NatureBridge

June 30, 2020

Independent Auditors' Report

and

Financial Statements

NatureBridge

Independent Auditors' Report and Financial Statements

Independent Auditors' Report

THE BOARD OF DIRECTORS
NATUREBRIDGE
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of **NATUREBRIDGE** which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NatureBridge as of June 30, 2020 and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended various containment and mitigation measures worldwide. The ultimate impact and duration of these events cannot be reasonably estimated. The known impacts of COVID-19 on NatureBridge are disclosed in Note 13 to the financial statements.

Report on Summarized Comparative Information

We have previously audited NatureBridge's June 30, 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
January 4, 2021

NatureBridge

Statement of Financial Position

June 30, 2020 (with comparative totals for 2019)

Assets	2020	2019
Cash and cash equivalents	$ 9,118,551	$ 4,155,320
Accounts receivable, net	344,805	781,914
Pledges receivable, net	2,475,366	4,467,334
Inventory	22,751	54,791
Prepaid expenses and other assets	146,134	170,163
Capitalized development costs	28,213,265	27,405,364
Investments at fair value	1,960,337	3,141,176
Property, equipment, and improvements, net	2,924,975	3,159,190
Total assets	$ 45,206,184	$ 43,335,252

Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,195,419	$ 1,624,382
Deferred revenue	2,855,003	2,159,284
Refundable advance - Paycheck Protection Program	1,997,750	
Deposits payable	32,125	40,687
Notes payable	1,169,696	2,086,482
Total liabilities	7,249,993	5,910,835
Net Assets:		
Without donor restrictions:		
Designated for Golden Gate campus expansion	313,092	
Undesignated	2,756,882	3,908,536
Total net assets without donor restrictions	3,069,974	3,908,536
With donor restrictions	34,886,217	33,515,881
Total net assets	37,956,191	37,424,417
Total liabilities and net assets	$ 45,206,184	$ 43,335,252

See accompanying notes to financial statements.

NatureBridge

Statement of Activities

Year ended June 30, 2020 (with comparative total for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Program revenue:				
Field science programs, net of scholarships of $774,908 and $1,268,951, respectively	$ 6,303,448	$	$ 6,303,448	$ 9,867,209
Conferences and adult programs	1,008,618		1,008,618	1,427,745
Summer program revenue	432,489		432,489	595,034
Other income	554,555		554,555	770,850
Total program revenue	8,299,110	-	8,299,110	12,660,838
Other revenue:				
Investment income (loss)	(60,134)	71,173	11,039	266,912
Miscellaneous income	9,906		9,906	22,709
Total other revenue	(50,228)	71,173	20,945	289,621
Public support:				
Donations and grants	2,892,886	1,062,375	3,955,261	3,542,942
Donated goods and services	200,707	15,426	216,133	505,307
Total public support	3,093,593	1,077,801	4,171,394	4,048,249
Net assets released from restrictions	2,457,270	(2,457,270)	-	-
Total revenue and support	13,799,745	(1,308,296)	12,491,449	16,998,708
Expenses:				
Program services	11,289,241		11,289,241	14,164,619
General and administrative	1,959,824		1,959,824	2,186,658
Fundraising and development	1,389,242		1,389,242	1,964,993
Total operating expenses	14,638,307	-	14,638,307	18,316,270
Change in Net Assets from Operations	(838,562)	(1,308,296)	(2,146,858)	(1,317,562)
Non-Operating Revenue and Expenses:				
Capital campaign donations		2,678,632	2,678,632	2,125,364
Grants for capital projects			-	(85,969)
Total Non-Operating Changes	-	2,678,632	2,678,632	2,039,395
TOTAL CHANGES IN NET ASSETS	(838,562)	1,370,336	531,774	721,833
Net Assets - beginning of year	3,908,536	33,515,881	37,424,417	36,702,584
Net Assets - end of year	$ 3,069,974	$ 34,886,217	$ 37,956,191	$ 37,424,417

See accompanying notes to financial statements.

NatureBridge

Statement of Cash Flows

Year ended June 30, 2020 (with comparative total for 2019)	2020	2019
Cash Flows from Operating Activities:		
Changes in net assets	$ 531,774	$ 721,833
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Contributions restricted for non-operating use	(2,693,407)	(2,122,242)
Depreciation and amortization	463,541	457,425
Realized and unrealized gain on sale of investments	99,799	(140,506)
Provision for bad debts	87,284	27,013
Gain on sale of property, equipment, and improvements	(3,519)	(11,992)
Changes in operating assets and liabilities:		
Accounts receivable	376,125	(344,866)
Pledges receivable	(383,540)	1,192,097
Inventory	32,040	(5,003)
Prepaid expenses and other assets	24,029	811
Accounts payable and accrued expenses	(351,153)	(100,617)
Deferred revenue	695,719	32,984
Deposits payable	(8,562)	2,904
Net cash used in operating activities	(1,129,870)	(290,159)
Cash Flows from Investing Activities:		
Proceeds from sales of investments	3,001,819	1,549,464
Investments in securities	(1,920,780)	(1,615,999)
Proceeds from disposals of property, equipment, and improvements	4,300	16,615
Purchases of capitalized development costs	(821,164)	(1,781,306)
Purchases of property, equipment, and improvements	(230,106)	(421,130)
Net cash provided by (used in) investing activities	34,069	(2,252,356)
Cash Flows from Financing Activities:		
Payment to paydown principal of notes payable	(981,333)	(1,031,833)
Receipt of funds restricted for capital projects	5,042,615	2,176,158
Proceeds from refundable advance - Paycheck Protection Program	1,997,750	
Net cash provided by financing activities	6,059,032	1,144,325
Net Change in Cash and Cash Equivalents	4,963,231	(1,398,190)
Cash and Cash Equivalents - beginning of year	4,155,320	5,553,510
Cash and Cash Equivalents - end of year	$ 9,118,551	$ 4,155,320

Supplemental Disclosure of Non Cash Operating and Financing Activities:		
Donated securities, for both operations and capital projects, converted immediately to cash, including $524,840 and $0, respectively, received in satisfaction of pledges arising in prior years	$ 650,012	$ 450,686
Capitalized development costs included in accounts payable and accrued expenses	$ 64,842	$ 142,652
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 10,836	$ 29,596
Donated goods and services	$ 216,133	$ 505,306

See accompanying notes to financial statements.

NatureBridge

Statement of Functional Expenses

Year ended June 30, 2020 (with comparative total for 2019)

	2020				2019
	Program Services	General and Administrative	Fundraising and Development	Total	Total
Personnel	$ 7,083,086	$ 1,188,653	$ 944,299	$ 9,216,038	$ 10,973,935
Occupancy and supplies	1,649,474	181,952	136,073	1,967,499	2,322,584
Food	1,274,262			1,274,262	1,881,364
Outside services	222,941	426,117	197,630	846,688	1,158,319
Depreciation and amortization	379,723	46,984	36,834	463,541	457,425
Insurance	235,195	13,621	10,679	259,495	220,938
Travel and meetings	167,259	47,131	32,596	246,986	750,928
Contracted transportation	101,043			101,043	123,265
Other expenses	176,258	55,366	31,131	262,755	427,512
	$ 11,289,241	$ 1,959,824	$ 1,389,242	$ 14,638,307	$ 18,316,270

See accompanying notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies:

a. Organization

Founded in 1971 and based in San Francisco, NatureBridge (the Organization) is the largest residential environmental education partner of the National Park Service (NPS). Its mission is to connect young people to the wonder and science of the natural world, igniting self-discovery and inspiring stewardship of our planet. The Organization delivers hands-on environmental science programs in some of the richest and most beautiful outdoor classrooms. The Organization currently operates in four national parks and one nature preserve: Yosemite National Park, Golden Gate National Recreation Area, Olympic National Park, Prince William Forest Park and The Nature Conservancy's Jack and Laura Dangermond Preserve. Revenues are primarily from program fees and contributions.

The Organization provides environmental science education program to a diverse audience including youth, K-12 teachers, teens, and families. In a typical year, the Organization serves more than 35,000 participants through environmental science programs.

b. Basis of Accounting and Presentation

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles promulgated in the United States of America for Not-for-Profit organizations (U.S. GAAP). The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

The Organization reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – Net assets that are not subject to any donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

c. Revenue Recognition

Program Revenue

Program revenue consists of tuition and fees associated with the Organization's environmental science, youth leadership, and teacher training programs. Revenue from these programs is considered an exchange transaction and is recognized in the period in which the services are provided. Accounts receivable consist primarily of amounts due from the Organization's participant user groups which are expected to be received in the next fiscal year. Amounts received in advance are recorded as deferred revenue.

Contributions

Contributions and pledges are recognized at their fair value when received. The Organization performs an analysis of each grant and contract to determine if it should be accounted for as a contribution or as an exchange transaction. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated Goods and Donated Services

Contributions of donated assets are recorded at fair value in the period received. Contributions of donated services that meet certain criteria are recognized at fair value in the period received. These donated services must create or enhance non-financial assets or must require specialized skills, be provided by individuals possessing those skills and represent services which would have been purchased if not provided by donation.

Allowance for Doubtful Accounts

The Organization provides for losses on accounts and pledges receivable using an allowance method based on management's estimates and analysis of specific accounts and pledges made.

d. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments acquired within three months of their maturity so that the risk of changes in value due to changes in interest rates is negligible.

e. Inventory

Costs of retail items held for sale as well as food items are included in inventory, which is stated at the lower of cost (determined on the first-in, first-out basis) or market.

f. Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities and represent the change in the fair value of investments from one year to another.

g. Fair Value Measurements

The Organization accounts for its financial instruments, which are required to be measured at fair value on a recurring basis according to Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 820, *Fair Value Measurement.* Fair value is defined as the price that would be received upon sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

This standard requires the Organization to classify its financial assets and liabilities based on a valuation method using three levels:

Level 1: Quoted market prices unadjusted in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

h. Fair Value of Financial Instruments

The Organization has determined that the amounts reported for cash and cash equivalents, accounts receivable, prepaid expenses and other assets, accounts payable and accrued expenses, deferred revenue, and deposits have carrying amounts that approximate fair value because of the short maturity of these financial instruments.

i. Property, Equipment, and Improvements

The Organization records property, equipment, and improvements in excess of $1,500 at historical cost, or if donated, at fair value at the date of donation. Depreciation and amortization are determined on the straight-line method over the lesser of the estimated useful lives or lease terms as follows: 3 to 10 years for equipment (including vehicles) and 3 to 25 years for leasehold improvements.

j. Capitalized Development Costs

The Organization capitalizes development costs for assets that will ultimately be granted to the National Park Service. Capitalized costs that are determined to be impaired are expensed in the period the impairment occurs.

k. Notes Payable and Imputed Interest

The Organization imputes interest on below-market interest bearing notes with a maturity date of more than one year. The Organization calculates imputed interest expense based on the market rate in effect at the date of issue. Imputed interest discount is amortized throughout the term of the note.

l. Functional Allocations of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs like personnel, occupancy, and supplies have been allocated to the programs and supporting services benefited based on time estimates by employees that are working in that function. The Organization's other expenses are typically charged directly to the function benefited.

m. Income Taxes

The Organization is exempt from federal and state taxes under section 501(c)(3) of the Internal Revenue Code and section 23701(d) of the California Revenue and Taxation Code, and is not considered by the Internal Revenue Service to be a private foundation.

Management evaluated the Organization's tax positions and concluded that it has maintained its tax-exempt status and that the Organization has taken no uncertain tax positions that would require adjustments in the financials statements to comply with provisions of this guidance.

n. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

o. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019 from which the summarized information was derived.

p. New Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. The ASU was adopted as of July 1, 2019. The impact of adopting this guidance is reflected in the financial statements and did not have a significant impact on the financial statement disclosures.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The updated standard was originally effective for annual reporting periods beginning after December 15, 2018, but due to the COVID-19 global pandemic, FASB delayed the implementation of ASU 2014-09 for another year. The Organization is currently assessing the impact of the adoption of this ASU on its financial statements for fiscal year ending 2021.

q. Reclassifications

Certain reclassifications have been made to the 2019 financial statements in order to conform to the 2020 presentation. These reclassifications had no impact on net assets or the change in net assets.

r. Subsequent Events

The Organization has evaluated all subsequent events from June 30, 2020 through January 4, 2021, the date these financial statements were available to be issued. Except for the events mentioned in Note 6, 8, 10, 11 and 13, there were no material subsequent events that required recognition or disclosure in the financial statements.

Note 2 - Pledges Receivable:

Pledges receivable consist primarily of amounts associated with capital projects, education programs, and other projects at June 30, 2020 and 2019 as follows:

	2020	2019
Receivable in less than one year	$ 1,392,089	$ 3,301,198
Receivable in one to five years	1,100,854	1,203,046
Total pledges receivable	2,492,943	4,504,244
Less discount to net present value	(17,577)	(36,910)
Net pledges receivable	$ 2,475,366	$ 4,467,334

Pledges not expected to be paid within one year are discounted to net present value using discount rates ranging between 0.60% to 3.40% depending upon the year the pledge occurred.

Note 3 - Investments and Fair Value Measurements:

Investments, which are carried at fair value, consist of the following at June 30, 2020 and 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds (level 1)	$ 1,024,092	$ 1,176,202	$ 1,810,357	$ 1,887,752
Bond mutual funds (level 1)	682,728	784,135	1,199,171	1,253,424
Total	$ 1,706,820	$ 1,960,337	$ 3,009,528	$ 3,141,176

Note 4 - Property, Equipment, and Improvements:

Property, equipment, and improvements at June 30, 2020 and 2019 consist of the following:

	2020	2019
Buildings and improvements	7,156,123	7,176,246
Equipment and furniture	2,800,292	2,837,394
Vehicles	637,739	566,796
Total	10,594,154	10,580,436
Less: accumulated depreciation and amortization	(7,669,179)	(7,421,246)
Net property, equipment and improvements	$ 2,924,975	$ 3,159,190

Depreciation expense for the years ended June 30, 2020 and 2019 was $248,828 and $231,958, respectively. Amortization of leasehold improvements for the years ended June 30, 2020 and 2019 was $214,713 and $225,467, respectively.

Note 5 - Capitalized Development Costs:

	2020	2019
National Environmental Science Center (NESC)	$ 26,854,255	$ 26,456,821
Golden Gate National Recreation Area	1,359,010	948,543
Total	$ 28,213,265	$ 27,405,364

Completion of phase one of the NESC project was anticipated in the fiscal year ending June 30, 2020. Opening is delayed as a result of water-related matters, and once resolved, gifting of the facilities to the National Park Service will proceed as planned. Grant expense of an equal amount will be reflected in the statement of activities along with corresponding entries to release net assets from restriction.

Note 6 - Note Payable and Refundable Advance:

Note Payable

During the year ended June 30, 2016, the Organization entered into a credit agreement with The David and Lucile Packard Foundation (the Foundation). Under the terms of the agreement, the Foundation agreed to make a program-related investment loan of up to $5,200,000 for construction of the NESC provided certain conditions were met. In 2016 $4,700,000 was advanced to the Organization. During the year ended June 30, 2017, the remaining $500,000 was advanced to the Organization.

In July 28, 2017, the Organization and the Foundation amended the credit agreement by providing an additional loan advance to the Organization up to $3,000,000 to bridge additional written pledge commitments. Of the $3,000,000, $2,000,000 and $690,000 were advanced to the Organization in July 2017 and March 2018, respectively.

The stated interest rate in the credit agreement is 1%. The Organization calculated imputed interest based on a market rate of 4% obtained from a financial institution. The calculation resulted in a discount of $375,318 which will be amortized over the life of the loan. Total advances of $7,890,000 less $6,704,167 paid during the year are reflected net of the discount of $16,137 on the statement of financial position.

Interest expense amounted to $82,637 and $93,312 for the year ended June 30, 2020 and 2019, respectively, and was recorded as capitalized development cost of the NESC.

The remaining principal and interest amounting to $1,185,833 and $5,262, respectively, was paid off on October 8, 2020.

Refundable advance

The Organization obtained a note payable in the amount of $1,997,750 under the Paycheck Protection Program from the U.S. Small Business Administration. The 2-year note, maturing on May 1, 2022, bears simple interest at 1% per year. The loan and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes. Management is evaluating how much of the note will meet the terms for forgiveness, but is expecting the majority of it, if not all, to be forgiven.

Note 7 - Net Assets:

Net assets with donor restrictions at June 30, 2020 and 2019 consist of the following:

	2020	2019
Restricted with specific purpose and passage of time:		
Capital projects	$ 32,338,183	$ 29,664,939
Scholarships	945,597	904,192
Social and emotional learning	168,520	1,145,993
Environmental science program	123,707	404,703
Other programs	669,212	755,056
Total	34,245,219	32,874,883
Restricted in perpetuity	640,998	640,998
Total net assets with donor restrictions	$ 34,886,217	$ 33,515,881

The Organization fulfilled the time and or use restrictions of the following net assets with donor restrictions which were released to net asset without donor restrictions during the years ended June 30, 2020 and 2019:

	2020	2019
Releases relating to operations:		
Social and emotional learning	$ 977,473	$ 1,320,418
Scholarship	541,332	1,224,330
Environmental science program	273,283	504,865
Other programs	665,182	629,952
Non-operating releases - capital		70,100
Total	$ 2,457,270	$ 3,749,665

Note 8 – Information About Liquidity and Availability of Financial Assets:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts not available for use include accumulated earnings on the Organization's quasi-endowment funds. The majority of these funds, including accumulated earnings, are designated for use towards scholarships or for other programmatic purposes and are included in net assets without donor restrictions. The Organization currently follows the spending policy established for its permanently restricted endowment to calculated utilization of the quasi-endowment funds on an annual basis.

The following represents the Organization's financial assets at June 30, 2020:

Financial assets at fiscal year-end:	
Cash and cash equivalents	$ 9,118,551
Accounts receivable	344,805
Pledges receivable	2,475,366
Investments	1,960,337
Total financial assets	13,899,059
Less amounts not available to be used within one year:	
Receivables scheduled to be collected in more than one year	(1,083,277)
Contractual or donor-imposed restrictions:	
Capital funds	(3,640,131)
Endowment funds	(1,833,178)
Other donor restrictions	(669,943)
Designated for Golden Gate campus expansion	(313,092)
Financial assets available for general expenditures	$ 6,359,438

The Organization manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures to meet its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to the budget. Adjustments are made to plan as needed to ensure adequate liquidity. After COVID-19 program cancellations, strict measures were implemented to monitor and manage the impacts on the Organization’s unrestricted cash balance. The Organization has implemented a plan for maintaining sufficient operating cash levels through the fiscal year ending June 30, 2021 in anticipation of program re-emergence in Fall of 2021. See also Note 13.

Note 9 - Commitments:

Operating Leases

The Organization leases office space in California, Virginia and Washington under operating lease agreements that expire through 2023. Obligations under these lease agreements are as follows as of June 30:

2021	$ 145,000
2022	30,000
2023	21,000
Total	$ 196,000

Rent expense amounted to $1,057,156 and $1,359,838 for the years ended June 30, 2020 and 2019, respectively. In addition to office space, total rent expense includes the cost of lodging for students who participate in the Organization’s programs. Student lodging expense amounted to $560,800 and $865,479 for the years ended June 30, 2020 and 2019, respectively.

Cooperative Agreements with the National Park Service

Beginning in 1984, the Organization entered into cooperative agreements with the U.S. Department of the Interior, National Park Service, with regard to land and facilities use and educational programs at four National Parks: Yosemite, Marin Headlands (Golden Gate National Recreation Area), Olympic National Park, and Prince William Forest Park. Under the terms of these agreements, the Organization may occupy certain buildings and grounds for a specified number of years. Expiration dates of the agreements vary and currently expire between and 2020 and 2031. During the term of the agreements, the Organization will provide various educational programs as approved by the Park Service and comply with its rules, regulations and directives. Management is working toward obtaining renewals of these agreements.

Under the agreements, the Organization will also provide capital improvements and maintenance to the facilities, all of which remain the property of the government. The Organization will not have a right of possessory interest to most of these assets.

Any substantive changes in the cooperative agreements could have significant effects on how the Organization conducts its activities and services.

Note 10 - National Geographic Society:

In December 2003, the Organization and the Education Foundation Division of the National Geographic Society executed a Memorandum of Agreement to create the Yosemite National Institute Geography Education Fund, which is a permanently restricted endowment. The Organization contributed $615,000, which was matched by the National Geographic Society. The $1,230,000 is invested by the National Geographic Society and any income generated will be used to support programs by the Organization or other charitable organizations similar to the Organization to improve geography education at Yosemite National Park, Olympic National Park, the Golden Gate National Recreation Area, or such other locations as shall be mutually agreed upon. If certain terms of the agreement are breached, the funds will be returned to the Organization. During the years ended June 30, 2020 and 2019, $110,277 and $105,682, respectively, were received from this fund. In response to COVID-19 impacts, National Geographic Society and the Organization came to an agreement to dissolve the fund on July 29, 2020, returning the original principal contribution of $615,000 to the Organization and $373,793 in undistributed accumulated income. Of the $615,000 principal contribution, $300,000 originated from board designated funds and $315,000 originated from donor contributions. The Organization is in the process of contacting the original donors of this fund to determine if it is their intent to have the Organization maintain these funds without restrictions.

Note 11 - Tax-Deferred 403(b) Plan:

The Organization has a 403(b) contributory tax-deferred pension plan covering all eligible employees. After one year of service, the Organization provides a discretionary matching contribution of 100% of the employee's contribution, up to the greater of 3% of annual salary or $1,200. Beginning July 1, 2020, the Organization opted to temporarily suspend the employer match. Pension plan expense amounted $151,064 and $164,107 in 2020 and 2019, respectively.

Note 12 - Concentrations of Credit Risk:

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, accounts and pledges receivable and investments. The Organization maintains its cash accounts at various institutions. Cash balances at these institutions may, from time to time, exceed Federal Deposit Insurance Corporation insurable limits. Accounts receivables are due from various entities. An allowance for doubtful accounts is also maintained. Investments are subject to a formal investment policy.

Approximately 73% and 67% of pledges receivable are due from three and four major donors in 2020 and 2019, respectively.

Approximately 6% and 27% of pledges receivable are board of directors gifts to the Organization in 2020 and 2019, respectively.

Note 13 - COVID-19 Pandemic:

In December 2019, COVID-19 was identified and later declared a global pandemic by the World Health Organization. COVID-19 has caused massive business disruption, specifically impacting the Organization and the field of Residential Environmental Learning as a whole. In response to federal, state and local health guidelines, the Organization made the determination to cancel its Spring 2020 and Fall 2020 in-person programs, resulting in significant program revenue loss for the fiscal years ending June 30, 2020 and June 30, 2021. Going above and beyond contractual obligation, program deposits were refunded or transferred to Fall 2021 programming season at the discretion of the customer. As of the issuance date of the financial statements, approximately $2,350,000 of the $2,850,003 deferred revenue has been refunded.

In an effort to mitigate the loss and stabilize its cash position, the Organization implemented cost-reductions including, but not limited to, the reduction of staffing by over 70%, vacating office spaces in Seattle and San Francisco, and eliminating the 403(b) employer match program. The Organization approached donors with restricted gifts requesting release of restrictions to support general operations and initiated fundraising campaigns to bridge the gap to Fall 2021 re-emergence. In Fall 2020, the Organization offered alternative virtual environmental science education programming (Distance Learning) as well as in-person programming for families (Family Camp) at its Yosemite campus. Additionally, a Paycheck Protection Program loan was secured in the amount of $1,997,750 through the Small Business Administration.