Hood & Strong

Advisory, Tax
and Assurance

NatureBridge

June 30, 2024

Independent Auditors' Report and
Financial Statements

NatureBridge

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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, 2024, and the related statements of activities, cash flows, and functional expenses 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, 2024, 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, 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
February 6, 2025

NatureBridge

Statement of Financial Position

June 30, 2024 (with comparative totals for 2023)

Assets	2024	2023
Cash and cash equivalents	$ 10,771,683	$ 9,177,028
Accounts receivable (less allowance for credit losses of $51,192 for 2024 and $50,154 for 2023)	447,132	480,145
Pledges receivable, net	602,757	768,472
Inventory	57,789	39,411
Prepaid expenses and other assets	240,540	292,433
Capitalized development costs	1,361,346	1,413,708
Property, equipment and improvements, net	3,466,280	2,454,962
Investments at fair value	2,550,228	2,277,229
Total assets	$ 19,497,755	$ 16,903,388

Liabilities and Net Assets	2024	2023
Liabilities:		
Accounts payable and accrued expenses	$ 1,723,068	$ 1,369,744
Deferred revenue	2,957,688	2,653,009
Deposits payable	30,000	23,950
Total liabilities	4,710,756	4,046,703
Net Assets:		
Without donor restrictions:		
Board-designated		313,092
Undesignated	6,086,011	3,955,494
Total net assets without donor restrictions	6,086,011	4,268,586
With donor restrictions	8,700,988	8,588,099
Total net assets	14,786,999	12,856,685
Total liabilities and net assets	$ 19,497,755	$ 16,903,388

See accompanying notes to the financial statements.

NatureBridge

Statement of Activities

Year ended June 30, 2024 (with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Program revenue:				
Field science programs, net of scholarships of $949,410 and $1,044,607, respectively	$ 11,951,269		$ 11,951,269	$ 8,694,547
Conferences and adult programs	1,374,271		1,374,271	970,225
Summer program revenue	966,898		966,898	797,561
Other income	685,464		685,464	525,889
Total program revenue	14,977,902		14,977,902	10,988,222
Other revenue:				
Investment income, net	302,169	$ 252,724	554,893	382,379
Miscellaneous income, net	161,760	11,060	172,820	166,478
Total other revenue	463,929	263,784	727,713	548,857
Public support:				
Donations and grants	1,538,132	2,668,604	4,206,736	3,451,067
Donated goods and services	98,410	81,083	179,493	500,838
Total public support	1,636,542	2,749,687	4,386,229	3,951,905
Net assets released from restrictions	2,452,116	(2,452,116)	-	-
Total revenue and support	19,530,489	561,355	20,091,844	15,488,984
Expenses:				
Program services	14,360,592		14,360,592	12,062,458
General and administrative	2,185,689		2,185,689	1,923,163
Fundraising and development	1,693,768		1,693,768	1,388,650
Total operating expenses	18,240,049	-	18,240,049	15,374,271
Change in Net Assets from Operations	1,290,440	561,355	1,851,795	114,713
Non-Operating Revenue and Expenses:				
Government stimulus - COVID relief			-	88,559
Capital campaign donations		78,519	78,519	67,500
Capital contributions released from restriction	526,985	(526,985)	-	-
Impairment of capitalized development costs			-	(553,575)
Grant of capital project to the National Park Service (NPS)			-	(1,568,464)
Total Non-Operating Changes	526,985	(448,466)	78,519	(1,965,980)
Total Change in Net Assets	1,817,425	112,889	1,930,314	(1,851,267)
Net Assets - beginning of year	4,268,586	8,588,099	12,856,685	14,707,952
Net Assets - end of year	$ 6,086,011	$ 8,700,988	$ 14,786,999	$ 12,856,685

See accompanying notes to the financial statements.

NatureBridge

Statement of Cash Flows

Year ended June 30, 2024 (with comparative totals for 2023)	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ 1,930,314	$ (1,851,267)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	391,024	366,305
Realized and unrealized gain on sale of investments	(205,402)	(147,324)
Contributions restricted for non-operating use	(78,519)	(69,079)
Provision for expected credit losses	37,446	57,279
Loss (gain) on sale of property, equipment and improvements	700	(2,230)
Grant of capital project to the NPS		1,568,464
Impairment of capitalized development costs		553,575
Changes in operating assets and liabilities:		
Accounts receivable	(4,433)	(361,707)
Pledges receivable	(58,911)	284,419
Inventory	(18,378)	(3,643)
Prepaid expenses and other assets	51,893	(140,793)
Accounts payable and accrued expenses	268,083	162,873
Deferred revenue	304,679	440,737
Deposits payable	6,050	(3,027)
Net cash provided by operating activities	2,624,546	854,582
Cash Flows from Investing Activities:		
Investments in securities	(67,597)	(47,280)
Proceeds from disposals of property, equipment and improvements	1,000	2,230
Purchases of capitalized development costs	(615,739)	(509,859)
Purchases of property, equipment and improvements	(650,700)	(460,391)
Net cash used in investing activities	(1,333,036)	(1,015,300)
Cash Flows from Financing Activities:		
Receipt of funds restricted for capital projects	303,145	316,900
Net cash provided by financing activities	303,145	316,900
Net Change in Cash and Cash Equivalents	1,594,655	156,182
Cash and Cash Equivalents - beginning of year	9,177,028	9,020,846
Cash and Cash Equivalents - end of year	$ 10,771,683	$ 9,177,028
Supplemental Disclosure of Non Cash Operating and Financing Activities:		
Donated securities, for both operations and capital projects, converted immediately to cash	$ 104,122	$ 20,555
Capitalized development costs and property, equipment and improvements included in accounts payable and accrued expenses	$ 134,762	$ 49,521
Supplemental Disclosure of Cash Flow Information:		
Donated goods and services	$ 179,493	$ 500,838

See accompanying notes to the financial statements.

NatureBridge

Statement of Functional Expenses

Year ended June 30, 2024 (with comparative total for 2023)

	2024				2023
	Program Services	General and Administrative	Fundraising and Development	Total	Total
Operating Expenses					
Personnel	$ 8,734,477	$ 1,426,666	$ 982,668	$ 11,143,811	$ 9,138,715
Occupancy and supplies	2,435,765	188,484	82,773	2,707,022	2,265,715
Food	1,920,775			1,920,775	1,542,395
Travel and meetings	85,795	60,673	467,051	613,519	456,157
Insurance	538,332	41,568	27,638	607,538	510,880
Outside and professional services	60,645	330,672	62,005	453,322	746,224
Depreciation and amortization	354,536	21,916	14,572	391,024	366,305
Contracted transportation	94,800			94,800	45,411
Other expenses	135,467	115,710	57,061	308,238	302,469
Total operating expenses	14,360,592	2,185,689	1,693,768	18,240,049	15,374,271
Non-Operating Expenses					
Grant of capital project to the NPS				-	1,568,464
Impairment of capitalized development costs				-	553,575
Total non-operating expenses	-	-	-	-	2,122,039
Total operating and non-operating expenses	$ 14,360,592	$ 2,185,689	$ 1,693,768	$ 18,240,049	$ 17,496,310

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 overnight outdoor school 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 operates in four national parks: Yosemite National Park, Golden Gate National Recreation Area, Olympic National Park, and Prince William Forest. As a recognized leader in the outdoor education field, the Organization's impact extends beyond its own campuses through its work advising and collaborating with governmental and non-profit organizations on program development, risk management, staff training, and education research. Revenues are primarily from program fees and contributions.

The Organization provides environmental science education programs to a broad audience that includes young people, K-12 teachers, teens, and families. In a typical year, the Organization serves more than 35,000 participants through outdoor education 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. As of June 30, 2024 and 2023, the Organization's Board of Directors has designated $0 and $313,092, respectively, of net assets without donor restrictions for the Golden Gate campus expansion which was completed as of June 30, 2024.

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 that 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.

Accounts receivable are recorded at the invoice amount offset by an allowance for credit losses, which is estimated using the current expected credit loss (CECL) methodology. The Organization is exposed to credit losses associated with accounts receivable primarily through tuition from schools for environmental science programs, conferences, weddings, and summer programs. The Organization estimates expected credit losses based on a combination of historical collection experience, current and future economic and market conditions, a review of the status of participants' and customers' trade accounts receivable, and subsequent collection. The allowance for credit losses of $51,192 as of June 30, 2024 reflects the expected losses over the life of the receivables.

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.

The Organization uses the allowance method to account for uncollectible contributions receivable based on subsequent collection and historical collection experience with the donors. The evaluation of the collectability of outstanding receivables is performed at the end of the year.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. Some grants and contracts are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses and are not recognized until the Organization has incurred expenditures in compliance with specific contract or grant provisions.

The Organization received a cost-reimbursable grant of $50,000, of which no amounts have been received in advance, and approximately $900 was recognized at June 30, 2024 because qualifying expenditures had been incurred. There were no other conditional promises to give at June 30, 2024.

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.

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 net realizable value.

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 as follows: 3 to 10 years for equipment (including vehicles) and 3 to 30 years for campus enhancements.

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. 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, insurance, and depreciation 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.

l. 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.

m. 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.

n. 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.

o. Reclassifications

Certain reclassifications have been made to the 2023 financial statements in order to conform with the 2024 presentation. These reclassifications had no impact on net assets or the change in net assets.

p. Recent Accounting Pronouncements

Pronouncement Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets. The ASU amends guidance related to impairment of financial instruments by replacing the incurred loss impairment methodology with an expected credit loss model for which an Organization recognizes an allowance based on the estimate of expected credit loss. The standard is effective for the Organization beginning July 1, 2023. The adoption of this guidance did not significantly impact the presentation of the Organization's financial condition, changes in net assets and disclosures.

Note 2 - Pledges Receivable:

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

	2024	2023
Receivable in less than one year	$ 484,040	$ 789,139
Receivable in one to five years	175,000	25,654
Total pledges receivable	659,040	814,793
Less allowance for uncollectible pledges	(43,300)	(45,300)
Less discount to net present value	(12,983)	(1,021)
Net pledges receivable	$ 602,757	$ 768,472

Pledges not expected to be received within one year are discounted to net present value using discount rates ranging from 4.20% to 5.60%, 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:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds (Level 1)	$ 1,221,982	$ 1,530,137	$ 1,161,929	$ 1,366,337
Bond mutual funds (Level 1)	814,654	1,020,091	774,620	910,892
Total	$ 2,036,636	$ 2,550,228	$ 1,936,549	$ 2,277,229

Note 4 - Property, Equipment and Improvements:

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

	2024	2023
Buildings and improvements	$ 4,278,494	$ 4,218,889
Campus enhancements	3,940,138	3,026,624
Equipment and furniture	2,672,517	2,505,179
Vehicles	706,992	572,941
Total	11,598,141	10,323,633
Less: accumulated depreciation and amortization	(8,131,861)	(7,868,671)
Net property, equipment and improvements	$ 3,466,280	$ 2,454,962

Depreciation expense for the years ended June 30, 2024 and 2023 was $155,425 and $150,930, respectively. Amortization expense for the years ended June 30, 2024 and 2023 was $235,599 and $215,375, respectively.

Note 5 - Capitalized Development Costs:

The Organization prioritizes capital investments that enhance the quality of student programming, expand capacity to serve more participants, and provide support for staff.

Capitalized development costs consisted of the following at June 30:

	2024	2023
National Environmental Science Center	$ 802,444	$ 296,886
Golden Gate National Recreation Area	494,874	1,116,822
Other	64,028	
Total	$ 1,361,346	$ 1,413,708

The National Environmental Science Center at Yosemite National Park

As of June 30, 2024, the Organization has completed construction on eight buildings in Yosemite National Park to establish the state-of-the-art National Environmental Science Center (NESC). These buildings were gifted to the NPS 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 three of the eight donated buildings, is reflected in the statement of activities for the fiscal year ended June 30, 2023 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 fiscal year ending June 30, 2022, the Organization has donated assets totaling $27,400,210 to the NPS to establish the NESC at Yosemite National Park. In October 2024, students began to participate in overnight programs run by the Organization at the NESC.

Following the 2018 failure of the NPS-designated Chinquapin water system, access to a sustainable water source 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, and contracted to pay the landowner $1,500,000 to secure water service. As of June 30, 2024, $325,000 of the water service contract was completed, paid, and recorded in capitalized development costs. The remaining amount of $1,175,000 is to be incurred and paid in installments once the construction is complete and three months after that. The NPS is responsible for the cost of constructing a new water line between the NESC and the property owner's well. The NPS commenced construction on the water line in fall 2023 and it was completed in fall 2024.

Other Projects

During the year ended June 30, 2024, three significant student-serving capital improvements were placed in service at the Golden Gate National Recreation Area with capitalized development costs totaling $714,260. These projects included a new climate solutions lab, major kitchen renovation, and student restrooms.

Additionally, as of June 30, 2024, the Organization has signed commitments of approximately $461,000 for various projects that are in progress.

Note 6 - Net Assets:

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

	2024	2023
Restricted with specific purpose and passage of time:		
Capital projects	$ 4,591,064	$ 5,012,170
Scholarships	1,387,730	1,235,923
Critical strategies	486,606	266,146
NESC start up	250,300	378,000
Environmental science program	122,163	14,298
Other programs	1,102,059	1,026,264
Total	7,939,922	7,932,801
Restricted in perpetuity	761,066	655,298
Total net assets with donor restrictions	$ 8,700,988	$ 8,588,099

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

	2024	2023
Restricted with specific purpose and passage of time:		
Scholarships	$ 508,548	$ 723,411
Critical strategies	230,084	33,854
Environmental science programs	184,672	168,487
NESC start up	122,955	92,000
Other programs	1,405,857	1,082,745
Total releases relating to operations	2,452,116	2,100,497
Non-operating releases - capital	526,985	1,835,784
Total releases	$ 2,979,101	$ 3,936,281

Note 7 - Endowments:

The Organization’s endowment funds consist of twelve individual funds with a total balance at June 30, 2024 of $761,066, 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. There were no deficiencies of this nature that were reported in net assets as of June 30, 2024. One of the funds had a deficiency as of June 30, 2023 in the amount of $760.

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 value 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.

Endowment net asset composition by fund type as of June 30, 2024:

	Without Donor	With Donor Restrictions		
	Restrictions	Time or Purpose	Perpetuity	Total
Donor-restricted endowment funds	$ -	$ 1,598,086	$ 761,066	$ 2,359,152
Total Endowment Funds	$ -	$ 1,598,086	$ 761,066	$ 2,359,152

Changes in endowment net assets for the year ended June 30, 2024:

	Without Donor	With Donor Restrictions		
	Restrictions	Time or Purpose	Perpetuity	Total
Endowment Net Assets, beginning of year	$ -	$ 1,400,215	$ 655,298	$ 2,055,513
Investment Return:				
Income		63,101		63,101
Net appreciation (realized and unrealized)		189,623		189,623
Total Investment Return	-	252,724	-	252,724
Contributions		21,554	105,768	127,322
Appropriation of endowment earnings for expenditure		(76,407)		(76,407)
Endowment Net Assets, end of year	$ -	$ 1,598,086	$ 761,066	$ 2,359,152

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:

	2024	2023
Financial assets at fiscal year end:		
Cash and cash equivalents	$ 10,771,683	$ 9,177,028
Accounts receivable, net	447,132	480,145
Pledges receivable, net	602,757	768,472
Investments	2,550,228	2,277,229
Total financial assets	14,371,800	12,702,874
Less amounts not available to be used within one year:		
Receivable scheduled to be collected in more than one year	(162,017)	(24,633)
Donor-imposed restrictions or Board designations:		
Capital funds	(3,463,586)	(3,578,395)
Endowment funds	(2,359,152)	(2,055,513)
Other donor restrictions	(1,402,873)	(1,495,416)
Board-designated		(313,092)
Financial assets available for general expenditures	$ 6,984,172	$ 5,235,825

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:

	2024	2023
Deferred revenue, beginning of year	$ 2,653,009	$ 2,212,272
Revenue recognized	(14,977,902)	(10,988,222)
Deposit refunded during the year due to cancellations	(81,567)	(1,451,049)
Cash received	15,364,148	12,880,008
Deferred revenue, end of year	$ 2,957,688	$ 2,653,009

Note 10 - Donated Goods and Services:

For the fiscal year ended June 30, 2024, donated goods and services recognized within the statement of activities included:

	Revenue Recognized	Utilization in Programs/ Activities	Donor Restriction	Valuation Techniques and Inputs
Supplies	$ 89,134	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.
Rent and service district fee	52,180	General and administrative	Time restriction only	Estimated based on comparable rent and service district fee
Food and beverages	28,771	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.
Services	9,408	Various administrative and legal matters	No associated donor restrictions	Estimated fair value based on current rates for similar legal and consulting services
Total	$ 179,493			

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 2025. Obligations under these lease agreements become due in June 30, 2025 in the amount of $81,000.

Rent expense amounted to $403,660 and $295,366 for the years ended June 30, 2024 and 2023, 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 $822,394 and $761,718 for the years ended June 30, 2024 and 2023, respectively.

Agreements with the NPS

Beginning in 1984, the Organization entered into 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 National Park, Golden Gate National Recreation Area (Marin Headlands), 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 July 2025 and October 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 agreements with the NPS 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. Pension plan expense amounted to $138,208 and $112,299 in 2024 and 2023, 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. Allowances for expected credit losses and uncollectible pledges receivable are also maintained. Investments are subject to a formal investment policy.

Approximately 48% and 72% of pledges receivable are due from three and two major donors in 2024 and 2023, respectively.

Approximately 24% and 19% of pledges receivable are Board of Directors gifts to the Organization in 2024 and 2023, respectively.

Note 14 - Program Revenue Growth:

The Organization continued its re-emergence in 2024, 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 $3,989,680.

Note 15 – Subsequent Events

The Organization has evaluated all subsequent events from June 30, 2024 through February 6, 2025, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in these financial statements, except as disclosed below.

NPS construction of the water line between the NESC and the nearby private property owner's well was completed in fall 2024, as discussed in Note 5.

In September 2024, the Organization entered into a contract to purchase housing to accommodate educators working at the Yosemite campus for $550,000. In September 2024, the Organization received a pledge from a Foundation of $550,000 with a restricted purpose of acquiring housing in Yosemite.