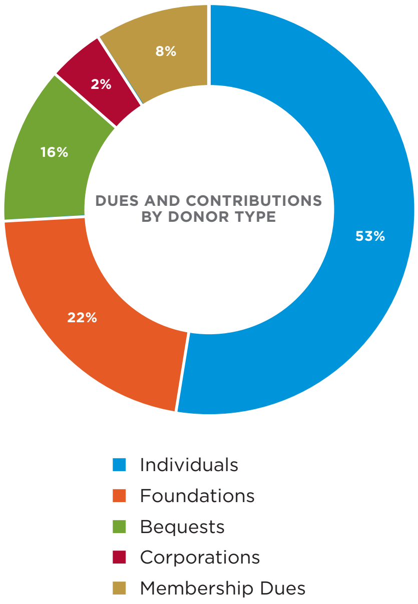
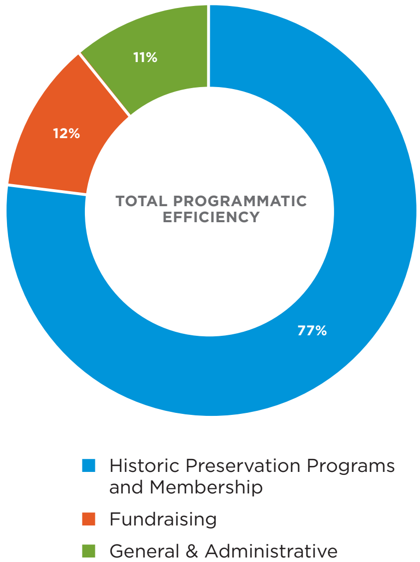
2015 financial summary

Over the last three years, the National Trust for Historic Preservation has seen its total operating sources of revenue grow from $55.5 million to $60.5 million, almost 10% growth, despite one historic site moving to a co-stewardship model and creation of a new subsidiary to house its National Main Street Center. This has been primarily due to strong donor support, especially for our National Treasures and for critical technology improvements which have enhanced the reach of our programs. As shown in the charts below, the National Trust achieved an 77% programmatic efficiency, with only 11% spent on General and Administrative expenses.

Allocation of Joint Costs

The Trust conducts membership development activities that include appeals for contributions, primarily direct mail campaigns, which qualify for allocation among the functions benefited. In 2015, the Trust incurred approximately $1,841,000 of joint costs for these activities. Approximately $1,371,000 of these costs was allocated to fund-raising and approximately $470,000 was allocated to membership outreach.





National Trust for Historic Preservation and its Subsidiaries and Affiliates

Consolidated Financial Statements, Supplemental Schedules and Independent Auditor's Report
Years Ended June 30, 2015 and 2014

BDO

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Consolidated Financial Statements,
Supplemental Schedules and
Independent Auditor's Report
Years Ended June 30, 2015 and 2014

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Contents

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Independent Auditor's Report

The Board of Trustees
National Trust for Historic Preservation
and its Subsidiaries and Affiliates
Washington, D.C.

We have audited the accompanying consolidated financial statements of **National Trust for Historic Preservation and its Subsidiaries and Affiliates** (the Trust), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We did not audit the consolidated financial statements of the National Trust Community Investment Corporation (NTCIC), a wholly-owned subsidiary which constitutes 4% of total consolidated assets and 25% of total consolidated revenues. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for NTCIC, is based solely on the report of the other auditors. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 consolidated 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, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **National Trust for Historic Preservation and its Subsidiaries and Affiliates** as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Supplemental Schedules

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules presented on pages 44 and 45 of this report are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

December 11, 2015

Consolidated
Financial Statements

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Consolidated Statements of Financial Position

June 30,	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 3,989,001	$ 10,085,479
Short-term investments (notes 6, 7, and 8)	7,439,233	1,987,495
Accounts receivable	4,343,089	1,598,229
Contributions receivable, current (note 4)	6,515,725	4,378,069
Merchandise inventory	618,576	614,388
Prepaid expenses and other assets	831,974	837,366
Donated properties held for resale	760,000	369,000
Total current assets	24,497,598	19,870,026
Noncurrent investments: (notes 6, 7, and 8)		
Revolving loan funds	178,315	195,479
Endowments and similar funds	254,652,576	275,320,503
Amounts held for others (note 4)	15,457,815	16,364,565
Other investments	230,940	322,379
Total noncurrent investments	270,519,646	292,202,926
Contributions receivable, net of current (note 4)	5,356,677	9,829,702
Deferred tax assets (note 1(p))	1,405,660	2,884,055
Property and equipment, net (note 3)	8,862,951	8,580,813
Other long-term assets	568,535	240,000
Total noncurrent assets	286,713,469	313,737,496
Total assets	$ 311,211,067	$ 333,607,522
Liabilities and net assets		
Liabilities		
Current liabilities:		
Accounts payable	$ 5,370,319	$ 7,256,127
Accrued expenses	2,017,872	1,983,206
Deferred revenue	1,960,534	1,555,371
Notes payable, current (note 10)	4,024,659	1,023,457
Total current liabilities	13,373,384	11,818,161
Notes payable, net of current (note 10)	2,425,957	3,450,623
Amounts held for others (note 4)	15,457,815	16,364,565
Deferred rent	5,781,924	4,797,800
Other liabilities	1,699,516	1,501,147
Total liabilities	38,738,596	37,932,296
Commitments and contingencies (note 14)		
Net assets (note 11)		
Unrestricted	104,336,771	110,337,203
Temporarily restricted	81,288,854	98,262,323
Permanently restricted	86,846,846	87,075,700
Total net assets	272,472,471	295,675,226
Total liabilities and net assets	$ 311,211,067	$ 333,607,522

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Consolidated Statements of Activities

Year ended June 30, 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues, gains, and other support				
Grant income	$ 1,024,775	$ -	$ -	$ 1,024,775
Contributions (note 4)	21,646,792	453,466	-	22,100,258
Membership dues	1,795,116	-	-	1,795,116
Admissions and special events	4,055,417	-	-	4,055,417
Investment income (note 6)	12,100,995	1,183,155	-	13,284,150
Contract services	9,451,166	-	-	9,451,166
Sales of articles	775,410	-	-	775,410
Advertising	619,729	-	-	619,729
Rental income	633,706	-	-	633,706
Public service announcements	483,085	-	-	483,085
Royalty income	1,045,136	-	-	1,045,136
Miscellaneous	3,409,604	-	-	3,409,604
Net assets released from restrictions	9,972,558	(9,972,558)	-	-
Total operating revenues, gains, and other support	67,013,489	(8,335,937)	-	58,677,552
Operating expenses				
Program services				
Historic sites	18,726,634	-	-	18,726,634
Preservation services	20,998,556	-	-	20,998,556
Publications	1,503,386	-	-	1,503,386
Education	6,423,225	-	-	6,423,225
Total program services	47,651,801	-	-	47,651,801
Support services				
Membership outreach	1,685,455	-	-	1,685,455
General and administrative	7,354,127	-	-	7,354,127
Fundraising	7,629,875	-	-	7,629,875
Total support services	16,669,457	-	-	16,669,457
Total operating expenses	64,321,258	-	-	64,321,258
Excess (deficiency) of operating revenues, gains, and other support over (under) operating expens	2,692,231	(8,335,937)	-	(5,643,706)
Nonoperating support				
Investment (loss) in excess of amounts designated for operations (note 6)	(8,692,663)	(9,740,082)	-	(18,432,745)
Unexpended restricted contributions	-	1,361,227	425,581	1,786,808
Transfer of endowment funds to another organization (note 8)	-	(258,677)	(654,435)	(913,112)
Changes in net assets	(6,000,432)	(16,973,469)	(228,854)	(23,202,755)
Net assets, beginning of year	110,337,203	98,262,323	87,075,700	295,675,226
Net assets, end of year	$ 104,336,771	$ 81,288,854	$ 86,846,846	$ 272,472,471

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation
and its Subsidiaries and Affiliates

Consolidated Statements of Activities

Year ended June 30, 2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues, gains, and other support				
Grant income	$ 1,148,783	$ -	$ -	$ 1,148,783
Contributions (note 4)	19,294,606	1,772,257	-	21,066,863
Membership dues	1,757,142	-	-	1,757,142
Admissions and special events	4,214,764	-	-	4,214,764
Investment income (note 6)	10,937,980	3,199,361	-	14,137,341
Contract services	9,263,616	-	-	9,263,616
Sales of articles	878,692	-	-	878,692
Advertising	709,429	-	-	709,429
Rental income	712,233	-	-	712,233
Public service announcements	497,032	-	-	497,032
Royalty income	1,123,041	-	-	1,123,041
Miscellaneous	1,842,962	-	-	1,842,962
Net assets released from restrictions	6,770,175	(6,770,175)	-	-
Total operating revenues, gains, and other support	59,150,455	(1,798,557)	-	57,351,898
Operating expenses				
Program services				
Historic sites	19,656,680	-	-	19,656,680
Preservation services	19,168,837	-	-	19,168,837
Publications	1,645,448	-	-	1,645,448
Education	5,578,480	-	-	5,578,480
Total program services	46,049,445	-	-	46,049,445
Support services				
Membership outreach	1,215,722	-	-	1,215,722
General and administrative	6,341,136	-	-	6,341,136
Fundraising	7,748,643	-	-	7,748,643
Total support services	15,305,501	-	-	15,305,501
Total operating expenses	61,354,946	-	-	61,354,946
Deficiency of operating revenues, gains, and other support under operating expenses	(2,204,491)	(1,798,557)	-	(4,003,048)
Nonoperating support				
Investment return in excess of amounts designated for operations (note 6)	10,141,044	17,549,055	-	27,690,099
Unexpended restricted contributions	-	3,221,541	202,070	3,423,611
Changes in net assets	7,936,553	18,972,039	202,070	27,110,662
Net assets, beginning of year	102,400,650	79,290,284	86,873,630	268,564,564
Net assets, end of year	$ 110,337,203	98,262,323	87,075,700	$ 295,675,226

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation
and its Subsidiaries and Affiliates

Consolidated Statements of Functional Expenses

Year ended June 30, 2015	Historic sites	Preservation services	Publications	Education	Total program services	Membership outreach	General and administrative	Fundraising	Total support services	Total
Employee costs:										
Salaries	$ 5,134,941	$ 8,504,870	$ 633,536	$ 2,615,282	$ 16,888,629	$ 612,498	$ 3,548,394	$ 3,416,187	$ 7,577,079	$ 24,465,708
Payroll taxes and benefits	890,242	1,616,820	129,177	567,246	3,203,485	156,625	985,561	702,665	1,844,851	5,048,336
	6,025,183	10,121,690	762,713	3,182,528	20,092,114	769,123	4,533,955	4,118,852	9,421,930	29,514,044
Professional services	1,101,705	2,906,655	123,737	1,203,629	5,335,726	360,227	1,017,149	976,028	2,353,404	7,689,130
Grants	2,063,627	2,098,182	-	103,831	4,265,640	-	-	-	-	4,265,640
Occupancy	953,052	764,579	82,129	456,292	2,256,052	99,552	769,042	435,117	1,303,711	3,559,763
Real estate	3,463,460	-	-	-	3,463,460	-	-	762	762	3,464,222
Property development	1,740,801	152,788	-	-	1,893,589	-	-	-	-	1,893,589
Printing	249,618	441,544	293,824	283,304	1,268,290	69,679	17,549	592,390	679,618	1,947,908
Travel	255,463	879,810	17,772	272,437	1,425,482	11,111	146,350	223,974	381,435	1,806,917
Postage	55,530	50,871	171,869	30,001	308,271	307,348	10,810	817,206	1,135,364	1,443,635
Tax expense	-	1,534,301	-	-	1,534,301	-	-	-	-	1,534,301
Maintenance	958,227	26,483	422	1,436	986,568	633	3,553	13,176	17,362	1,003,930
Computer	110,030	161,717	2,372	222,341	496,460	1,738	336,290	32,332	370,360	866,820
Insurance	569,598	74,520	4,579	14,932	663,629	6,894	63,639	25,359	95,892	759,521
Miscellaneous	461,666	1,338,738	1,175	15,020	1,816,599	23,298	187,806	234,897	446,001	2,262,600
Public service announcements	-	1,251	-	481,834	483,085	-	-	-	-	483,085
Depreciation	75,397	177,563	18,884	61,374	333,218	28,327	170,417	84,980	283,724	616,942
Cost of goods sold	396,614	7,444	-	16,608	420,666	-	-	509	509	421,175
Telephone	84,624	112,023	3,423	16,181	216,251	2,528	42,209	14,984	59,721	275,972
Reference	87,764	90,898	18,846	39,030	236,538	2,737	42,520	47,797	93,054	329,592
Office supplies	74,275	57,499	1,641	22,447	155,862	2,260	12,838	11,512	26,610	182,472
	12,701,451	10,876,866	740,673	3,240,697	27,559,687	916,332	2,820,172	3,511,023	7,247,527	34,807,214
	$ 18,726,634	$ 20,998,556	$ 1,503,386	$ 6,423,225	$ 47,651,801	$ 1,685,455	$ 7,354,127	$ 7,629,875	$ 16,669,457	$ 64,321,258

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Consolidated Statements of Functional Expenses

Year ended June 30, 2014	Historic sites	Preservation services	Publications	Education	Total program services	Membership outreach	General and administrative	Fundraising	Total support services	Total
Employee costs:										
Salaries	$ 5,682,899	$ 8,354,467	$ 550,632	$ 2,388,868	$ 16,976,866	$ 241,785	$ 3,348,932	$ 3,862,825	$ 7,453,542	$ 24,430,408
Payroll taxes and benefits	999,317	1,540,324	106,642	540,458	3,186,741	120,134	664,291	678,619	1,463,044	4,649,785
	6,682,216	9,894,791	657,274	2,929,326	20,163,607	361,919	4,013,223	4,541,444	8,916,586	29,080,193
Professional services	1,737,418	2,538,571	161,342	643,350	5,080,681	272,297	1,029,049	970,693	2,272,039	7,352,720
Grants	1,196,751	2,444,017	-	138,226	3,778,994	-	-	-	-	3,778,994
Occupancy	1,448,570	863,209	33,632	308,792	2,654,203	49,530	495,370	231,681	776,581	3,430,784
Real estate	2,562,755	-	-	-	2,562,755	-	-	900	900	2,563,655
Property development	2,476,153	9,194	98	326	2,485,771	-	293	-	293	2,486,064
Printing	312,368	145,966	451,440	285,640	1,195,414	92,835	32,789	557,982	683,606	1,879,020
Travel	284,278	739,405	9,094	256,319	1,289,096	11,593	164,493	295,824	471,910	1,761,006
Postage	40,355	27,606	268,429	22,865	359,255	350,516	8,284	954,458	1,313,258	1,672,513
Tax expense	-	1,372,924	-	-	1,372,924	-	-	-	-	1,372,924
Maintenance	1,220,740	62,972	4,231	14,812	1,302,755	8,462	14,462	14,139	37,063	1,339,818
Computer	168,257	244,862	12,444	258,184	683,747	14,761	208,405	31,657	254,823	938,570
Insurance	575,737	93,470	3,461	13,466	686,134	6,922	32,061	11,643	50,626	736,760
Miscellaneous	110,458	250,282	6,653	66,768	434,161	20,161	156,986	41,759	218,906	653,067
Public service announcements	-	-	-	497,032	497,032	-	-	-	-	497,032
Depreciation	133,920	156,805	16,488	34,640	341,853	17,355	53,104	34,501	104,960	446,813
Cost of goods sold	390,194	6,940	149	16,585	413,868	851	1,521	871	3,243	417,111
Telephone	106,939	177,793	3,983	19,104	307,819	3,134	65,110	19,188	87,432	395,251
Reference	99,901	83,085	14,334	50,032	247,352	5,217	35,138	23,486	63,841	311,193
Office supplies	109,670	56,945	2,396	23,013	192,024	169	30,848	18,417	49,434	241,458
	12,974,464	9,274,046	988,174	2,649,154	25,885,838	853,803	2,327,913	3,207,199	6,388,915	32,274,753
	$ 19,656,680	$ 19,168,837	$ 1,645,448	$ 5,578,480	$ 46,049,445	$ 1,215,722	$ 6,341,136	$ 7,748,643	$ 15,305,501	$ 61,354,946

See accompanying notes to consolidated financial statements.

National Trust for Historic Preservation
and its Subsidiaries and Affiliates

Consolidated Statements of Cash Flows

Year ended June 30,	2015	2014
Cash flows from operating activities		
Change in net assets	$ (23,202,755)	$ 27,110,662
Adjustments to reconcile change in net assets to cash used in operating activities		
Depreciation expense	616,942	446,813
Gain on sale of donated properties	(1,264,142)	(1,287,559)
Loss on disposal of property and equipment	115,192	281,329
Loss on properties held for resale	-	2,614
NTCIC deferred tax asset	1,478,395	1,348,261
Net realized and unrealized loss (gain) on investments	6,002,333	(39,205,722)
Contributions restricted for long-term investment	(35,555)	(202,070)
Investment earnings allocated to endowments held for others	1,026,356	(1,679,436)
Accretion of discounts for long-term contribution receivables	6,818	153,927
Allowance for uncollectible pledges	200,000	-
Bad debt expense	1,694,900	104,500
Decrease (increase) in assets		
Accounts receivable	(2,744,860)	163,669
Contributions receivable	433,651	245,089
Merchandise inventory	(4,188)	47,674
Prepaid expenses and other assets	5,392	(157,041)
Other long-term assets	(328,535)	-
Increase (decrease) in liabilities		
Accounts payable	(1,885,808)	(4,297)
Accrued expenses	34,666	(8,354)
Deferred revenue	405,163	(174,850)
Amounts held for others	(1,933,106)	2,076,507
Deferred rent	984,124	4,797,800
Other liabilities	198,369	(74,262)
Net cash used in operating activities	(18,196,648)	(6,014,746)
Cash flows from investing activities		
Purchase of investments	(28,653,674)	(54,939,568)
Proceeds from sale of investments	38,865,719	65,991,867
Proceeds from sale of donated property	873,142	1,167,029
Revolving funds note receivables payments received	16,141	269,842
Change in accrued interest	1,023	(21,260)
Change in note receivable loss reserve	-	30,985
Purchase of property and equipment	(1,014,272)	(5,342,421)
Net cash provided by investing activities	10,088,079	7,156,474
Cash flows from financing activities		
Contributions restricted for long-term investment	35,555	202,070
Proceeds from notes payable	7,000,000	4,000,000
Principal payments on notes payable	(5,023,464)	(4,522,308)
Net cash provided by (used in) financing activities	2,012,091	(320,238)
Net (decrease) increase in cash and cash equivalents	(6,096,478)	821,490
Cash and cash equivalents, beginning of the year	10,085,479	9,263,989
Cash and cash equivalents, end of the year	$ 3,989,001	$ 10,085,479
Supplemental cash flow information		
Interest paid for loan	$ 232,112	$ 279,572

See accompanying notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

(a) Organization

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

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

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

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

Heritage Travel, LLC (HTLLC) was formed in 2008 and is wholly owned and governed by NTCIC to provide and promote services related to heritage travel.

NT Solar, Inc. (NTS) was organized as a wholly owned, for-profit subsidiary of NTCIC and was incorporated on July 2, 2014. NTS was established to participate in the financing, directly or indirectly, of renewable energy transactions for which the investment tax credit is being utilized.

NT CDFI, Inc. (NT CDFI) is a not-profit subsidiary of the Trust. NT CDFI is responsible for the operations of the National Trust Loan Funds, the revolving loan funds of the Trust established with donor contributions, program related investments from foundations, and low interest loans from financial institutions. NT CDFI is governed by its own board of directors, bylaws, and operating procedures and has a primary mission of providing loans to benefit preservation-based community development. NT CDFI is currently managed by NTCIC under an operations agreement effective January 1, 2011.

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

(b) Basis of Accounting

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby, support and revenue are recognized when earned and expenses are recognized when incurred.

(c) Basis of Presentation

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

Unrestricted

Unrestricted net assets are not subject to donor-imposed stipulations. Revenues from sources other than restricted contributions and investment income are reported as increases in unrestricted net assets. Expenses charged to unrestricted programs are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Temporarily Restricted

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Trust and/or the passage of time. Donations for specific purposes and gifts of properties are classified as temporarily restricted net assets.

Permanently Restricted

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Trust. Generally, the donors of these assets permit the Trust to use all or part of the income earned on related investments for general or specific purposes relating to the preservation purposes of the organization.

(d) Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09). The update establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year. The guidance is effective for the Trust for the fiscal year ending June 30, 2020. Management is still in the process of assessing the impact this new standard will have on the financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern* (ASU-2015-15). ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. For all entities, the new requirements are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Management is in the process of assessing the impact this new standard will have on the consolidated financial statements.

In May 2015, the FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). The amendments in ASU 2015-07 remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. The guidance is effective for the Trust for the fiscal year ended June 30, 2018. A reporting entity should apply the amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. Earlier application is permitted. Management is in the process of assessing the impact this new standard will have on the consolidated financial statements.

(e) Accounting for Historic Sites

Historic Sites Owned by the Trust

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

Historic Sites Open to the Public

Belle Grove, Middletown, Virginia

Brucemore, Cedar Rapids, Iowa

Chesterwood, Stockbridge, Massachusetts

Cliveden, Philadelphia, Pennsylvania

Cooper Molera Adobe, Monterey, California

Decatur House, Washington, District of Columbia

Drayton Hall, Charleston County, South Carolina

Farnsworth House, Plano, Illinois

Filoli, Woodside, California

Gaylord Building, Lockport, Illinois

Kykuit, Pocantico Hills, New York

Lyndhurst, Tarrytown, New York

Montpelier, Montpelier Station, Virginia

Oatlands, Leesburg, Virginia

Philip Johnson Glass House, New Canaan, Connecticut

Pope Leighey House, Mount Vernon, Virginia

Shadows on the Teche, New Iberia, Louisiana

Villa Finale, San Antonio, Texas

Woodlawn, Mount Vernon, Virginia

Woodrow Wilson House, Washington, District of Columbia

Property the Trust May Own with Intent of Sale

Certain other properties may be held with the intent of sale. Upon sale, the Trust ensures the preservation of these historic properties by imposing perpetual preservation easements. Historic properties held with the intent of sale have been acquired by the Trust through outright gifts, bequests, gifts with retained life estates, purchases or other means.

Accounting Practice for Trust-Owned Property

The Trust follows the accounting practice of not including in its assets the cost or appraised value of any of its historic sites, which upon receipt may be retained by the Trust. Related expenditures for restoration, stabilization, reconstruction, and development are charged to expense as incurred. Properties accepted with the intent of sale are recognized as revenue at the time of receipt at the estimated fair value less costs for historic evaluation, repair, and maintenance costs, and impact of the easement. The historic sites, including objects and furnishings, owned by the Trust with the intent of retention are not reported in the accompanying statement of financial position under the accounting policy stated above.

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

In conformity with the practice generally followed by museums, no value is assigned to the collections in the statement of financial position. Purchases of collection items are recognized as reductions in unrestricted net assets in the period of acquisition. Per the Trust's Collections Management Policy and following professional standards and guidelines, proceeds from deaccessions of collection items are designated for the replenishment or care of other objects within the museum collection and the preservation of historic structures or historic landscape features that are part of the Historic Structures and Landscapes Collection.

Leased and Contract Sites (Not Owned by the Trust)

The Trust entered into a long-term lease and a cooperative agreement with the United States Armed Forces Retirement Home of Washington for the restoration and interpretation of President Lincoln's Cottage at the Soldiers' Home including the Cottage and the Visitor Education Center. President Lincoln's Cottage is managed by the Trust.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and amounts invested in money-market accounts. Cash and cash equivalents held in investment accounts are excluded as they are considered to be held for long-term purposes. As of June 30, 2015 and 2014, the Trust's cash accounts held in excess of federally insured limits were $2,022,300 and $1,381,653, respectively.

(g) Accounts Receivable

Accounts receivable consist primarily of amounts due from advertising placed in the Trust's publications, royalties due, Historic Site receivables, government grants, conferences, accrued interest and acquisition fees.

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

Management considers all accounts receivable at June 30, 2015 and 2014 to be fully collectible.

(h) Contributions Receivable

Split-Interest Agreements

The Trust is the beneficiary in various split-interest agreements with donors primarily consisting of charitable gift annuities, irrevocable charitable remainder unitrusts, and retained life estates. In the year of the gift of charitable gift annuities and irrevocable charitable remainder unitrusts for which the Trust serves as the trustee (the agreements), the Trust recognizes contribution revenue on the net amount of assets received and liabilities assumed on the agreements, either as temporarily or permanently restricted based on donors' restrictions. Assets held under the agreements are stated at fair value and are included in contributions receivable and other investments, respectively.

The Trust pays a variable annuity amount equal to the specified percentage of the fair value of assets on the date of payment to the donors or the donors' designees for the remainder of their lives. The estimated life expectancies used are determined from Social Security Administration Period Life Tables, which range from 5 to 11 years and 7 to 12 years at June 30, 2015 and 2014, respectively. Discount rate is based on U.S. risk-free treasury rates commensurate with the expected remaining life of the donors or donors' designees and was 2.0% and 2.2% at June 30, 2015 and 2014, respectively. The liability under these agreements is recognized at the present value of estimated future payments based on actuarial assumptions and is included in amounts held for others. Adjustments to the liability to reflect changes in actuarial assumptions and amortization of discount are recognized in contributions revenue in the statements of activities.

The Trust is also named as a beneficiary of the remaining assets of irrevocable charitable remainder unitrusts whose trust funds are managed by third parties. In the year of the gift, revenue is recognized for the fair values of the Trust's beneficial interest in the trust funds, as either temporarily or permanently restricted based on donors' restrictions and is included in contribution revenue. Assets are stated at fair value and are included in contributions receivable, and the related liabilities are stated at fair value and are included in amounts held for others on the statements of financial position.

The Trust is also a beneficiary in irrevocable retained life estates wherein the Trust has a remainder interest in property of the donor. The donor has the right to live in the property until their death at which time the Trust takes possession of the property. In the year of the gift, revenue is recognized for the assessed fair value of the property, as either temporarily or permanently restricted based on donors' restrictions and is included in contribution revenue. Property under retained life estates is stated at assessed fair value and is included in contributions receivable on the statement of financial position.

(i) Merchandise Inventory

Inventory, consisting primarily of books and other merchandise, is stated at the lower of cost or market. Cost is determined on an average-cost basis.

(j) Investments

The Trust categorizes its financial assets based on the stated purpose for each category of investment: revolving loan investments, endowment investments and other investments.

The revolving loan fund consists of cash, cash equivalents, notes receivable, debt securities and equities. The notes receivable are recorded at their net realizable value.

Endowment assets are the largest category of investments and consist of board-designated, temporarily restricted and permanently restricted endowment funds. The Investment Subcommittee, which reports to the Finance and Management Committee, monitors and approves all changes to the investment of these funds. Investments are reported at fair value. Investment results are reviewed by management on a monthly basis taking into consideration the pricing methodology and assumptions used by each fund manager in determining the fair value of the investment. Income from interest and dividends is recognized as investment income and realized and unrealized gains and losses net of board-authorized spending designated for operations are reported as non-operating support.

Other investments are defined as temporary excess cash from operations and consist principally of near cash investments.

(k) Property and Equipment

All property and equipment are capitalized at their historical cost. The Trust capitalizes all furniture, equipment, and computers purchased with a cost of $5,000 or more, and all individual items intended to be a part of an overall system with a cost of $2,000 or more.

Depreciation of equipment and vehicles and amortization of computer software is computed on the straight-line basis over estimated useful lives of 3 to 10 years. The leasehold improvements and fixtures for the Watergate headquarters building are amortized over the lesser of the 15 year term of the lease, or the estimated useful life of the leasehold improvement, using the straight-line basis. Costs associated with renovation and construction projects at historic sites, which are not part of the historic site, are depreciated over 20 to 30 years using the straight-line basis once the project has been placed in service.

(l) Impairment of Long Lived Assets

The Trust reviews asset carrying amounts periodically in addition to whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, charged to the consolidated statement of activities, to its current fair value. No impairment loss has been recognized at June 30, 2015 and 2014.

(m) Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received or when the gift or promise is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift, except that contributions of works of art, historical treasures, historic sites, and similar assets held as part of collections are not recognized or capitalized.

Contributions received with donor restrictions are recorded as temporarily or permanently restricted revenue based on donor intent. Expirations of temporary restrictions recognized on net assets (i.e., the donor-stipulated purpose for historic properties and preservation services has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from temporarily restricted net assets to unrestricted net assets. Temporary restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired and placed in service.

Promises and pledges received with payments due in future periods are reported as temporarily restricted, unless the contribution is clearly intended to support current period, unrestricted activities or is received with permanent restrictions.

Contributions to be received after one year are discounted using the estimated risk adjusted rate of return on the contribution date. Amortization of the discount is recorded as additional contribution revenue and applied in accordance with donor-imposed restrictions, if any, on the contributions.

Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

(n) Measure of Operations

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

The Trust's authorized spending rate in 2015 and 2014 was 5% for restricted endowment funds, 5.5% for unrestricted endowment funds and 6% for the two general Historic Sites Funds. Unexpended temporarily restricted contributions are purpose-restricted contributions that were not expended in the current year and uncollected unrestricted pledges.

(o) Functional Allocation of Expenses

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

The Trust paid professional fundraisers $251,096 and $340,178 in 2015 and 2014, respectively, for services related to capital campaigns, planned giving and general appeals, which are included as fundraising expense.

(p) Income Tax Status

The Trust accounts for uncertain tax positions in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Trust does not believe its financial statements include any material uncertain tax positions. The Trust is still open to examination by taxing authorities from fiscal year ended June 30, 2012 forward.

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

HTLLC, a single member limited liability company, is a disregarded entity of NTCIC under the Internal Revenue Code. NTCIC is taxed on HTLLC's taxable income. HTLLC's net operating loss is available for NTCIC to offset future taxable income, if any, through 2031.

For the years ended June 30, 2015 and 2014, NTCIC utilized $3,106,710 and $2,843,887 of the net operating loss. As of June 30, 2015 and 2014, management has determined that HTLLC's remaining net operating loss totaling $2,224,868 and $5,331,578 will be realizable by NTCIC before its expiration on 2031, as such, no valuation allowance is required.

NTIS is treated as a partnership under the Internal Revenue Code. Accordingly, the members of the limited liability company are taxed on their proportionate share of NTIS's taxable income.

Therefore, no provisions or liability for federal or state income taxes has been included in the consolidated financial statements.

NTCIC and NTS account for income taxes under ASC 740. ASC 740 requires that deferred income taxes be recognized for the difference between the financial and the tax-reporting basis of assets and liabilities using enacted tax rates and laws that are expected to be in effect when differences are expected to reverse. NTCIC accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards.

The components of the provision for NTCIC's income taxes for the periods ended June 30, 2015 and 2014 were as follows:

June 30,	2015	2014
Current tax expense	$ 55,906	$ 8,102
Deferred tax expense	1,478,395	1,348,261
Provision for income taxes	$ 1,534,301	$ 1,356,363

The components of NTCIC's deferred tax assets as of June 30, 2015 and 2014 were as follows:

June 30,	2015	2014
Net operating loss	$ 978,386	$ 2,352,767
Organizational and start-up costs and depreciation	260,150	300,684
Other	167,124	230,604
Deferred tax assets	$ 1,405,660	$ 2,884,055

(q) *Fair Value of Financial Instruments*

The following methods and assumptions were used by the Trust in estimating fair value disclosures for financial instruments:

Notes payable - The fair value of notes payable is estimated using rates currently available to the Trust for debt with similar terms and remaining maturities. The fair values of notes payable at June 30, 2015 and 2014 are not materially different from their carrying values.

Contributions receivable - The fair value of contributions receivable due in less than one year is equal to their stated value as of the date of the gift. For amounts due in one year or more, fair values are estimated using discount rates determined during the year that the contribution revenue is first recognized.

Split interests - The fair value of assets related to split interest agreements is stated at market value. Retained life estates included in contributions receivable may be stated at tax assessed value when market values are not readily obtainable. Liabilities related to split interest are stated at net realizable value.

Investments - the fair value of endowment assets is estimated using the practical expedient as allowed under FASB ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)* for those investments that are not publicly-traded.

All other assets and liabilities - Fair values of all other financial instruments approximate their reported values.

(r) Revenue Recognition

Grant Income

Amounts received from local, state and federal grants, except for federally sponsored endowment funds, are recognized as income to the extent of related expenses incurred for grant purposes. Federally sponsored endowment funds are recognized as revenue at the time of receipt.

Contributions

Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Trust receives promises to give that have certain conditions such as meeting specific milestones or revocable features to the promise to give. Conditional promises to give are recognized as revenue when the conditions are substantially met.

Membership Dues

Revenue from membership dues and subscription fees is recognized over the period to which the dues relate. The Trust receives advance payments for membership, which are for a period of one year. These advance payments are deferred and recognized ratably as membership revenue over the related term.

A portion of membership dues, which typically range from $20 to $1,000 per year, is considered a contribution and is recognized immediately. In 2015 and 2014, the Trust recognized contribution revenue on all membership payment amounts in excess of $10 and $8, respectively, which is the internally assessed value of membership at the Trust.

Admissions and Special Events

Revenue from admissions and special events at historic sites managed by the Trust, which help to educate the public about historic preservation, are recognized when earned.

Investment Income

Revenues and gains on short-term investments are reported as increases in unrestricted net assets unless their use is limited by donor-imposed stipulations. Revenues and gains on long-term investments are reported as increases in designated net assets. Unrealized and realized gains and losses are recorded in investment return in the consolidated statement of activities.

Contract Services

Revenue from contract services, such as relating to educational services to local nonprofit revitalization organizations and consulting, planning and training services to assist communities with the revitalization of their traditional commercial districts, are recognized when services are provided.

NTCIC and its subsidiaries recognize contract services revenue on acquisition, incentive asset management, asset management, reservation, consulting and administration fees, commissions and travel revenue when earned, with any amounts to be paid in future periods recorded as a receivable. Revenue is considered earned when specified events have taken place and/or when the company's obligations have been met. In addition, fees received in advance are deferred and recognized when earned.

Sales of Articles

Revenue from sales of articles is primarily earned at the Trust's historic sites, which operate gift shops that sell books and merchandise that reflect the site's history and architecture and the field of historic preservation. The shops further the educational and interpretive missions of the historic sites and of the Trust. Revenue is recognized when merchandise is sold.

Donated Professional Goods and Services

Donated professional services and goods are recognized as revenue at their fair value at the time the services are rendered. The value of donated services and goods recognized for the years ended June 30, 2015 and 2014 totaled $483,085 and $1,017,256, respectively, and includes public service announcements included in contributions on the consolidated statement of activities.

Royalty Income

Royalty revenue consists primarily of revenues resulting from various third-party trademark licensing agreements for the use of the Trust's name on certain commercial products and marketing arrangements. Royalty revenue is recognized as earned.

(s) Guarantees

In accordance with FASB ASC 460, *Guarantees*, for all guarantees entered into after January 1, 2003, the Trust's obligation under the guarantee agreement (described at note 5) is estimated by calculating the net present value of future cash flows attributable to the difference between the contractual variable rates in the underlying debt agreement.

The Trust uses the U.S. risk-free treasury rate as the discount rate, which was 2.0% and 2.2% at June 30, 2015 and 2014, respectively. Determining the fair value measurement of a contingent liability requires management to make significant estimates and assumptions as to the comparability of similar instruments with established market values and factors.

(t) Investments in Operating Entities

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

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

(u) Risks and Uncertainties

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

(v) Estimates

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

(w) Reclassifications

Certain amounts have been reclassified in the 2014 financial statements to conform to the 2015 presentation.

2. Description of Program and Support Services

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

Historic Sites - Preserves and manages for public benefit the Trust's property, real and personal; encourages an understanding of historic preservation and history through site-based educational programs; administers networks of historic sites that collaborate on preservation issues with the National Trust and reviews any potential acquisition opportunities for new historic sites.

Preservation Services Provides direct action to save historic places at a revolving portfolio of important places - National Treasures - that are either nationally significant or the preservation of which will have national implications. Undertakes deep, sustained effort on nationally important preservation priorities including the revitalization of urban areas.

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

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

Education - Encourages an understanding of historic preservation through conferences and seminars, communications, training, internships, merchandising, public service announcements and preservation-related products.

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

General and Administration - Includes the functions necessary to maintain an equitable employment program; ensures an adequate working environment; provides general management, coordination, and articulation of the Trust's programs and operation; secures proper administrative functioning of the board of trustees and board of advisors; provides legal counsel; manages the Trust's information technology requirements; and manages the financial, endowment, and budgetary responsibilities of the Trust.

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

3. Property and Equipment

Property and equipment comprised the following:

June 30,	2015	2014
Buildings and improvements	$ 5,240,418	$ 5,248,257
Leasehold improvements	3,299,477	3,208,245
Furniture and equipment	1,956,299	2,101,209
Computer equipment	2,329,399	1,575,225
	12,825,593	12,132,936
Less accumulated depreciation	(3,962,642)	(3,552,123)
Total	$ 8,862,951	$ 8,580,813

4. Contributions, Split Interest Agreements, and Amounts Held for Others

Contributions Receivable

Contributions receivable are summarized as follows:

June 30,	2015	2014
Unconditional promises to give expected to be collected in:		
Less than one year	$ 6,515,725	$ 4,378,069
One to five years	6,054,956	6,395,500
More than five years	237,500	4,163,163
	12,808,181	14,936,732
Less:		
Allowances for uncollectible pledges	(400,000)	(200,000)
Unamortized discount	(535,779)	(528,961)
	11,872,402	14,207,771
Less current contributions receivable	(6,515,725)	(4,378,069)
Contributions receivable, net of current	$ 5,356,677	$ 9,829,702

The discount rates used to calculate the present value of contributions receivable range from 0.74% to 2.2% and 0.6% to 2.2% as of June 30, 2015 and 2014, respectively.

Commitments from donors for conditional promises to give total $9,380,000 and $10,000,000 at June 30, 2015 and 2014, respectively. These pledges will be accrued in future periods as the conditions for revenue recognition are met.

Split-Interest Agreements

The Trust is a beneficiary of split-interest agreements in the form of charitable gift annuities included in investments, charitable remainder unitrusts, pooled income funds, and retained life estates that are included in contributions receivable on the statement of financial position, and include the following:

June 30,	2015	2014
Charitable gift annuities	$ 1,597,606	$ 1,757,345
Charitable remainder unitrusts held by third parties	445,355	481,023
Charitable remainder unitrusts held by the Trust	840,295	983,942
Pooled income funds	93,990	100,698
Properties with life tenants	555,555	2,762,500
Total assets held under split-interest agreements	$ 3,532,801	$ 6,085,508

As of June 30, 2015 and 2014, liabilities associated with split-interest agreements total $2,035,073 and $2,128,192, respectively, which include a liability of $1,370,982 and $1,417,147, respectively, related to obligations under charitable gift annuities recorded in other liabilities, and $534,433 and $691,601, respectively, related to obligations under charitable remainder unitrusts held by the Trust recorded in amounts held for others on the statements of financial position. Liability balances represent the present value of future cash flows expected to be paid to the donor or the donor's designee over the estimated remaining term of the agreement.

During the year ended June 30, 2015 and 2014, the Trust recognized $6,818 and $153,927, respectively, in accretion of discounts, which included accretion related to split-interest agreements and accretion of discounts related to contributions receivable.

Amounts Held for Others

Amounts held for others reported an both on asset and liability comprised the following:

June 30,	2015	2014
Charitable remainder trusts	$ 534,433	$ 691,601
Endowment held for the benefit of Congressional Cemetery	4,898,439	5,216,467
Endowment held for the benefit of Cliveden	601,135	644,813
Endowment held for Montpelier	9,044,245	9,419,878
Endowment held for the benefit of Belle Grove	255,808	272,217
Endowment held for the benefit of Val-Kil property	113,937	109,772
Reserve held for Emerson School	9,818	9,817
Total amounts held for others	$ 15,457,815	$ 16,364,565

5. Other Liabilities

Guarantee

On December 1, 2004, the Trust executed a Guaranty Agreement (the Agreement) with Wachovia Bank (Wachovia) with respect to the obligations of The Montpelier Foundation (the Foundation) under a Credit and Reimbursement Agreement between Wachovia and the Foundation for the issuance of approximately $9.1 million in variable rate tax exempt bonds by the Industrial Development Authority of the County of Orange, VA (the Bond). The financing funded improvements to Montpelier, a Trust historic site, including the construction of a visitors' center, a new bridge and a new entrance. The Foundation subsequently entered into a rate swap agreement with Lehman Brothers to stabilize the interest payment, which was replaced by a swap agreement with Wachovia in 2008.

On June 1, 2013, the Foundation refinanced the swap agreement and letter of credit for the Bond as a loan with Capital One Bank (Capital One). On the same day, the Trust executed a Guaranty Agreement (the Agreement) with Capital One with respect to the obligations of the Foundation under a Bond Purchase and Loan Agreement.

The Trust would be obligated to pay any outstanding obligation, without limitations, to Capital One in the event the Foundation defaults under the Bond Purchase and Loan Agreement. The maximum potential amount of future payments under the guarantee is approximately $9.1 million at June 30, 2015 and 2014.

Funds held by the Trust on behalf of The Montpelier Foundation may be used to reimburse the Trust or offset costs or payments incurred by the Trust under the Agreement. The Montpelier endowment is included in temporarily restricted net assets. The amount held on behalf of Montpelier at June 30, 2015 and 2014 was $9,044,245 and $9,419,878, respectively, and is included in amounts held for others in the statement of financial position.

As of June 30, 2015 and 2014, no liability was reported in the accompanying statement of financial position related to the Agreement since: (a) at this time, no information exists to indicate that a future event will occur that would cause the Trust to incur a contingent liability under the Agreement; and (b) the Trust is exempt from fair valuation treatment of non-contingent liabilities under FASB ASC 460-10-30-1 and 460-10-25-1 and (c) since the Trust and Foundation are considered related parties.

Line-of-Credit

Through the Amended and Restated Operations Agreement between NTCIC and the National Trust dated December 29, 2010, the Trust agreed to provide a line of credit of $1 million to be used for NTCIC's direct operating expenses. NTCIC must consult with the Trust in order to use this line of credit for any other purpose. The line of credit has never been drawn by NTCIC. The Trust has approved the extension of the line of credit after its maturity date on December 22, 2014 for an additional 3-year term to December 22, 2017.

Grant Obligation

Through the Amended and Restated Operations Agreement between NMSC and the National Trust dated September 5, 2014, the Trust agreed to provide a $750,000 grant over the initial three years of operations of NMSC to fund operating costs. As of June 30, 2015 and 2014, $435,268 and $169,859, respectively, had been paid to the NMSC resulting in a remaining payable grant balance of $144,873 and $580,141 as of June 30, 2015 and 2014, respectively. This payable grant balance is eliminated in consolidation.

6. Investments

The composition of investments owned by the Trust at June 30, 2015 is presented below:

	Revolving Loan Funds	Endowment and Similar Funds	Other Investments	Total
Cash and cash equivalents	$ 499,815	$ 16,134,298	$ 856,324	$ 17,490,437
Notes receivable	178,315	-	-	178,315
Short-term investments	-	-	4,631,970	4,631,970
Equities - U.S.	-	34,007,703	523,901	34,531,604
Equities - non U.S.	-	45,659,943	470,711	46,130,654
Equities - global	-	28,277,806	-	28,277,806
Fixed income	-	23,100,393	456,512	23,556,905
Hedge funds	-	60,181,019	-	60,181,019
Opportunistic	-	12,021,904	-	12,021,904
Real assets	-	31,982,641	127,327	32,109,968
Private equity	-	18,744,684	103,613	18,848,297
Total investments	$ 678,130	$ 270,110,391	$ 7,170,358	$ 277,958,879

The composition of investments owned by the Trust at June 30, 2014 is presented below:

	Revolving Loan Funds	Endowment and Similar Funds	Other Investments	Total
Cash and cash equivalents	$ 329,943	$ 16,565,274	$ 110,591	$ 17,005,808
Notes receivable	195,479	-	-	195,479
Equities - U.S.	-	32,489,485	619,973	33,109,458
Equities - non U.S.	-	55,958,587	536,114	56,494,701
Equities - global	-	29,887,029	-	29,887,029
Fixed income	-	23,674,885	390,874	24,065,759
Hedge funds	-	61,464,290	-	61,464,290
Opportunistic	-	11,303,875	-	11,303,875
Real assets	-	39,661,865	207,569	39,869,434
Private equity	-	20,679,778	114,810	20,794,588
Total investments	$ 525,422	$ 291,685,068	$ 1,979,931	$ 294,190,421

The revolving loan funds include all assets restricted or designated to the revolving loan fund program. The endowment and similar funds include all permanently restricted contributions, temporarily restricted unrealized and realized cumulative gains, and assets designated by the board for long-term purposes. Funds held for others are a component of the endowment funds. Other investments mainly represent excess liquidity that the Trust has invested to obtain higher yields.

Within the revolving loan funds, notes receivable of $178,315 and $195,479 as of June 30, 2015 and 2014, respectively, were investments in various partnerships.

The composition of investment income as follows:

Years ended June 30,	**2015**	2014
Interest and dividends from investments	**$ 2,437,640**	$ 2,167,659
Interest earned on cash, loan and notes receivable	**92,552**	54,093
Investment expenses	**(919,137)**	(1,279,470)
Amounts designated for operations	**11,673,095**	13,195,059
Investment income for operations	**13,284,150**	14,137,341
Net gains	**(5,733,294)**	39,205,722
Investment earnings allocated to endowments held for others	**(1,026,356)**	1,679,436
Amounts designated for operations	**(11,673,095)**	(13,195,059)
Total investment return in excess of amounts designated for operations	**(18,432,745)**	27,690,099
Total investment income	**$ (5,148,595)**	$ 41,827,440

7. Fair Value Measurements

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

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

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

National Trust for Historic Preservation and its Subsidiaries and Affiliates

Notes to Consolidated Financial Statements

It should be noted that investment risk cannot be estimated based on this classification methodology. The following table classifies all investments into the hierarchy set forth by ASC 820 as of June 30, 2015:

	(Level 1)	(Level 2)	(Level 3)	Total
Cash and cash equivalents	$ 17,668,752	$ -	$ -	$ 17,668,752
Short-term investments	4,631,970	-	-	4,631,970
Equities - U.S.	1,894,289	32,397,765	239,550	34,531,604
Equities - non U.S.	37,560,798	8,569,856	-	46,130,654
Equities - global	974,384	27,303,422	-	28,277,806
Fixed income - domestic	691,893	14,221,838	-	14,913,731
Fixed income - international	527,215	8,115,959	-	8,643,174
Hedge funds - open mandate	-	-	9,484,881	9,484,881
Hedge funds - diversified arbitrage	-	8,074,796	8,184,081	16,258,877
Hedge funds - credit-driven/distressed	-	5,281,713	10,909,913	16,191,626
Hedge funds - global long/short	-	7,408,702	10,754,171	18,162,873
Hedge funds - remaining investment stubs	-	-	82,762	82,762
Opportunistic	5,618,903	6,403,001	-	12,021,904
Real assets	21,313,984	88,314	10,707,670	32,109,968
Private equity	-	-	18,848,297	18,848,297
Total	$ 90,882,188	$ 117,865,366	$ 69,211,325	$ 277,958,879

It should be noted that investment risk cannot be estimated based on this classification methodology. The following table classifies all investments into the hierarchy set forth by ASC 820 as of June 30, 2014:

	(Level 1)	(Level 2)	(Level 3)	Total
Cash and cash equivalents	$ 17,201,287	$ -	$ -	$ 17,201,287
Equities - U.S.	3,522,696	29,326,530	260,232	33,109,458
Equities - non U.S.	42,201,529	14,293,172	-	56,494,701
Equities - global	1,443,511	28,443,518	-	29,887,029
Fixed income - domestic	746,556	13,939,559	-	14,686,115
Fixed income - international	515,435	8,864,209	-	9,379,644
Hedge funds - open mandate	-	-	5,313,300	5,313,300
Hedge funds - global macro	-	6,013,857	-	6,013,857
Hedge funds - diversified arbitrage	-	8,375,401	9,889,906	18,265,307
Hedge funds - credit-driven/distressed	-	-	10,451,724	10,451,724
Hedge funds - global long/short	-	10,461,931	10,660,949	21,122,880
Hedge funds - remaining investment stubs	-	-	297,222	297,222
Opportunistic	5,859,303	5,444,572	-	11,303,875
Real assets	26,731,687	146,739	12,991,008	39,869,434
Private equity	-	-	20,794,588	20,794,588
Total	$ 98,222,004	$ 125,309,488	$ 70,658,929	$ 294,190,421

The following table summarizes activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2015:

	Equities	Hedge Funds	Real Assets	Private Equity	Total
Balance at June 30, 2014	$ 260,232	$ 36,613,101	$ 12,991,008	$ 20,794,588	$ 70,658,929
Transfers to Level 3	-	-	-	-	-
Additions	-	5,050,000	1,738,255	455,000	7,243,255
Redemptions	-	(724,046)	(743,069)	(1,841,113)	(3,308,228)
Net realized losses	-	(351,889)	(1,057,830)	(3,271,690)	(4,681,409)
Net unrealized (losses) gains	(20,682)	(1,171,358)	(2,220,694)	2,711,512	(701,222)
Balance at June 30, 2015	$ 239,550	$ 39,415,808	$ 10,707,670	$ 18,848,297	$ 69,211,325

The following table summarizes activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2014:

	Equities	Hedge Funds	Real Assets	Private Equity	Total
Balance at June 30, 2013	$ 249,108	$ 29,895,240	$ 10,183,971	$ 20,187,425	$ 60,515,744
Transfers to Level 3	-	4,486,403		-	4,486,403
Additions	-	8,985,134	2,152,902	1,406,561	12,544,597
Redemptions	-	(6,296,914)	(369,059)	(2,120,185)	(8,786,158)
Net realized losses	(35,000)	(5,042,351)	(577,755)	(3,544,977)	(9,200,083)
Net unrealized gains	46,124	4,585,589	1,600,949	4,865,764	11,098,426
Balance at June 30, 2014	$ 260,232	$ 36,613,101	$ 12,991,008	$ 20,794,588	$ 70,658,929

Transfers to Level 3 represent the investments whose level classification was changed from Level 2 to Level 3 during the years ended June 30, 2014.

The following table sets forth a summary of the Trust's investments with a reported net asset value as of June 30, 2015:

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Equities - U.S. (a)	$ 32,637,315	$ -	Daily to quarterly	3 - 90 days
Equities - non U.S. (a)	8,569,856	-	Daily to monthly	3 - 60 days
Equities - global (a)	27,303,422	-	Monthly	6 - 8 days
Fixed income (b)	22,337,797	-	Daily	3 - 7 days
Hedge funds - open mandate (c)	9,484,881	-	Annually	45 days
Hedge funds - diversified arbitrage (c)	16,258,877	-	Quarterly to annually	45 - 90 days
Hedge funds - credit-driven/distressed (c)	16,191,626	1,950,000	Quarterly to annually	45 - 90 days
Hedge funds - global long/short (c)	18,162,873	-	Quarterly to locked	60 days or N/A
Hedge funds - remaining investment stubs (c)	82,762	-	On-going	N/A
Opportunistic (d)	6,403,001	-	Daily	3 days
Real assets (e)	10,795,984	6,834,826	Daily to locked	1 day or N/A
Private equity (f)	18,848,297	10,121,501	Locked	N/A
Total investments valued using the practical expedient	$ 187,076,691	$ 18,906,327		

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

a) This category includes U.S., non-U.S., and global equity investments and share in the returns and risks associated with exposure to their respective markets.

b) This category includes fixed income investments and share in the returns and risks associated with exposure to U.S. and non-U.S. credit markets, interest rates and foreign currencies.

c) Hedge fund investments are comprised of a diversified portfolio and share in the returns and risks associated with the equity markets, credit markets, interest rates and foreign currencies. In addition, some of these funds may present lower liquidity, organizational risk, event and deal risks, leverage, and counterparty risk. Reduced redemption rights have been accepted for certain funds in order to access these funds.

d) Opportunistic investments are invested globally and share in the returns and risks of the equity, fixed income, commodities and currency markets.

e) Real assets investments are invested globally, principally in the energy and materials sector with smaller amounts invested in land, timber and renewable energy and share in the returns and risks associated with equity markets, interest rates and commodities markets.

f) Private equity investments are invested globally in consumer, computer, medical/pharmaceuticals, communications, financials, services, energy and electronics and share in the risks and returns associated with the equity markets and credit market risks.

Quantitative Information

Quantitative information as of June 30, 2015 with respect to assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) follows:

Level 3 Funds Investment Type	Fair Value	Principal Valuation Techniques	Unobservable Inputs	Weighted Average
Equities - U.S.	$ 239,550	Use of income and/or cost approach	See below	N/A
Hedge funds	39,415,808		See below	N/A
Real assets	10,707,670		See below	N/A
Private equity	18,848,297		See below	N/A
Total	$ 69,211,325			

Unobservable inputs for the income approach takes into account future income streams such as earnings, interest, and dividends which is discounted at a rate deemed representative of future market or credit risks or inherent cost of capital. The market approach takes into account enterprise value via earnings multiples for comparable and recent transactions that are adjusted for lack of control or marketability. The cost approach takes into account fair market value usually with an eye to liquidation. Due to the numerous holdings within these funds, all three approaches may be used by a fund singularly or concurrently.

Level 3 Valuation Process

Inputs broadly refer to the assumptions that market participants use to make valuation decisions. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in aggregate that is significant to the fair value measurement. Observable inputs include market data that are readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The inputs or methodologies used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The Trust uses the net asset value as a practical expedient to determine the fair value of all level 3 investments which do not have a readily determinable fair value. The Trust reserves the right to adjust the reported net asset value if it is deemed to be not reflective of fair value.

Because of the inherent uncertainty of valuations of investments in level 3 investments, their estimated values may differ significantly from the values that would have been used had a ready market for these investments existed, and the difference could be material.

The categorization of level 3 investments with the hierarchy is based on the availability of reported net asset values and liquidity and does not necessarily correspond to the Trust's perceived investment risks.

Redemption provisions vary by fund and typically range from quarterly to distributions only (non-marketable funds). Depending on the redemption options available, the NAV may be considered a level 2 input. However, all level 3 funds with a redemption feature have the ability to impose a suspension or postponement of redemptions until further notice ("Gate"). In addition, certain of these funds may delay payment of a portion of a redemption classified as illiquid. In general, the Trust classifies all hold backs in excess of a 12 month period as level 3. In addition, the Trust considers the amounts at risk versus the overall portfolio, the known timeline, and the risk that the holdback amount will not be fully realized to determine whether a discount to current net asset value is warranted.

Level 3 Sensitivity of Fair Value Measurements and Changes in Significant Unobservable Inputs

The significant unobservable inputs used in the fair value measurement of the organization's hedge funds, private equity and other marketable and non-marketable funds, are subject to market risks resulting from changes in the market value of its investments. Each non publicly-traded fund, regardless of level, is required to provide independently audited financial statements on an annual basis that are reviewed by the Trust for unusual valuation fluctuations against observable and unobservable inputs.

8. Management of Endowment Funds

The Trust's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Donor-restricted endowment funds may either be classified as permanently restricted or temporarily restricted.

The Trust has interpreted the District of Columbia "Uniform Prudent Management of Institutional Funds Act of 2007" (the Act) as requiring the Trust, absent explicit donor stipulations to the contrary, to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate donor-restricted endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. The Trust classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument. The remaining portion of donor-restricted endowment funds that are not classified as permanently restricted are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Trust. In making a determination to appropriate or accumulate, the Trust adheres to the standard of prudence prescribed by the Act and considers the following factors:

1) The duration and preservation of the fund;

2) The purpose of the Trust and the donor-restricted endowment;

3) General economic conditions;

4) The possible effect of inflation and deflation;

5) The expected unrealized appreciation and depreciation of the investments;

6) Other resources of the Trust; and

7) The investment policy of the Trust.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires. There were $359,889 of donor-restricted endowment funds as of June 30, 2015 that fall below the level that the donor or the Act requires. There were no deficiencies reported in as of June 30, 2014.

Endowment net assets consist of the following as of June 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 71,886,418	$ 85,117,737	$ 157,004,155
Board-designated endowment funds	97,215,097	-	-	-
Total	$ 97,215,097	$ 71,886,418	$ 85,117,737	$ 254,219,252

Changes in endowment net assets for year ended June 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 106,545,164	$ 82,719,426	$ 85,181,592	$ 274,446,182
Contributions	675,139	73,393	590,580	1,339,112
Transfers of endowments to other organizations	-	(258,677)	(654,435)	(913,112)
Appropriation for operational expenditures	(7,583,776)	(7,190,265)	-	(14,774,041)
Interest and dividend income	539,987	910,114	-	1,450,101
Net depreciation	(2,961,417)	(4,367,573)	-	(7,328,990)
Endowment net assets, end of year	$ 97,215,097	$ 71,886,418	$ 85,117,737	$ 254,219,252

During the year ended June 30, 2015, the Trust transferred $913,112 of endowment funds to the Wisconsin Historical Foundation for the management and care of a national historic landmark.

Endowment net assets consist of the following as of June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 82,719,426	$ 85,181,592	$ 167,901,018
Board-designated endowment funds	106,545,164	-	-	106,545,164
Total	$ 106,545,164	$ 82,719,426	$ 85,181,592	$ 274,446,182

Changes in endowment net assets for year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 96,932,756	$ 64,728,627	$ 84,751,878	$ 246,413,261
Contributions	-	40,000	429,714	469,714
Appropriation for operational expenditures	(6,480,066)	(6,597,070)	-	(13,077,136)
Interest and dividend income	317,054	541,896	-	858,950
Net appreciation	15,775,420	24,005,973	-	39,781,393
Endowment net assets, end of year	$ 106,545,164	$ 82,719,426	$ 85,181,592	$ 274,446,182

9. Rental Income and Expense

The Trust rents buildings at its historic sites to staff or unrelated parties as housing or other uses and also leases space for site staff offices, visitor facilities and related uses with various lease expiration dates. Future minimum rental income from non-cancelable operating leases is as follows:

Years ending June 30,	
2016	$ 390,373
2017	275,761
2018	185,229
2019	121,926
2020	95,578
Thereafter	54,390
Total	$ 1,123,257

The Trust rents certain office space for field offices and the headquarters building, and equipment under operating leases. Total rental expense under such leases was $2,533,433 and $2,068,468 for the years ended June 30, 2015 and 2014, respectively. Minimum future lease commitments on office space and equipment are as follows:

Years ending June 30,	
2016	$ 2,338,937
2017	2,169,352
2018	2,147,739
2019	2,173,706
2020	2,173,706
Thereafter	18,686,357
Total	$ 29,689,797

10. Notes Payable

Notes payable at June 30, 2015 and 2014 consist of the following:

	2015	2014
MetLife note with principal up to $3,000,000 for the purpose of working capital for HTLLC at 4.5% quarterly interest beginning February 28, 2010. Principal payments of $1,000,000 due October 13, 2014, 2015 and 2016. Note is unsecured.	$ 2,000,000	$ 3,000,000
Larry A. Nelson and Ruth Falkenberg $1,500,000 loan for the renovation of Emerson School Building in Denver at 5% monthly interest with interest and principal payments of $8,052 due May 1, 2013 through September 30, 2022. Secured with the deed of trust on the Emerson School Building.	1,450,616	1,474,080
Bank of America, line of credit (LOC) $10,000,000 for operations at British Bankers Association (BBA) LIBOR Daily Floating Rate plus 1.5% paid monthly. LOC is unsecured and expires on March 31, 2016.	3,000,000	-
Total	$ 6,450,616	$ 4,474,080

The Trust recognized $232,112 and $279,572 of interest expense for the years ended June 30, 2015 and 2014, respectively. Interest expense is allocated between preservation services and historic sites program expenses in the statements of activities.

Future principal payments of notes payable outstanding at June 30, 2015 are as follows:

Years ending June 30,	
2016	$ 4,024,659
2017	1,025,920
2018	27,246
2019	28,638
2020	30,103
Thereafter	1,314,050
Total	$ 6,450,616

11. Net Assets

Unrestricted net assets consist of the following at June 30, 2015:

	Available for operations	Board designated	Total
Net investment in property and equipment	$ 8,862,951	$ -	$ 8,862,951
Other operating reserves (deficit)	(6,745,706)	-	(6,745,706)
Funds functioning as endowment funds	-	97,215,098	97,215,098
Other board designated	-	5,004,428	5,004,428
	$ 2,117,245	$ 102,219,526	$ 104,336,771

Unrestricted net assets consist of the following at June 30, 2014:

	Available for operations	Board designated	Total
Net investment in property and equipment	$ 8,580,813	$ -	$ 8,580,813
Other operating reserves (deficit)	(6,042,909)	-	(6,042,909)
Funds functioning as endowment funds	-	106,545,164	106,545,164
Other board designated	-	1,254,135	1,254,135
	$ 2,537,904	$ 107,799,299	$ 110,337,203

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
CDFI Subsidiary	$ 345,810	$ 329,697
NMSC Subsidiary	658,706	580,141
Contributions for specific properties or programs or subject to time restrictions	8,397,919	14,633,059
Cumulative gains on endowment funds for the preservation and maintenance of specific historic properties or programs	71,886,419	82,719,426
Total	$ 81,288,854	$ 98,262,323

Permanently restricted net assets at June 30 consist of investments in perpetuity, the income from which is expendable to support:

	2015	2014
Specific properties	$ 45,427,873	$ 45,049,228
Specific programs	32,761,495	33,368,994
General operations	8,657,478	8,657,478
Total	$ 86,846,846	$ 87,075,700

12. Designated by Board of Trustees

Funds designated by the Board of Trustees represent the portion of unrestricted funds that have been set aside for specific purposes or as quasi-endowments by action of the Board of Trustees.

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

	2015	2014
Board-designated net assets, beginning of period	$ 107,799,299	$ 97,611,694
Activity for the period:		
Amounts transferred to Board-designated	7,177,317	(7,028,062)
Board designations net (losses) gains on quasi-endowments	(10,005,209)	18,841,899
Funds expended for Board-designated purposes	(2,751,881)	(1,626,232)
Total activity for the period	(5,579,773)	10,187,605
Board-designated net assets, end of period	$ 102,219,526	$ 107,799,299

13. Retirement Plan

The Trust adopted a noncontributory defined contribution pension plan effective January 1, 1986. The plan provides benefits to all eligible employees of the Trust. Contributions are currently determined based on 5% of the eligible employees' earnings for the calendar year. Employer contributions for eligible employees were $869,407 and $777,599 for the year ended 2015 and 2014, respectively. Participants are 20% vested after 2 years of service, 50% vested after 3 years of service, 75% vested after 4 years of service and 100% vested after 5 years of service. Forfeitures of non-vested participant balances are used to offset future employer contributions.

The Trust adopted a voluntary employee contribution 403(b) retirement plan in 2007 to provide retirement benefits to eligible employees on an elective deferral contribution basis. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

The Trust adopted a nonqualified deferred retirement savings plan (457(b)) for senior management and highly compensated employees on January 1, 2003. The plan currently allows eligible employees less than 50 years old to defer up to an additional $17,500 annually and an additional $5,500 catch-up contribution for employees 50 or more years old. The Retirement Committee adopted a resolution on July 31, 2012 specifying that senior management and highly compensated individuals who are on the Executive Team are eligible to participate.

14. Contingencies

Government Grants

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

Litigation

The Trust occasionally has participated as plaintiff or defendant in litigation to defend its general corporate interests, for example in matters relating to contractual, employment, or tort-related claims. There are no such current legal matters.

15. Subsequent Events

The Trust has evaluated events subsequent to June 30, 2015 and through December 11, 2015, which is the date the financial statements were available to be issued. Subsequent to June 30, 2015 the Board of Directors authorized the use of board designated funds totaling $10 million for the Trust's operations, as needed. There were no other events noted that required adjustment to or disclosure in these consolidated financial statements.

Supplemental Schedules

National Trust for Historic Preservation
and its Subsidiaries and Affiliates

Consolidating Statements of Financial Position

June 30, 2015	National Trust	Subsidiaries and affiliates	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 1,261,407	$ 2,728,599	$ (1,005)	$ 3,989,001
Short-term investments	2,459,045	4,980,188	-	7,439,233
Accounts receivable, net	1,803,885	2,879,066	(339,862)	4,343,089
Contributions receivable, net	6,009,392	506,333	-	6,515,725
Merchandise inventory	618,576	-	-	618,576
Prepaid expenses and other assets	740,475	91,499	-	831,974
Properties held for resale	760,000	-	-	760,000
Investment in subsidiaries	8,764,771	-	(8,764,771)	-
Total current assets	22,417,551	11,185,685	(9,105,638)	24,497,598
Noncurrent investments:				
Revolving loan funds	178,315	-	-	178,315
Endowments and similar funds	254,652,576	-	-	254,652,576
Amounts held for others	15,457,815	-	-	15,457,815
Other investments	127,327	103,613	-	230,940
Total investments	270,416,033	103,613	-	270,519,646
Contributions receivable, net of current	5,356,677	-	-	5,356,677
Deferred tax assets	-	1,405,660	-	1,405,660
Property and equipment, net	8,666,911	196,040	-	8,862,951
Other long-term assets	568,535	-	-	568,535
Total noncurrent assets	285,008,156	1,705,313	-	286,713,469
Total assets	$ 307,425,707	$ 12,890,998	$ (9,105,638)	$ 311,211,067
Liabilities and net assets				
Current liabilities:				
Accounts payable	$ 3,662,928	$ 2,047,253	$ (339,862)	$ 5,370,319
Accrued expenses	1,928,022	89,850	-	2,017,872
Deferred revenue	1,631,641	328,893	-	1,960,534
Notes payable	4,024,659	-	-	4,024,659
Total current liabilities	11,247,250	2,465,996	(339,862)	13,373,384
Notes payable	2,425,957	-	-	2,425,957
Amounts held for others	15,457,815	-	-	15,457,815
Deferred rent	5,531,009	250,915	-	5,781,924
Other liabilities	1,699,516	-	-	1,699,516
Total liabilities	36,361,547	2,716,911	(339,862)	38,738,596
Net assets				
Unrestricted	103,932,976	9,169,571	(8,765,776)	104,336,771
Temporarily restricted	80,284,338	1,004,516	-	81,288,854
Permanently restricted	86,846,846	-	-	86,846,846
Total net assets	271,064,160	10,174,087	(8,765,776)	272,472,471
Total liabilities and net assets	$ 307,425,707	$ 12,890,998	$ (9,105,638)	$ 311,211,067

National Trust for Historic Preservation
and its Subsidiaries and Affiliates

Consolidating Statements of Activities

Year ended June 30, 2015	National Trust	Subsidiaries and affiliates	Eliminations	Total
Operating revenues, gains, and other support				
Grant income	$ 988,310	$ 139,415	$ (102,950)	$ 1,024,775
Contributions	21,470,342	659,622	(29,706)	22,100,258
Membership dues	1,106,092	689,024	-	1,795,116
Admissions and special events	3,530,861	524,556	-	4,055,417
Investment income	14,390,394	508,635	(1,614,879)	13,284,150
Contract services	278,442	9,328,701	(155,977)	9,451,166
Sales of articles	773,226	2,184		775,410
Advertising	619,729	-	-	619,729
Rental income	633,706	-	-	633,706
Public service announcements	483,085	-	-	483,085
Royalty income	1,673,855	-	(628,719)	1,045,136
Miscellaneous	2,027,296	1,382,308	-	3,409,604
Total operating revenues, gains, and other support	47,975,338	13,234,445	(2,532,231)	58,677,552
Operating expenses				
Program services				
Historic sites	18,726,634	-	-	18,726,634
Preservation services	12,198,932	9,716,976	(917,352)	20,998,556
Publications	1,503,386	-	-	1,503,386
Education	6,423,225	-	-	6,423,225
Total program services	38,852,177	9,716,976	(917,352)	47,651,801
Support services				
Membership outreach	1,685,455	-	-	1,685,455
General and administration	5,756,155	1,597,972	-	7,354,127
Fundraising	7,629,875	-	-	7,629,875
Total support services	15,071,485	1,597,972	-	16,669,457
Total operating expenses	53,923,662	11,314,948	(917,352)	64,321,258
Excess (deficiency) of operating revenues, gains, and other support (under) over operating expenses	(5,948,324)	1,919,497	(1,614,879)	(5,643,706)
Nonoperating support				
Investment (loss) in excess of amounts designated for operations	(18,432,745)	-	-	(18,432,745)
Unexpended restricted contributions	1,786,808	-	-	1,786,808
Transfer of endowment to another organization	(913,112)	-	-	(913,112)
Change in net assets before inter-organizational capital contributions and dividends	(23,507,373)	1,919,497	(1,614,879)	(23,202,755)
Inter-organizational capital contributions and dividends	-	(2,788,750)	2,788,750	-
Changes in net assets	(23,507,373)	(869,253)	1,173,871	(23,202,755)
Net assets, beginning of year	294,571,533	11,043,340	(9,939,647)	295,675,226
Net assets, end of year	$ 271,064,160	$ 10,174,087	$ (8,765,776)	$ 272,472,471