

Audited Financial Statements



June 30, 2025

Quigley & Miron

Community Nature Connection
Audited Financial Statements
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June 30, 2025

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Suite 1755
3580 Wilshire Boulevard
Los Angeles, California 90010

Telephone: (213) 639-3550
Facsimile: (213) 639-3555

Suite 700
1999 South Bascom Avenue
Campbell, California 95008

Telephone: (408) 869-6108
Facsimile: (213) 639-3555

Independent Auditor's Report

Board of Directors
Community Nature Connection
Los Angeles, California

Opinion

We have audited the accompanying financial statements of Community Nature Connection (CNC), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of CNC as of June 30, 2025, and the changes in its net assets and 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of CNC 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 CNC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's 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 CNC'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 CNC'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.

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California
June 1, 2026

**Community Nature Connection
Statement of Financial Position
June 30, 2025**

Assets

Cash and cash equivalents	\$ 215,888
Investments—Note 4	15,698
Grants and contributions receivable	160,321
Prepaid expenses	<u>8,077</u>

Total Assets \$ 399,984

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	<u>\$ 69,958</u>
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Total Liabilities 69,958

Net Assets

Without donor restrictions	270,197
With donor restrictions—Note 6	<u>59,829</u>

Total Net Assets 330,026

Total Liabilities and Net Assets \$ 399,984

See notes to financial statements.

**Community Nature Connection
Statement of Activities
Year Ended June 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Activities			
Support			
Grants and contributions	\$ 35,913	\$ 842,294	\$ 878,207
In-kind contributions—Note 5	63,717		63,717
Other income	2,475		2,475
Interest and dividends	380		380
	<u>102,485</u>	<u>842,294</u>	<u>944,779</u>
Total Support Before Reclassifications	102,485	842,294	944,779
Net assets released from donor restrictions	799,694	(799,694)	
	<u>902,179</u>	<u>42,600</u>	<u>944,779</u>
Total Support After Reclassifications	902,179	42,600	944,779
Expenses			
Program services	666,134		666,134
Management and general	229,252		229,252
Fundraising	4,595		4,595
	<u>899,981</u>		<u>899,981</u>
Total Expenses	899,981		899,981
Change in Net Assets	2,198	42,600	44,798
Net Assets at Beginning of Year	<u>267,999</u>	<u>17,229</u>	<u>285,228</u>
Net Assets at End of Year	<u>\$ 270,197</u>	<u>\$ 59,829</u>	<u>\$ 330,026</u>

See notes to financial statements.

**Community Nature Connection
Statement of Functional Expenses
Year Ended June 30, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 440,081	\$ 103,810	\$ 3,957	\$ 547,848
Employee benefits	68,302	18,866	331	87,499
Payroll taxes	34,377	8,655	299	43,331
Total Personnel Expenses	542,760	131,331	4,587	678,678
Professional services	7,022	58,716		65,738
Rent	50,429			50,429
Insurance	8,551	23,167	8	31,726
Program costs	26,339	139		26,478
Office expense	4,402	12,874		17,276
Supplies	7,312	2,813		10,125
Telephone	9,285			9,285
Travel	7,394	212		7,606
Professional development	2,640			2,640
Total Expenses by Function	123,374	97,921	8	221,303
Total Expenses	\$ 666,134	\$ 229,252	\$ 4,595	\$ 899,981

See notes to financial statements.

**Community Nature Connection
Statement of Cash Flows
Year Ended June 30, 2025**

Cash Flow from Operating Activities

Change in net assets	\$ 44,798
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Grants and contributions receivable	22,513
Prepaid expenses	(1,015)
Accounts payable and accrued expenses	(7,038)

**Net Cash Provided by
Operating Activities** 59,258

Cash Flow from Investing Activities

Purchases of investments	(379)
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**Net Cash Used in
Investing Activities** (379)

**Increase in
Cash and Cash Equivalents** 58,879

**Cash and Cash Equivalents
at Beginning of Year**

157,009

**Cash and Cash Equivalents
at End of Year** \$ 215,888

Supplemental Disclosures

Income taxes paid	<u>\$</u>
Interest paid	<u>\$</u>

See notes to financial statements.

Community Nature Connection
Notes to Financial Statements
June 30, 2025

Note 1—Organization

Community Nature Connection (CNC) is a 501(c)(3) nonprofit organization incorporated under the laws of the State of California, located at Vista Hermosa Natural Park in the heart of Los Angeles. Founded originally in 1989 by former Executive Director Amy Lethbridge, CNC has provided programming for over 25 years. The mission of CNC is to increase access to the outdoors for communities impacted by racial, socio-economic, and disability injustices by eliminating existing barriers through advocacy, community centered programming, and workforce development.

Program Service Accomplishments:

MRCA 23/24

CNC receives a general operating services grant from the Mountains Recreation and Conservation Authority (MRCA) that provides funding support for operational expenses and general programs on public parkland owned and managed by them. This includes natural and cultural history programs at events, campfire programs, community engagement and outreach, new program development, and operations related to CNC programming. Volunteers: None.

CNC Training Institute: California Naturalist Certification

The UC California Naturalist Program (CalNat) seeks to foster a committed corps of volunteer naturalists and community scientists trained and ready to take an active role in natural resource conservation, education, and restoration. The UC California Naturalist course introduces participants to the wonders of our local ecology and engages them in the stewardship of California's natural communities. The course combines a science curriculum with guest lecturers, field trips and project-based learning to immerse participants in the natural world. The course focuses on the Los Angeles Area and the interpretation of naturalist concepts for and from diverse perspectives as well as themes of natural resource interpretation, social and environmental justice, and traditional ecological knowledge. The course meets weekly (virtually) for 10 weeks and includes two in-person half-day field trips. The course includes many opportunities for self-guided activities in nature. Course dates: October 18- December 20, 2023.

Volunteers: None.

Youth Leadership Series

The Youth Leadership Series Programs include Emerging Naturalists 1.0, Emerging Naturalists 2.0, and the Continuing Connections Alumni program. Emerging Naturalists sessions are facilitated by naturalists and guest speakers who transform the mountains, coast, and urban parks into outdoor classrooms. Emerging Naturalists 1.0 is a six-week program that introduces youth to natural and cultural resources, outdoor and camping skills, principles of interpretation, and park careers in the field. Emerging Naturalists 2.0 is a sixteen-week program that builds on the experiences and skills learned in Emerging Naturalists 1.0 and includes a community action project component. The Continuing Connections Alumni program provides career development programming and exposure to job opportunities in the outdoor field to our program alumni. Continuing Connections also provides alumni with opportunities for continued engagement with CNC through programming such as interpretive programs, panel discussions, campfires, and documentary screenings.

Volunteers: 10

Community Nature Connection

Notes to Financial Statements—Continued

Note 1—Organization—Continued

Tiüvac'a'ai Tribal Conservation Corps

The Tiüvac'a'ai Tribal Conservation Corps (TTCC) workforce development program, operated by the Pukúu Cultural Community Services (Pukúu), is a multi-beneficial hands-on training program that works with Native youth and young adults towards the goals of regaining ecological functionality and enhancing climate resiliency and human well-being. The vision of the TTCC program is to work towards promoting and restoring the cultural values of the Indigenous Peoples through the practice and application of Traditional Ecological Knowledge in the protection, restoration, and development of our cultural and natural landscapes. Through the program, youth are taught to embrace their ancestral knowledge, which promotes their sense of identity, self-esteem, and self-worth. CNC's role in the project included providing high level support in the project planning phase, development of a curriculum of training, design and delivery of the Certified Interpretive Guide and California Naturalist certification training courses, and the development of a replicable program toolkit.

Volunteers: None.

Outdoor and Coastal Access Leadership Institute

CNC's Outdoor & Coastal Access Leadership Institute (OCALI) engages a cohort of 12-15 youth community leaders through a 10-week extended leadership program focused on 'access to nature' issues affecting low-income communities and communities of color, and the advocacy efforts working to address these issues. Participants of the programs visit park and coastal lands throughout the Santa Monica Mountains National Recreation Area, engage in speaker series about environmental issues, learn outdoor skill-sets and organize 'access to nature' projects. In addition, these youth community leaders are able to take the skills developed in this program and use them to become volunteers, interns, and part-time staff with CNC.

Volunteers: 12

Akuutet Learning Nursery at Elyria Canyon Park

The Akuutet Learning Nursery (ALN) at Elyria Canyon Park focuses on restoring and enhancing Elyria Canyon Park by using methods known to reduce fire risk in addition to leading interns and park volunteers in local fire-resilient restoration efforts. The project is funded by Santa Monica Mountains Conservancy (SMMC) and supported by the Mountains Recreation and Conservation Authority (MRCA). The Akuutet Learning Nursery offers a 13 weeks long program with lessons in local natural history, native plants, restoration, fire resilience, team building, workforce development, front country field trips in the Santa Monica Mountains and camping at Elyria Canyon Park. CNC staff facilitated a cohort of 6 youth interns from Northeast LA High Schools and led a camping experience at Elyria Canyon Park. Boyle Heights Youth Source Center supported the internship program by sponsoring wages and providing technical support related to workforce development. The CNC Nursery team activated the Akuutet Learning Nursery by collecting native seeds, sowing and transplanting 17 total species of California native plants. Monthly volunteer events were hosted onsite and focused on habitat restoration and nursery operations including a Black Walnut Collection and Processing Workshop in collaboration with the Black Walnut Day Alliance. Twenty five community members participated in the workshop and cleaned a total of 119 walnuts collected from Elyria Canyon Park. This workshop educated community members on the importance of conserving the threatened species, species' adaptations to fire in California, ethical collection and propagation. The Nursery Team supported local community events centered around environmental topics such as the Southern California Black Walnut, California native plants, wildlife, outdoor workforce development, community building, and advocacy. Additionally, the Nursery Team partnered with the University of Southern California (USC) Landscape Architecture course for the Fall 2023 semester to host two community design sessions focused on ecological benefits, recreation, and park accessibility for community members.

Volunteers: 25

Community Nature Connection

Notes to Financial Statements—Continued

Note 1—Organization—Continued

Terngava Naturalist Yu'pa' program

The Terngava 3.0 program is led by the Fernandño Tataviam Band of Mission Indians Education and Cultural Learning Department (ECLD) in partnership with CNC. The program is part of ECLD's Camp Tamit summer program and is financially supported by the CA State Parks Routes to Parks grant. Terngava Naturalist Yu'pa' translates to 'Summer Naturalist In the Wild.' The key goals of the program are to: 1. Partner with the Fernandño Tataviam Band of Mission Indians and California State Parks to create more meaningful outdoor experiences for tribal youth and extended communities, 2. Provide access to local California State Parks for youth through day and overnight trips, 3. Increase knowledge of topics like advocacy, astronomy, climate change, ecology, land acknowledgements, outdoor recreation and camping skills, storytelling, and traditional names and uses of plants among participants, and 4. Strengthen the relationship between tribal youth and CA State Parks. The Terngava Naturalist Yu'pa' program launched and supported youth and ECLD staff in accessing outdoors experiences this summer. CNC staff hosted a one week-long camping trip to several parks in the Eastern Sierras and one coastal day trip to Leo Carrillo State Beach. The camping and the day trips were delivered alongside ECLD for four days and three nights, 16 youth and 5 staff ventured on an ambitious journey across the Eastern Sierras where the group visited Red Rock Canyon State Park, Ancient Bristlecone Pine Forest, Mono Lake Tufa State Natural Reserve, Bodie State Historic Park, Yosemite National Park, and Manzanar National Historic Site. Some activities during the camping trip included an overview of camping skills, Leave No Trace principles, kayaking, birding, hiking, and meaningful interactions with CA State Park Rangers and Interpreters. Park interpreters from the Mono Lake Committee safely guided a canoe trip where the group observed nesting ospreys with their chicks and learned about the preservation of Mono Lake. CNC reconnected with Terngava Naturalist Yu'Pa' at Leo Carrillo State Beach for a coastal day trip, where Tribal Elder Alan Salazar taught students and staff the importance of nature and traditional ecological knowledge. He incorporated the creation of musical instruments in his teaching. Participants learned the cultural meaning of the instrument and created a musical instrument with natural materials found along the coast. The group also enjoyed tidepooling and explored the beach.

Volunteers: None.

Transit to Trails

Transit to Trails (TTT) is an outdoor access program in Los Angeles County focusing on communities impacted by racial, socio-economic, and disability injustices. Outreach locations include proximity to community-based organizations and public libraries in the greater Los Angeles Area. Programming includes interpretive, guided outdoor trips, and activities that focus on topics related to coastal access, ecology, wildlife identification, marine life, oceanography, the importance of watersheds, coastal and mountain protection, tide pools, and the cultural significance of these sites to indigenous cultures and the public. The TTT program facilitated the Explore the Coast grant. A total of twenty eight trips were coordinated and facilitated by CNC staff with local community partners. The total number of participants served through the Transit to Trails program is six hundred and nine. Community partnerships included Black Girls Trekin' Bresee Foundation, Chinatown Branch Library/Chinatown Teen-Council, Feminist Bird Club, Franklin High School Environmental Club, Happy Trails For Kids, Koreatown Youth Community Center, LA State Historic Park PromotorX, Latino Equality Alliance, Legacy LA, LIFT, Para Los Niños, Sotomayor Environmental Club, Southeast Asian Community Alliance, and the Tataviam Mission Band of Indians ECLD office. Program trip locations included Cabrillo Aquarium, Deane Dana Friendship Center, Elyria Canyon Park, Escondido Canyon Park, Los Angeles Natural History Museum, Los Angeles State Historic Park, Temescal Canyon Gateway Park, King Gillette Ranch, Malibu Lagoon State Beach, Will Rogers State Beach, Zuma County Beach. Participants connected to nature, explored tidepools, learned about the Coastal Act, and the connection between watersheds and ocean health. The final TTT trip was a collaboration between the TTT program and Legacy LA at Temescal Gateway Park. Free transportation for each TTT trip was made possible through generous support from the Mountains Recreation and Conservation Authority and the LA County Board of Supervisors.

Volunteers: 5

Community Nature Connection

Notes to Financial Statements—Continued

Note 1—Organization—Continued

Wildfire Fire Resilience and Work Readiness Programs

The Akuutet Learning Nursery team hosted Fire Resilience and Ecology Community Workshops that engaged a total of ninety four participants from across Los Angeles County, with a primary focus on neighborhoods within and around Northeast Los Angeles. The Fire workshops explored the intersections of fire education and safety, fire's cultural significance, practical ways for implementing fire resilient landscaping and home hardening at participants' homes. CNC collaborates with the Resource Conservation District of Santa Monica Mountains to conduct no cost home hardening workshops for community members. Volunteers joined propagation events, planting days and invasive plant removal activities at Elyria Nursery Park.

Volunteers: 20

Workforce Development and Wildfire Resiliency Grant Amendment

The CNC Fire Resilience Restoration Workforce Internship program recruits and employs youth interns and volunteers impacted by racial, socio-economic, and disability injustices to carry out restoration projects in partnership with land agencies within the Northeast Los Angeles area and Elyria Canyon Park Akuutet Learning Nursery. Youth interns learn how to restore and enhance fire-prone habitats using methods known to reduce fire risk in addition to learning how to lead park volunteers in large-scale fire resilient restoration efforts. CNC proposed an amendment to the grant awarded by the Santa Monica Mountains Conservancy (SMMC), agreement 3810-GF-2135 Wildfire Prevention Early Budget Action Funding Plan, which supported the Akuutet Learning Nursery at Elyria Canyon Park in hosting a workforce development program for youth while addressing the demands for locally sourced, native plants for local wildfire-resilience projects which involve removal of flammable, flashy, invasive fuels and the planting of locally-grown native plants in their place to create more wildfire-resilient landscapes and communities. The multi-benefit projects that the nursery supports include wildfire-resilient programs and the response to the decline of monarch butterfly populations and local habitat. The Akuutet Learning Nursery Internship took place for 15 weeks, from September 28, 2023, to January 6, 2024. Five interns were supported with hourly pay and a total of 160 work hours through a partnership with the Boyle Heights Technology YouthSource Center. One intern was provided an education stipend for completing the program. In total, the 6 interns completed 880.5 hours over the course of the internship. Interns joined virtual sessions every other Thursday evenings that included educational topics on: Fire Ecology, the Land Back Movement, Barriers to the Outdoors, Community Power & Privilege, Careers in the Outdoors, and Introduction to Interpretation. Interns met weekly on Saturdays at Elyria Canyon Park to assist in leading nursery and habitat restoration volunteer events, conduct line-transect surveys, remove invasive plant species, and plant fire-resilient California native plants. Interns concluded their experiences by sharing presentations on topics they found most intriguing, including: Fire Ecology, Preserving Native Plants, Invasive and Native Plant Species in California, and Habitat Restoration. The Akuutet Learning Nursery Team hosted 3 Black Walnut Collection Workshops in support of Northeast LA Black Walnut Day (NBWD) and in collaboration with Coyotl+Macehualli. The workshops educated community members on how to ethically collect and process the threatened California Black Walnut. The first volunteer event was held at Akuutet Learning Nursery, where volunteers transplanted Narrowleaf Milkweed and California Fuchsia plants. The Nursery Team will represent CNC and the Akuutet Learning Nursery project by giving out Coast Live Oak trees to the public at LA Más's Comp[Arte] Exchange Fair at Sycamore Grove Park. The Nursery Team also tabled at the Black Walnut Day kick-off event at Ascot Hills.

Volunteers: 15

Community Nature Connection

Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. CNC's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of CNC and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of CNC. These net assets may be used at the discretion of CNC'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; such restrictions that may or will be met either by actions of CNC and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit CNC to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets. All revenues and expenses are attributable to CNC's ongoing outdoor programs and supporting activities and are classified as operating. CNC did not engage in any nonoperating activities during the year ended June 30, 2025.

Income Taxes—CNC is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, CNC is not a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered *'more likely than not'* to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2025. Generally, CNC's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash and Cash Equivalents—Cash consists of balances in checking and savings accounts and in certificates of deposit at banks. CNC considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments in certificates of deposits are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses are reported as without donor restrictions income unless use of the earnings is restricted by investment in certificates of deposit.

Concentration of Credit Risk—Financial instruments which potentially subject CNC to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

CNC places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Such cash balances are normally not in excess of FDIC insurance limits.

Community Nature Connection

Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Cash held in investment accounts at investment custodians is insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. Such balances are normally not in excess of the SIPC coverage limits.

While CNC is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, CNC's management has assessed the credit risk associated with its cash deposits and investments at June 30, 2025 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments.

Grants and contributions receivable at June 30, 2025 are due from corporations and individuals well-known to CNC, with favorable past payment histories. CNC's management has assessed the credit risk associated with these grants and contributions receivable and has determined that an allowance for potential credit losses is not necessary.

Grants and Contributions—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions—In-kind contributions consist of donated goods and services, which includes donated office space, professional services, supplies, telephone, and travel. In-kind goods are recorded at fair value on the date of donation. In-kind services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contracts with Customers—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time customer obtains control of a contracted goods or services. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, and timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Interest and Dividend Income—Interest and dividend income earned on investments is recognized when earned and is reported as interest and dividends under revenue and support in the statement of activities.

Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Salaries, payroll taxes, employee benefits, insurance, office expense, professional development, professional services, program costs, supplies, telephone, and travel are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to the program or supporting service benefitted.

Community Nature Connection
Notes to Financial Statements—Continued

Note 2—Summary of Significant Accounting Policies—Continued

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3—Availability and Liquidity

CNC's goal is generally to maintain financial assets to meet 30 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

The following represents the availability and liquidity of CNC's financial assets at June 30, 2025 to cover operating expenses for the next fiscal year:

Cash and cash equivalents, net of restrictions	\$ 156,059
Investments	15,698
Grants and contributions receivable	<u>160,321</u>
Current Availability of Financial Assets	<u>\$ 332,078</u>

Note 4—Investments and Fair Value Measurement

In determining the fair value of investments, CNC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. CNC determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to CNC at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment.

CNC may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by CNC to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. CNC had no assets or liabilities classified at NAV as a practical expedient during the year ended June 30, 2025.

Fair values of assets and liabilities measured on a recurring basis at June 30, 2025 consist of investments in certificates of deposit totaling \$15,698, which are considered to have Level 2 inputs.

For the year ended June 30, 2025, investment income consisted of interest income of \$380, included in interest and dividends in the statement of activities.

Community Nature Connection
Notes to Financial Statements—Continued

Note 5—In-Kind Contributions

For the year ended June 30, 2025, in-kind contributions without donor restrictions and expenses consisted of \$63,717 and are included in the statement of activities under support and in the statement of functional expenses under the following expense captions:

Rent	\$ 50,429
Telephone	9,285
Professional services	1,989
Program costs	945
Salaries	760
Travel	180
Employee benefits	119
Payroll taxes	5
Insurance	5
	<hr/>
Total	\$ 63,717

Rent is valued at estimated market rental rate for comparable facilities, at a rate of \$2 per square foot. The in-kind rent is on a year-to-year lease. Professional services are valued based on current rates of legal and accounting services provided by professional firms at their standard professional billing rates, ranging from \$455 to \$665 per hour. Based on the rates charged and the total fair value of services received, the implied level of effort ranges from approximately 3.0 to 4.4 hours for the year ended June 30, 2025. CNC believes this approach reasonably reflects a market-participant assumption of fair value in accordance with applicable accounting standards.

Note 6—Net Assets with Donor Restrictions

Net assets with donor restrictions for the year ended June 30, 2025 are as follows:

Subject to expenditure for specified purpose:	
Nature and Nurture Ourselves	\$ 28,489
Clean Power Alliance	18,676
Wellness Program	12,664
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Total Net Assets with Donor Restrictions	\$ 59,829

Net assets released from donor restrictions for the year ended June 30, 2025 are as follows:

Satisfaction of purpose restrictions:	
Santa Monica Mountains Conservancy	\$ 399,733
Mountains Recreation and Conservation Authority	221,204
Explore the Coast	76,074
Tribal Workforce Development	27,320
Wellness Program	17,336
REI Cooperative Action	17,229
Terngava Naturalist Yu'pa'	10,802
North Carolina State University	6,600
Clean Power Alliance	6,117
Outdoor Equity Program	6,046
Redwood Connect Grant	6,000
Nursery Network	5,233
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Total Net Assets Released from Donor Restrictions	\$ 799,694

Community Nature Connection
Notes to Financial Statements—Continued

Note 7—Subsequent Events

Management evaluated all activities of Community Nature Connection through June 1, 2026, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.