

Hood & Strong

Advisory, Tax
and Assurance

NatureBridge

June 30, 2025

Financial Statements

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NatureBridge

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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, 2025, 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, 2025, 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, 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 6, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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, 2026

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Statement of Financial Position

<i>June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 8,536,151	\$ 10,771,683
Accounts receivable (less allowance for credit losses of \$49,662 for 2025 and \$51,192 for 2024)	430,444	447,132
Pledges receivable, net	675,576	602,757
Inventory	44,135	57,789
Prepaid expenses and other assets	756,029	240,540
Capitalized development costs	1,530,555	1,361,346
Acquired intangible assets	1,500,000	
Property, equipment and improvements, net	4,610,015	3,466,280
Investments at fair value	2,907,627	2,550,228
Total assets	\$ 20,990,532	\$ 19,497,755
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,828,267	\$ 1,723,068
Deferred revenue	2,827,111	2,957,688
Deposits payable	37,875	30,000
Total liabilities	4,693,253	4,710,756
Net Assets:		
Without donor restrictions	9,472,892	6,086,011
With donor restrictions	6,824,387	8,700,988
Total net assets	16,297,279	14,786,999
Total liabilities and net assets	\$ 20,990,532	\$ 19,497,755

See accompanying notes to the financial statements.

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Statement of Activities

Year ended June 30, 2025 (with comparative totals for 2024)

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support:				
Program revenue:				
Field science programs, net of scholarships of \$1,176,630 and \$949,410, respectively	\$ 13,304,119		\$ 13,304,119	\$ 11,951,269
Conferences and adult programs	1,675,795		1,675,795	1,374,271
Summer program revenue	1,005,507		1,005,507	966,898
Other income	605,695		605,695	685,464
Total program revenue	16,591,116		16,591,116	14,977,902
Other revenue:				
Investment income, net	396,544	\$ 291,792	688,336	554,893
Miscellaneous income, net	146,698		146,698	172,820
Total other revenue	543,242	291,792	835,034	727,713
Public support:				
Donations and grants	1,038,412	2,397,239	3,435,651	4,206,736
Donated goods and services	57,270	148,948	206,218	179,493
Total public support	1,095,682	2,546,187	3,641,869	4,386,229
Net assets released from restrictions	3,027,663	(3,027,663)	-	-
Total revenue and support	21,257,703	(189,684)	21,068,019	20,091,844
Expenses:				
Program services	16,397,677		16,397,677	14,360,592
General and administrative	2,466,915		2,466,915	2,185,689
Fundraising and development	1,697,251		1,697,251	1,693,768
Total operating expenses	20,561,843	-	20,561,843	18,240,049
Change in Net Assets from Operations	695,860	(189,684)	506,176	1,851,795
Non-Operating Revenue and Expenses:				
Capital campaign donations		791,378	791,378	78,519
Insurance settlement proceeds	212,726		212,726	-
Capital contributions released from restriction	2,478,295	(2,478,295)	-	-
Total Non-Operating Changes	2,691,021	(1,686,917)	1,004,104	78,519
Total Change in Net Assets	3,386,881	(1,876,601)	1,510,280	1,930,314
Net Assets - beginning of year	6,086,011	8,700,988	14,786,999	12,856,685
Net Assets - end of year	\$ 9,472,892	\$ 6,824,387	\$ 16,297,279	\$ 14,786,999

See accompanying notes to the financial statements.

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Statement of Functional Expenses

Year ended June 30, 2025 (with comparative total for 2024)

	2025			2024	
	Program Services	General and Administrative	Fundraising and Development	Total	Total
Personnel	\$ 9,855,521	\$ 1,636,730	\$ 1,055,432	\$ 12,547,683	\$ 11,143,811
Occupancy and supplies	2,700,980	292,332	109,870	3,103,182	2,707,022
Food	2,191,106			2,191,106	1,920,775
Insurance	568,438	42,434	26,539	637,411	607,538
Outside and professional services	195,768	321,807	49,380	566,955	453,322
Travel and meetings	70,581	41,021	408,270	519,872	613,519
Depreciation and amortization	497,634	9,872	6,174	513,680	391,024
Contracted transportation	101,571			101,571	94,800
Other expenses	216,078	122,719	41,586	380,383	308,238
Total expenses	\$ 16,397,677	\$ 2,466,915	\$ 1,697,251	\$ 20,561,843	\$ 18,240,049

See accompanying notes to the financial statements.

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Statement of Cash Flows

<i>Year ended June 30, 2025 (with comparative totals for 2024)</i>	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,510,280	\$ 1,930,314
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	513,680	391,024
Realized and unrealized gain on sale of investments	(240,152)	(205,402)
Contributions restricted for non-operating use	(791,378)	(78,519)
Provision for expected credit losses	39,183	37,446
Loss on sale of property, equipment and improvements	3,085	700
Changes in operating assets and liabilities:		
Accounts receivable	(22,495)	(4,433)
Pledges receivable	257,703	(58,911)
Inventory	13,654	(18,378)
Prepaid expenses and other assets	(432,213)	51,893
Accounts payable and accrued expenses	23,793	268,083
Deferred revenue	(130,577)	304,679
Deposits payable	7,875	6,050
Net cash provided by operating activities	752,438	2,624,546
Cash Flows from Investing Activities:		
Investments in securities	(321,990)	(67,597)
Proceeds from disposals of property, equipment and improvements	835	1,000
Proceeds from sale of investments	204,743	
Purchases of capitalized development costs	(873,062)	(615,739)
Purchase of acquired intangible assets	(1,175,000)	
Purchases of property, equipment and improvements	(1,284,352)	(650,700)
Net cash used in investing activities	(3,448,826)	(1,333,036)
Cash Flows from Financing Activities:		
Receipt of funds restricted for capital projects	460,856	303,145
Net cash provided by financing activities	460,856	303,145
Net Change in Cash and Cash Equivalents	(2,235,532)	1,594,655
Cash and Cash Equivalents - beginning of year	10,771,683	9,177,028
Cash and Cash Equivalents - end of year	\$ 8,536,151	\$ 10,771,683
Supplemental Disclosure of Non Cash Operating and Financing Activities:		
Donated securities, for both operations and capital projects, converted immediately to cash	\$ 126,734	\$ 104,122
Capitalized development costs, other assets, and property, equipment and improvements included in accounts payable and accrued expenses	\$ 216,168	\$ 134,762
Supplemental Disclosure of Cash Flow Information:		
Donated goods and services	\$ 206,218	\$ 179,493

See accompanying notes to the financial statements.

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Notes to the Financial Statements

Note 1 - Nature of Organization:

Founded in 1971 and based in Sausalito, California, NatureBridge (the Organization) is the largest provider of overnight outdoor education programs in partnership with the National Park Service (NPS). The Organization's mission is to connect young people to the wonder and science of the natural world, igniting self-discovery and inspiring environmental stewardship.

The Organization delivers hands-on experiential environmental science education in some of the nation's most significant and scenic outdoor classrooms. The Organization operates programs in four national parks: Yosemite National Park, Golden Gate National Recreation Area, Olympic National Park, and Prince William Forest Park.

In addition to its direct educational programming, the Organization is recognized as a national leader in outdoor education. The Organization collaborates with governmental agencies and non-profit organizations on program development, risk management, staff training, and academic research, extending its impact beyond its own campuses.

The Organization serves 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 its outdoor education and related programs. Revenues are primarily from program fees and contributions.

Note 2 - Summary of Significant Accounting Policies:

a. 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 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.

Notes to the Financial Statements

Net Assets With Donor Restrictions – net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature which are 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.

b. 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 consists 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 \$49,662 and \$51,192 as of June 30, 2025 and 2024, respectively, 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.

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Notes to the Financial Statements

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 was awarded cost-reimbursable grants totaling approximately \$136,400 and \$50,000 for the years ended June 30, 2025 and 2024, respectively. No amounts were received in advance for these awards. Of these totals, approximately \$86,400 and \$900 were recognized as revenue during 2025 and 2024, respectively, as qualifying expenditures had been incurred. There were no other conditional promises to give as of June 30, 2025 and 2024.

Donated Goods and 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 that would have been purchased if not provided by donation.

c. 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.

d. 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.

Notes to the Financial Statements

e. Customer Costs Associated with Hosting Arrangements

The Organization capitalizes qualifying implementation costs incurred in a hosting arrangement that are service contracts. Such costs are amortized on a straight-line basis over the expected life of the service contract, including consideration of the reasonably certain renewal periods, and are presented in the same statement of activities line items as the service for the related hosting arrangement. The Organization capitalized approximately \$354,000 of such costs as of June 30, 2025, and are recorded in prepaid expenses and other assets in the statement of financial position. The implementation costs are still in progress and amortization has not commenced on these costs as of June 30, 2025.

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.

Notes to the Financial Statements

i. Property, Equipment and Improvements, and Acquired Intangible Assets

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.

Acquired intangible assets are initially measured based on their fair values.

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 and acquired intangible asset. A full year method is used with the calculation of depreciation and amortization beginning the fiscal year after an asset is put into service.

j. Capitalized Development Costs

The Organization capitalizes development costs, and any costs that are determined to be impaired are expensed in the period the impairment occurs. The Organization does not record depreciation expense on assets that ultimately will be granted to the NPS; all other capitalized development costs are depreciated over the useful life of the asset once placed in service.

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.

Notes to the Financial Statements

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 and Reclassifications

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, 2024 from which the summarized information was derived.

Certain reclassifications have been made to the 2024 financial statements in order to conform with the 2025 presentation. These reclasses has no impact on net assets or the change in net assets.

o. Recent Accounting Pronouncements

Pronouncement Effective in the Future

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduces a practical expedient and, for entities other than public business entities, an accounting policy election to simplify the application of Topic 326, *Financial Instruments—Credit Losses*, to current accounts receivable and current contract assets arising from revenue transactions accounted for under Topic 606, *Revenue from Contracts with Customers*. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The adoption of this ASU is not expected to have a significant impact on the Organization's financial statements.

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Notes to the Financial Statements

Note 3 - Pledges Receivable:

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

	2025	2024
Receivable in less than one year	\$ 624,812	\$ 484,040
Receivable in one to five years	75,000	175,000
Total pledges receivable	699,812	659,040
Less allowance for uncollectible pledges	(19,000)	(43,300)
Less discount to net present value	(5,236)	(12,983)
Net pledges receivable	\$ 675,576	\$ 602,757

Pledges not expected to be received within one year are discounted to net present value using discount rates ranging from 5.00% to 5.60%, depending upon the year the pledge occurred.

Note 4 - Investments and Fair Value Measurements:

Investments, which are carried at fair value, consisted of the following at June 30:

	2025		2024	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity mutual funds (Level 1)	\$ 1,233,073	\$ 1,594,637	\$ 1,221,982	\$ 1,530,137
Bond mutual funds (Level 1)	822,048	1,063,092	814,654	1,020,091
Certificate of deposit (Level 2)	250,000	249,898		
Total	\$ 2,305,121	\$ 2,907,627	\$ 2,036,636	\$ 2,550,228

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Notes to the Financial Statements

Note 5 - Property, Equipment and Improvements, and Acquired Intangible Assets:

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

	2025	2024
Buildings and improvements	\$ 5,006,644	\$ 4,278,494
Campus enhancements	4,462,811	3,940,138
Equipment and furniture	2,949,480	2,672,517
Vehicles	712,773	706,992
<hr/>		
Total	13,131,708	11,598,141
Less: accumulated depreciation and amortization	(8,521,693)	(8,131,861)
<hr/>		
Net property, equipment and improvements	\$ 4,610,015	\$ 3,466,280

Depreciation expense for the years ended June 30, 2025 and 2024 was \$192,489 and \$155,425, respectively. Amortization expense for the years ended June 30, 2025 and 2024 was \$321,191 and \$235,599, respectively.

Acquired Intangible Assets

The Organization entered into a long-term agreement with a nearby private landowner to secure water service for the state-of-the-art National Environmental Science Center (NESC) at Yosemite National Park. Under the agreement, the Organization contracted to pay the landowner \$1,500,000 to obtain water service rights. As of June 30, 2025 and 2024, \$1,175,000 and \$325,000, respectively, had been paid, and upon completion of the water line capitalized as acquired intangible assets in the statement of financial position.

Note 6 - 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.

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Notes to the Financial Statements

Capitalized development costs consisted of the following at June 30:

	2025	2024
National Environmental Science Center	\$ 646,155	\$ 802,444
Golden Gate National Recreation Area	884,400	494,874
Other	-	64,028
Total	\$ 1,530,555	\$ 1,361,346

Commitments

As of June 30, 2025, the Organization has signed commitments of approximately \$643,000 for various projects that are in progress.

Note 7 - Net Assets:

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

	2025	2024
Restricted with specific purpose and passage of time:		
Capital projects	\$ 3,316,644	\$ 4,591,064
Scholarships	1,360,180	1,387,730
Critical strategies	201,340	486,606
Environmental science program	49,429	122,163
Other programs	1,135,728	1,352,359
Total	6,063,321	7,939,922
Restricted in perpetuity	761,066	761,066
Total net assets with donor restrictions	\$ 6,824,387	\$ 8,700,988

NatureBridge

Notes to the Financial Statements

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:

	2025	2024
Restricted with specific purpose and passage of time:		
Scholarships	\$ 571,460	\$ 508,548
Critical strategies	350,146	230,084
Environmental science programs	131,381	184,672
Other programs	1,974,676	1,528,812
Total releases relating to operations	3,027,663	2,452,116
Non-operating releases - capital	2,478,295	526,985
Total releases	\$ 5,505,958	\$ 2,979,101

Note 8 - Endowments:

The Organization's endowment consists of thirteen individual funds with a total balance at June 30, 2025 of \$761,066, which have been established for a variety of purposes.

Interpretation of Relevant Law

The Board of Directors has determined that the Organization is subject to the California enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. 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

NatureBridge

Notes to the Financial Statements

- 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, 2025 and 2024.

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 a twelve-quarter 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, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>			
		<u>Time or Purpose</u>	<u>Perpetuity</u>		<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,816,662	\$ 761,066	\$	2,577,728
Total Endowment Funds	\$ -	\$ 1,816,662	\$ 761,066	\$	2,577,728

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Notes to the Financial Statements

Changes in endowment net assets for the year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Time or Purpose</u>	<u>Perpetuity</u>	
Endowment Net Assets, beginning of year	\$ -	\$ 1,598,086	\$ 761,066	\$ 2,359,152
Investment Return:				
Income		66,853		66,853
Net appreciation (realized and unrealized)		225,089		225,089
Total Investment Return	-	291,942	-	291,942
Contributions		23,658		23,658
Appropriation of endowment earnings for expenditure		(97,024)		(97,024)
Endowment Net Assets, end of year	\$ -	\$ 1,816,662	\$ 761,066	\$ 2,577,728

Note 9 - 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.

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Notes to the Financial Statements

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

	2025	2024
Financial assets at fiscal year end:		
Cash and cash equivalents	\$ 8,536,151	\$ 10,771,683
Accounts receivable, net	430,444	447,132
Pledges receivable, net	675,576	602,757
Investments	2,907,627	2,550,228
Total financial assets	12,549,798	14,371,800
Less amounts not available to be used within one year:		
Receivable scheduled to be collected in more than one year	(69,764)	(162,017)
Donor-imposed restrictions:		
Capital funds	(1,672,621)	(3,463,586)
Endowment funds	(2,577,728)	(2,359,152)
Other donor restrictions	(860,250)	(1,402,873)
Financial assets available for general expenditures	\$ 7,369,435	\$ 6,984,172

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 10 - Deferred Revenue:

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

	2025	2024
Deferred revenue, beginning of year	\$ 2,957,688	\$ 2,653,009
Revenue recognized	(16,591,116)	(14,977,902)
Deposit refunded during the year due to cancellations	(26,022)	(81,567)
Cash received	16,486,561	15,364,148
Deferred revenue, end of year	\$ 2,827,111	\$ 2,957,688

Notes to the Financial Statements

Note 11 - Donated Goods and Services:

For the fiscal year ended June 30, 2025, donated goods and services recognized within the statement of activities included:

	<u>Revenue Recognized</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restriction</u>	<u>Valuation Techniques and Inputs</u>
Services	\$ 70,104	Various administrative and legal matters	No associated donor restrictions	Estimated fair value based on current rates for similar legal and consulting services
Rent and service district fee	66,308	General and administrative	Time restriction only	Estimated based on comparable rent and service district fee
Supplies	42,516	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 beverages	27,290	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	\$ 206,218			

Note 12 - Commitments:

Operating Leases

The Organization leases housing in California and Virginia under operating lease agreements that expire through June 2026. Obligations under these lease agreements become due in June 30, 2026 in the amount of \$70,000.

Rent expense amounted to \$413,334 and \$403,660 for the years ended June 30, 2025 and 2024, respectively. In addition to staff housing, total rent expense includes the cost of lodging for students who participate in the Organization's programs. Student lodging expense amounted to \$944,364 and \$822,394 for the years ended June 30, 2025 and 2024, respectively.

Notes to the Financial Statements

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. The Organization currently has agreements with 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 2026 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 to obtain renewals of these agreements with NPS partners. Any substantive changes in the agreements with the NPS could have significant effects on how the Organization conducts its activities and services.

Under the agreements, the Organization also provides capital improvements and maintenance to the facilities, all of which remain the property of the government. The Organization does not have a right of possessory interest to most of these assets. The Organization has a proven track record of fundraising for and delivering capital projects on National Park land that enhance the quality of student programming, expand capacity to serve more participants, and provide support for its staff. The most significant achievement to date is the donation of assets to the NPS totaling approximately \$27,400,000 across 2022 and 2023 to establish the NESC at Yosemite National Park.

Note 13 - Tax-Deferred 403(b) Plan:

The Organization has a 403(b) contributory tax-deferred retirement plan covering all eligible employees. After completing 1,000 hours 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. Retirement plan contribution amounted to \$167,869 and \$138,208 in 2025 and 2024, respectively.

Note 14 - 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 54% and 48% of pledges receivable are due from two and three major donors in 2025 and 2024, respectively.

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Notes to the Financial Statements

Approximately 19% and 24% of pledges receivable are Board of Directors gifts to the Organization in 2025 and 2024, respectively.

Note 15 - Subsequent Events

The Organization has evaluated all subsequent events from June 30, 2025 through February 6, 2026, 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.