

Sonoma Ecology Center

Financial Statements &
Independent Auditor's Report
for the Year Ended
December 31, 2024

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Auditor's Report

To the Board of Directors
Sonoma Ecology Center
Sonoma, California

Opinion

We have audited the financial statements of Sonoma Ecology Center ("SEC" or "the Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, 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 SEC as of December 31, 2024, the changes in its net assets, its functional expenses, 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 Auditor's 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.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Allocation of Expenses to Functional Groupings in the Financial Statements

We believe that the allocation of natural expense categories to functional groupings (i.e., *program services, management & general, and fundraising*) is a key audit matter. This area of accounting is discussed in Note 2 of the financial statements.

This area is considered a key audit matter because certain charity rating services and some institutional funding sources may evaluate nonprofit organizations according to the overall proportion of expenses allocated to program services. Furthermore, because the expense allocations are based on year-end time-and-effort estimates rather than factual data (e.g., timesheets), they require the Organization's management and accounting personnel to exercise significant judgment.

This matter was addressed during the current audit through analysis of the design and execution of the Organization's cost allocation methodology. We assessed the methodology's consistency with GAAP, reviewed the underlying employee time-and-effort estimates for reasonableness and consistency with job titles, and verified through reperformance certain allocation calculations as part of forming our opinion on the financial statements as a whole.

Recognition and Classification of Revenue and Support in the Financial Statements

We believe that the recognition and classification of revenue and support, which is discussed in Note 2 of the accompanying financial statements, is a key audit matter. Provisions of this area of accounting require the Organization to record contributions and revenues to the financial statements for the correct year. They also require categorizing revenue and support to the appropriate category based on its reciprocal or nonreciprocal nature as well as the absence or existence of donor restrictions and/or conditions. In addition, this area requires that the Organization reliably determine when performance obligations to customers are satisfied, when donor conditions are met, and when restricted amounts should be released from restriction. This area of accounting also requires the Organization to exercise significant judgment in its application of accounting standards, which have undergone changes recently.

This matter is considered a key audit matter because the Organization has multiple funding streams, and the recognition and classification of revenue from these funding streams has an effect on various aspects of the Organization's financial statements, including its changes in net assets, total current assets, and composition amongst *net assets without donor restrictions* and *net assets with donor restrictions*.

This matter was addressed in the current audit through the examination of documentary evidence that supports the recognition and classification of contributed support and contracts with customers. These procedures were instrumental in forming our opinion on the financial statements as a whole.

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 within one year after the date that the financial statements are available to be 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 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 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, and have communicated, 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.

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Independent Auditor's Report
October 1, 2025
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Report on Summarized Comparative Information

We have previously audited Sonoma Ecology Center's 2023 financial statements and we expressed unmodified audit opinion on those financial statements in our report dated February 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



A Professional Accountancy Corporation
San Francisco, California
October 1, 2025

Sonoma Ecology Center

Statement of Financial Position December 31, 2024 with Comparative Totals for December 31, 2023

	12/31/2024	12/31/2023 (Note 2)
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 931,830	\$ 999,525
Contributions receivable	960,053	596,106
Accounts receivable (Note 3)	72,841	217,594
Inventory	6,763	17,416
Total current assets	1,971,487	1,830,641
Deposits	25,908	20,560
Right-of-use assets	255,444	310,356
Property and equipment, net (Note 4)	277,311	194,823
TOTAL ASSETS	\$ 2,530,150	\$ 2,356,380
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable & accrued expenses	\$ 1,297,562	\$ 391,976
Accrued payroll	35,546	35,795
Accrued vacation pay	84,041	67,682
Operating lease liabilities, current (Note 5)	73,210	59,298
Conditional grant advances	-	524,293
Total current liabilities	1,490,359	1,079,044
Operating lease liabilities, long-term (Note 5)	198,234	259,058
TOTAL LIABILITIES	1,688,593	1,338,102
Net Assets		
Without donor restrictions	316,301	514,363
With donor restrictions (Note 6)	525,256	503,915
TOTAL NET ASSETS	841,557	1,018,278
TOTAL LIABILITIES & NET ASSETS	\$ 2,530,150	\$ 2,356,380

See accompanying notes to financial statements and independent auditor's report.

Sonoma Ecology Center

Statement of Activities & Changes in Net Assets for the Year Ended December 31, 2024 with Comparative Totals for the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total (Note 2)
SUPPORT & REVENUE				
Support				
Program service contracts	\$ 3,737,633	\$ -	\$ 3,737,633	\$ 1,180,211
Contributions	359,217	14,680	373,897	403,923
Grants	-	620,569	620,569	575,707
Net assets released from restriction	613,908	(613,908)	-	-
Total support	4,710,758	21,341	4,732,099	2,159,841
Revenue				
Fees for restoration, education & related services	424,488	-	424,488	397,071
Park entrance, camping & related fees	586,760	-	586,760	654,383
Sales of merchandise	118,352	-	118,352	124,574
Cost of goods sold	(66,942)	-	(66,942)	(56,213)
Legal settlement	-	-	-	233,780
Other income	81,386	-	81,386	29,122
Total revenue	1,144,044	-	1,144,044	1,382,717
TOTAL SUPPORT & REVENUE	5,854,802	21,341	5,876,143	3,542,558
EXPENSES				
Program services	5,161,253	-	5,161,253	2,752,447
Management and general	523,702	-	523,702	454,857
Fundraising	367,909	-	367,909	348,177
TOTAL EXPENSES	6,052,864	-	6,052,864	3,555,481
CHANGE IN NET ASSETS	(198,062)	21,341	(176,721)	(12,923)
NET ASSETS, Beginning of Year	514,363	503,915	1,018,278	1,031,201
NET ASSETS, End of Year	\$ 316,301	\$ 525,256	\$ 841,557	\$ 1,018,278

See accompanying notes to financial statements and independent auditor's report.

Sonoma Ecology Center

Statement of Functional Expenses for the Year Ended December 31, 2024 with Comparative Totals for the year ended December 31, 2023

	Program Services	Management and General	Fundraising	2024 Total	2023 Total (Note 2)
Salaries	\$ 1,511,356	\$ 257,841	\$ 256,165	\$ 2,025,362	\$ 1,909,113
Payroll taxes	122,066	20,825	20,689	163,580	154,462
Employee benefits	144,894	32,847	20,376	198,117	202,379
Subcontractors	2,737,944	-	-	2,737,944	541,159
Outside services	27,851	87,603	639	116,093	117,316
Advertising	7,548	-	16,933	24,481	20,765
Telephone & internet	24,620	4,200	4,173	32,993	36,163
Office expenses	9,795	1,444	1,435	12,674	12,880
Information technology	8,385	29,333	1,631	39,349	26,735
Rent	67,206	11,465	11,392	90,063	55,641
Other occupancy costs	66,443	11,335	11,262	89,040	68,852
Repairs & maintenance	26,615	1,667	1,657	29,939	43,452
Materials & supplies	210,901	402	399	211,702	127,210
Travel	40,001	4,220	54	44,275	44,325
Meetings & conferences	19,058	1,191	1,252	21,501	16,909
Depreciation expense	37,863	6,459	6,417	50,739	43,334
Insurance	42,286	12,361	6,320	60,967	45,970
Other expenses	56,421	40,509	7,115	104,045	88,816
Total Expenses	\$ 5,161,253	\$ 523,702	\$ 367,909	\$ 6,052,864	\$ 3,555,481

See accompanying notes to financial statements and independent auditor's report.

Sonoma Ecology Center

Statement of Cash Flows for the Year Ended December 31, 2024 with Comparative Totals for the year ended December 31, 2023

	2024	2023 (Note 2)
Cash flows from operating activities:		
Cash received from contributors and customers	\$ 5,118,212	\$ 3,815,062
Cash received from other sources	81,386	262,902
Cash generated from operating activities	5,199,598	4,077,964
Cash paid to, or for the benefit of, employees	(2,370,949)	(2,213,296)
Cash paid to contractors and suppliers	(2,763,117)	(1,174,808)
Cash disbursed for operating activities	(5,134,066)	(3,388,104)
Net cash flows generated/(used) from operating activities	65,532	689,860
Cash flows from investing activities:		
Purchases of fixed assets	(133,227)	(92,889)
Net cash flows from investing activities	(133,227)	(92,889)
NET INCREASE /(DECREASE) IN CASH	(67,695)	596,971
CASH & CASH EQUIVALENTS, beginning of year	999,525	402,554
CASH & CASH EQUIVALENTS, end of year	\$ 931,830	\$ 999,525

Supplemental information:

Reconciliation of change in net assets to cash flows generated from operating activities:

Change in net assets	\$ (176,721)	\$ (12,923)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	50,739	43,334
Other reconciliation items	-	8,689
Changes in assets and liabilities:		
Contributions receivable	(363,947)	(49,574)
Accounts receivable	144,753	17,061
Inventory	10,653	(1,449)
Deposits	(5,348)	(5,560)
Operating lease assets and liabilities	8,000	8,000
Accounts payable	905,586	117,918
Accrued payroll	(249)	35,795
Accrued vacation	16,359	16,863
Deferred revenue	-	(2,804)
Conditional grant advance	(524,293)	514,510
Net cash flows generated from operating activities	\$ 65,532	\$ 689,860

Supplemental cash flow information related to leases:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ (74,855)	\$ (43,909)
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 16,836	\$ 354,070

See accompanying notes to financial statements and independent auditor's report.

Sonoma Ecology Center

Notes to Financial Statements December 31, 2024

1. The Center

Nature of Activities

Sonoma Ecology Center (SEC or the Center) is a nonprofit organization whose mission is to work with the local community to identify and lead actions that achieve and sustain ecological health in Sonoma Valley by working to address challenges related to water supply and quality, open space, rural character, biodiversity, energy, climate change, and a better quality of life for all residents.

The Center's current programs include:

- **Research** to understand the condition of Sonoma Valley and the Sonoma Creek watershed, which informs projects and priorities for the ecological health of the region.
- **Education** to support sustainable practices and create future leadership for Sonoma Valley.
- **Restoration** to repair damage to waterways, natural habitats, and publicly accessible open spaces.
- **Preservation** to protect our natural heritage and public lands.
- **Data & Mapping (GIS) Services** using technology to manage and share environmental information for greater efficacy and impact.

In addition, SEC serves as fiscal sponsor and operator of Sugarloaf Ridge State Park, California's only community run and supported State Park. The Center also manages the 163-acre Van Hoosear Wildflower Preserve through a partnership with the landowner.

Major Funding

The Center receives support in the form of program service contracts with state and local government agencies, contributions from individuals and grants from foundations. In addition, fee revenue is generated from providing restoration services to organizations and individuals, and from park entrance and camping fees.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and realizable, and expenses are recognized when they are incurred.

Cash & Cash Equivalents

Cash includes deposits held in bank checking accounts, as well as money market funds held with an investment brokerage firm.

Contributions & Accounts Receivable

Contributions and accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Since all amounts are due within one year of the balance

Sonoma Ecology Center

Notes to Financial Statements December 31, 2024

sheet date, there is no present value discount reflected in these financial statements. An allowance for doubtful accounts has been recorded based on management's judgment.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Inventory

Merchandise inventory consisting of books, gifts, toys, and snacks, souvenir clothing, camping supplies, sundries, and related items, is recorded at the lower of estimated net realizable value or cost in accordance with first-in first-out (FIFO) accounting.

Property & Equipment

The Center's fixed assets consist of leasehold facility and site improvements, vehicles, scientific equipment, and office furnishings and equipment. Items with an initial cost (or fair value if donated) of at least \$1,000 are capitalized, while items not meeting this threshold are expensed when placed into service. Capitalized items are depreciated over their estimated useful lives, which range from 3 to 7 years for most of the Center's assets.

Leases

Leases with an initial term of at least 12 months are capitalized as a right-of-use asset with a corresponding lease liability in accordance with FASB ASC 842. Currently, the Center holds two operating leases for its Sonoma office and copier, and these leases are reflected on the Center's statement of financial position as an asset and a liability. The Center does not hold any "finance leases" as defined by ASC 842.

The Center has elected the practical expedient of using risk-free discount rates to discount future cash flows of its leases. Accordingly, the future lease payments have been discounted to present value using annual rates ranging from 3.46% to 4.52%.

Beneficial Interest in Assets Held by Marin Community Foundation

In 2015, two donors contributed to the Marin Community Foundation (the Foundation) for the purpose of establishing two funds to support the Van Hoosear Wildflower Preserve (the Preserve).

The *Van Hoosear Wildflower Preserve Expendable Fund of the Marin Community Foundation* is a designated beneficiary fund established to accept contributions and make grants to support the Preserve. As the current custodian of the Preserve, SEC may apply for such grants. However, such grants shall be made solely at the Foundation's discretion. No grants were distributed from the Fund in 2024. As of December 31, 2024, the Fund's total balance was \$392,103, all of which was available for grants.

The *Van Hoosear Wildflower Preserve Endowment Fund of the Marin Community Foundation* is a designated beneficiary fund established to accept contributions and make an annual grant in accordance with the Foundation's spending rule to support the Preserve. No grants were distributed from the Fund in 2024. As of December 31, 2024, the Fund's total balance was \$410,451, of which \$16,092 was available for grants.

SEC treats these grants as revenue when awarded by the Foundation.

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The Foundation shall have variance power to unilaterally modify any restriction or condition of these funds in the event such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the community served by the Foundation. Accordingly, these funds are considered assets of the Foundation and not recognized as assets of the Center in the financial statements.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Recognition of Support and Revenue

The Center recognizes support and revenue in accordance with the provisions of ASC 958 and ASC 606, respectively. Amounts received are generally considered contributed support recognizable under ASC 958 when the funding sources do not receive direct commensurate value in exchange for their payments (i.e., when funding from an institutional funding source is used to provide services that benefit the general public). Conversely, amounts received from a funding source to provide services directly to the resource provider are considered revenue from contracts with customers recognizable under ASC 606.

Contributions

Contributions are presented on the *statement of activities and changes in net assets* according to the various sources of the support. These include program service contracts with state and local government agencies, grants from foundations, and other contributions from individuals and businesses. The Center recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of an irrevocable beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Conditional Contributions

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 have been substantially met. The Center's program service contracts from government agencies are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2024, conditional contributions approximating \$2.5 million, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Contracts with Customers

Revenues from contracts with customers (as defined by FASB ASC 606) are presented under the *fees for restoration, education & related services, park entrance, camping & related fees*, and

Sonoma Ecology Center

Notes to Financial Statements December 31, 2024

sales of merchandise captions of the *statement of activities and changes in net assets*. Such revenues are recognizable at the point when services or goods are provided to the customer.

Revenues from restoration services are typically earned on an hourly basis. Such revenues and the associated accounts receivable are recognized monthly as invoices are issued for work completed to date. Payments are typically collected within 30 to 45 days.

Accounts receivable are recorded when performance obligations have been satisfied and collection of payment is conditioned only the passage of time. Deferred revenue represents cash amounts received from customers before the associated contract performance obligations have been satisfied. Accounts receivable arising from contracts with customers totaled \$72,841 at the end of 2024 and \$217,594 at the end of 2023. There was no deferred revenue arising from contracts with customers as of December 31, 2024, or December 31, 2023. Future revenues of approximately \$93,000, for which no amounts were received in advance, are anticipated to be recognized in 2025 based on contracts in place as of December 31, 2024. Such revenues will be recognized when the underlying performance obligations are satisfied.

Functional Expenses

The Center presents its expenses by function and natural category. *Program services* include the direct conduct and direct supervision of specific program activities. *Fundraising* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

When expenses pertain to a single function, they are charged directly and entirely to that function.

Salaries are charged to functions based on management's estimate of staff time and effort. The Center's shared expenses are allocated based on each function's proportionate share of the salaries expense.

Advertising

All advertising costs are expensed as incurred.

Barter Occupancy

During 2024, SEC occupied office space "rent-free" on the site of the former Sonoma Developmental Center in Eldridge. In exchange for the free rent, SEC provided land restoration and related services to the property. The estimated fair value of the rent, which was approximately \$18,000 for 2024, is reflected as fee revenue and occupancy expense in these financial statements. In addition, SEC was responsible for its share of utilities at the site, which are also reflected in the financial statements.

Income Taxes

As a public charity, the Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3), except on activities unrelated to its mission. Since management believes that all of the Center's activities are directly related to its mission, no provision has been made for income tax expense. The Center's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2022 through 2024 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Center's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2021

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Notes to Financial Statements December 31, 2024

through 2024 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

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.

Comparative Data

The financial statement information for the year ended December 31, 2023, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statement for that fiscal year.

3. Accounts Receivable

Fees for restoration & related services	\$92,841
Less: allowance for bad debt	(20,000)
Total	\$72,841

4. Property & Equipment

Leasehold improvements	\$250,429
Vehicles	139,022
Office furnishings & equipment	95,197
Scientific equipment	69,643
Total property & equipment – at cost	554,291
Less: accumulated depreciation	(276,980)
Property & equipment – net book value	\$277,311

5. Operating Lease Liabilities

Leases presented on the statement of financial position include three operating leases: a Sonoma office, a copier, and a vehicle.

The office lease commenced in May 2023 and has an April 2028 expiration date. The lease agreement established an initial monthly rent of \$5,000 with a \$500 increase in each year.

The copier is leased under a five-year agreement expiring in April 2028. The monthly lease payment in effect as of December 31, 2024, was \$489.

The vehicle is leased under a three-year agreement expiring in March 2027. The monthly lease payment in effect as of December 31, 2024, was \$499.

The total cost for the three leases for the year ended December 31, 2024, was \$82,855. The weighted-average remaining lease term is 39 months and the weighted-average discount rate is 3.73%.

Sonoma Ecology Center

Notes to Financial Statements December 31, 2024

Future maturities of lease liabilities are as follows:

<u>Fiscal year ending December 31:</u>	
2025	\$81,853
2026	87,853
2027	88,862
2028	<u>29,955</u>
Total lease payments	288,523
Less: Unamortized discount	<u>(17,079)</u>
Total lease liabilities	271,444
Less: amount presented as current	<u>(73,210)</u>
Total long-term lease liabilities	\$198,234

6. Net Assets with Donor Restrictions

The balance of net assets with donor restrictions at December 31, 2024, consists of unspent awards restricted to the following activities:

Environmental education	\$134,242
Collaborative fuels reduction project	94,515
Sonoma Valley Collaboration	92,000
General support through 2025	61,519
To support leadership in the community	29,944
To maintain Van Hoosier Wildflower Preserve	22,949
Wappo gathering support	22,365
Sonoma Garden Park	18,399
Sonoma Overlook Trail	13,845
Other activities	<u>35,478</u>
Total	\$525,256

7. Related Party Transactions

During 2024, SEC compensated a board member approximately \$11,000 for program consulting services.

Additionally, two board members received travel stipends of \$2,200 in total.

8. Contingencies, Risks & Uncertainties

Funding Source Requirements

The Center receives contributions and grants that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor requirements have been met for grants and contributions that have either been recorded as unrestricted or for which donor restrictions have been released.

Sonoma Ecology Center

Notes to Financial Statements December 31, 2024

Cash Deposits in Excess of FDIC Insurance Limits

As of December 31, 2024, the Center held cash deposits of approximately \$343,000 in one bank, exceeding federal insurance limits by approximately \$93,000.

9. Management's Liquidity Disclosure

The Center has approximately \$1,500,987 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures (net of donor-restricted funds of \$463,737) consisting of cash of \$931,830 and accounts and contributions receivable of \$1,032,894 which are expected to be collected within one year. Because restricted donor funds require resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. The Center also has a line of credit of \$300,000 to meet liquidity needs during the year.

Financial assets available to meet cash needs for general expenditures within one year are as follows:

Cash & equivalents	\$931,830
Contributions receivable	960,053
Accounts receivable	<u>72,841</u>
Total financial assets at year-end	\$1,964,724
Less: funds unavailable for general expenditures within one year, due to donor restrictions	<u>(463,737)*</u>
Financial assets available to meet operating needs	\$1,500,987

*The amount presented as unavailable due to donor restrictions does not include \$61,519 in amounts that are time-restricted but not purpose-restricted since these amounts are deemed available for general activities.

10. Subsequent Events – Financial Statement Preparation

Office Lease

In July 2025, SEC vacated its office at the former Sonoma Developmental Center in Eldridge and relocated to a new facility in Sonoma. The Center entered into a two-year lease agreement commencing in June 2025. Under the terms of the lease, monthly rent is \$2,133 during the first year and will increase to \$2,240 in the second year.

Financial Statement Preparation

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 1, 2025, the date the financial statements were available to be issued.