



**NATIONAL RECREATION
AND PARK ASSOCIATION**

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

**REPORTS REQUIRED IN ACCORDANCE WITH
THE UNIFORM GUIDANCE**

FOR THE YEAR ENDED JUNE 30, 2025

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

CONTENTS

Independent Auditors' Report	1-3
---	-----

Financial Statements

Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows.....	8

Notes to Financial Statements	9-22
--	------

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
--	-------

Independent Auditors' Report on Compliance for its Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	25-27
---	-------

Schedule of Expenditure of Federal Awards	28
Notes to the Schedule of Expenditures of Federal Awards	29
Schedule of Findings and Questioned Costs.....	30-31

Independent Auditors' Report

The Board of Directors
National Recreation and Park Association, Inc.
Ashburn, VA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Recreation and Park Association, Inc. ("NRPA"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NRPA as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NRPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of NRPA as of and for the year ended June 30, 2024, were audited by Marcum LLP, whose report dated January 14, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NRPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NRPA'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026, on our consideration of NRPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NRPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NRPA's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Washington, DC
January 14, 2026

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 8,349,178	\$ 6,772,721
Investments	12,649,554	11,730,399
Grants and contributions receivable	1,900,206	4,041,466
Accounts receivable, net of allowance for credit losses totaling \$77,218 & \$51,295, respectively	1,929,227	1,423,654
Prepaid expenses	921,823	880,648
Inventory	185,469	211,616
Deferred compensation	149,319	134,052
Property and equipment, net	1,722,042	1,662,869
Total Assets	\$ 27,806,818	\$ 26,857,425
Liabilities and Net Assets		
Liabilities		
Accrued payable and accrued expenses	\$ 1,077,697	\$ 1,200,363
Accrued salaries and related expenses	1,176,750	1,078,512
Deferred revenue	6,350,980	5,230,003
Deferred compensation	149,319	134,052
Total Liabilities	8,754,746	7,642,930
Net Assets		
Without donor restrictions	13,935,643	13,385,426
With donor restrictions	5,116,429	5,829,069
Total Net Assets	19,052,072	19,214,495
Total Liabilities and Net Assets	\$ 27,806,818	\$ 26,857,425

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

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Grants and contributions	\$ 3,196,676	\$ 2,578,440	\$ 5,775,116	\$ 2,920,801	\$ 3,333,000	\$ 6,253,801
Conference	7,430,271	--	7,430,271	7,166,710	--	7,166,710
Certification and accreditation	3,314,524	--	3,314,524	3,196,829	--	3,196,829
Membership dues	2,213,879	--	2,213,879	2,198,373	--	2,198,373
Publications and advertising	1,883,760	--	1,883,760	1,956,675	--	1,956,675
Professional development	879,484	--	879,484	999,636	--	999,636
Other income	431,472	--	431,472	446,738	--	446,738
Investment income, net	1,033,118	204,384	1,237,502	1,051,109	232,106	1,283,215
Insurance proceeds	--	--	--	825,000	--	825,000
Releases from restriction: Purpose	<u>3,495,464</u>	<u>(3,495,464)</u>	<u>--</u>	<u>3,861,887</u>	<u>(3,861,887)</u>	<u>--</u>
Total Revenue and Support	<u>23,878,648</u>	<u>(712,640)</u>	<u>23,166,008</u>	<u>24,623,758</u>	<u>(296,781)</u>	<u>24,326,977</u>
Expenses						
Program services:						
Programs and partnerships	5,822,372	--	5,822,372	6,186,433	--	6,186,433
Conference	4,539,117	--	4,539,117	3,696,755	--	3,696,755
Marketing and communications	2,125,651	--	2,125,651	1,889,592	--	1,889,592
Certification and accreditation	1,939,798	--	1,939,798	1,726,439	--	1,726,439
Publications	1,302,639	--	1,302,639	1,429,700	--	1,429,700
Professional development	1,139,333	--	1,139,333	1,213,422	--	1,213,422
Membership	1,323,420	--	1,323,420	1,108,147	--	1,108,147
Public policy	700,937	--	700,937	633,315	--	633,315
Research and learning	<u>801,525</u>	<u>--</u>	<u>801,525</u>	<u>563,948</u>	<u>--</u>	<u>563,948</u>
Total Program Services	<u>19,694,792</u>	<u>--</u>	<u>19,694,792</u>	<u>18,447,751</u>	<u>--</u>	<u>18,447,751</u>
Supporting services:						
Management and general	2,570,555	--	2,570,555	2,914,841	--	2,914,841
Fundraising	<u>1,063,084</u>	<u>--</u>	<u>1,063,084</u>	<u>735,445</u>	<u>--</u>	<u>735,445</u>
Total Supporting Services	<u>3,633,639</u>	<u>--</u>	<u>3,633,639</u>	<u>3,650,286</u>	<u>--</u>	<u>3,650,286</u>
Total Expenses	<u>23,328,431</u>	<u>--</u>	<u>23,328,431</u>	<u>22,098,037</u>	<u>--</u>	<u>22,098,037</u>
Change in Net Assets	550,217	(712,640)	(162,423)	2,525,721	(296,781)	2,228,940
Net Assets, Beginning of Year	<u>13,385,426</u>	<u>5,829,069</u>	<u>19,214,495</u>	<u>10,859,705</u>	<u>6,125,850</u>	<u>16,985,555</u>
Net Assets, End of Year	<u>\$ 13,935,643</u>	<u>\$ 5,116,429</u>	<u>\$ 19,052,072</u>	<u>\$ 13,385,426</u>	<u>\$ 5,829,069</u>	<u>\$ 19,214,495</u>

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

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	Program Services										Supporting Services			Total
	Programs and Partnership	Conference	Marketing and Communications	Certification and Accreditation	Publications	Professional Development	Membership	Public Policy	Research and Learning	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salary and benefits	\$ 2,921,765	\$ 925,575	\$ 1,409,725	\$ 805,100	\$ 700,946	\$ 560,308	\$ 751,185	\$ 472,768	\$ 538,433	\$ 9,085,805	\$ 1,581,997	\$ 752,979	\$ 2,334,976	\$ 11,420,781
Meeting expenses	49,713	2,887,094	25,694	245,785	8,123	343,850	9,117	12,610	7,248	3,589,234	33,378	16,448	49,826	3,639,060
Legal and professional fees	417,934	216,107	396,055	464,433	187,043	120,623	161,763	111,627	155,086	2,230,671	510,459	48,844	559,303	2,789,974
Grants, contracts and direct assistance	1,789,925	--	--	--	--	--	--	--	--	1,789,925	--	--	--	1,789,925
Other expenses	116,636	100,002	60,764	33,577	27,835	22,832	202,190	18,840	22,308	604,984	119,508	117,463	236,971	841,955
Travel expenses	179,519	212,010	41,442	187,077	15,806	25,288	36,690	27,544	20,516	745,892	43,199	34,703	77,902	823,794
Software licensing fees	156,964	45,691	70,648	40,271	38,124	30,398	37,313	23,885	27,226	470,520	137,073	46,696	183,769	654,289
Office equipment and supplies	71,353	51,250	65,079	38,778	10,049	11,349	24,811	13,852	8,872	295,393	36,360	16,116	52,476	347,869
Postage and freight	5,048	7,381	2,495	72,688	124,834	1,754	46,694	821	931	262,646	4,687	1,366	6,053	268,699
Occupancy, repairs and maintenance	53,109	16,511	25,530	14,569	12,753	10,444	14,695	8,631	10,038	166,280	49,534	13,459	62,993	229,273
Printing	2,383	18,298	328	13,239	163,193	1,390	24,034	929	118	223,912	244	306	550	224,462
Depreciation and amortization	33,127	10,299	15,924	17,459	7,955	6,336	8,523	5,384	6,137	111,144	30,896	8,395	39,291	150,435
Insurance	24,896	48,899	11,967	6,822	5,978	4,761	6,405	4,046	4,612	118,386	23,220	6,309	29,529	147,915
Total	<u>\$ 5,822,372</u>	<u>\$ 4,539,117</u>	<u>\$ 2,125,651</u>	<u>\$ 1,939,798</u>	<u>\$ 1,302,639</u>	<u>\$ 1,139,333</u>	<u>\$ 1,323,420</u>	<u>\$ 700,937</u>	<u>\$ 801,525</u>	<u>\$ 19,694,792</u>	<u>\$ 2,570,555</u>	<u>\$ 1,063,084</u>	<u>\$ 3,633,639</u>	<u>\$ 23,328,431</u>

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

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Services									Supporting Services			Total	
	Programs and Partnership	Conference	Marketing and Communications	Certification and Accreditation	Publications	Professional Development	Membership	Public Policy	Research and Learning	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salary and benefits	\$ 2,567,944	\$ 812,276	\$ 1,259,146	\$ 668,388	\$ 622,199	\$ 363,108	\$ 772,867	\$ 375,106	\$ 338,600	\$ 7,779,634	\$ 1,806,243	\$ 547,990	\$ 2,354,233	\$ 10,133,867
Meeting expenses	84,199	2,089,010	19,302	261,906	9,057	569,774	12,183	9,600	6,991	3,062,022	37,239	15,556	52,795	3,114,817
Legal and professional fees	414,761	469,347	323,335	413,242	257,760	50,174	121,288	170,278	150,421	2,370,606	657,474	54,907	712,381	3,082,987
Grants, contracts and direct assistance	2,501,673	--	--	--	--	--	--	--	--	2,501,673	--	--	--	2,501,673
Other expenses	142,735	122,401	66,256	32,788	32,374	18,856	40,606	20,118	17,261	493,395	140,342	29,905	170,247	663,642
Travel expenses	140,679	80,876	37,853	178,126	14,818	172,492	39,526	14,588	16,282	695,240	25,207	23,082	48,289	743,529
Software licensing fees	149,999	57,116	103,644	26,752	29,268	15,516	33,461	15,948	16,267	447,971	114,700	31,401	146,101	594,072
Office equipment and supplies	60,498	13,120	27,970	31,162	7,815	4,864	13,994	11,626	4,105	175,154	27,803	9,534	37,337	212,491
Postage and freight	5,879	--	2,714	61,311	146,004	1,441	38,025	812	719	256,905	1,630	1,551	3,181	260,086
Occupancy, repairs and maintenance	57,249	14,504	22,935	11,528	11,376	7,060	15,660	6,866	6,090	153,268	49,386	10,015	59,401	212,669
Printing	5,415	22,005	980	11,687	286,401	484	5,023	751	471	333,217	--	387	387	333,604
Depreciation and amortization	33,071	9,611	15,196	24,396	7,538	4,361	9,261	4,550	4,023	112,007	32,723	6,636	39,359	151,366
Insurance	22,331	6,489	10,261	5,153	5,090	5,292	6,253	3,072	2,718	66,659	22,094	4,481	26,575	93,234
Total	<u>\$ 6,186,433</u>	<u>\$ 3,696,755</u>	<u>\$ 1,889,592</u>	<u>\$ 1,726,439</u>	<u>\$ 1,429,700</u>	<u>\$ 1,213,422</u>	<u>\$ 1,108,147</u>	<u>\$ 633,315</u>	<u>\$ 563,948</u>	<u>\$ 18,447,751</u>	<u>\$ 2,914,841</u>	<u>\$ 735,445</u>	<u>\$ 3,650,286</u>	<u>\$ 22,098,037</u>

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

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ (162,423)	\$ 2,228,940
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gains on investments	(481,593)	(549,929)
Proceeds from insurance reimbursements	--	825,000
Change in allowance for credit losses	25,923	(60,212)
Depreciation and amortization	150,435	151,366
Changes in assets and liabilities		
Grants and contributions receivable	2,141,260	(1,484,343)
Accounts receivable	(531,496)	(1,033,126)
Prepaid expenses	(41,175)	(178,531)
Inventory	26,147	(31,531)
Accounts payable and accrued expenses	(122,666)	136,356
Accrued salaries and related expenses	98,238	467,214
Deferred revenue	1,120,977	(485,922)
Deferred compensation	15,267	(61,390)
	<u>2,238,894</u>	<u>(76,108)</u>
Net Cash Provided By (Used In) Operating Activities		
Cash Flows From Investing Activities		
Purchases of property and equipment	(209,608)	--
Purchases of investments	(6,860,543)	(2,191,538)
Proceeds from sale of investments	5,032,314	2,663,426
	<u>(2,037,837)</u>	<u>471,888</u>
Net Cash (Used In) Provided By Investing Activities		
Net Increase in Cash and Cash Equivalents	201,057	395,780
Cash and Cash Equivalents, Beginning of Year	<u>8,169,833</u>	<u>7,774,053</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,370,890</u>	<u>\$ 8,169,833</u>
Cash and Cash Equivalents, as Reported on the Statement of Financial Position		
Cash and cash equivalents	\$ 8,349,178	\$ 6,772,721
Cash and cash equivalents held in investments	<u>21,712</u>	<u>1,397,112</u>
Total Cash and Cash Equivalents	<u>\$ 8,370,890</u>	<u>\$ 8,169,833</u>

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

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

For nearly 60 years, the National Recreation and Park Association, Inc. (NRPA) has been a leader in the field. Through our membership of more than 60,000 professionals and advocates, we're harnessing the power of parks and recreation to build stronger, healthier and more equitable communities. Our reach spans across more than 10,000 park and recreation agencies in nearly every city, town, and county across the United States. As a bedrock resource for professional, we provided training and certifications, advocacy, grants, programming, research, publications and more.

Established in 1965, NRPA is incorporated under the laws of the state of New York and has its headquarters in Ashburn, Virginia.

The following is a summary of NRPA's approach:

- Through NRPA program and funding, NRPA is working to ensure everyone, everywhere benefits from parks and recreation.
- At NRPA, we know that difference meets on the playground and in the spaces that professionals manage. Our diversity, equity and inclusion training for our members provides a high-quality professional development experience focused on action.
- NRPA has created partnerships with national organizations to support communities in developing equitable programming and environments.
- By sharing real-world stories from our members, NRPA is shining a light on inclusion in action to model what is possible.
- NRPA funds local solutions and provides technical assistance and training to advance environmental resilience and community well-being.
- NRPA's focus areas include health aging, healthy food access, youth sports and workforce development.
- Local park and recreation agencies are central to driving healthy equity change in their communities through a system-based approach.

The National Recreation and Park Foundation Inc. (the Foundation) is a national nonprofit supporting organization of NRPA exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (IRC). Established in 2006, the Foundation is incorporated under the laws of the Commonwealth of Virginia to support knowledge, public policy and public awareness efforts that enhance the quality of life for all people exclusively through the strategic works of NRPA. In October 2021, an agreement was reached that allowed the Foundation to transfer its current programs to an unrelated

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NATURE OF ACTIVITIES (CONTINUED)

association. The Foundation has been dormant since that time and consequently is not consolidated in these audited financial statements.

A summary of NRPA's significant accounting policies follows:

BASIS OF PRESENTATION

NRPA prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized as incurred regardless of the timing of cash flows.

Net assets without donor restrictions include those net assets that are available for the general support of NRPA's operations. Net assets with donor restrictions have been donor restricted to specified time or purpose limitations. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Additionally, there are net assets with donor restrictions for which the principal is required to be maintained in perpetuity and only the earnings can be used in the manner specified by the donor.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, NRPA considers all highly liquid investments with a maturity of three months or less and which are to be used for current operations to be cash equivalents. All other highly liquid investments which are to be used for long-term purposes are classified as investments.

INVESTMENTS

Investments include common stocks, mutual funds, certificates of deposit, and various bonds. These investments are recorded in the accompanying financial statements of financial position at fair value. Fair value is 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. Money market funds are recorded at cost.

The change in unrealized appreciation or depreciation of investments is included in investment income in the accompanying statements of activities. Realized gains and losses on sales of investments are computed on an average cost method and are recorded on the trade date of the transaction and included in investment income, net in the accompanying statements of activities.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENT

NRPA has categorized its applicable financial instruments into a required fair value hierarchy as follows:

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data. Corporate and government bonds are classified as Level 2 investments as there are no quoted market prices in active markets for identical assets. Their value is determined using models and other valuation methodologies, which are corroborated by market data.

Level 3 – Unobservable inputs which reflect NRPA's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

As of and for the years ended June 30, 2025 and 2024, NRPA's investments and deferred compensation as described in Note 4 to the financial statements, were measured at fair value on a recurring basis.

GRANTS AND CONTRIBUTIONS RECEIVABLE

Contributions are recognized when the donor or grantor makes a contribution or promise to give to NRPA that is, in substance, unconditional. Contributions receivable that are expected to be collected in future years are recorded at their fair value, measured as the net present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are made. There was no discount for the years ended June 30, 2025 and 2024. Conditional promises to give are not included as support until the conditions are substantially met. Furthermore, based on past collection history, NRPA expects to collect all outstanding contributions receivable and; as a result, no allowance for potentially uncollectible contributions receivable has been recorded as of June 30, 2025 and 2024, respectively.

ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of publication sales and advertising. Accounts receivable are stated at the net realizable value and presented net of an allowance for credit losses. In determining the amount of the allowance as of the statements of financial position date, NRPA develops a loss rate for each risk pools. The loss rate is based on management's historical collection experience, adjusted for management's expectations as well as current and future economic conditions. As a result of these reviews, management records an estimate for the allowance for credit losses which totaled \$77,218 and \$51,295, as of June 30, 2025, and 2024, respectively. Management periodically reviews each account for collectability, and

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE (CONTINUED)

writes off amounts deemed uncollectible against the allowance. Amounts written off totaled \$108,462 and \$75,884 during the year ended June 30, 2025 and June 30, 2024 respectively. Credit loss expense totaled \$134,385 as of June 30, 2025 and is included in other expenses in the accompanying statement of functional expenses. Credit loss expense during the year ended June 30, 2024 was \$15,672. Accounts receivable, net as of July 1, 2023 totaled \$1,155,316.

PREPAID EXPENSES

Prepaid expenses consist primarily of deferred costs related to future meetings. Prepaid meeting costs associated with a particular meeting are expensed in the year the meeting is held.

INVENTORY

Inventory consists of publications and other merchandise and is valued at net realizable value, determined using the first-in first-out method of inventory valuation. At June 30, 2025 and 2024, NRPA did not record any reserve against its inventory, as it believes all items are fully salable.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation. Expenditures in excess of \$5,000 for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are depreciated using straight-line methods over a useful life of three to ten years. Building and building improvements are depreciated on a straight-line basis over a useful life of five to forty years.

VALUATION OF LONG-LIVED ASSETS

NRPA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount of fair value, less costs to sell.

DEFERRED REVENUE

Deferred revenue consists primarily of exhibit and event registration fees and membership dues and subscriptions received in advance of the period in which they are earned.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE

Revenue from contracts with customers includes performance obligations that are satisfied either at a point in time or over time and most contracts have initial terms of one year or less. NRPA performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meets certain criteria, the related revenue is recognized over time if NRPA is able to reasonably measure its progress toward complete satisfaction of the performance obligation using reliable information.

Prices are specific to a distinct performance obligation and contracts do not have multiple performance obligations. Economic factors driven by consumer confidence, employment, inflation and other world events impact the timing and level of revenue recognized in the financial statements. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of NRPA or can have a positive impact on cash flows in favorable economic conditions.

Membership dues, subscriptions and advertising revenue are recognized evenly over the applicable dues, subscription or advertising period. Revenue received for dues and subscriptions that are related to subsequent years has been reflected as deferred revenue.

Conference fees and professional development are recognized over the time of the conference or seminar. Amounts received in advance are recorded as deferred revenue. Publication revenue is recognized upon shipment of the material. Certification and accreditation fees are recognized upon completion of the certification or accreditation.

Unconditional contributions and grants are reported as revenue and support in the year in which payments are received and/or unconditional promises to give are made. Grants and contributions are recorded as with or without donor restrictions depending upon the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions and then reclassified to net assets without donor restrictions when the restriction expires. Unconditional promises to give that have been awarded to NRPA, but not yet received, are reflected as grants and contributions receivable in the accompanying statements of financial position. A contribution is considered conditional if the agreement includes a measurable performance or barrier and a right of return. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are met. Conditional contributions and grants whose conditions are met in the same year earned are recorded as without donor restrictions in the accompanying statements of financial activities.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSE

The cost of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to the programs and supporting services benefited. Direct costs charged to each program as incurred. Salary and benefits are allocated based on level of effort. Indirect costs, such as copier expense, supplies and administrative staff expenses are allocated on a monthly basis to programs based on total expenses methodology.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 – LIQUIDITY AND AVAILABILITY

NRPA invests cash balances in excess of immediate liquidity needs in accordance with its investment policy. The following provides a summary of financial assets available for general expenditures at June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 8,349,178	\$ 6,772,721
Investments	12,649,554	11,730,399
Grants and contributions receivable	1,900,206	4,041,466
Accounts receivable, net	<u>1,929,227</u>	<u>1,423,654</u>
Subtotal financial assets	24,828,165	23,968,240
Less amounts not available within one year:		
Net assets with donor restrictions	<u>\$ (5,116,429)</u>	<u>\$ (5,829,069)</u>
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	<u>\$ 19,711,736</u>	<u>\$ 18,139,171</u>

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 – GRANTS AND CONTRIBUTIONS RECEIVABLE

NRPA records unconditional contributions receivable that are expected to be collected within one year at net realizable value. As of June 30, 2025 and June 30, 2024, there was no discount rate necessary as the remaining contribution receivables were due in less than one year.

Grants and contributions receivable represent amounts due from various federal agencies and other organizations and were composed of the following as of June 30:

	2025	2024
Federal grants receivable	\$ 546,626	\$ 1,764,264
Contributions receivable	1,353,580	2,277,202
Total Grants and Contributions Receivable, Net	\$ 1,900,206	\$ 4,041,466

NOTE 4 – FAIR VALUE MEASUREMENT

The following is a summary of the input levels used to determine fair values at June 30, 2025 and 2024:

	2025	Fair Value	Level 1	Level 2	Level 3
Investments, at fair value:					
Equity securities –					
common stock	\$ 5,502,298	\$ 5,502,298	\$	--	\$ --
Equity securities –					
mutual funds	1,567,964	1,567,964	--	--	--
Certificates of deposit	658,745	--	658,745	--	--
U.S. government obligations	2,643,440	--	2,643,440	--	--
Municipal bonds	697,762	--	697,762	--	--
Corporate bonds	1,557,633	--	1,557,633	--	--
Investments carried at fair value	12,627,842	\$ 7,070,262	\$ 5,557,580	\$	--
Investments, at cost:					
Cash and cash equivalents	21,712				
Total Investments		\$ 12,649,554			

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 – FAIR VALUE MEASUREMENT (CONTINUED)

2024	Fair Value	Level 1	Level 2	Level 3
Investments, at fair value:				
Equity securities –				
common stock	\$ 5,160,881	\$ 5,160,881	\$ --	\$ --
Equity securities –				
mutual funds	1,477,429	1,477,429	--	--
U.S. government obligations	1,737,654	--	1,737,654	--
Municipal bonds	648,687	--	648,687	--
Corporate bonds	<u>1,308,636</u>	--	<u>1,308,636</u>	--
Investments carried at fair value	10,333,287	<u>\$ 6,638,310</u>	<u>\$ 3,694,977</u>	<u>\$ --</u>
Investments, at cost:				
Cash and cash equivalents	<u>1,397,112</u>			
Total Investments	<u>\$ 11,730,399</u>			

Common stocks and mutual funds are valued based on quoted prices in an active market. Certificates of deposit, U.S. government obligations, municipal bonds and corporate bonds are valued by pricing vendors using outside data. In determining the fair value of the investments, the pricing vendors use a market approach and pricing spreads based on credit risk of the issuer, maturity, current yield, and other terms and conditions of each security. Management believes the estimated fair value to be a reasonable approximation of the exit price for these investments.

The deferred compensation plan assets consist of mutual funds – equities and money market funds which are classified as Level 1 based on the ability of NRPA to redeem amounts at market value in the near term. The deferred compensation liability is based on the fair value of the deferred compensation plan assets, which are observable inputs and is hence classified as Level 1. The deferred compensation plan assets consist of the following as of June 30, 2025 and 2024:

	2025	2024
Mutual funds – equities	\$ <u>149,319</u>	\$ <u>134,052</u>
Total Deferred Compensation	\$ <u>149,319</u>	\$ <u>134,052</u>

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Building and building improvements on leased land	\$ 4,765,277	\$ 4,765,277
Computer and equipment	109,919	80,930
Software	180,619	--
Furniture and fixtures	<u>505,502</u>	<u>505,502</u>
	5,561,317	5,351,709
Less: Accumulated depreciation	<u>(3,839,275)</u>	<u>(3,688,840)</u>
Property and Equipment, Net	<u>\$ 1,722,042</u>	<u>\$ 1,662,869</u>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$150,435 and \$151,366, respectively.

NRPA leases its land from the Northern Virginia Regional Park Authority for \$1 per year. The lease agreement was signed in 1997 and extends 50 years plus two 20-year options.

NOTE 6 – DEFERRED REVENUE

Deferred revenue consists of the following as of June 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Event registrations and exhibit fees	\$ 5,016,435	\$ 3,982,850	\$ 4,196,294
Member dues	1,237,692	1,181,553	1,234,603
Sponsorships and other	<u>96,853</u>	<u>65,600</u>	<u>285,028</u>
Total	<u>\$ 6,350,980</u>	<u>\$ 5,230,003</u>	<u>\$ 5,715,925</u>

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Restricted for time or purpose:		
Accumulated earnings – Endowment fund	\$ 40,670	\$ 19,753
Accumulated earnings – Joseph Lee library	690,243	719,153
Accumulated earnings – Scholarship and internship fund	618,588	615,789
Accumulated earnings – Crawford lecture	72,049	63,471

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

(continued)

Corporate and foundation partnerships	2,715,944	3,431,968
Special memorial funds	<u>414,043</u>	<u>414,043</u>
Total Restricted for Time or Purpose	4,551,537	5,264,177
Restricted in perpetuity:		
Endowment fund	202,947	202,947
Scholarship and internship fund	186,288	186,288
Joseph Lee library	150,657	150,657
Crawford lecture	<u>25,000</u>	<u>25,000</u>
Total Restricted in Perpetuity	<u>564,892</u>	<u>564,892</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,116,429</u>	<u>\$ 5,829,069</u>

NOTE 8 – ENDOWMENT FUNDS

As required by GAAP, unspent accumulations of investment earnings on endowment funds are classified as net assets with donor restrictions restricted for time or purpose until those amounts are appropriated for expenditure by NRPA.

INTERPRETATION OF RELEVANT LAW

NRPA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NRPA classifies as net assets with donor restrictions held in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity are classified as net assets with donor restrictions for time or purpose until those amounts are appropriated for expenditure by NRPA in a manner consistent with the standard of prudence prescribed by UPMIFA.

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with an individual donor restricted endowment fund may fall below the level that the donor or UPMIFA requires NRPA to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2025 and 2024.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 8 – ENDOWMENT FUNDS (CONTINUED)

RETURN OBJECTIVES AND RISK PARAMETERS

NRPA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are invested in funds with a primary objective of allowing the fund to grow over time. The objective of the net assets with donor restrictions held in perpetuity is the preservation of capital.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES AND SPENDING POLICY

NRPA's investments are managed in a balanced portfolio and are intended to be more aggressive than fixed income portfolios and less aggressive than equity portfolios. A positive return is expected over the time of the investment, although there may be periods with negative return. The earnings on the net assets with donor restrictions held in perpetuity are released from restricted funds as amounts are approved and used in accordance with donor stipulations.

HOW INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

NRPA's investments are managed in a balanced portfolio and is intended to be more aggressive than fixed income portfolios and less aggressive than equity portfolios. A positive return is expected over time. The objective of the net assets with donor restrictions held in perpetuity is the preservation of the capital. NRPA has interpreted UPMIFA to not permit spending from underwater endowments in accordance with the prudent management guidance.

Changes in endowment net assets consist of the following for the years ended June 30, 2025 and 2024:

	Time or Purpose	Perpetual	Total
Net assets, July 1, 2023	\$ 1,312,060	\$ 564,892	\$ 1,876,952
Net investment income	232,106	--	232,106
Amounts appropriated for expenditure	<u>(126,000)</u>	<u>--</u>	<u>(126,000)</u>
Net Assets, June 30, 2024	<u>\$ 1,418,166</u>	<u>\$ 564,892</u>	<u>\$ 1,983,058</u>
Net investment income	204,384	--	204,384
Amounts appropriated for expenditure	<u>(201,000)</u>	<u>--</u>	<u>(201,000)</u>
Net Assets, June 30, 2025	<u>\$ 1,421,550</u>	<u>\$ 564,892</u>	<u>\$ 1,986,442</u>

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 – RETIREMENT PLANS

DEFINED CONTRIBUTION PLAN

NRPA has a 403(b) defined plan which covers all employees who meet certain eligibility requirements. All regular employees working 20 hours or more per week are eligible for this plan. NRPA matches equivalent contributions up to 6% of each eligible employee's gross salary. Total contribution expense was \$482,037 and \$432,300 for the years ended June 30, 2025 and 2024, respectively.

DEFERRED COMPENSATION PLAN

NRPA also sponsors deferred compensation plans for senior level employees under section 457(b) of the IRC. The plans provide a number of payment options commencing upon retirement, separation from service or death. As of June 30, 2025 and 2024, the plan's investment balances \$149,319 and \$134,052 respectively. The investments and related liability are included in the accompanying statements of financial position.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

FEDERAL AWARDS

NRPA has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount, if any, of expenditures which may be potentially disallowed cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

CONCENTRATION OF CREDIT RISK

NRPA maintains cash and money market accounts with financial institutions. At times, aggregate balances may at times exceed the Federal Deposit Insurance Corporation insured limit per institution. NRPA monitors the creditworthiness of the institution and has not experienced any credit losses on its cash and money market accounts.

MARKET RISKS

NRPA's investments are exposed to various risks, such as fluctuations in market value and credit risk. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is at least reasonably possible than changes in the values of investment securities will occur in the near term and that such changes could materially affect NRPA's balances and the amounts reported in the statements of financial position.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

HOTEL COMMITMENTS

NRPA has entered into agreements with several hotels to provide conference facilities and room accommodations for its conferences through 2026. The agreements contain various clauses whereby NRPA is liable for liquidated damages in the event of cancellation or lower than anticipated attendance. The total commitment under the agreements is not determinable as it depends upon attendance and other unknown factors. However, NRPA has purchased an insurance policy to mitigate and potential losses.

EMPLOYMENT

Effective June 2018, NRPA approved an agreement with the Chief Executive Officer with a termination date of May 2022. In May 2022 the contract was renewed through May 2025 and was further amended in June 2025 to extend the term through July 2028. The contract provides for severance payments equal to a minimum of six months' salary if terminated without cause, based upon the employee's salary at the date of the termination.

NOTE 11 – CONDITIONAL GRANTS

NRPA has received grant commitments from the U.S. Federal government. Grants which are subject to the Uniform Guidance are cost-reimbursable in nature. Thus, a receivable related to these grants is only recognized as NRPA incurs grant-related expenses. The unearned conditional grant commitments as of June 30, 2025 and 2024, totaled \$5,176,204 and \$7,935,049, respectively.

NOTE 12 – INCOME TAX STATUS

NRPA is generally exempt from federal income taxes under provisions of Section 501(c)(3) of the IRC. In addition, NRPA qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation under Section 509(a)(2). NRPA generates unrelated business income from its advertising activities. NRPA had no material net taxable unrelated business income for the years ended June 30, 2025 and 2024. NRPA evaluated its uncertainty in income taxes for the years ended June 30, 2025 and 2024, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. It is NRPA's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest expense or income tax expense, respectively. There are currently no examinations pending or in progress regarding NRPA's tax returns.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 13 – RECLASSIFICATIONS

Certain 2024 financial statement amounts have been reclassified to conform to the 2025 presentation.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 14, 2026, which is the date the financial statements were available to be issued. There were no such events that required disclosure or recognition in these financial statements.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
National Recreation and Park Association, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of National Recreation and Park Association, Inc. ("NRPA"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NRPA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NRPA's internal control. Accordingly, we do not express an opinion on the effectiveness of NRPA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of NRPA's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NRPA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NRPA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NRPA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Washington, DC
January 14, 2026

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
National Recreation and Park Association, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited National Recreation and Park Association, Inc.'s ("NRPA") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of NRPA's major federal program for the year ended June 30, 2025. NRPA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the NRPA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NRPA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of NRPA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to NRPA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NRPA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NRPA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 NRPA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NRPA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NRPA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

Washington, DC
January 14, 2026

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Agency or Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Assistance Programs for Chronic Disease Prevention and Control	93.945	N/A	\$ 40,395	\$ 454,211
Total U.S. Department of Health and Human Services			<u>40,395</u>	<u>454,211</u>
U.S. DEPARTMENT OF AGRICULTURE				
Farmers Market Promotion Program	10.168	N/A	--	97,385
Total U.S. Department of Agricultures			<u>--</u>	<u>97,385</u>
U.S. DEPARTMENT OF JUSTICE				
Juvenile Mentoring Program	16.726	N/A	915,354	1,785,976
Total US Department of Justice			<u>915,354</u>	<u>1,785,976</u>
U.S. DEPARTMENT OF LABOR				
Workplace Innovation and Opportunity Act (WIOA) Dislocated Worker National Reserve Demonstration Grant	17.280	N/A	88,827	421,273
Total US Department of Labor			<u>88,827</u>	<u>421,273</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,044,576</u>	<u>\$ 2,758,845</u>

See accompanying notes to this schedule.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of NRPA for the year ended June 30, 2025. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of NRPA, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of NRPA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

NRPA elected not to use the de minimis indirect cost rate, which is allowed in accordance with the Uniform Guidance.

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP:

UNMODIFIED

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified?

___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

FEDERAL AWARDS

Internal control over major federal programs:

Material weakness(es) identified?

___ Yes X No

Significant deficiency(ies) identified?

___ Yes X None reported

Type of auditors’ report issued on compliance for major federal programs:

UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Identification of major federal program:

***ASSISTANCE LISTING
NUMBER(S)***

NAME OF FEDERAL PROGRAM OR CLUSTER

Juvenile Mentoring Program

16.726

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

___ Yes X No

NATIONAL RECREATION AND PARK ASSOCIATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None required to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None required to be reported.

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

None required to be reported.