

FRIENDS OF STATE PARKS
FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

MADDISON & CAISON, LLP
CERTIFIED PUBLIC ACCOUNTANTS
RALEIGH, NORTH CAROLINA

Independent Auditor's Report

To the Board of Directors
Friends of State Parks, Inc.
Raleigh, North Carolina

We have audited the accompanying financial statements of Friends of State Parks, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of State Parks, Inc. as of December 31, 2020 and 2019, and 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.

September 9, 2021

Maddison & Caison, LLP

FREINDS OF STATE PARKS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 285,772	\$ 547,679
Investments	261,075	-
Accrued interest receivable	1,805	-
License plate receivables	37,920	38,140
Prepaid expenses	3,078	3,543
Inventory	244	397
Total current assets	589,894	589,759
Other assets		
Website, net	2,981	-
Beneficial interest in assets held by community foundation	123,890	109,354
TOTAL ASSETS	\$ 716,765	\$ 699,113
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,500	\$ -
Grants payable	14,550	14,550
Refundable advances from conditional grants	134,304	134,381
Total current liabilities	151,354	148,931
Net assets		
Without donor restrictions		
Other net assets without donor restrictions	14,163	121,693
Beneficial interest in assets held by community foundation	123,890	109,354
Board designated operating reserve	100,000	100,000
Board designated for staff and membership support	200,000	-
	438,053	331,047
With donor restrictions	127,358	219,135
Total net assets	565,411	550,182
TOTAL LIABILITIES AND NET ASSETS	\$ 716,765	\$ 699,113

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 21,225	\$ 25,692	\$ 46,917
License plate revenue	161,013	-	161,013
Membership dues	6,851	-	6,851
Book sales, net	366	-	366
Dividends and interest	7,574	-	7,574
Gain on beneficial interest, net	11,869	-	11,869
Gain on investments	1,170	-	1,170
Net assets with donor restrictions released from restriction	117,469	(117,469)	-
Total support and revenues	<u>327,537</u>	<u>(91,777)</u>	<u>235,760</u>
Expenses			
Program expenses	188,300	-	188,300
General and administrative	30,638	-	30,638
Fundraising	1,593	-	1,593
Total expenses	<u>220,531</u>	<u>-</u>	<u>220,531</u>
Change in net assets	107,006	(91,777)	15,229
Net assets, beginning of period	<u>331,047</u>	<u>219,135</u>	<u>550,182</u>
Net assets, end of period	<u>\$ 438,053</u>	<u>\$ 127,358</u>	<u>\$ 565,411</u>

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 22,116	\$ 37,172	\$ 59,288
License plate revenue	156,693	-	156,693
Membership dues	6,513	-	6,513
Program revenue	8,822	-	8,822
Book sales, net	653	-	653
Dividends and interest	3,761	-	3,761
Gain on beneficial interest, net	11,588	-	11,588
Net assets with donor restrictions released from restriction	92,251	(92,251)	-
Total support and revenues	<u>302,397</u>	<u>(55,079)</u>	<u>247,318</u>
Expenses			
Program expenses	232,269	-	232,269
General and administrative	29,719	-	29,719
Fundraising	803	-	803
Total expenses	<u>262,791</u>	<u>-</u>	<u>262,791</u>
Change in net assets	39,606	(55,079)	(15,473)
Net assets, beginning of period	<u>291,441</u>	<u>274,214</u>	<u>565,655</u>
Net assets, end of period	<u>\$ 331,047</u>	<u>\$ 219,135</u>	<u>\$ 550,182</u>

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	State Parks & Other Programming	Junior Ranger & YIP-EE	Total Program	General & Administrative	Fundraising	Total
Administrative consultant	\$ 25,200	\$ 4,200	\$ 29,400	\$ 12,600	\$ -	\$ 42,000
Travel and board expenses	3,745	-	3,745	1,367	-	5,112
Office expenses	1,361	-	1,361	2,763	-	4,124
Website and communication	3,698	-	3,698	217	435	4,350
Legal and accounting	14,004	-	14,004	12,345	-	26,349
Insurance	-	-	-	1,346	-	1,346
Marketing	647	-	647	-	327	974
Dues and subscriptions	1,295	-	1,295	-	831	2,126
Cost of goods sold	1,102	-	1,102	-	-	1,102
NC Forever	2,500	-	2,500	-	-	2,500
100 Mile Challenge	12,326	-	12,326	-	-	12,326
Friends chapter expenses	107,184	-	107,184	-	-	107,184
Miscellaneous grants awarded	11,948	-	11,948	-	-	11,948
Other program expenses	77	115	192	-	-	192
Total expenses by function	185,087	4,315	189,402	30,638	1,593	221,633
Less expenses included with revenues on the statement of activities						
Cost of goods sold	(1,102)	-	(1,102)	-	-	(1,102)
Total expenses included in the expense section of the statement of activities	\$ 183,985	\$ 4,315	\$ 188,300	\$ 30,638	\$ 1,593	\$ 220,531

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	State Parks & Other Programming	Junior Ranger & YIP-EE	Total Program	General & Administrative	Fundraising	Total
Administrative consultant	\$ 25,200	\$ 4,200	\$ 29,400	\$ 12,600	\$ -	\$ 42,000
Travel and board expenses	22,935	-	22,935	3,135	-	26,070
Office expenses	1,644	-	1,644	3,492	-	5,136
Website and communication	2,305	-	2,305	194	278	2,777
Legal and accounting	16,188	-	16,188	9,193	-	25,381
Insurance	-	-	-	1,105	-	1,105
Education and training	5,430	-	5,430	-	-	5,430
Marketing	12,820	-	12,820	-	-	12,820
Dues and subscriptions	2,216	-	2,216	-	525	2,741
Conference expenses	6,424	-	6,424	-	-	6,424
Cost of goods sold	871	-	871	-	-	871
NC Forever	5,000	-	5,000	-	-	5,000
100 Mile Challenge	23,916	-	23,916	-	-	23,916
Friends chapter expenses	67,867	-	67,867	-	-	67,867
Miscellaneous grants awarded	23,659	-	23,659	-	-	23,659
Other program expenses	4,850	7,615	12,465	-	-	12,465
Total expenses	221,325	11,815	233,140	29,719	803	263,662
Less expenses included with revenues on the statement of activities						
Cost of goods sold	(871)	-	(871)	-	-	(871)
Total expenses included in the expense section of the statement of activities	\$ 220,454	\$ 11,815	\$ 232,269	\$ 29,719	\$ 803	\$ 262,791

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
STATEMENTS OF CASH FLOWS
Year Ended December 31

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 15,229	\$ (15,473)
Adjustments to reconcile change in net assets:		
Gain on beneficial interest	(11,869)	(11,588)
Gain on investments	(1,170)	-
Website amortization	719	-
Changes in:		
Receivables	(1,585)	(4,260)
Prepaid expenses	465	(538)
Inventory	153	(150)
Accounts payable	2,500	(9,124)
Grants payable	-	4,784
Refundable advances from conditional grants	(77)	134,381
	4,365	98,032
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of investments	(461,905)	-
Sales of investments	202,000	-
Investment in website	(3,700)	-
Reinvestment in beneficial interest	(2,667)	(3,468)
	(266,272)	(3,468)
Net cash used by investing activities		
Cash and cash equivalents - beginning of year	547,679	453,115
Cash and cash equivalents - end of year	\$285,772	\$547,679

See accompanying accountant's report.
See accompanying notes to financial statements.

FRIENDS OF STATE PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 1 - Organization

Friends of State Parks, Inc. (the "Organization") was incorporated in the State of North Carolina in 1978 and is a tax-exempt, nonprofit organization as defined under Section 501(c)(3) of the Internal Revenue Code. The Organization is dedicated to the understanding, enjoyment, and protection of North Carolina's state parks. Assets purchased or constructed for state parks are the property of the State of North Carolina. The Organization's primary source of revenue is contributions from the general public, including substantial income through the state's nonprofit license plate program.

Note 2 – Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") in its Statement of Financial Accounting Standards ASC 958, *Not-for-Profit Entities*.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventory

Inventory consists of maps, park guides and books. Inventory is stated at the lower of cost or net realizable value on an average cost basis. Inventory sales are presented in the statement of activities net of cost of goods sold of \$1,102 and \$871 for the years ended December 31, 2020 and 2019, respectively.

Net Assets

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

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – net assets subject to donor-imposed restrictions that are temporary or perpetual in nature. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed and/or when the stipulated purpose for which the resource was restricted has been fulfilled.

FRIENDS OF STATE PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 2 – Significant Accounting Policies (continued)

Contributions

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Non-cash donations are recorded at estimated fair market value on the date of the gift.

Contributed Services

A substantial number of volunteers make significant contributions of their time to the Organization. These contributed services are not reported as they do not meet the definition for recording or disclosure under current standards. Contributed services are only recognized for those that require specialized skills.

Functional Allocation of Expenses

The costs of program and supporting services of the Organization have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and general and administrative services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Change in Accounting Principle

As of December 31, 2019, the Organization has adopted and implement ASU 2019-08 – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Organization applied the ASU on a retrospective basis.

The Organization occasionally receives grants which fit the definition of unconditional grants with donor restrictions. Under this update, unconditional grants are recognized as revenue in the period awarded. Unconditional grants received are included in net assets with donor restrictions at year end to the extent the donor restrictions have not been satisfied. In addition, memberships fit the definition of unconditional contributions under the update.

In addition to unconditional grants with donor restrictions, the Organization also occasionally receives conditional grants. Under this update, conditional grants are recognized as revenue in the period when the grant's conditions have been substantially met. Conditional grants received are recorded as refundable advances in the liability section of the statement of financial position at year end to the extent the grant conditions have not yet been satisfied.

FRIENDS OF STATE PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 4 – Liquidity and Availability

Financial assets without donor or other restrictions limiting their use that are available for general expenditure within one year of December 31, 2020 are as follows:

Cash and cash equivalents	\$ 285,772
Investments	261,075
Receivables	39,725
Less beneficial interest	(123,890)
Less board designations	(300,000)
Less donor restrictions	<u>(127,358)</u>
 Total	 <u>\$ 35,324</u>

Management believes these assets are sufficient to provide for operations in the coming year as the Organization has a stable history of significant quarterly license plate revenue to fund general operational activities. To manage liquidity, management regularly prioritizes expenditures and adheres to a detailed monthly budget plan.

Note 5 - Concentration of Risk

The Organization maintains cash balances at a local financial institution as well as cash balances and several certificates of deposit with a brokerage firm in the Organization's accounts which are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At December 31, 2020, the Organization had no funds on deposit in excess of federally insured limits. The Organization believes there is minimal risk regarding its cash and cash equivalents.

The Organization also maintains mutual fund balances with its brokerage firm that are fully insured up to \$500,000 through Securities Investor Protection Corporation ("SIPC").

Receivables consist of quarterly license plate receipts that had been collected by the State of North Carolina as of December 31, 2020 and 2019 and remitted to the Organization in January of 2021 and 2020, respectively. The Organization does not believe it is exposed to any significant credit risk from these receivables.

License plate revenue received for the years ended December 31, 2020 and 2019 constituted approximately 76% and 42% of total revenue and 85% and 80% of operational revenue, respectively.

Note 6 - Investments

Investments consist of certificates of deposit and publicly traded mutual funds recorded at fair market value. Realized and unrealized gains and losses are included in the statement of activities in the current period.

FRIENDS OF STATE PARKS, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020 and 2019

Note 6 – Investments (continued)

As of December 31, 2020, the Organization’s investments consisted of the following:

	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>	<u>Fair Value</u>
Certificates of deposit	\$ 210,000	\$ 1,301	\$ 211,301
Mutual funds	<u>49,905</u>	<u>(131)</u>	<u>49,774</u>
Total	<u>\$ 259,905</u>	<u>\$ 1,170</u>	<u>\$ 261,075</u>

Note 7 – Beneficial Interest in Assets Held by Community Foundation

On April 26, 2014, the board of directors voted to establish an endowment fund and a gift fund with the North Carolina Community Foundation (the "Foundation"). Under the terms of the agency endowment agreement related to the endowment fund, the Foundation has legal and fiduciary control of the assets, including full authority and discretion as to investment of the assets. The agreement grants variance power to the Foundation, meaning the Foundation can re-designate the funds for a beneficiary other than the Organization in the unlikely event that its board of directors should deem the charitable purpose of the fund to be unnecessary, undesirable, impractical, incapable of fulfillment or inconsistent with the charitable needs of the community. However, per the Foundation’s policies related to agency endowment funds, there is a mechanism whereby the Organization could request in extenuating circumstances a distribution of all assets in the fund. As a policy of the Foundation, normally 5% of the endowment fund’s average balance over a twelve-quarter period is available for distribution to the Organization annually.

Because the Organization is the named beneficiary of future distributions from the fund and because it intends to hold the beneficial interest long-term, it has recorded this beneficial interest in assets held by community foundation (the “beneficial interest”) as a long-term asset at fair value with a corresponding segregation of net assets on the statements of financial position. Investment income from the beneficial interest is reported net in the statements of activities and consists of interest, dividends, and realized and unrealized gains and losses, less external and direct investment expenses of \$1,322 and \$1,040 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, the Organization has not received any contributions restricted by donors for the endowment or gift fund. As a result, the Organization’s net assets related to this beneficial interest are classified as unrestricted.

The recorded fair value of the Organization’s beneficial interest in the assets held by the Foundation at December 31, 2020 and 2019 was \$123,890 and \$109,354, respectively.

FRIENDS OF STATE PARKS, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020 and 2019

Note 7 – Beneficial Interest in Assets Held by Community Foundation (continued)

The following is a reconciliation of endowment fund activity as of and for the years ended December 31:

	Without Donor Restrictions	
	2020	2019
Beginning balance	\$ 108,364	\$ 93,298
Contributions	-	-
Withdrawals	-	-
Interest and dividends	2,667	3,050
Unrealized gain/loss	13,191	13,046
Fees	(1,074)	(1,030)
Ending balance	\$ 123,148	\$ 108,364

With regard to the endowment fund component of the beneficial interest, the Organization has entrusted the Foundation to achieve its return objectives for stable, long-term growth. The Organization intends to follow a 5% spending policy whereby it will accept distributions from earnings of up to 5% of the corpus annually. The Organization does not make appropriations from the fund if it is in an underwater position. Since inception, the Organization has not received any distributions from the Foundation.

Contributions from the Organization's board of directors to the endowment fund from inception to date total \$99,598. As of December 31, 2020 and 2019, the fair value of the fund exceeded the corpus by \$23,550 and \$8,766, respectively.

Note 8 – Fair Value Measurements

ASU 2011-04, Fair Value Measurement (Topic 820) – *Fair Value Measurement and Disclosure* defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This statement establishes a fair value hierarchy regarding the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. FASB Accounting Standards Codification ("ASC") 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

FRIENDS OF STATE PARKS, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020 and 2019

Note 8 – Fair Value Measurements (continued)

FASB ASC 820-10 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) of identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Organization's valuation methodology used to measure and disclose the fair value of its investments on a recurring basis is the quoted exchange price as of the measurement date. The Organization's valuation methodology used to measure and disclose the fair value of its beneficial interest assets on a recurring basis is based on the fair value as reported by the community foundation as of the measurement date.

The Organization's investments and beneficial interest assets are all classified as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 211,301	\$ 211,301	\$ -	\$ -
Mutual funds	49,774	49,774	-	-
Beneficial interest assets	<u>123,890</u>	<u>-</u>	<u>123,890</u>	<u>-</u>
Total	<u>\$ 384,965</u>	<u>\$ 261,075</u>	<u>\$ 123,890</u>	<u>\$ -</u>

Note 9 – Net Assets Without Donor Restrictions – Board Designated

The Organization's board of directors has designated \$100,000 as an operating reserve and \$200,000 to support two staff positions for up to two years in order to enhance the Organization's communication with its local chapters, membership, and state park system visitors, and to increase the Organization's income through grants, foundation gifts, and corporate contributions.

FRIENDS OF STATE PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 10 – Net Assets With Donor Restrictions

The Organization had net assets restricted by donors at December 31 for the following purposes:

	<u>2020</u>	<u>2019</u>
Friends of State Parks chapters	\$ 88,438	\$ 169,930
Carver's Creek	30,021	30,021
100 Mile Challenge grant	-	10,285
Junior Ranger	2,634	2,634
Ledford Scholarship Fund	<u>6,265</u>	<u>6,265</u>
Total	<u>\$ 127,358</u>	<u>\$ 219,135</u>

Note 11 – Friends of State Parks Chapter Accounts

The Organization reports and manages the activities of chapter groups associated with individual North Carolina state parks. These chapters provide funding for projects and volunteer support for programs in addition to advocating for improvements and maintenance at specific state parks. The Organization collects donations and revenues on their behalf and oversees disbursements of their approved expenditures. Management has determined the value of services the Organization provides to such groups to be immaterial.

Note 12 – Allocation of Functional Expenses

Certain expenses in these financial statements are attributable to more than one program or supporting function. Under ASU 2016-14, these expenses must be allocated over functional categories on a reasonable basis that is consistently applied. Accordingly, the Organization has allocated administrative consultant costs based on an analysis of time and efforts. Travel and board expenses are allocated directly with all external meeting travel recorded as program expense and all internal meeting costs reflected as general and administrative. Legal expenses consist of fees incurred primarily for legislative representation and lobbying and as such are recorded as program expenses. Accounting fees are recorded as general and administrative. Marketing costs are considered program costs as they have been incurred to promote the use and raise awareness of the state parks system in the community. Overhead expenses such as office, telephone and insurance are allocated individually based on an analysis of consumption.

Note 13 – Related Party Transactions

The Organization's Administrative Director and Treasurer serve on the board of NC Forever, a coalition of businesses and nonprofit organizations that share a commitment to the conservation of the state's land and water resources, that received funding from the Organization in the amount of \$2,500 and \$5,000 for the years ended December 31, 2020 and 2019, respectively.

FRIENDS OF STATE PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Note 14 – Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been recorded on the financial statements. The Organization has evaluated its tax positions as of December 31, 2020 and believes they exceed the “more likely than not” standard set by FASB ASC 740-10. Consequently, it has not recorded a liability for any potentially imposed taxes or any potentially unrecognized tax benefits.

Note 15 – Uncertainties and Subsequent Events

The Organization has evaluated subsequent events through September 9, 2021, the date the financial statements were available to be issued. Consideration has been given to the actual as well as the uncertain effects of the COVID-19 pandemic on the Organization’s financial position and the results of its operations after December 31, 2020, through September 9, 2021, and thereafter.

In management’s judgment, the COVID-19 pandemic does not present an existential threat to the Organization itself, and further, management has determined that conditions are not such that there is substantial doubt about the Organization’s ability to operate for another twelve months from September 9, 2021. It is reasonably possible that estimates related to the contingencies and uncertainties surrounding the COVID-19 pandemic will change within one year of the date of the financial statements due to one or more confirming events and that the effect of the change would be material to the financial statements.

Note 16 - Reclassifications

Certain reclassifications were made to the December 31, 2019 financial statements in order to conform to the December 31, 2020 financial statement presentation.