NOVOGRADAC & COMPANY LLP®

GREENBELT ALLIANCE/PEOPLE FOR OPEN SPACE, INC.

Financial Statements with Independent Auditor's Report
For the year ended September 30, 2023

Independent Auditor's Report

To the Board of Directors of

Greenbelt Alliance/People for Open Space, Inc.:

Opinion

We have audited the accompanying financial statements of Greenbelt Alliance/People for Open Space, Inc., a California non-profit public benefit organization, which comprise the statement of financial position as of September 30, 2023, 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 Greenbelt Alliance/People for Open Space, Inc. as of September 30, 2023, 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. 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 Greenbelt Alliance/People for Open Space, Inc. 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 these 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 Greenbelt Alliance/People for Open Space, Inc.'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 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 consolidated 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 consolidated 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 Greenbelt Alliance/People for Open Space, Inc.'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 Greenbelt Alliance/People for Open Space, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Greenbelt Alliance/People for Open Space, Inc. adopted accounting standards changes related to accounting for and disclosing leasing arrangements. Our opinion is not modified with respect to this matter.

Novogradac & Company LLP

Walnut Creek, CA
April 11, 2024

GREENBELT ALLIANCE/PEOPLE FOR OPEN SPACE, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2023 (with comparative totals for 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,466,657	$ 1,354,297
Grants receivable	383,091	-
Accounts receivable	93,312	-
Prepaid expenses	25,104	30,727
Total current assets	1,968,164	1,385,024
Grants receivable, net	154,694	-
Deposits	11,828	9,841
Right-of-use asset - lease	250,488	-
Managed investments	3,016,646	2,741,496
TOTAL ASSETS	$ 5,401,820	$ 4,136,361
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 49,139	$ 18,403
Accrued payroll liabilities	80,218	111,327
Lease liability - current portion	49,717	-
Total current liabilities	179,074	129,730
Lease liability	220,639	-
Total liabilities	399,713	129,730
Net assets:		
Without donor restrictions:		
Available for operations	1,336,708	965,826
Designated for Quasi Endowment Fund	1,673,971	1,802,590
Total without donor restrictions	3,010,679	2,768,416
With donor restrictions:		
Temporarily restricted	934,046	180,833
Permanently restricted	1,057,382	1,057,382
Total with donor restrictions	1,991,428	1,238,215
Total net assets	5,002,107	4,006,631
TOTAL LIABILITIES AND NET ASSETS	$ 5,401,820	$ 4,136,361

GREENBELT ALLIANCE/PEOPLE FOR OPEN SPACE, INC.
STATEMENT OF ACTIVITIES
For the year ended September 30, 2023 (with comparative totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
SUPPORT AND REVENUE				
Contributions:				
Individual contributions	$ 94,176	$ -	$ 94,176	$ 94,641
Workplace giving	5,161	-	5,161	4,782
Major donors	457,854	-	457,854	582,756
Business contributions	17,861		17,861	37,468
Foundation grants	52,500	1,234,182	1,286,682	372,499
Bequest donations	-	-	-	300,000
Dedicated donations	304,661	-	304,661	166,914
Event revenue	519,317	-	519,317	381,995
Contracts and other fees:				
Contracts	125,372	-	125,372	802
Net gain (loss) from investment:				
Realized gains (losses)	(1,656)	-	(1,656)	52,658
Unrealized (losses) gains	263,380	-	263,380	(675,907)
Interest and dividends	88,605	-	88,605	55,386
Miscellaneous income	1,314	-	1,314	2,015
Net assets released from restrictions	480,969	(480,969)	-	-
TOTAL SUPPORT AND REVENUE	2,409,514	753,213	3,162,727	1,376,009
EXPENSES				
Program services:				
Greenbelt Alliance operating programs				
Accelerating Climate Resilience	522,897	-	522,897	616,015
Climate Risk Research	380,553	-	380,553	183,080
Climate Smart Development	395,163	-	395,163	368,156
Total program services	1,298,613	-	1,298,613	1,167,251
Supporting services				
Management and general administration	303,575	-	303,575	247,585
Advancement	565,063	-	565,063	488,881
Total supporting services	868,638	-	868,638	736,466
TOTAL EXPENSES	2,167,251	-	2,167,251	1,903,717
CHANGE IN NET ASSETS	242,263	753,213	995,476	(527,708)
NET ASSETS, BEGINNING OF YEAR	2,768,416	1,238,215	4,006,631	4,534,339
NET ASSETS, END OF YEAR	$ 3,010,679	$ 1,991,428	$ 5,002,107	$ 4,006,631

GREENBELT ALLIANCE/PEOPLE FOR OPEN SPACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2023 (with comparative totals for 2022)

	Program Services				Supporting Services			2023	2022
	Accelerating Climate Resilience	Climate Risk Research	Climate Smart Development	Total Program Services	Management & General Administration	Advancement	Total Supporting Services	TOTAL	TOTAL
Salaries	$ 332,121	$ 241,710	$ 250,988	$ 824,819	$ 134,219	$ 358,901	$ 493,120	$ 1,317,939	$ 1,302,984
Payroll taxes	26,902	19,578	20,330	66,810	10,871	29,071	39,942	106,752	106,305
Employee benefits	41,667	30,325	31,489	103,481	16,838	45,028	61,866	165,347	115,098
Worker's compensation insurance	1,216	885	919	3,020	492	1,314	1,806	4,826	5,180
Rent	19,809	14,417	14,970	49,196	8,005	21,406	29,411	78,607	69,029
Telephone	562	409	425	1,396	227	608	835	2,231	445
Utilities	-	-	-	-	-	-	-	-	938
Property insurance	2,509	1,826	1,896	6,231	1,015	2,711	3,726	9,957	9,332
Equipment	1,688	1,229	1,276	4,193	682	1,824	2,506	6,699	5,050
General and administrative expenses	16,317	11,874	12,331	40,522	6,595	17,634	24,229	64,751	52,748
Events	22,239	16,185	16,807	55,231	8,987	24,033	33,020	88,251	70,612
Service charges and fees	1,139	829	860	2,828	460	1,230	1,690	4,518	5,098
Meetings and meals	2,557	1,861	1,933	6,351	1,033	2,764	3,797	10,148	7,227
Grants (Educational)	218	159	165	542	88	236	324	866	-
Training and conferences	4,597	3,345	3,474	11,416	1,858	4,967	6,825	18,241	1,537
Org Donations & Sponsorships	-	-	-	-	-	-	-	-	1,750
Travel	3,027	2,203	2,288	7,518	1,223	3,271	4,494	12,012	11,223
Professional services	18,281	13,305	13,815	45,401	7,388	19,755	27,143	72,544	65,207
Subcontractors	18,069	13,150	13,655	44,874	7,302	19,526	26,828	71,702	9,853
Accounting and legal	-	-	-	-	66,953	-	66,953	66,953	47,362
Design, photography, videography	9,979	7,263	7,542	24,784	4,033	10,784	14,817	39,601	16,739
Present value discount - grants receivable	-	-	-	-	25,306	-	25,306	25,306	-
TOTAL	$ 522,897	$ 380,553	$ 395,163	$ 1,298,613	$ 303,575	$ 565,063	$ 868,638	$ 2,167,251	$ 1,903,717

GREENBELT ALLIANCE/PEOPLE FOR OPEN SPACE, INC.
STATEMENT OF CASH FLOWS
For the year ended September 30, 2023 (with comparative totals for 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 995,476	$ (527,708)
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Unrealized losses (gains)	(261,126)	671,685
Amortization of right-of-use assets	47,805	-
(Increase) decrease in operating assets:		
Grants receivable	(537,785)	-
Accounts receivable	(93,312)	35,750
Prepaid expenses	5,623	(24,238)
Deposits	(1,987)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	30,736	(117,264)
Accrued payroll liabilities	(31,109)	5,168
Deferred rent	-	(2,507)
Lease liability	(27,937)	-
Net cash provided by operating activities	126,384	40,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of managed investments	(1,025,678)	(400,162)
Proceeds from sales of investments	1,011,654	-
Net cash used in investing activities	(14,024)	(400,162)
Net decrease in cash and cash equivalents	112,360	(359,276)
Cash and cash equivalents at beginning of year	1,354,297	1,713,573
Cash and cash equivalents at end of year	$ 1,466,657	$ 1,354,297
Supplemental disclosure of noncash investing and financing transactions		
Increase in right-of-use asset - lease and lease liability	$ 298,293	$ -

1. Organization

Greenbelt Alliance/People for Open Space, Inc. (the "Organization") is focused on addressing a major problem facing the Bay Area: we aren't ready for climate change. Over Greenbelt Alliance's 60-year history, we have stewarded this region's beautiful natural landscapes while promoting the growth needed for thriving communities for generations to come. As a result, today, almost 3.3 million acres of the Bay Area's nine counties are protected open spaces.

Today, we are leveraging our expertise in land-use policy advocacy and regional collaboration to realize a climate-resilient Bay Area. To us, this looks like communities and people thriving in the places they live, work, and play. Staying safe during climate disasters. Connecting with open spaces in new and powerful ways. Suffering less and recovering quickly after the next wildfire, flood, or drought. All thanks to equitable solutions drawing on the powerful role of nature. Operations are primarily supported through grants and contributions. The Organization focuses on the following three main areas:

Climate Risk Research – We're producing original research that will guide regional conservation and land-use advocacy, that will in turn create policies that incorporate climate risks and adaptation measures, while avoiding development in high-risk areas.

Accelerating Climate Resilience – We're developing planning guidance, innovative policy strategies, and key partnerships that will bolster capacity and support local and regional efforts to implement equitable, climate-resilient land-use decisions.

Climate Smart Development – We'll promote equitable, climate resilience through Sustainable, Mixed, Affordable, Resilient, Transit-Oriented development within existing urban and suburban areas.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

2. Summary of significant accounting policies and nature of operations (continued)

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Basis of presentation

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

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. The Board of Directors (the “Board”) of the Organization’s goal is to establish a reserve at an amount equal to approximately 3.5 months of operating expenses (excluding certain activities supported by restricted contributions). The Board has designated portions of this class of net assets, as follows:

- **Designated for Greenbelt Alliance Initiative Fund (“GAIF”) -** Represents amounts collected and spent to support ballot initiative campaigns, which are consistent with the Organization’s objectives. Additions to this fund come from donor contributions and an allocation of the interest or investment income earned by the Organization (see Note 4).

- **Designated for Quasi Endowment** - Represents amounts set aside by the Board for inclusion in the Organization’s endowment fund. These amounts can be removed from the endowment fund at the Board’s discretion (see Note 4).

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations. Net assets with donor restrictions consists of resources that are restricted by a donor for a particular purpose or in a particular future period and endowment funds. Endowment funds are net assets subject to donor-imposed stipulations that amounts received be maintained permanently by the Organization. The earnings or losses realized on permanently restricted and Quasi Endowment funds are classified as unrestricted support and revenue. The Board has established specific policies related to these net assets and any earnings or losses (see Note 4).

2. Summary of significant accounting policies and nature of operations (continued)

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.

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents and certificates of deposit. The Organization had no uninsured cash or cash equivalents as of September 30, 2023.

Fixed assets and depreciation

Fixed assets are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation of furniture and equipment is provided over the estimated useful lives of the assets, generally three to five years, using the straight-line method of depreciation. Leasehold improvements are depreciated over the life of the asset or the lease, whichever is shorter.

Contributions and revenue

Contributions are recognized as revenue when they are unconditionally given. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at fair value as net assets without donor restrictions or net assets with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue resulting from special events and other income is recorded when earned.

Pledges of grants or donations are recorded as revenue when they are received in writing. The receivables are recorded net of allowance for estimated uncollectible amounts.

Contract service revenue is recognized when the identified performance obligations under the identified contract are satisfied based on the allocation of the determined transaction price to the performance obligation. Judgment regarding costs incurred to fulfill performance obligations is based on management’s interpretation of terms and conditions outlined in the underlying contract.

2. Summary of significant accounting policies and nature of operations (continued)

In-kind contributions

Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. $0 has been received and recognized during the year ended September 30, 2023.

Functional allocation of expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated to programs and supporting services based on the ratio of each activity's direct staff time to total staff time.

Contributions and accounts receivable

Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to accounts receivable. As of September 30, 2023, the allowance for doubtful accounts was $0. Unconditional promises to give that are expected to be received in future periods are discounted annually at 5%. The discount on the promises to give for the year ended September 30, 2023 was$25,306.

Fair value of financial instruments

In accordance with accounting principles generally accepted in the United States of America, the Organization establishes a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets and liabilities reported at fair value. The estimated fair value amounts have been determined using available market information, assumptions, estimates and valuation methodologies. When determining fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

2. Summary of significant accounting policies and nature of operations (continued)

Fair value of financial instruments (continued)

The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are readily accessible at the measurement date for identical, unrestricted net assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities. Valuations for assets and liabilities traded in less active dealer or broker markets are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs that are both significant to the fair value measurement and unobservable. Valuations for assets and liabilities are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The following tables present the Organization's investments that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of September 30, 2023:

2. Summary of significant accounting policies and nature of operations (continued)

Fair value of financial instruments (continued)

	September 30, 2023			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Vanguard funds				
Balanced index fund	$ 2,556,575	$ -	$ -	$ 2,556,575
Tot international stock lx	209,393	-	-	209,393
Total Vanguard funds	2,765,968	-	-	2,765,968
Charles Schwab funds				
U.S treasuries	$ 245,594	$ -	$ -	$ 245,594
Equinix Inc	5,084	-	-	5,084
Total Charles Schwab funds	250,678	-	-	250,678
Total assets	$ 3,016,646	$ -	$ -	$ 3,016,646

Deferred rent

The Organization's corporate office is leased under agreements which have fixed increases in the monthly rent payment. Rent expense is recognized on a straight-line basis over the entire life of the respective lease. The difference between the cash payments and the expense recognized is recorded as a deferred rent liability.

Income taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d). In addition, the Organization has received a ruling from the Internal Revenue Service that it is not a private foundation. The Organization is registered with the Registry of Charitable Trusts of the Office of the Attorney General of the State of California.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes (continued)

Federal tax authorities generally have the right to examine and audit the previous three years of tax returns filed. California tax authorities generally have the right to examine and audit the previous four years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Comparative financial 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 September 30, 2022, from which the summarized information was derived.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, Leases ("FASB ASC 842") to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees and the disclosure of key information about leasing arrangements.

FASB ASC 842 was adopted October 1, 2022, and any adjustment necessary, if any, was recognized through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended September 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for its existing lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under the new standard, (b) whether classification of a lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of FASB ASC 842, on October 1, 2022 a lease payable of $298,293 was recognized, which represents the present value of the remaining lease payments of $366,438, discounted using the Organization's incremental rate of 8%, and a corresponding right-of-use asset of $298,293.

2. Summary of significant accounting policies and nature of operations (continued)

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through April 11, 2024, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Liquidity and availability of financial assets

The following represents the Organization's financial assets at September 30, 2023:

Financial assets	
Cash and cash equivalents	$ 1,466,657
Grants receivable	357,785
Accounts receivable	93,312
Deposits	11,828
Investments	3,016,646
Financial assets, at year end	4,946,228
Less those unavailable for general expenditures within one year due to:	
Grants receivable-non current, net	(154,694)
Total net assets with donor restrictions	(1,991,428)
Financial assets available to meet general expenditures over the next 12 months	$ 2,800,106

The Organization's goal is generally to maintain financial assets to meet 3.5 months of operating expenses. As of September 30, 2023, net assets available for operations totaled $1,336,708. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

4. Net assets with donor restrictions

Net assets with donor restrictions include the following:

	September 30, 2022	Additions	Released	September 30, 2023
Grants with time restrictions:				
General Support	$ 5,625	$ 178,000	$ 164,582	$ 19,043
Climate Smart Development	-	10,000	9,167	833
Accelerating Climate Resilience	175,208	1,046,182	307,220	914,170
Total grants with time restrictions	180,833	1,234,182	480,969	934,046
Permanent endowment funds	1,057,382	-	-	1,057,382
Total net assets with donor restrictions	$ 1,238,215	$ 1,234,182	$ 480,969	$ 1,991,428

Net assets with donor restrictions consist of the following restrictions:

Grants with use restrictions – Grants pledged or received that are for a specific purpose are included in this category.

Grants with time restrictions – Grants pledged or received that are for future periods are included in this category.

General Operating Support – Grants were received in support of the Organization's general operating support.

The Organization has established an endowment fund which has 2 components, 1) a permanently restricted endowment (the "Permanent Endowment Fund") established from contributions restricted by donors and, 2) an unrestricted but designated endowment established from Board designated funds (the "Quasi Endowment Fund"). All permanently restricted bequests or gifts received are added to the Permanent Endowment Fund. If bequests are not restricted, the Board has a policy that 75% of such bequests will be designated as Quasi Endowment Funds. The Quasi Endowment Funds are classified with net assets without donor restrictions. These two funds together are referred to as the Combined Endowment Fund.

4. Net assets with donor restrictions (continued)

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund (if any). The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (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 the Organization, and (7) the Organization's investment policies. The following is the Organization's policy with regard to earnings on endowment funds:

Earnings or losses on the Permanent Endowment Fund (including realized or unrealized gains or losses, and interest or dividends) are recorded as unrestricted revenue, and are therefore a component of Net Assets Without Donor Restrictions. Within Net Assets Without Donor Restrictions, the net earnings are classified as Available for Operations or designated as Quasi Endowment based on the following policy established by the Board:

(a) An annual amount equal to 5% annually of the Combined Endowment Fund will be used for operations and classified as available for operations. Any earnings in excess of this amount will be added to the Quasi Endowment Fund.

(b) Any net losses incurred on investments are allocated as a reduction of the Quasi Endowment Fund balance.

4. Net assets with donor restrictions (continued)

In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Combined Endowment Fund assets are invested in a well-diversified asset mix, including equity and debt securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5% for the year ended September 30, 2023 while growing the fund, if possible. Accordingly, the Organization expects its Combined Endowment Fund assets, over time, to produce an average annual rate of return in excess of 5%. Actual returns in any given year may vary from this amount.

Activity in the Permanent and Quasi Endowment Funds during the year ended September 30, 2023 is summarized as follows:

	Quasi Endowment	Permanent Endowment	Combined Endowment
Balance at September 30, 2022	$ 1,802,590	$ 1,057,382	$ 2,859,972
Investment return:			
Investment income	9,245	-	9,245
Realized and unrealized gains	1,656	-	1,656
5% of combined endowment appropriated for expenditure	(139,520)	-	(139,520)
Balance at September 30, 2023	$ 1,673,971	$ 1,057,382	$ 2,731,353

5. Operating leases

The Organization obtained a new lease on October 11, 2022 for office space in Oakland, expiring through 2027.

Future minimum required rental payments under the lease are as follows:

Year ending September 30,

2024	$	73,520
2025		76,447
2026		79,563
2027		82,596
Total lease payments		319,126
Less: imputed interest		(48,770)
Lease liability	$	270,356

Rent expense for the year ended September 30, 2023 was $77,997 which includes $47,805 of right-of-use asset amortization.