



DPR 973 – Annual Report Instructions

Complete the organization information and Parts 1 through 5. Part 3 “Organizational Health” is optional. Note that the “organization name” and “reporting period” data from the cover page of the Excel form will populate on the subsequent worksheets. Remember to attach or upload supporting documentation (such as an annual report), the annual plan and report on the prior year’s plan, and any required compliance documentation (IRS 990s, audits, proof of insurance, etc.). Submit the completed report to the Department of Parks and Recreation (DPR/department/California State Parks) Liaison for his or her review. Reports submitted online will be automatically sent to the Liaison. Reports are due to the Liaison within 15 business days of submitting the IRS reports.

Part 1 – Financial

Column classifications

The intent of Part 1 is to capture the financial data, broken out by program areas. The columns differentiate revenues and expenses for the legal authorities (Public Resources Codes, or PRC) defined in the organization’s contract with the department. It is also intended to break out fundraising, and management and general revenues and expenses, so that the figures match the corresponding data in the IRS Form 990 or 990EZ and independent financial audit, statement or compilation. If the organization has other areas to their mission, unrelated to contract(s) with the department, there is a column to report those revenues and expenses. Note that it is acceptable to split income or expenses to differentiate elements related to the contract from those not related to the contract. For example, a grant for a website redesign would be revenues where a portion would fund certain pages pertaining to California State Parks, but the rest of the funds would be noted in other columns and management and general or fundraising.

Report types

DPR 973a for Donors to California State Parks authorized by PRC section 5009.1–5009.3

– Revenues and expenses associated with the partnership agreement with DPR as it relates to raising funds for a specific project or program in the name or using assets of the department. Revenues and expenses related to a contribution of goods or services to California State Parks from a nonprofit partner should be recorded in this column. All other revenues and expenses, unrelated to the agreement with the department, should be noted in the appropriate, subsequent columns.

DPR 973b for Cooperating Association authorized by PRC section 513 – Revenues and expenses associated with a Cooperating Association Agreement with DPR; any funds raised, earned or grown. If the Cooperating Association Agreement is the only contract with the department and the sole purpose of the organization, all program revenue would be captured in this column.

DPR 973c for Co-management and Cooperating Association agreements authorized by PRC section 5080.42 and PRC section 513, respectively – Revenues and expenses related to special DPR authority to work with partners in operation of all or a portion of park operation,



while still serving as cooperating association for that park unit and additional park units. Per the agreement, all revenues an organization receives from a park unit shall be expended only for the care, maintenance, operation, administration, improvement or development of the unit, and it should be recorded in one column. For example, if an organization supports multiple park units as a cooperating association but is co-manager for only one park unit, the organization should report all revenues and expenses related to the one co-managed park in the co-management column, and revenues and expenses for all other cooperating association business in the cooperating association column. Note that in the event an organization is an authorized co-manager for more than one park unit, revenues and expenses must be reported for each park unit individually, using additional Part 1 schedules.

DPR 973d for Co-management agreements authorized by PRC section 5080.42 –

Revenues and expenses related to an operating agreement for co-management of a park unit. Per the agreement, all revenues an organization receives from a park unit shall be expended only for the care, maintenance, operation, administration, improvement or development of the unit, and it should be recorded in one column. In the event an organization is an authorized co-manager for more than one park unit, revenues and expenses must be reported for each park unit individually, using additional Part 1 schedules.

Other columns in the financial report

Non-DPR-related – Revenues and expenses related to other portions of the organization’s mission are reported here. For example, if an organization also supports a local or National Park, or has programs unrelated to the department, record revenue and expenses for all other programs in this column.

Management and general – This column’s Total Expenses should match the figure reported on the IRS 990 Part IX, line 25 column C, if applicable.

Fundraising – This column’s Total Expenses should match the figure reported on the IRS 990 Part IX, line 25 column D, if applicable.

Total – This column sums all the rows, and the total should match the figures reported on the IRS 990.

Row Classifications

Revenue – The intent of the revenue section is to capture revenue for the organizations from three main sources:

Contributed Income (including grants and in-kind contributions or donated goods and services) – Contributed income is defined as cash or in-kind resources that were given (not loaned) to the organization in the form of a gift or grant. Membership fees or dues may be considered contributed income for some organizations, depending on the value and tangibility of the benefits.

Earned income (from sales and program fees) – Earned income is income generated from a transaction that could be fee-for-service such as fee-based interpretive programs, special fundraising event ticket sales, by sales of goods, or work performed by obligation of contract or grant agreement. Note that some grants, potentially government grants,



may be earned income if the nonprofit is performing a service on behalf of the grantor as an expectation of the grant. For organizations completing a 973c or 973d, there are additional rows to provide a more detailed accounting of income generated by operation of the park unit or portion of a park unit or program.

Other - Other income would include income from investment earnings or sale of an asset, for example, or additional income not applicable to the other classifications.

Expenses – The intent of the expenses section is to account for the contributions to the department and other use of revenues.

Grants, contracts and direct assistance – This row is for cash contributed to the department or other organization. For example, a check written to cover a State Parks seasonal staff position would be included in the row “Financial Aid to DPR.” If your organization has a mission beyond support of State Parks, break out the contributions to the department from contributions to other organizations.

Supplies and donated materials/services – This row is for materials or services donated to the department or other organizations. For example, equipment purchased for a visitor center exhibit or food provided for a volunteer recognition event should be listed in the row “Non-financial Aid to DPR.” Expenses related to fee-based interpretive programming would be included in the row “Service Aid to DPR.” Marketing or interpretive services provided to the department and directly paid for by the association would also be noted in the “Service Aid to DPR” row. The difference between non-financial aid and service aid is whether there is a tangible product donated to DPR.

Salaries and related expenses – This row is for all nonprofit partner personnel expenses such as salaries, benefits, social security, taxes, workers compensation insurance, etc. Expenses for personnel conducting services on behalf of the park should be included in “Supplies and donated materials/services” row.

Facility and equipment – This row is for expenses related to nonprofit partner occupancy such as rent and utilities, or furnishings and equipment.

Business-related expenses – This row is for any business expenses not captured above, such as general liability insurance premiums, travel, subscriptions, communications, office supplies, etc.

Other expenses - This row is for any expenses not captured in the categories above. If the expenses are significant, please provide an explanation.

Assets, liabilities and net assets – List the total assets and liabilities at the close of the fiscal year. Subtract the total liabilities from the total assets to determine the net assets.



How to match form fields on the DPR 973 to the IRS 990-EZ:

Many associations use file the 990-EZ instead of the IRS 990. Use this key to fill in the correct values for each field on the form.

- Gross Sales = Part 1, line 7a
- Cost of goods sold = Part 1, line 7b
- Net sales = Part 1, line 7c
- Total revenue = Part 1, line 9
- Total expenses = Part 1, line 17
- Net revenue = Part 1, line 18
- Total assets = Part 2, line 25
- Total liabilities = Part 2, line 26
- Net assets = Part 1, line 21 (or Part II, line 27)

For Part 2b of the online report, use Gross Sales = Part 1, line 7a and Cost of goods sold = Part 1, line 7b. All other cells in Part 2b of the online report will not align with the 990 EZ.



Part 2 – Programs

The intent of this section is to capture the value of the partnership beyond financial support. Many nonprofit partners provide a critical point of connection with the local community surrounding each state park. Through outreach efforts, nonprofit partners are able to help share and educate the public on the mission of California State Parks, in addition to providing financial aid or reducing costs.

Part 2.a. captures the variety of support provided to the department by the partner. Expand on the support provided by including more detail in the section below, or by attaching an annual report or other written description.

Direct funding (full) indicates when a State Parks project, program or position is funded in its entirety by the partner. For example, a partner funding the entirety of a State Parks interpretive staff position.

Direct funding (partial) refers to projects, programs or positions where a partner provides some funding, but not all. For example, a partner contributes a portion of the total project cost to improve an interpretive display.

Donated services is when services, under the management of the partner, are provided to the department. For example, fee-based interpretive programs provided by the partner or marketing on behalf of the park.

Donated goods is when items are acquired by the partner and gifted to the state, potentially using the gift form DPR 922. For example, this is where interpretive supplies or volunteer recognition items would be noted.

Capital development should be marked when a partner is actively involved in a capital improvement project on behalf of the department.

Part 2.b. captures the value of the partner-run interpretive sales operation and is intended to capture the genuine cost and net revenue of the entire sales operation, including areas such as personnel and occupancy expense, if any. Only record financial information for sales operations related to the partnership agreement with the department.

Value of inventory indicates the monetary value of the inventory at the close of the fiscal year.

Gross sales indicate the gross sales for the year.

Cost of goods sold indicates the cost of goods sold, which is the direct costs attributable to sell the merchandise. This may include the product wholesale cost, shipping, credit card transaction fees, returns, etc.

Sales operation cost indicates other costs to operate the sales on behalf of the department. This would include personnel, supplies used exclusively for the sales operation, occupancy, etc.

Net income is the gross sales minus the cost of goods sold and the sales operation cost.



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Part 2.c. captures community and donor engagement. First, indicate by checking the box if the organization provides that item or service to the department. “Volunteers” refers to cooperating associations managing their own volunteer programming, not support of the Volunteers in Parks Program (VIPPP). Second, note the numerical value associated with that area of support. For example, if the association has a major donor program, indicate how many major donors are included in the program. Third, indicate the value of the item or service provided. For example, if a book was published on behalf of the park, indicate the gross value of the books. The Independent Sector (<https://independentsector.org>) annually determines the value of volunteer service and the total contribution that volunteers of a nonprofit partner offer to State Parks that can be converted into a dollar value. Finally, include more detail to clarify, if necessary.



Part 3 – Organizational Health (optional)

The intent of the Organizational Health section is to be an enlightening experience for the organization's leadership by noting ways in which the nonprofit partner is using, or can benefit from, nonprofit best practices. Indicate if the process, policy or document is currently in place, was recently revised or is planned for future implementation. This portion of the report, Part 3, is optional for partners to complete.



Part 4 – Annual Planning

The intent of the Annual Planning section is to document the planned methods of park support for the upcoming year and report on the progress made on the prior year's plan. For example, the Cooperating Association Agreement provides that "the Association agrees to meet with the Department at least annually to coordinate with the Department on activities related to implementation of this Agreement and to review compliance with terms, conditions and stipulations of this Agreement" (Exhibit A, Attachment 1, section 2.b. Role of the Cooperating Association). Other nonprofit partner contracts may include similar language. Additionally, per the recommendation of the Partnerships Committee of the Transformation Team (2016), the district or park unit should articulate priorities and goals so the partner can help advance those goals, as partner capacity allows. Documenting the shared vision and goals is a partnership best practice.

Organizations may use whatever format is useful to meet this contractual requirement. Sample annual work plans may be provided to the organization or DPR Liaison upon request. Once the annual plans are written, approved and implemented for a year, a report should be generated based on the prior year's goals. As with the plan, the progress on the prior year's plan is acceptable in any format that is most useful to the partners.



Part 5 – Legal Compliance

The intent of this section is to certify that the organization is complying with all requirements—federal, state or contractual. Indicate compliance with each item by checking the box and/or noting the date of compliance. Upload the appropriate document if required.

5.a. Federal

Organizations with gross receipts normally less than or equal to \$50,000 must file a 990-N.

Organizations with receipts less than \$200,000 and total assets less than \$500,000 must file a 990-EZ or a 990.

Organizations with gross receipts greater than or equal to \$200,000 or total assets greater than or equal to \$500,000 must file a 990.

For more information, visit <https://www.irs.gov/charities-nonprofits/exempt-organizations-required-filings>.

5.b. State. See also the California Attorney General's guide for charities here, in particular Chapter 6, which has more information on all required filings for California charities: https://oag.ca.gov/sites/all/files/aqweb/pdfs/charities/publications/guide_for_charities.pdf.

199 filing - For more information about California State Income Tax filings, visit <https://www.ftb.ca.gov/businesses/Exempt-organizations/Filing-Requirements-Form-199.shtml>.

Audit/Review/Compilation – If the Organization has annual gross revenues of \$2,000,000 or more, the Organization must prepare annual financial statements using Generally Accepted Accounting Principles (GAAP) that are audited by an independent certified public accountant in conformity with generally accepted auditing standards. For any non-audit services performed by the firm conducting the audit, the firm and its individual auditors shall adhere to the standards for auditor independence set forth in the latest revision of the Government Auditing Standards, issued by the Comptroller General of the United States (the Yellow Book). The Organization is responsible for obtaining this audit.

If the Organization has annual gross revenues of more than \$500,000 and less than \$2,000,000, an annual independent financial statement review may be required by the contract. The Organization is responsible for obtaining this review.

If the Organization has annual gross revenues of more than \$100,000 and less than \$500,000, an annual independent financial statement compilation may be required by the contract. The Organization is responsible for obtaining this compilation.

Charitable Registration – Nonprofit organizations in California are required to register with the Attorney General and renew the registration annually. https://oag.ca.gov/sites/all/files/aqweb/pdfs/charities/publications/guide_for_charities.pdf

Sales Tax – Nonprofits that sell items may be required to collect and remit state sales taxes on services or goods sold. Learn more at <http://www.cdtfa.ca.gov/formspubs/pub61.pdf>.

Property Tax – Certain kinds of property may be exempt from taxation. Learn more about exemption at <http://www.boe.ca.gov/proptaxes/pdf/pub149.pdf>.



Raffle Registration – Nonprofits are required to register with the Attorney General before any raffle is conducted. Calling the raffle something different, such as “opportunity drawing,” does not remove this requirement. Learn more about the raffle requirements at <https://oag.ca.gov/charities/raffles>.

Statement of Information – Nonprofits are required to submit this information at least every other year, or if information needs changing. Learn more at http://bpd.cdn.sos.ca.gov/corp/pdf/so/corp_so100.pdf.

5.c. Contractual

Certificate of insurance – Organizations operating on department property or in the name of the department shall provide a Certificate of Insurance upon renewal of the policy. The Certificate of Insurance shall: (a) be in a form acceptable to State; (b) be written by an insurer acceptable to the State; (c) be maintained at Association’s sole expense; (d) be in full force for the complete term of the agreement; (e) be primary, and not in excess to any insurance carried by the State; (f) be furnished to State within 15 days, upon request.

DPR approval of sales items – Cooperating associations or other partners are required to get approval for items sold in stores. There is no required form, although an approval form can be provided by the Partnerships Office if requested. Approval from DPR staff can happen when needed, but at least on an annual basis.

In addition to the above, cooperating associations must submit:

Contractor’s certification clause – Cooperating associations must complete CCC 307 every three years as part of conducting business with the State of California.

Update to bylaws – If the bylaws have been updated in the past year, attach a copy.

Board roster – Attach a copy of the most current roster of the board of directors to include names, professional expertise or affiliation related to their service on the board, and terms. You may also wish to indicate a primary point of contact, such as an executive director or other key staff. Personal contact information is not required. Keep in mind this information is subject to public inspect.

Annual public meeting and Annual Operations Report – Organizations that contract with the state under PRC section 5080.42 as co-managers must publish an Annual Operations Report of their activities under this authority and make it available to the public. Further, the co-manager and district superintendent must hold a public meeting to discuss the report. Indicate the date the annual public meeting is scheduled to occur. The Annual Operations Report to the public may, and should, be in a separate format than the DPR 973 so as to make the information more understandable to the average person.

Monthly Visitor Attendance Report – If applicable, submit any DPR 449 Monthly Visitor Attendance Reports not already submitted.

Facility Maintenance and Improvement Account – If applicable, submit any quarterly reconciliation reports not already submitted.