NatureBridge

June 30, 2021

Independent Auditors' Report

and

Financial Statements

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and Financial Statements

HOOD & STRONG LLP
CERTIFIED PUBLIC ACCOUNTANTS
A Century Strong

Independent Auditors' Report

THE BOARD OF DIRECTORS
NATUREBRIDGE
Sausalito, 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, 2021, 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, 2021 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.

Report on Summarized Comparative Information

We have previously audited NatureBridge's June 30, 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
January 14, 2022

NatureBridge

Statement of Financial Position

June 30, 2021 (with comparative totals for 2020)

Assets	2021	2020
Cash and cash equivalents	$ 8,142,421	$ 9,118,551
Accounts receivable, net	559,212	344,805
Pledges receivable, net	1,708,990	2,475,366
Inventory	25,401	22,751
Prepaid expenses and other assets	152,923	146,134
Capitalized development costs	28,343,932	28,213,265
Property, equipment, and improvements, net	2,597,026	2,924,975
Investments at fair value	2,413,982	1,960,337
Total assets	$ 43,943,887	$ 45,206,184

Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 813,480	$ 1,195,419
Deferred revenue	829,030	2,855,003
Refundable advance - Paycheck Protection Program (PPP)	1,985,175	1,997,750
Deposits payable	15,449	32,125
Notes payable		1,169,696
Total liabilities	3,643,134	7,249,993
Net Assets:		
Without donor restrictions:		
Board designated	363,092	313,092
Undesignated	3,923,187	2,756,882
Total net assets without donor restrictions	4,286,279	3,069,974
With donor restrictions	36,014,474	34,886,217
Total net assets	40,300,753	37,956,191
Total liabilities and net assets	$ 43,943,887	$ 45,206,184

See accompanying notes to financial statements.

NatureBridge

Statement of Activities

Year ended June 30, 2021 (with comparative total for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Program revenue:				
Field science programs, net of scholarships of $4,533 and $774,908, respectively	$ 22,532		$ 22,532	$ 6,303,448
Conferences and adult programs	108,218		108,218	1,008,618
Summer program revenue	193,033		193,033	432,489
Other income	4,732		4,732	385,455
Total program revenue	328,515		328,515	8,130,010
Other revenue:				
Investment income	32,228	$ 425,622	457,850	11,039
Miscellaneous income	43,547		43,547	179,006
Total other revenue	75,775	425,622	501,397	190,045
Public support:				
Donations and grants	2,281,533	2,548,807	4,830,340	3,955,261
Donated goods and services	333,229	51,000	384,229	216,133
Total public support	2,614,762	2,599,807	5,214,569	4,171,394
Net assets released from restrictions	2,031,214	(2,031,214)	-	-
Total revenue and support	5,050,266	994,215	6,044,481	12,491,449
Expenses:				
Program services	3,787,054		3,787,054	11,289,241
General and administrative	1,473,108		1,473,108	1,959,824
Fundraising and development	760,955		760,955	1,389,242
Total operating expenses	6,021,117	-	6,021,117	14,638,307
Change in Net Assets from Operations	(970,851)	994,215	23,364	(2,146,858)
Non-Operating Revenue and Expenses:				
Government stimulus - COVID relief	2,187,156		2,187,156	-
Capital campaign donations		261,442	261,442	2,678,632
Capital contributions released from restriction	127,400	(127,400)	-	-
Grants for capital projects	(127,400)		(127,400)	-
Total Non-Operating Changes	2,187,156	134,042	2,321,198	2,678,632
Total Changes in Net Assets	1,216,305	1,128,257	2,344,562	531,774
Net Assets - beginning of year	3,069,974	34,886,217	37,956,191	37,424,417
Net Assets - end of year	$ 4,286,279	$ 36,014,474	$ 40,300,753	$ 37,956,191

See accompanying notes to financial statements.

NatureBridge

Statement of Cash Flows

Year ended June 30, 2021 (with comparative total for 2020)	2021	2020
Cash Flows from Operating Activities:		
Changes in net assets	$ 2,344,562	$ 531,774
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	424,499	463,541
Realized and unrealized (gain) loss on sale of investments	(377,425)	99,799
Contributions restricted for non-operating use	(273,588)	(2,693,407)
Net (recovery of) provision for bad debts	(5,780)	87,284
Gain on sale of property, equipment, and improvements	(1,150)	(3,519)
Forgiveness of refundable advance - PPP	(1,997,750)	
Changes in operating assets and liabilities:		
Accounts receivable	(198,125)	376,125
Pledges receivable	(1,158,937)	(383,540)
Inventory	(2,650)	32,040
Prepaid expenses and other assets	(6,789)	24,029
Accounts payable and accrued expenses	(322,469)	(351,153)
Deferred revenue	(2,025,973)	695,719
Deposits payable	(16,676)	(8,562)
Net cash used in operating activities	(3,618,251)	(1,129,870)
Cash Flows from Investing Activities:		
Proceeds from sales of investments		3,001,819
Investments in securities	(76,220)	(1,920,780)
Proceeds from disposals of property, equipment, and improvements	1,150	4,300
Purchases of capitalized development costs	(174,000)	(821,164)
Purchases of property, equipment, and improvements	(96,550)	(230,106)
Net cash (used in) provided by investing activities	(345,620)	34,069
Cash Flows from Financing Activities:		
Payment to paydown principal of notes payable	(1,185,833)	(981,333)
Receipt of funds restricted for capital projects	2,188,399	5,042,615
Proceeds from refundable advance - PPP	1,985,175	1,997,750
Net cash provided by financing activities	2,987,741	6,059,032
Net Change in Cash and Cash Equivalents	(976,130)	4,963,231
Cash and Cash Equivalents - beginning of year	9,118,551	4,155,320
Cash and Cash Equivalents - end of year	$ 8,142,421	$ 9,118,551
Supplemental Disclosure of Non Cash Operating and Financing Activities:		
Donated securities, for both operations and capital projects, converted immediately to cash, including $190,015 and $524,840, respectively, received in satisfaction of pledges arising in prior years	$ 241,648	$ 650,012
Capitalized development costs included in accounts payable and accrued expenses	$ 5,372	$ 64,842
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 5,262	$ 10,836
Donated goods and services	$ 384,229	$ 216,133

See accompanying notes to financial statements.

NatureBridge

Statement of Functional Expenses

Year ended June 30, 2021 (with comparative total for 2020)

	2021				2020
	Program Services	General and Administrative	Fundraising and Development	Total	Total
Personnel	$ 2,272,553	$ 975,793	$ 620,577	$ 3,868,923	$ 9,216,038
Occupancy and supplies	700,828	122,606	71,652	895,086	1,967,499
Outside services	135,298	281,656	16,207	433,161	846,688
Depreciation and amortization	381,320	26,393	16,786	424,499	463,541
Insurance	262,905	17,218	10,950	291,073	259,495
Travel and meetings	2,330	5,105	3,040	10,475	246,986
Food	7,217			7,217	1,274,262
Contracted transportation				-	101,043
Other expenses	24,603	44,337	21,743	90,683	262,755
	$ 3,787,054	$ 1,473,108	$ 760,955	$ 6,021,117	$ 14,638,307

See accompanying notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies:

a. Organization

Founded in 1971 and based in Sausalito, 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 and is accounted for as contracts with customers.

Revenue from these programs is recognized as the services are rendered. Program payments are generally due a month before the start of the program. 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. Scholarship and discounts provided to participants are recorded as a reduction from the program revenue at the time revenue is recognized.

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 records its financial instruments at fair value. 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: Unadjusted quoted market prices 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 NPS. Capitalized costs that are determined to be impaired are expensed in the period the impairment occurs. The Organization does not record depreciation expense on capitalized development costs.

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 financial 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, 2020 from which the summarized information was derived.

p. Reclassifications

Certain reclassifications have been made to the 2020 financial statements in order to conform with the 2021 presentation. These reclassifications had no impact on net assets or the change in net assets.

q. New Accounting Pronouncements

Pronouncement adopted:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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 Organization adopted the new revenue accounting standard beginning July 1, 2020. The adoption of the ASU did not have a significant impact on the timing of revenue recognition by the Organization and therefore did not require any adjustment of revenue recognized or deferred in prior periods.

Pronouncements effective in the future:

In September 2020, The FASB issued ASU 2020-07. *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with the intent to provide the reader of the financial statements a clearer understanding of the type of nonfinancial assets received and how they are used and recognized by the NFP. ASU 2020-07 is effective for the Organization beginning July 1, 2021. The impact of adopting this guidance in subsequent periods is not expected to be a significant reporting change for the Organization.

r. Subsequent Events

The Organization has evaluated all subsequent events from June 30, 2021 through January 14, 2022, the date these financial statements were available to be issued. Except for the events mentioned in Note 6, there were no material subsequent events that required recognition or disclosure in the financial statements.

Note 2 - Pledges Receivable:

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

	2021	2020
Receivable in less than one year	$ 961,255	$ 1,392,089
Receivable in one to five years	757,133	1,100,854
Total pledges receivable	1,718,388	2,492,943
Less discount to net present value	(9,398)	(17,577)
Net pledges receivable	$ 1,708,990	$ 2,475,366

Pledges not expected to be received within one year are discounted to net present value using discount rates ranging from 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, consisted of the following at June 30, 2021 and 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds (Level 1)	$ 1,069,824	$ 1,448,389	$ 1,024,092	$ 1,176,202
Bond mutual funds (Level 1)	713,216	965,593	682,728	784,135
Total	$ 1,783,040	$ 2,413,982	$ 1,706,820	$ 1,960,337

Note 4 - Property, Equipment, and Improvements:

Property, equipment, and improvements consisted of the following at June 30:

	2021	2020
Buildings and improvements	$ 4,313,584	$ 4,290,851
Leasehold improvements	2,778,813	2,865,272
Equipment and furniture	2,523,860	2,800,292
Vehicles	614,739	637,739
Total	10,230,996	10,594,154
Less: accumulated depreciation and amortization	(7,633,970)	(7,669,179)
Net property, equipment and improvements	$ 2,597,026	$ 2,924,975

Depreciation expense for the years ended June 30, 2021 and 2020 was $214,332 and $248,828, respectively. Amortization expense for the years ended June 30, 2021 and 2020 was $210,167 and $214,713, respectively.

Note 5 - Capitalized Development Costs:

Capitalized Development costs consisted of the following at June 30:

	2021	2020
National Environmental Science Center (NESC)	$ 27,001,836	$ 26,854,255
Golden Gate National Recreation Area	1,342,096	1,359,010
Total	$ 28,343,932	$ 28,213,265

Completion of phase one of the NESC project is delayed as a result of drought-related water matters. The timeline for completion depends on identifying a sustainable water source. The NPS is a key partner in this challenge and is leading efforts to find a resolution. In collaboration with the NPS, the Organization is pursuing a path with the County of Mariposa to connect to a site-adjacent county water system. The Organization is also evaluating alternative paths for interim and permanent solutions with other partners. Once resolved, gifting of the facilities to the NPS will proceed as planned per the fundraising and construction agreements. When this occurs, grant expense in an equal amount to the capitalized value of the property will be reflected in the statement of activities along with corresponding entries to release net assets from restriction. The capitalized development costs have been reviewed for impairment and no expense was booked in the current fiscal year as a result of that review.

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. The loan was paid off in its entirety in the fiscal year ended June 30, 2021.

Interest expense amounted to $17,422 and $82,637 for the years ended June 30, 2021 and 2020, respectively, and was recorded as capitalized development cost of the NESC.

Refundable Advance

In April 2020, the Organization obtained a 2-year note payable in the amount of $1,997,750, with interest at incurring at 1% per annum, under the PPP from the U.S. Small Business Administration (SBA). The Organization determined that it had met the terms for forgiveness and as such recognized the revenue for the year ended June 30, 2021. The Organization was formally notified by the SBA that the note was forgiven in July 2021.

On January 30, 2021, the Organization obtained a second note payable in the amount of $1,985,175 under the PPP from the SBA. The 5-year note, maturing on January 31, 2026, 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 consisted of the following at June 30:

	2021	2020
Restricted with specific purpose and passage of time:		
Capital projects	$ 32,472,226	$ 32,338,183
Scholarships	1,187,751	945,597
Social and emotional learning		168,520
Environmental science program	64,852	123,707
Other programs	1,646,647	669,212
Total	35,371,476	34,245,219
Restricted in perpetuity	642,998	640,998
Total net assets with donor restrictions	$ 36,014,474	$ 34,886,217

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:

	2021	2020
Releases relating to operations:		
Environmental science program	$ 567,848	$ 273,283
Social and emotional learning	168,520	977,473
Scholarship	36,224	541,332
Other programs	1,258,622	665,182
Total releases relating to operations	2,031,214	2,457,270
Non-operating releases - capital	127,400	
Total releases	$ 2,158,614	$ 2,457,270

Note 8 - 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 those with donor imposed restrictions and the Organization's quasi-endowment funds, including the earnings there on. The majority of these funds 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 calculate utilization of the quasi-endowment funds on an annual basis.

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

	2021	2020
Financial assets at fiscal year end:		
Cash and cash equivalents	$ 8,142,421	$ 9,118,551
Accounts receivable	559,212	344,805
Pledges receivable	1,708,990	2,475,366
Investments	2,413,982	1,960,337
Total financial assets	12,824,605	13,899,059
Less amounts not available to be used within one year:		
Receivables scheduled to be collected in more than one year	(757, 133)	(1,083,277)
Contractual or donor-imposed restrictions:		
Capital funds	(4,202,790)	(3,640,131)
Endowment funds	(2,243,736)	(1,833,178)
Other donor restrictions	(1,029,856)	(669,943)
Board designated	(363,092)	(313,092)
Financial assets available for general expenditures	$ 4,237,998	$ 6,359,438

The Organization manages its liquidity by developing and adopting an annual operating plan 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 plan. Adjustments are made to the 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 available reserve balance. The Organization has implemented a plan for maintaining sufficient operating cash levels through the upcoming fiscal year in anticipation of partial program re-emergence in the Fall of 2021. See also Note 14.

Note 9 - Deferred Revenue:

The activity for deferred revenue as follows for the years ended June 30:

	2021	2020
Deferred revenue, beginning of year	$ 2,855,003	$ 2,159,284
Revenue recognized	(328,515)	(8,130,010)
Deposit refunded during the year due to cancellations	(2,530,476)	(561,668)
Cash received	833,018	9,387,397
Deferred revenue, end of year	$ 829,030	$ 2,855,003

Note 10 - Commitments:

Operating Leases

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

2022	$ 71,000
2023	21,000
Total	$ 92,000

Rent expense amounted to $319,828 and $1,057,156 for the years ended June 30, 2021 and 2020, 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 $0 and $560,800 for the years ended June 30, 2021 and 2020, 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 2022 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 11 - National Geographic Society:

In December 2003, the Organization and the Education Foundation Division of the National Geographic Society created the Yosemite National Institute Geography Education Fund, a permanently restricted endowment. The Organization contributed $615,000, which was matched by the National Geographic Society. The $1,230,000 was invested by the National Geographic Society and income generated was used to support programs by the Organization to improve geography education at three of the Organization's campuses. 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. As of June 30, 2021, the Organization obtained donor approval from the originating principal donors to release $819,975 of the fund from donor restrictions; the release of these restrictions was recorded in the statement of activities for the year ended June 30, 2021. The remaining $168,818 was restricted for programmatic purposes as of June 30, 2021.

Note 12 - 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 $0 and $151,064 in 2021 and 2020, respectively.

Note 13 - 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 80% and 73% of pledges receivable are due from three and four major donors in 2021 and 2020, respectively.

Approximately 21% and 6% of pledges receivable are board of directors gifts to the Organization in 2021 and 2020, respectively.

Note 14 - COVID-19 Pandemic and Property Insurance Escalations:

The Organization continued to face challenges in 2021 related to the COVID-19 pandemic which began in early 2020. Public health office guidelines, school and school district restrictions on field trips and overnight programs, school transitions to virtual learning and vaccine availability and utilization for/by youth, forced the Organization to cancel all in-person overnight school programming for the fiscal year ended June 30, 2021. This decision resulted in a year-over-year reduction of approximately $7,928,000 in program revenue including the refund of approximately $2,530,000 in program deposits.

Cost mitigations enacted in the prior fiscal year, targeted fundraising efforts and the securing of additional government stimulus support through a second PPP loan and Employee Retention Tax Credits helped to stabilize the Organization’s operating cash position by year end. As of the issuance date of the financial statements, schools have returned to in-person learning, youth vaccine adoption (5 - 11 year olds) has begun, Fall 2021 overnight programs have been delivered at the Yosemite campus and day programs have been run at the Golden Gate and Mid-Atlantic Region campuses. All campuses are booking reservations for Spring 2022.

While there is optimism for program re-emergence, the timing, level and strength of that return in the next fiscal year causes financial uncertainties. To exacerbate these challenges, property insurance costs have also seen extraordinary increases as a result of high wildfire risks in the Yosemite region for the year ending June 30, 2022. Management has a plan in place to address these challenges that is based on creating flexible program models, implementing lean staffing strategies, continued fundraising efforts and securing additional COVID support through the Economic Injury Disaster Loan. Management is also partnering with the NPS and insurance experts on other paths for property insurance coverage, particularly for those properties owned by the U.S. Government. Under the current plan, operating cash levels will be sufficient to support ongoing operations assuming a reasonable timeline for a return to full programming.