,724
Program fees and other income	4,470,042	3,779,051	(1,144,992)	7,104,101
Total operating revenues, gains and other support	90,957,619	30,135,363	(4,120,189)	116,972,793
Operating expenses and loss				
Program services				
Historic sites	19,226,999	6,261,451	-	25,488,450
Preservation services	22,794,171	16,386,004	(1,550,044)	37,630,131
Education and publications	3,790,130	2,238,396	-	6,028,526
Total program services	45,811,300	24,885,851	(1,550,044)	69,147,107
Support services				
General and administration	6,852,595	3,681,617	-	10,534,212
Fundraising	5,099,520	-	-	5,099,520
Membership outreach	3,670,650	-	-	3,670,650
Total support services	15,622,765	3,681,617	-	19,304,382
Loss on sublease activity	525,021	-	-	525,021
Total operating expenses and loss	61,959,086	28,567,468	(1,550,044)	88,976,510
Excess of operating revenues, gains, and other support over operating expenses and loss	28,998,533	1,567,895	(2,570,145)	27,996,283
Nonoperating support (expense)				
Investment gains in excess of amounts designated for operations	6,436,854	17,791	287,468	6,742,113
Change in contributions receivable estimate (Note 1i)	(937,148)	-	-	(937,148)
Provision for income taxes (Note 1r)	-	(728,520)	-	(728,520)
Total nonoperating support (expense)	5,499,706	(710,729)	287,468	5,076,445
Change in net assets before inter-organizational dividends	34,498,239	857,166	(2,282,677)	33,072,728
Inter-organizational dividends	-	(4,615,000)	4,615,000	-
Change in net assets after inter-organizational dividends	34,498,239	(3,757,834)	2,332,323	33,072,728
Net assets, beginning of year	391,411,189	26,004,935	(21,827,258)	395,588,866
Net assets, end of year	$ 425,909,428	$ 22,247,101	$ (19,494,935)	$ 428,661,594

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation in the United States

Schedule of Activities (Parent Company)

Year ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Contributions and grant income	$ 23,448,899	$ 39,696,362	$ 63,145,261
Contributions of nonfinancial assets	1,174,130	-	1,174,130
Contract services	307,634	-	307,634
Investment return	14,900,402	4,091,322	18,991,724
Admissions and special events	2,868,828	-	2,868,828
Program fees and other income	4,470,042	-	4,470,042
Net assets released from restrictions	20,392,406	(20,392,406)	-
Total operating revenues, gains, and other support	67,562,341	23,395,278	90,957,619
Operating expenses and loss			
Program services			
Historic sites	19,226,999	-	19,226,999
Preservation services	22,794,171	-	22,794,171
Education and publications	3,790,130	-	3,790,130
Total program services	45,811,300	-	45,811,300
Support services			
General and administrative	6,852,595	-	6,852,595
Fundraising	5,099,520	-	5,099,520
Membership outreach	3,670,650	-	3,670,650
Total support services	15,622,765	-	15,622,765
Loss on sublease activity	525,021	-	525,021
Total operating expenses and loss	61,959,086	-	61,959,086
Excess of operating revenues, gains, and other support over operating expenses and loss	5,603,255	23,395,278	28,998,533
Nonoperating support (expense)			
Investment gains in excess of amounts designated for operations	611,967	5,824,887	6,436,854
Change in contributions receivable estimate (Note 1i)	-	(937,148)	(937,148)
Total nonoperating support (expense)	611,967	4,887,739	5,499,706
Change in net assets	6,215,222	28,283,017	34,498,239
Net assets, beginning of year	110,127,222	281,283,967	391,411,189
Net assets, end of year	$ 116,342,444	$ 309,566,984	$ 425,909,428

See accompanying notes to consolidated financial statements.