



nature forward

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2025



Independent Auditor's Report

The Board of Directors
Nature Forward, Inc.
Chevy Chase, Maryland

Opinion

We have audited the accompanying financial statements of Nature Forward, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 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 Nature Forward, Inc. (Nature Forward) as of August 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Nature Forward 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 Nature Forward'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 and *Government 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.

The Board of Directors
Nature Forward, Inc.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Nature Forward'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 Nature Forward'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2026, on our consideration of Nature Forward's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nature Forward's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nature Forward's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Nature Forward's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bethesda, Maryland
February 26, 2026


Certified Public Accountants

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Nature Forward, Inc.

**Statement of Financial Position
August 31, 2025
With Comparative Totals As of August 31, 2024**

	2025	2024
Assets		
Cash and Cash Equivalents	\$ 2,249,039	\$ 2,169,954
Accounts Receivable	46,475	169,083
Promises to Give (Pledges)	833,509	614,752
Inventory	339,032	331,665
Prepaid Expenses	87,338	65,965
Investments	8,970,101	8,365,658
Property and Equipment - Net	3,402,297	3,381,972
Total Assets	\$ 15,927,791	\$ 15,099,049
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 494,166	\$ 386,677
Deferred Revenues	517,470	484,283
Financing Lease	25,005	32,902
Total Liabilities	1,036,641	903,862
Net Assets		
Without Donor Restrictions		
Undesignated	2,635,545	2,776,853
Property and Equipment	3,402,297	3,381,972
Board Designated	838,041	977,388
Total Without Donor Restrictions	6,875,883	7,136,213
With Donor Restrictions		
Temporary	6,375,178	5,418,885
Perpetual	1,640,089	1,640,089
Total With Donor Restrictions	8,015,267	7,058,974
Total Net Assets	14,891,150	14,195,187
Total Liabilities and Net Assets	\$ 15,927,791	\$ 15,099,049

See accompanying Notes to Financial Statements.

Nature Forward, Inc.

**Statement of Activities
For The Year Ending August 31, 2025
With Comparative Totals For the Year Ended August 31, 2024**

	2025			2024	
	Without Donor Restrictions	With Donor Restrictions		Total	Total
		Temporary	Perpetual		
Support and Revenues					
Membership Dues	\$ 119,149	\$ -	\$ -	\$ 119,149	\$ 127,305
Contributions and Grants	614,122	2,780,715	-	3,394,837	2,506,545
In-Kind Contributions	301,372	-	-	301,372	241,801
Tuition, Tours, and Field Trips	1,484,010	-	-	1,484,010	1,169,339
Sanctuary Shop (Net of Cost of Sales of \$239,409)	134,194	-	-	134,194	153,353
Rent	527,110	-	-	527,110	586,288
Advertising and Other Revenue	1,228	-	-	1,228	1,569
Realized Investment Income - Net	221,781	169,537	-	391,318	343,570
Net Assets Released from Restrictions	2,176,228	(2,176,228)	-	-	-
Total Support and Revenues	5,579,194	774,024	-	6,353,218	5,129,770
Expenses					
Program Services					
Sanctuaries	890,753	-	-	890,753	1,109,497
Restoration	1,117,798	-	-	1,117,798	518,864
Membership Services	723,945	-	-	723,945	707,907
Environmental Education	1,883,582	-	-	1,883,582	1,594,143
Conservation Programs	701,505	-	-	701,505	623,266
Total Program Services	5,317,583	-	-	5,317,583	4,553,677
Supporting Services					
Fundraising	516,927	-	-	516,927	519,717
General and Administrative	231,153	-	-	231,153	246,038
Total Supporting Services	748,080	-	-	748,080	765,755
Total Expenses	6,065,663	-	-	6,065,663	5,319,432
Increase (Decrease) in Net Assets from Operations	(486,469)	774,024	-	287,555	(189,662)
Net Unrealized Gains (Losses) on Investments	226,139	182,269	-	408,408	854,131
Changes in Net Assets	(260,330)	956,293	-	695,963	664,469
Net Assets, Beginning of Period	7,136,213	5,418,885	1,640,089	14,195,187	13,530,718
Net Assets, End of Period	\$ 6,875,883	\$ 6,375,178	\$ 1,640,089	\$ 14,891,150	\$ 14,195,187

See accompanying Notes to Financial Statements.

Nature Forward, Inc.

**Statement of Functional Expenses
For The Year Ended August 31, 2025
With Comparative Totals For the Year Ended August 31, 2024**

	2025							2024	
	Sanctuaries	Restoration	Membership Services	Environmental Education	Conservation Programs	Fundraising	General and Administrative	Total	Total
Salaries and Related Expenses	\$ 508,606	\$ 260,698	\$ 513,185	\$ 1,348,678	\$ 517,743	\$ 414,892	\$ 43,348	\$ 3,607,150	\$ 3,261,370
Professional / Contractual Services	146,393	737,013	97,005	287,490	92,121	33,922	129,615	1,523,559	1,027,064
Occupancy and Depreciation	75,206	7,377	25,748	77,539	23,582	13,545	18,293	241,290	222,008
Equipment Rental & Repairs	34,391	2,191	2,216	10,386	1,675	4,496	26,106	81,461	243,455
Sanctuary Maintenance	77,310	104,798	-	4,785	-	1,227	-	188,120	147,076
Travel	154	1,057	4,467	19,064	5,435	-	23	30,200	16,238
Nature Travel	-	-	-	-	-	-	-	-	53,040
Supplies	5,196	1,030	10,556	19,153	17,032	14,314	1,752	69,033	56,799
Dues, Subscriptions, & Fees	13,018	925	10,638	7,594	5,234	922	2,712	41,043	52,035
Printing and Publications	325	2,089	13,844	1,626	368	2,685	18	20,955	31,395
Postage and Shipping	2,135	9	5,612	1,645	49	6,411	33	15,894	11,317
Advertising	14,802	-	21,432	3,239	197	-	-	39,670	26,603
Scholarships and Contributions	-	-	2,201	58,519	26,811	485	862	88,878	61,958
Bank Fees	12,278	131	5,973	38,554	1,510	8,920	5,832	73,198	65,371
Meetings and Catering	939	480	11,068	5,310	9,748	15,108	2,559	45,212	32,301
Other	-	-	-	-	-	-	-	-	11,402
Total	\$ 890,753	\$ 1,117,798	\$ 723,945	\$ 1,883,582	\$ 701,505	\$ 516,927	\$ 231,153	\$ 6,065,663	\$ 5,319,432

See accompanying Notes to Financial Statements.

Nature Forward, Inc.

**Statement of Cash Flows
For The Year Ending August 31, 2025
With Comparative Totals For the Year Ended August 31, 2024**

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 695,963	\$ 664,469
Adjustments to Reconcile Change in Net Assets to Net Cash Used in (Provided by) Operating Activities		
Depreciation	148,074	131,548
Net (Gains) Losses on Investments	(509,115)	(924,660)
Losses on Disposal of Property and Equipment	31,675	1,785
Donated Investments	(275,475)	(200,396)
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	122,608	(113,894)
Promises to Give	(218,757)	351,313
Inventory	(7,367)	(19,942)
Prepaid Expenses	(21,373)	26,964
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	107,489	(101,141)
Deferred Revenues	33,187	(75,856)
Net Cash Provided by (Used in) Operating Activities	106,909	(259,810)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(200,074)	(395,206)
Purchases of Investments	(2,280,579)	(3,504,262)
Sales and Maturities of Investments	2,460,726	3,405,958
Net Cash Provided by (Used in) Investing Activities	(19,927)	(493,510)
Cash Flows from Financing Activities		
Principal Payments on Financing Lease	(7,897)	(6,580)
Net Cash Provided by (Used in) Financing Activities	(7,897)	(6,580)
Net Increase (Decrease) in Cash and Cash Equivalents	79,085	(759,900)
Cash and Cash Equivalents, Beginning of Period	2,169,954	2,929,854
Cash and Cash Equivalents, End of Period	\$ 2,249,039	\$ 2,169,954
Supplementary Disclosure of Cash Flow Information		
Equipment Acquired with a Capital Lease		\$ 39,482

See accompanying Notes to Financial Statements.

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

1. ORGANIZATION AND PURPOSE

Nature Forward, is a not-for-profit environmental, educational and conservation organization serving residents of the Washington, D.C., Metropolitan region. Founded in 1897, Nature Forward seeks to inspire residents of the region to appreciate, understand and protect the natural environment through outdoor experiences, education and advocacy by creating a larger and more diverse community of people who treasure the natural world and work to preserve it. Nature Forward's activities include environmental education, conservation advocacy, events, general operations and a Naturalist shop located at headquarters at Woodend Nature Sanctuary (Chevy Chase, Maryland). The Rust Nature Sanctuary (Leesburg, Virginia) supports Nature Forward's environmental, educational and conservation programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Nature Forward have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires Nature Forward to report information regarding its financial position and activities in accordance with the accrual basis of accounting and the following net asset classifications:

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 Nature Forward. These net assets may be used at the discretion of 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; those restrictions will be met by actions of Nature Forward or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year ended August 31, 2025. Actual results could differ from those estimates.

Cash Equivalents

Nature Forward considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

Nature Forward, Inc.

**Notes to Financial Statements
August 31, 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at unpaid balances less an allowance for credit losses. Nature Forward estimates credit losses using historical experience, current conditions, and reasonable and supportable forecasts. It is Nature Forward's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management considers all amounts to be fully collectible. Accordingly, an allowance for credit losses has not been established.

Promises to Give (Pledges)

Unconditional promises to give are recognized as support in the period received. Promises to give made to Nature Forward for future contributions expected to be fully collectible are recorded as a receivable and as support at the present value of such future payments. Conditional promises to give are recognized as support when the conditions on which they depend are substantially met.

Inventory

Inventory is stated at the lower of cost or net realizable value and consists primarily of nature related books and field guides, bird feeders, nature related gifts, optics, cards, garments and birdseed. Cost is determined using the average cost of similar inventory items.

Investments

Nature Forward carries equity and debt securities at fair market value. Any changes in value are recognized in the statement of activities and changes in net assets.

Property and Equipment

Property and equipment in excess of \$2,500 are recorded at cost. Buildings, building improvements, furniture and equipment are depreciated under the straight-line method over their estimated economic useful lives. Buildings are depreciated over useful lives of 40 years and building improvements, furniture and equipment are depreciated over 3 to 15 years.

Nature Forward has a 40-year lease agreement with the Northern Virginia Regional Park Authority (NVRPA) for operating the Rust Sanctuary. NVRPA is responsible for maintaining the buildings and grounds, managing the rental program and most of the operating costs. Nature Forward owns the sanctuary and conducts environmental education programs there. Nature Forward collaborates with the Virginia Outdoors Foundation regarding the conservation easement at the 68-acre sanctuary.

During 2021, Nature Forward entered into a forest conservation easement at Woodend Sanctuary with Maryland-National Park and Planning Commission (MNPPC). A forest conservation easement is a perpetual property right granted to MNPPC that protects land for existing and future forests by limiting certain activities.

Nature Forward deeded a right of way to Montgomery County, Maryland in order to receive needed permits to install a Nature Play Space at its headquarters at Woodend Sanctuary. The deeded right of way will not impact the reported value of Nature Forward's property.

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field.

There were no unrecognized conditional contributions as of August 31, 2025.

Membership dues are invoiced based on fixed rate schedules. Revenue from membership dues is recognized when received because members do not receive commensurate value.

Revenue is recognized from tuition, tours and field trip fees when the performance obligations of providing the services are met. As of August 31, 2025, there was 115,860 in deferred revenue related to tuition, tours and field trips.

Sanctuary shop sales are recognized at the time of purchase.

Rental income includes amounts paid from private events held at Woodend Sanctuary. The rental deposit is received in advance of the event resulting in a deferred revenue balance. Rental income is recognized when the event is held. As of August 31, 2025, there was \$401,610 in deferred revenue related to the rental program.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, the categories of expenses that are attributable to more than one program or supporting function have been allocated among the programs and supporting services based on time and effort.

Income Tax Status

Nature Forward is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

Nature Forward follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in Nature Forward's financial statements, if any. As of August 31, 2025, Nature Forward had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

Nature Forward's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through August 31, 2025, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

Generally, the tax years before 2022 are no longer subject to examination by federal, state, or local taxing authorities.

Comparative Information

The financial statements include certain prior-year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Nature Forward's financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through February 26, 2026, the date which the financial statements were available to be issued.

3. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject Nature Forward to significant concentrations of credit risk consist of cash and investments. Nature Forward maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). Nature Forward has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

4. PROMISES TO GIVE

Promises to Give are expected to be realized in the following periods:

In One Year or Less	\$ 194,351
Between One and Five Years	430,074
Five Years or More	<u>534,112</u>
	1,158,537
Allowance for Doubtful Promises	(51,374)
Net Present Value Discount at 2.5%	<u>(273,654)</u>
Total	<u>\$ 833,509</u>

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used as of August 31, 2025:

- Money Funds - Fair value is equal to the reported net asset value of the fund.
- Mutual Funds - Fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained on an active market.
- Equity Security Funds - Valued at the closing price reported on the active market in which the funds are traded.
- Fixed Income Funds - Valued at the closing price reported on the active market in which the funds are traded.
- Government Securities - Fair value is based upon current yields available on comparable securities of issuers.

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Nature Forward has categorized its financial instruments based on a three-level fair value hierarchy as follows:

Level 1 – Values are based on quoted prices for identical assets in active markets.

Level 2 – Values are based on quoted prices for similar assets in active or inactive markets.

Level 3 – Value are based on unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.

As of August 31, 2025, these investments and their fair value measurements were:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>
Fixed Income		
Corporate/Government	\$ 3,405,156	\$ 3,405,156
Equity Securities		
Common Stock	1,168,223	1,168,223
Emerging Markets	391,127	391,127
International	1,473,009	1,473,009
Government	2,532,586	2,532,586
Total	<u>\$ 8,970,101</u>	<u>\$ 8,970,101</u>

Nature Forward, Inc.

**Notes to Financial Statements
August 31, 2025**

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consisted of the following for the year ended August 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest	\$ 183,033	\$ 150,931	\$ 333,964
Net Realized Gains (Losses)	65,286	35,421	100,707
Net Unrealized Gains (Losses)	226,139	182,269	408,408
Advisory Fees	(26,538)	(16,815)	(43,353)
Total	<u>\$ 447,920</u>	<u>\$ 351,806</u>	<u>\$ 799,726</u>

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at August 31, 2025:

Land	\$ 1,254,463
Buildings and Building Improvements	3,481,983
Furniture and Equipment	402,137
Total	<u>5,138,583</u>
Less Accumulated Depreciation	<u>(1,736,286)</u>
Property and Equipment, Net	<u>\$ 3,402,297</u>

Depreciation expense was \$148,074 for the year ended August 31, 2025.

7. NET ASSETS

Net assets with donor restrictions as of August 31, 2025, are restricted for the following purposes:

Purpose	September 1, 2024	Support and Contributions	Investment Income	Releases	August 31, 2025
Rust Manor House	\$ 153,198	\$ -	\$ -	\$ (9,625)	\$ 143,573
Conservation	769,427	1,157,363	-	(516,693)	1,410,097
Environmental Education Programs	617,928	599,793	108,269	(548,528)	777,462
Habitat Restoration	3,761,224	1,005,446	234,861	(1,052,818)	3,948,713
Professional Development	11,566	4,891	-	(16,457)	-
Crowder/Messersmith Fund	105,542	13,222	8,676	(32,107)	95,333
	<u>5,418,885</u>	<u>2,780,715</u>	<u>351,806</u>	<u>(2,176,228)</u>	<u>6,375,178</u>
Perpetual	<u>1,640,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,640,089</u>
Total	<u>\$ 7,058,974</u>	<u>\$ 2,780,715</u>	<u>\$ 351,806</u>	<u>\$ (2,176,228)</u>	<u>\$ 8,015,267</u>

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

7. NET ASSETS (CONTINUED)

Net assets with perpetual donor restrictions as of August 31, 2025, consisted of the following:

Rust Sanctuary	\$ 436,032
Staff Professional Development Endowment	400,000
Senior Naturalist Endowment	520,365
Washington, D.C. Area Programs Endowment	279,672
Scholarship Endowment	4,020
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Total	\$ 1,640,089

The Scholarship, Senior Naturalist Endowment, Staff Professional Development and Washington, D.C. Area Programs endowments consist of investments to be held indefinitely. The income earned on each is restricted to support the corresponding purposes.

Board designated net assets as of August 31, 2025, are designated for the following purposes:

	September 1, 2024	Designations	Appropriations	August 31, 2025
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Vacation / Personnel	\$ 17,321	\$ -	\$ (17,321)	\$ -
Benchmarking	54,906	-	(54,906)	-
Restoration Projects	677,813	-	-	677,813
Advertising	189,848	-	(56,458)	133,390
Teale Accessibility	30,000	-	(3,652)	26,348
IDEA Training	7,500	-	(7,010)	490
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 977,388	\$ -	\$ (139,347)	\$ 838,041

8. ENDOWMENTS

Nature Forward's endowments consist of restricted contributions that established endowments to support specific programs of Nature Forward. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Nature Forward has no funds designated by the board of directors to function as endowments.

Interpretation of Relevant Law

Nature Forward has interpreted the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Nature Forward classifies as net assets with perpetual restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

8. ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

restrictions is classified as net assets with purpose restrictions until those amounts are appropriated for expenditure by Nature Forward in a manner consistent with the standards of prudence prescribed by MUPMIFA.

In accordance with MUPMIFA, Nature Forward considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Nature Forward and (7) Nature Forward's investment policies.

Investment Policy

Nature Forward has adopted an investment policy, approved by the board of directors, for endowment assets to provide a stream of funding to programs supported by its endowment while seeking to maintain the original value of the gifts donated to the perpetual endowment. The investment policy establishes an achievable return objective through diversification of asset classes. Nature Forward relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Nature Forward targets a diversified asset allocation that places an emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk parameters.

Funds with Deficiencies

From time to time, the fair value of assets associated with the endowment funds may fall below the level that the donors require to be retained as a fund of perpetual duration. Nature Forward has interpreted MUPMIFA to permit spending from funds with deficiencies in accordance with prudent measures required under law. As of August 31, 2025, there were no funds with deficiencies.

Appropriation of Endowment Assets for Expenditure

Distributions from donor restricted endowments are made in accordance with the terms of the gifts. Accordingly, the investment income earned, and net appreciations of the endowments' investments are available for expenditure in the current period consistent with the terms of the gifts.

As of August 31, 2025, the endowment net asset composition by type of fund consisted of the following:

Without Donor Restrictions	\$ 293,921
With Donor Restrictions	\$ 1,204,057

Nature Forward, Inc.

Notes to Financial Statements August 31, 2025

8. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended August 31, 2025, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Period	\$ 185,652	\$ 1,204,057	\$ 1,389,709
Contributions		-	-
Investment Income	108,269	-	108,269
Amounts Appropriated for Expenditures	-	-	-
Endowment Net Assets, End of Period	<u>\$ 293,921</u>	<u>\$ 1,204,057</u>	<u>\$ 1,497,978</u>

9. IN-KIND CONTRIBUTIONS

In-kind contributions include donated goods and services as well as donated securities. Donated services that require a specialized skill that Nature Forward would otherwise need to purchase are recorded at estimated fair value. Nature Forward received camp, advertising and legal services which were utilized for programs during the year and special event catering which was utilized for fundraising. Additionally, Nature Forward received donated securities and special event audit items which were monetized when received. These donated items were reported as in-kind contribution revenue offset by a corresponding expense. In-kind contributions for the year ended August 31, 2025, were valued at \$301,372. In-Kind contributions for the year ended August 31, 2025, were as follows:

Donated Securities	\$ 275,475
Legal Services	10,222
Special Event Catering	2,100
Special Event Auction Items	8,780
Camp Services	800
Advertising	3,995
Total	<u>\$ 301,372</u>

10. RENTAL REVENUE

Nature Forward leases portions of its buildings and grounds as site rentals under cancelable operating lease arrangements. The site rentals are usually for less than a day.

Nature Forward, Inc.

**Notes to Financial Statements
August 31, 2025**

10. RENTAL REVENUE (CONTINUED)

The following table provides information about significant changes in deferred rental revenue for the year ended August 31, 2025.

Deferred Rental Revenue, Beginning of Year	\$ 333,558
Revenue Recognized That Was Included in Deferred Revenue at the Beginning of the Year	(291,530)
Increase in Deferred Revenue Due to Cash Received During the Year	<u>359,582</u>
Deferred Rental Revenue, End Year	<u>\$ 401,610</u>

11. RETIREMENT PLAN

Nature Forward sponsors a defined contribution retirement plan that qualifies under Section 403(b) of the Internal Revenue Code. Nature Forward's employees are eligible to participate in the plan upon employment. After six months of employment, eligible employees qualify for a matching contribution up to 5% of their salary contributions to the Plan. Employer and employee contributions are vested immediately.

Nature Forward also sponsors a 457(b)-deferred compensation plan for a key employee. Contributions to this plan are remitted annually. Nature Forward's contribution to the plans for the year ended August 31, 2025, was \$98,582.

12. OTHER COMMITMENTS AND CONTINGENCIES

Regulatory agencies may initiate administrative proceedings alleging that Nature Forward programs, employees, or agents violate statutes and regulations and seek to impose monetary penalties on Nature Forward. Nature Forward could be required to incur significant costs to respond to regulatory investigations or defend against civil lawsuits and, if Nature Forward does not prevail it could be required to pay substantial amounts of money in damages, settlement amounts or penalties.

Nature Forward, Inc.
Notes to Financial Statements
August 31, 2025

13. AVAILABILITY AND LIQUIDITY

The following represents Nature Forward's financial assets at August 31, 2025:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 2,249,039
Accounts Receivable	46,475
Investments	8,970,101
Promises to Give (Pledges)	<u>833,509</u>
Total Financial Assets	<u>12,099,124</u>
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	(8,015,267)
Less: Net Assets With Purpose Restrictions To Be Met in Less Than a Year	1,122,143
Board-Designated Net Assets	<u>(838,041)</u>
	<u>(7,731,165)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 4,367,959</u>

As part of Nature Forward's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.

SUPPLEMENTARY INFORMATION

Nature Forward, Inc.

**Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2025**

Federal Agency (Pass-Through Agency)	Program or Cluster Title	Assistance Listing Number	Expenditures			Passed through to Subrecipients
			From Pass- Through Awards	From Direct Awards	Total	
U.S. Department of Agriculture	Forestry Research	10.652	\$ -	\$ 672,942	\$ 672,942	\$ -
U.S. Department of Agriculture	Cooperative Forestry Assistance	10.664	-	5,000	5,000	-
U.S. Department of Agriculture	Urban and Community Forestry	10.675	-	45,000	45,000	-
U.S. Department of Agriculture	Community Forestry	10.727	-	3,765	3,765	-
<i>Total U.S. Department of Agriculture</i>			-	726,707	726,707	-
U.S. Department of Interior	Coastal Program	15.930	-	2,044	2,044	-
U.S. Environmental Protection Agency (District of Columbia Department of Energy & Environment) Foundation)	Chesapeake Bay Program	66.466	25,362	-	25,362	-
	Chesapeake Bay Program Environmental Justice Thriving Communities	66.466	112,143	-	112,143	-
(Green & Healthy Homes Initiative) (Maryland Department of Natural Resources)	Chesapeake Bay Program	66.615	18,946	-	18,946	-
(Chesapeake Bay Trust)	Chesapeake Bay Program	66.964	3,680	-	3,680	-
	Chesapeake Bay Program	66.964	5,625	-	5,625	-
<i>Total U.S. Environmental Protection Agency</i>			165,756	-	165,756	-
Department of Homeland Security (District of Columbia Department of Energy & Environment)	Cooperating Technical Partners Program	97.045	35,787	-	35,787	-
Total Expenditures of Federal Awards			\$ 201,543	\$ 728,751	\$ 930,294	\$ -

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Nature Forward, Inc.

Notes to Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Nature Forward under programs of the federal government for the year ended August 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Nature Forward, it is not intended to and does not present the financial position, changes in net assets or cash flows of Nature Forward.

2. Summary of Significant Accounting Policies

All of Nature Forward's federal awards were in form of cash assistance for the year ended August 31, 2025.

Nature Forward had no federally funded insurance programs or loan guarantees during the year ended August 31, 2025.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

There are no subrecipient expenditures.

Nature Forward has elected to use the Federal de minimis cost rate as allowed under the Uniform Guidance.



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors of
Nature Forward, Inc.
Washington, D.C.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nature Forward, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nature Forward, Inc.'s (Nature Forward) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nature Forward's internal control. Accordingly, we do not express an opinion on the effectiveness of Nature Forward's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nature Forward's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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The Board of Directors of
Nature Forward, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bethesda, Maryland
February 26, 2026

Certified Public Accountants



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors of
Nature Forward, Inc.
Washington, D.C.

Report on Compliance for Each Major Federal Program

We have audited The Nature Forward, Inc.'s (Nature Forward) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Nature Forward's major federal program for the year ended August 31, 2025. Nature Forward's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Nature Forward complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Nature Forward and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Nature Forward's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Nature Forward's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Nature Forward's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a

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The Board of Directors of
Nature Forward, Inc.

substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Nature Forward's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Nature Forward's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Nature Forward's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Nature Forward's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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The Board of Directors of
Nature Forward, Inc.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mullins PC". The signature is written in a cursive, flowing style.

Bethesda, Maryland
February 26, 2026

Certified Public Accountants

Nature Forward, Inc.

**Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025**

Section I – Summary of Independent Auditor’s Results

Financial Statements:

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

• Material weakness (es) identified? _____ yes, X no

• Significant deficiencies relating to the audit of the financial statements reported in the Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*? _____ yes, X no

Noncompliance material to financial statements noted? _____ yes, X no

Federal Awards:

Type of auditors’ report issued on compliance for major programs: Unmodified

Internal control over major programs:

• Material weakness(es) identified? _____ yes, X no

• Significant deficiencies relating to the audit of the major Federal award programs reported in the Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance? _____ yes, X no

Any audit findings that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))? _____ yes, X no

Identification of major programs:

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing</i>	<i>Federal Expenditures</i>
U.S. Department of Agriculture		
Forestry Research	10.652	\$ <u>672,942</u>
Total Major Programs		<u>\$ 672,942</u>

Dollar threshold used for distinguishing between Type A and Type B programs: \$750,000.

Nature Forward Auditee qualified as low-risk auditee? _____ yes, X no

Nature Forward, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2025

Section II - Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs for federal awards (as defined in section 2 CFR 200.516(a)) that are required to be reported.

Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.