NATUREBRIDGE

JUNE 30, 2023

INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

HOOD & STRONG LLP
CERTIFIED PUBLIC ACCOUNTANTS

NatureBridge

Independent Auditors' Report and Financial Statements

Independent Auditors' Report

THE BOARD OF DIRECTORS
NATUREBRIDGE
Sausalito, California

Opinion

We have audited the financial statements of **NATUREBRIDGE (the Organization)**, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's June 30, 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
February 1, 2024

NatureBridge

Statement of Financial Position

June 30, 2023 (with comparative totals for 2022)

Assets	2023	2022
Cash and cash equivalents	$ 9,177,028	$ 9,020,846
Accounts receivable, net	434,845	169,217
Pledges receivable, net	813,772	1,307,212
Inventory	39,411	35,768
Prepaid expenses and other assets	292,433	151,640
Capitalized development costs	1,413,708	3,145,338
Property, equipment and improvements, net	2,454,962	2,343,477
Investments at fair value	2,277,229	2,082,625
Total assets	$ 16,903,388	$ 18,256,123
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 1,369,744	$ 1,308,922
Deferred revenue	2,653,009	2,212,272
Deposits payable	23,950	26,977
Total liabilities	4,046,703	3,548,171
Net Assets:		
Without donor restrictions:		
Board designated	313,092	313,092
Undesignated	3,955,494	4,058,484
Total net assets without donor restrictions	4,268,586	4,371,576
With donor restrictions	8,588,099	10,336,376
Total net assets	12,856,685	14,707,952
Total liabilities and net assets	$ 16,903,388	$ 18,256,123

See accompanying notes to the financial statements.

NatureBridge

Statement of Activities

Year ended June 30, 2023 (with comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Program revenue:				
Field science programs, net of scholarships of $1,044,607 and $306,279, respectively	$ 8,694,547		$ 8,694,547	$ 3,251,671
Conferences and adult programs	970,225		970,225	341,442
Summer program revenue	797,561		797,561	690,748
Other income	525,889		525,889	246,341
Total program revenue	10,988,222		10,988,222	4,530,202
Other revenue:				
Investment income (loss), net	201,889	$ 180,490	382,379	(327,403)
Miscellaneous income, net	166,478		166,478	118,643
Total other revenue	368,367	180,490	548,857	(208,760)
Public support:				
Donations and grants	1,515,301	1,935,766	3,451,067	3,772,861
Donated goods and services	496,590	4,248	500,838	383,115
Total public support	2,011,891	1,940,014	3,951,905	4,155,976
Net assets released from restrictions	2,100,497	(2,100,497)	-	-
Total revenue and support	15,468,977	20,007	15,488,984	8,477,418
Expenses:				
Program services	12,062,458		12,062,458	8,476,355
General and administrative	1,923,163		1,923,163	1,547,109
Fundraising and development	1,388,650		1,388,650	1,126,705
Total operating expenses	15,374,271	-	15,374,271	11,150,169
Change in Net Assets from Operations	94,706	20,007	114,713	(2,672,751)
Non-Operating Revenue and Expenses:				
Government stimulus - COVID relief	88,559		88,559	2,303,302
Capital campaign donations		67,500	67,500	608,394
Capital contributions released from restriction	1,835,784	(1,835,784)	-	-
Impairment of capitalized development costs	(553,575)		(553,575)	-
Grant of capital project to the National Park Service (NPS)	(1,568,464)		(1,568,464)	(25,831,746)
Total Non-Operating Changes	(197,696)	(1,768,284)	(1,965,980)	(22,920,050)
Total Change in Net Assets	(102,990)	(1,748,277)	(1,851,267)	(25,592,801)
Net Assets - beginning of year	4,371,576	10,336,376	14,707,952	40,300,753
Net Assets - end of year	$ 4,268,586	$ 8,588,099	$ 12,856,685	$ 14,707,952

See accompanying notes to the financial statements.

NatureBridge

Statement of Cash Flows

Year ended June 30, 2023 (with comparative totals for 2022)	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	$ (1,851,267)	$ (25,592,801)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	366,305	369,739
Realized and unrealized (gain) loss on sale of investments	(147,324)	425,905
Contributions restricted for non-operating use	(69,079)	(608,394)
Provision for bad debts	57,279	32,637
Gain on sale of property, equipment and improvements	(2,230)	(375)
Forgiveness of refundable advance - PPP		(1,985,175)
Grant of capital project to the NPS	1,568,464	25,831,746
Impairment of capitalized development costs	553,575	
Changes in operating assets and liabilities:		
Accounts receivable	(316,407)	395,120
Pledges receivable	239,119	(254,538)
Inventory	(3,643)	(10,367)
Prepaid expenses and other assets	(140,793)	1,283
Accounts payable and accrued expenses	162,873	349,242
Deferred revenue	440,737	1,383,242
Deposits payable	(3,027)	11,528
Net cash provided by operating activities	854,582	348,792
Cash Flows from Investing Activities:		
Investments in securities	(47,280)	(94,547)
Proceeds from disposals of property, equipment and improvements	2,230	375
Purchases of capitalized development costs	(509,859)	(486,953)
Purchases of property, equipment and improvements	(460,391)	(116,190)
Net cash used in investing activities	(1,015,300)	(697,315)
Cash Flows from Financing Activities:		
Receipt of funds restricted for capital projects	316,900	1,226,948
Net cash provided by financing activities	316,900	1,226,948
Net Change in Cash and Cash Equivalents	156,182	878,425
Cash and Cash Equivalents - beginning of year	9,020,846	8,142,421
Cash and Cash Equivalents - end of year	$ 9,177,028	$ 9,020,846

Supplemental Disclosure of Non Cash Operating and Financing Activities:		
Donated securities, for both operations and capital projects, converted immediately to cash	$ 20,555	$ 34,120
Capitalized development costs and property, equipment and improvements included in accounts payable and accrued expenses	$ 49,521	$ 151,572
Supplemental Disclosure of Cash Flow Information:		
Donated goods and services	$ 500,838	$ 383,115

See accompanying notes to the financial statements.

NatureBridge

Statement of Functional Expenses

Year ended June 30, 2023 (with comparative total for 2022)

	2023				2022
	Program Services	General and Administrative	Fundraising and Development	Total	Total
Operating Expenses					
Personnel	$ 7,068,770	$ 1,282,823	$ 787,122	$ 9,138,715	$ 6,190,052
Occupancy and supplies	2,007,452	161,038	97,225	2,265,715	1,400,125
Food	1,542,395			1,542,395	615,724
Outside services	356,162	327,485	62,577	746,224	530,205
Insurance	439,573	44,383	26,924	510,880	1,500,948
Travel and meetings	76,342	32,062	347,753	456,157	285,782
Depreciation and amortization	336,339	18,651	11,315	366,305	369,739
Contracted transportation	45,411			45,411	12,704
Other expenses	190,014	56,721	55,734	302,469	244,890
Total operating expenses	12,062,458	1,923,163	1,388,650	15,374,271	11,150,169
Non-Operating Expenses					
Grant of capital project to the NPS	1,568,464			1,568,464	25,831,746
Impairment of capitalized development costs	553,575			553,575	-
Total non-operating expenses	2,122,039	-	-	2,122,039	25,831,746
Total operating and non-operating expenses	$ 14,184,497	$ 1,923,163	$ 1,388,650	$ 17,496,310	$ 36,981,915

See accompanying notes to the 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 programs to a diverse audience that includes young people, 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. <u>Revenue Recognition</u>

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. 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. <u>Cash and Cash Equivalents</u>

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. Investment income is presented net of direct investment expenses on the statement of activities.

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.

The Organization classifies 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. Endowments

The Organization's endowment funds consists of twelve individual funds with a total balance at June 30, 2023 of $655,298, which have been established for a variety of purposes.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as endowments (a) the original value of gifts donated to the endowment fund, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accumulated earnings are categorized as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or Board of Directors requires the Organization to retain as a fund of perpetual duration. One of the funds had a deficiency as of June 30, 2023 and 2022 in the amount of $760 and $1,601, respectively.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the purchasing power of the endowment fund and at the same time provide a regular and growing distribution of funds for the use of the Organization, consistent with the terms of the endowment fund distribution policy and the terms governing each of the individual endowment funds. A balanced approach is to be taken between risk, preservation of capital, income and growth.

Strategies Employed for Achieving Objectives

To satisfy its investment policy objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization has invested its endowment funds in an indexed mutual fund.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year an amount of five percent of its investment portfolio's average asset based on an eighteen month trailing average of accumulated contributions and earnings within the fund. The Board of Directors may request all, a portion, or none of the appropriation be distributed in accordance with the endowment fund's purpose as defined by the endowment agreement or applicable board resolution. Any portion of the distribution not appropriated by the Board shall be kept in the endowment fund, be governed by the endowment investment policy, and be available for future distribution in accordance with the distribution policy.

l. Allocation of Functional 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, 2023 from which the summarized information was derived.

p. Reclassifications

Certain reclassifications have been made to the 2022 financial statements in order to conform with the 2023 presentation. These reclassifications had no impact on net assets or the change in net assets.

q. Subsequent Events

The Organization has evaluated all subsequent events from June 30, 2023 through February 1, 2024, the date these financial statements were available to be issued. 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:

	2023	2022
Receivable in less than one year	$ 789,139	$ 934,183
Receivable in one to five years	25,654	376,729
Total pledges receivable	814,793	1,310,912
Less discount to net present value	(1,021)	(3,700)
Net pledges receivable	$ 813,772	$ 1,307,212

Pledges not expected to be received within one year are discounted to net present value using discount rates ranging from 2.27% to 4.20%, 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:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds (Level 1)	$ 1,161,929	$ 1,366,337	$ 1,126,552	$ 1,249,575
Bond mutual funds (Level 1)	774,620	910,892	751,035	833,050
Total	$ 1,936,549	$ 2,277,229	$ 1,877,587	$ 2,082,625

Note 4 - Property, Equipment and Improvements:

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

	2023	2022
Buildings and improvements	$ 4,218,889	$ 4,173,129
Leasehold improvements	3,026,624	2,894,600
Equipment and furniture	2,505,179	2,479,722
Vehicles	572,941	614,739
Total	10,323,633	10,162,190
Less: accumulated depreciation and amortization	(7,868,671)	(7,818,713)
Net property, equipment and improvements	$ 2,454,962	$ 2,343,477

Depreciation expense for the years ended June 30, 2023 and 2022 was $150,930 and $164,220, respectively. Amortization expense for the years ended June 30, 2023 and 2022 was $215,375 and $205,519, respectively.

Note 5 - Capitalized Development Costs:

Capitalized development costs consisted of the following at June 30:

	2023	2022
National Environmental Science Center	$ 296,886	$ 1,656,927
Golden Gate National Recreation Area	1,116,822	1,488,411
Total	$ 1,413,708	$ 3,145,338

During the year ended June 30, 2023, construction was completed on three staff cabins at the National Environmental Science Center (NESC). These cabins were gifted to the NPS on January 12, 2023 as set forth in the fundraising agreement and design and construction agreement executed in 2012 and 2013, respectively. A grant expense of $1,568,464, an amount equal to the capitalized value of the three donated buildings, is reflected in the statement of activities along with corresponding entries to release net assets from restrictions. Coupled with the five buildings totaling $25,831,746 that were gifted to the NPS in the prior fiscal year, the Organization has donated assets totaling $27,400,210 to the NPS to establish the NESC at Yosemite National Park.

Following the failure of the designated NPS water system (Chinquapin water system) in 2018, access to a sustainable water source has prevented the Organization from delivering overnight programs at the NESC. The Organization negotiated a long-term water service agreement with a nearby private landowner to provide water at the NESC, with the NPS responsible for the cost of constructing a new water line between the NESC and the property owner's well. Construction on the water line commenced in the Fall of 2023, and upon completion of construction and water system approval, the Organization will begin delivering overnight programs at the NESC under a new cooperative agreement and operating and maintenance agreement with the NPS.

Additionally, during the year ended June 30, 2023 capitalized development costs in the Golden Gate National Recreation Area were considered impaired in the amount of $553,575 when the Organization opted to pursue an alternative project.

Note 6 - Government Stimulus - COVID Relief:

On January 30, 2021, the Organization obtained its second note payable in the amount of $1,985,175 under the Paycheck Protection Program from the U.S. Small Business Administration (SBA). The Organization was formally notified by the SBA that the note was fully forgiven in April 2022. The 5-year note was recognized as a refundable advance in the 2021 statement of financial position and the note's forgiveness was recognized as non-operating revenue in the 2022 statement of activities as part of government stimulus - COVID relief.

Additionally, the Organization recognized $88,559 and $318,127 as government stimulus - COVID relief, relating to the employee retention tax credit, for the years ended June 30, 2023 and 2022, respectively.

Note 7 - Net Assets:

Net assets with donor restrictions consisted of the following at June 30:

	2023	2022
Restricted with specific purpose and passage of time:		
Capital projects	$ 5,012,170	$ 7,248,874
Scholarships	1,235,923	1,049,323
NESC start up	378,000	
Critical strategies	266,146	
Environmental science program	14,298	71,536
Other programs	1,026,264	1,313,145
Total	7,932,801	9,682,878
Restricted in perpetuity	655,298	653,498
Total net assets with donor restrictions	$ 8,588,099	$ 10,336,376

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:

	2023	2022
Releases relating to operations:		
Scholarships	$ 723,411	$ 348,557
Environmental science program	168,487	330,046
NESC start up	92,000	
Critical strategies	33,854	
Other programs	1,082,745	1,298,441
Total releases relating to operations	2,100,497	1,977,044
Non-operating releases - capital	1,835,784	25,831,746
Total releases	$ 3,936,281	$ 27,808,790

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. Amounts not available for use are those with donor-imposed restrictions or internally designated funds by the Board. 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:

	2023	2022
Financial assets at fiscal year end:		
Cash and cash equivalents	$ 9,177,028	$ 9,020,846
Accounts receivable	434,845	169,217
Pledges receivable	813,772	1,307,212
Investments	2,277,229	2,082,625
Total financial assets	12,702,874	12,579,900
Less amounts not available to be used within one year:		
Receivables scheduled to be collected in more than one year	(24,633)	(373,029)
Donor-imposed restrictions or Board designations:		
Capital funds	(3,578,395)	(4,454,389)
Endowment funds	(2,055,513)	(1,952,965)
Other donor restrictions	(1,495,416)	(1,000,169)
Board designated	(313,092)	(313,092)
Financial assets available for general expenditures	$ 5,235,825	$ 4,486,256

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.

Note 9 - Deferred Revenue:

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

	2023	2022
Deferred revenue, beginning of year	$ 2,212,272	$ 829,030
Revenue recognized	(10,988,222)	(4,530,202)
Deposit refunded during the year due to cancellations	(1,451,049)	(164,700)
Cash received	12,880,008	6,078,144
Deferred revenue, end of year	$ 2,653,009	$ 2,212,272

Note 10 - Donated Goods and Services:

For the fiscal year ended June 30, 2023, donated goods and services recognized within the statement of activities included:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restriction	Valuation Techniques and Inputs
Services	$ 403,698	Various administrative and legal matters	No associated donor restrictions	Estimated fair value based on current rates for similar legal and consulting services
Supplies	70,041	Fundraising event and outdoor program	No associated purpose restrictions; certain gifts contained time restrictions only	Estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the U.S.
Food and Beverage	27,099	Fundraising event	No associated donor restrictions	Estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the U.S.
Total	$ 500,838			

Note 11 - Commitments:

Operating Leases

The Organization leases office and staff housing space in California and Virginia under operating lease agreements that expire through November 2024. Obligations under these lease agreements become due in June 30, 2024 in the amount of $9,000.

Rent expense amounted to $295,366 and $270,520 for the years ended June 30, 2023 and 2022, respectively. In addition to office and staff housing space, total rent expense includes the cost of lodging for students who participate in the Organization’s programs. Student lodging expense amounted to $761,718 and $392,091 for the years ended June 30, 2023 and 2022, respectively.

Cooperative Agreements with the NPS

Beginning in 1984, the Organization entered into cooperative agreements with the U.S. Department of the Interior, NPS, 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 2024 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 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 annually 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, 2021, the Organization reinstated the employer match after temporary suspension. Pension plan expense amounted to $112,299 and $99,723 in 2023 and 2022, 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 72% and 53% of pledges receivable are due from four and two major donors in 2023 and 2022, respectively.

Approximately 19% of pledges receivable are Board of Directors gifts to the Organization in 2023 and 2022, respectively.

Note 14 - COVID-19 Pandemic and Property Insurance:

The Organization continued its re-emergence in 2023, following the major programmatic disruptions wrought by the COVID-19 pandemic, by focusing on its traditional programming and increasing the number of in-person overnight programs at all campuses. As a result, total program revenue for the year grew by $6,458,020.

As expected, in 2023, insurance costs declined by $990,068 compared to 2022 as a direct result of donating five NESC buildings to the NPS (a self-insured entity). To mitigate risk the Organization maintains routine property insurance, with high-deductible wildfire coverage at the NESC.