THORNE NATURE EXPERIENCE

FINANCIAL STATEMENTS

FOR THE TWENTY-MONTHS ENDED AUGUST 31, 2021

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THORNE NATURE EXPERIENCE

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FOR THE TWENTY-MONTHS ENDED AUGUST 31, 2021

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TAYLORROTH
Certified Public Accountants
WORKING EXCLUSIVELY WITH NONPROFITS

March 15, 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
Thorne Nature Experience
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of **Thorne Nature Experience**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of August 31, 2021, and the related statements of activities, functional expenses, and cash flows for the twenty-months 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 Thorne Nature Experience as August 31, 2021, and the changes in its net assets and its cash flows for the twenty-months 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. 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 Thorne Nature Experience 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 Thorne Nature Experience's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Thorne Nature Experience'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 Thorne Nature Experience'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 Thorne Nature Experience's 2019 financial statements presented by net asset class for that year, on which an unqualified audit opinion dated May 21, 2020, was expressed. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial information from which it has been derived.

Taylor Roth and Company PllC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER COLORADO

THORNE NATURE EXPERIENCE

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019)

	August 31, 2021	December 31, 2019
Assets		
Cash and cash equivalents	$ 1,590,317	$ 1,046,211
Accounts receivable (Note 3)	166,361	192,369
Grants receivable	732,312	328,000
Prepaid expenses	33,524	20,758
Inventory	-	1,342
Assets held by others (Note 4)	1,453,547	1,198,211
Property and equipment (Note 5)	91,439	62,564
Total assets	$ 4,067,500	$ 2,849,455
Liabilities and net assets		
Accounts payable	$ 85,165	$ 39,373
Accrued payroll liabilities	53,789	35,229
Deferred revenue	198,855	34,756
Capital lease obligation (Note 6)	1,336	4,380
Commitments (Note 7)		
Liabilities	339,145	113,738
Net assets		
Without donor restrictions	1,432,271	553,763
With donor restrictions (Note 8)	2,296,084	2,181,954
Total net assets	3,728,355	2,735,717
Total liabilities and net assets	$ 4,067,500	$ 2,849,455

The accompanying are an integral part of these financial statements

THORNE NATURE EXPERIENCE

STATEMENT OF ACTIVITIES
FOR THE TWENTY MONTHS ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2019)

	20 Months			12 months
	2021			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Government	$ 1,079,276	$ 495,303	$1,574,579	$ 684,924
Program fees	1,033,817	-	1,033,817	606,870
Foundations	364,562	297,163	661,725	703,289
Individual and board contributions	273,899	37,175	311,074	166,249
Investment income (loss)	8,291	261,395	269,686	175,477
Corporate awards	51,146	39,000	90,146	113,069
Special events	87,430	-	87,430	89,758
Less: Direct event expenses	-	-	-	(23,014)
Other	(6,375)	-	(6,375)	1,827
In-kind contributions (Note 9)	137,806	-	137,806	101,432
Net assets released from restrictions (Note 10)	1,015,905	(1,015,905)	-	-
Total revenue and other support	4,045,757	114,131	4,159,888	2,619,881
Expense				
Program services	2,721,815	-	2,721,815	1,843,379
Supporting services				
Management and general	195,575	-	195,575	87,862
Fund-raising	249,860	-	249,860	119,926
Total expense	3,167,250	-	3,167,250	2,051,167
Change in net assets	878,507	114,131	992,638	568,714
Net assets, beginning of year	553,764	2,181,953	2,735,717	2,167,003
Net assets, end of year	$ 1,432,271	$2,296,084	$3,728,355	$2,735,717

The accompanying notes are an integral part of these financial statements

THORNE NATURE EXPERIENCE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE TWENTY MONTHS ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2019)

	20 Months				12 Months
	2021				2019
		Supporting Services			
	Program Services	Management and General	Fund-raising	Total	Total
Salaries	$ 1,415,959	$ 132,299	$ 177,669	$1,725,927	$ 858,143
Payroll taxes and benefits	317,270	16,637	30,465	364,372	186,965
Passthrough grants to others	268,653	-	-	268,653	483,362
Nature Kids expenses	174,020	-	-	174,020	86,565
Rent	134,529	2,263	4,143	140,935	50,890
Supplies	122,684	669	1,359	124,712	71,598
Contract labor	38,624	-	9,508	48,132	30,539
Marketing	29,907	8,436	4,961	43,304	50,499
Accounting and audit fees	-	28,940	-	28,940	21,584
Gifts and donations	27,181	356	680	28,217	8,156
Credit card processing fees	21,772	11	4,501	26,284	11,752
Computer and information technology	17,213	1,020	1,868	20,101	16,339
Professional services	17,009	297	544	17,850	6,200
Registration fees	14,280	-	-	14,280	6,900
Meals and entertainment	11,784	473	1,313	13,570	9,379
Training and development	12,503	346	633	13,482	12,926
Transportation	11,960	15	31	12,006	47,863
Licenses and permits	11,338	3	5	11,346	7,711
Repair and maintenance	10,519	156	285	10,960	8,249
Website	9,537	143	260	9,940	1,663
Insurance	5,973	1,862	675	8,510	4,565
Telecommunications	6,132	302	552	6,986	4,033
Event expenses	971	-	5,683	6,654	13,253
Printing	4,312	250	1,005	5,567	11,341
Volunteer support	4,051	101	186	4,338	11,585
Postage	1,411	84	1,857	3,352	5,865
Dues and subscriptions	1,968	121	223	2,312	1,662
Finance charges/interest	341	21	38	400	444
All other	128	4	14	146	2,487
	2,692,029	194,809	248,458	3,135,296	2,032,518
Depreciation	29,786	766	1,402	31,954	18,649
Total expenses	$ 2,721,815	$ 195,575	$ 249,860	$3,167,250	$ 2,051,167

-The accompanying notes are an integral part of these financial statements

THORNE NATURE EXPERIENCE

STATEMENT OF CASH FLOWS
FOR THE TWENTY MONTHS ENDED AUGUST 31, 2021
(WITH COMPARATIVE TOTALS FOR 2019)

	20 Months 2021	12 Months 2019
Cash flows from operating activities		
Change in net assets	$ 992,638	$ 568,714
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	31,954	18,649
Unrealized/realized (gain) loss on investments	(252,809)	(156,988)
Changes in operating assets and liabilities		
(Increase)decrease in accounts receivable	26,008	(177,631)
(Increase)decrease in grants and contributions receivable	(404,312)	(268,000)
(Increase)decrease in pledges receivable	-	500
(Increase)decrease in prepaid expenses	(12,766)	889
(Increase)decrease in inventory	1,342	1,008
(Decrease)increase in accounts payable	45,792	27,261
(Decrease)increase in accrued payroll liabilities	18,560	1,351
(Decrease)increase in deferred revenue	164,099	(4,481)
Net cash provided(used) by operating activities	610,506	11,272
Cash flows from investing activities		
(Purchases) of fixed assets	(60,829)	(58,097)
(Reinvestment) of interest and dividends	(8,586)	(13,156)
Proceeds from sales of marketable securities	16,059	8,597
Net cash provided(used) by investing activities	(53,356)	(62,656)
Cash flows from financing activities		
(Repayments) on capital lease obligation	(3,044)	(1,642)
(Purchase) of donor restricted investments	(10,000)	-
Net cash provided(used) by financing activities	(13,044)	(1,642)
Net increase(decrease) in cash and cash equivalents	544,106	(53,026)
Cash and cash equivalents, beginning of year	1,046,211	1,099,237
Cash and cash equivalents, end of year	$ 1,590,317	$ 1,046,211
Noncash investing and financing transactions:		
Cash paid during the period for interest	$ 400	$ 444

The accompanying notes are an integral part of these financial statements

NOTE 1 - NATURE OF ACTIVITIES

Thorne Nature Experience (Organization) was incorporated as a non-profit corporation in the state of Colorado. Thorne Ecological Institute dba Thorne Nature Experience has been granted tax-exempt status from the Internal Revenue Service in accordance with section 501(c)(3) of the Internal Revenue Code. The Organization's mission is to build Earth Stewardship by connecting youth to nature through joyful, place-based, hands-on environmental education experiences. The Organization's activities are based primarily in Boulder County, Colorado and consists of youth education programs. The Organization is primarily supported by government contracts, program fees, foundation awards, and gifts from individuals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

   The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

   The Organization is required to report 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 board of directors.

   Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that 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.

   Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

3. Cash and Cash Equivalents

   The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those amounts that are held in the investment portfolio which are invested for long-term purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

4. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of $1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

5. 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.

6. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

7. Functional Reporting of Expenses

For the twenty-months ended August 31, 2021, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. All expenses are allocated on a time and effort basis.

8. Summarized Prior-Year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

9. Fair Value Measurements

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used the measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

10. Subsequent Events

Management has evaluated subsequent events through March 15, 2022, the date the financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

At year-end, accounts receivable consists mainly of contracts with schools. Management has evaluated these items and does not believe an allowance for doubtful accounts is needed.

NOTE 4 - GRANTS RECEIVABLE

Included in Grants receivable is $204,105 of Employee Retention Credit funding from the Internal Revenue Service. This represents 28% of Grants receivable, and is expected to be received within a year of the balance sheet date. Management has evaluated these items and does not believe an allowance for doubtful accounts is needed.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has established two endowment funds through The Community Foundation Serving Boulder County. The Organization has the option to withdraw annual income as well as principal from the first endowment. Under the terms of the second agreement (Oak Thorne Vision Fund), the Organization has the option of requesting a distribution of up to 20% of the value of the Fund in any year. The balance of these funds at August 31, 2021 was $115,678 and $1,256,341 respectively.

The Organization has established a third endowment fund through the Denver Foundation. Under the terms of the agreement, the Foundation shall pay 5.5% of the market value of the fund, less administrative fees, at least annually to the Organization, unless the Organization declines the distribution. The balance of the endowment investments at August 31, 2021 was $81,528.

The original intent of the donors to all three funds was to preserve the fair value of their original gifts in perpetuity. Each year, Thorne request an annual disbursement from its two traditional endowment funds in the amount of 5% of the market value of the funds held by the Boulder Community Foundation and 5.5% of the market value of the funds held by the Denver Foundation. For the Oak Thorn Vision Fund, which is held by the Boulder Community Foundation, each year, the Thorne Board has the choice to request a disbursement of up to 20% of the corpus of the fund for a special purpose. Possible examples of a special purpose are a capital campaign, strategic investments in programs, and capital improvements.

Additionally, The Community Foundation Serving Boulder County accepts donations that are designated on behalf of the Organization. The balance of these funds, which is not reflected on the Statement of Financial Position was $11,070 at year-end. Changes in endowment fund balances (Level 3 inputs) as of August 31, 2021 are as follows:

	Donor Restricted – Level 3			
	Community Foundation Serving Boulder County			
	General	Oak Thorne	Denver Foundation	Total
Balance, beginning of period	$ 105,110	$ 1,025,615	$ 67,486	$ 1,198,211
Contributions/additions	-	10,000	-	-
Investment income	4,287	26,365	3,518	34,170
Net appreciation	6,281	194,361	10,524	211,166
Total investment return	10,568	220,726	14,042	245,336
Appropriation of assets for expenditure/maturity of investments	-	-	-	-
Balance, end of period	$ 115,678	$ 1,256,341	$ 81,528	$ 1,453,547

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS – (Continued)

The fair value of assets associated with individual donor restricted endowment funds may occasionally fall below the level that the donor or the State Prudent Management of Institutional Funds Act requires the Organization to retain as a fund of perpetual duration.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Description	Amount
Program equipment	$ 84,051
Landscape improvements	57,158
Furniture and fixtures	68,125
Computer equipment	14,840
Leased equipment	8,824
Total	232,998
Less: accumulated depreciation	(141,559)
Net property and equipment	$ 91,439

Depreciation expense for the year was $31,954.

NOTE 7 - CAPITAL LEASE OBLIGATION

The Organization has acquired a photocopier under a capital lease agreement. Under this agreement future lease payments are as follows:

Year	Amount
2022	$ 1,376
Less: interest	(40)
Present value of capital lease obligation	$ 1,336

NOTE 8 - COMMITMENTS

The Organization entered into an operating lease for program office space in Lafayette, Colorado. Under the terms of the agreement future lease payments are as follows:

Year	Amount
2022	$ 8,400

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

Description	Amount
Endowment	$ 1,453,547
Nature Kids	665,480
Nature preschool	134,244
School program	23,500
Evaluation	12,917
E-movement	6,396
Total	$ 2,296,084

NOTE 10 - IN-KIND CONTRIBUTIONS

Donated services and supplies are reflected in the accompanying financial statements at their estimated values at the date of receipt.

Description	Amount
Rent	$ 70,616
Advertising/marketing	41,813
Food for summer camp and/or school program	12,714
Program s	8,213
Legal services	3,250
Permits	1,200
Total	$ 137,806

The Organization has entered into an agreement with the Boulder Valley School District (BVSD) to use office space owned by the District. Under the terms of that agreement, Thorne is permitted to use the space free of charge in exchange for in-kind environmental education services that benefit BVSD and the city of Boulder. The lease began August 15, 2001 and through various supplemental agreements would continue until at least one year, unless one year's notice is provided to the Organization that they must vacate the building.

NOTE 11 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by satisfying the following restricted purposes:

Description	Amount
Nature Kids	$ 547,526
Nature Preschool	252,850
School program	87,204
Deputy director	99,163
Appropriations/refund from endowment funds	16,059
Community programs	9,500
E-Movement	3,604
Total	$ 1,015,906

NOTE 12 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at August 31, 2021:

Financial assets at year-end:	Amount
Cash and cash equivalents	$ 1,590,317
Accounts receivable	166,361
Grants receivable	732,312
Total financial assets	2,488,990
Less: amounts not available for general expenditures within one year, due to:	
Donor purpose restrictions	(842,537)
Total financial assets available to meet cash needs for general expenditures within one year:	$ 1,646,453

The Organization's goal is generally to maintain financial assets to meet three months of operating expenses not including summer camp and pass-through expenses.

NOTE 13 - PENSION PLAN

The Organization has adopted a 403(b) plan covering all eligible employees. The Organization matches contributions up to 4.5% of participants' compensation. Total pension expense during the period was $43,348.

NOTE 14 - CONCENTRATION OF CREDIT RISK

The Organization places its cash with one financial institution. Amounts over $250,000 are not insured by the FDIC or related entity. At year-end, the Organization has $354,416 on deposit in checking and money market accounts. Additionally, the Organization has $1,235,688 in a sweep account, which is fully insured. Management has evaluated the strength of the financial institution and its banking needs and feels that it is prudent to continue its existing banking relationship.

NOTE 15 - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization borrowed $198,300 under the first round of the Payroll Protection Program (PPP). Congress established the PPP to provide relief to small businesses during the COVID-19 pandemic as part of the $2 trillion Coronavirus Aid, Relief, And Economic Security (CARES) Act.

In January 2021, the Organization borrowed $198,300 under the second round of the Payroll Protection Program (PPP). Congress established the PPP to provide relief to small businesses during the COVID-19 pandemic as part of the $2 trillion Coronavirus Aid, Relief, And Economic Security (CARES) Act.

Both loans and accrued interest were forgiven during the 20 month period. The Organization has used the funds as required per the note, provided necessary support and chosen to record the full amount as forgiven in this fiscal year. Revenue is recorded for the amounts forgiven.