RISING SUN CENTER FOR OPPORTUNITY
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024)

HEALY AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT

CONTENTS

INDEPENDENT AUDITOR'S REPORT

June 24, 2026

Board of Directors
Rising Sun Center for Opportunity
Oakland, California

Opinion

We have audited the accompanying financial statements of Rising Sun Center for Opportunity (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 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 Rising Sun Center for Opportunity as of December 31, 2025, and the changes in 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 Rising Sun Center for Opportunity 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 Rising Sun Center for Opportunity'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.

1200 CONCORD AVENUE, SUITE 250, CONCORD, CA 94520 • (925) 603-0800 • (925) 603-0804 FAX

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 Rising Sun Center for Opportunity'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 Rising Sun Center for Opportunity'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 Rising Sun Center for Opportunity’s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Healy and Associates

Healy and Associates
Concord, California

RISING SUN CENTER FOR OPPORTUNITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2024)

	December 31	
	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,864,824	$ 1,048,423
Investments	3,894,718	3,426,019
Accounts receivable	562,046	37,013
Grants and contributions receivable	850,333	1,308,804
Inventory	25,441	14,020
Prepaid expenses	82,890	41,109
TOTAL CURRENT ASSETS	7,280,252	5,875,388
Fixed assets, net	2,501,176	2,521,510
Right-of-use asset, operating lease	813	5,625
Deposits	3,837	1,573
TOTAL ASSETS	$ 9,786,078	$ 8,404,096
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 593,842	$ 461,177
Sabbatical benefit	151,317	131,327
Lease liability, current portion	813	4,806
Note payable, current portion	53,561	51,723
TOTAL CURRENT LIABILITIES	799,533	649,033
Lease liability, long-term portion	-	819
Note payable, long-term portion	1,531,331	1,584,893
TOTAL LIABILITIES	2,330,864	2,234,745
NET ASSETS		
Without donor restrictions:		
Undesignated	4,040,214	2,729,351
Board designated	2,840,000	2,840,000
Total net assets without donor restrictions	6,880,214	5,569,351
With donor restrictions	575,000	600,000
TOTAL NET ASSETS	7,455,214	6,169,351
TOTAL LIABILITIES AND NET ASSETS	$ 9,786,078	$ 8,404,096

See Notes to Financial Statements

RISING SUN CENTER FOR OPPORTUNITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

		Without Donor Restrictions	With Donor Restrictions	Year Ended December 31 2025	Year Ended December 31 2024
SUPPORT AND REVENUE					
Contract services		$ 5,725,496	$ -	$ 5,725,496	$ 2,515,400
Government grants		1,903,015	-	1,903,015	2,218,747
Contributions and awards		742,820	930,500	1,673,320	1,728,344
Investment income, net		468,699	-	468,699	239,469
In-kind donations		111,801	-	111,801	63,802
Gala fundraising event:					
Gross event proceeds	85,824				
Gross in-kind donations	2,150				
Less direct expenses	(11,423)				
Less in-kind expenses	(2,150)	74,401		74,401	40,825
Other income		35,954	-	35,954	42,989
Corporate contracts		17,864	-	17,864	131,352
Net assets released from restrictions		955,500	(955,500)	-	-
Total Support and Revenue		10,035,550	(25,000)	10,010,550	6,980,928
EXPENSES					
Program		6,478,841	-	6,478,841	5,398,161
Supporting services:					
General and administration		1,496,836	-	1,496,836	1,018,117
Fundraising		749,010	-	749,010	594,104
Total Expenses		8,724,687	-	8,724,687	7,010,382
Change in net assets		1,310,863	(25,000)	1,285,863	(29,454)
NET ASSETS, beginning of year		5,569,351	600,000	6,169,351	6,198,805
NET ASSETS, end of year		$ 6,880,214	$ 575,000	$ 7,455,214	$ 6,169,351

RISING SUN CENTER FOR OPPORTUNITY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

		General and		Year Ended December 31	
	Program	Administrative	Fundraising	2025	2024
Personnel Costs:					
Salaries	$ 3,635,791	$ 804,999	$ 560,717	$ 5,001,507	$ 4,067,342
Employee taxes and benefits	693,620	157,092	90,613	941,325	801,592
Total personnel	4,329,411	962,091	651,330	5,942,832	4,868,934
Operating Expenses:					
Professional fees and contractors	903,595	130,568	22,840	1,057,003	894,422
Materials and supplies	398,289	8,231	8,807	415,327	361,652
Licenses, fees, and taxes	156,191	45,903	11,140	213,234	101,579
Occupancy	117,713	86,629	3,262	207,604	144,173
Stipends	159,038	-	-	159,038	127,940
Marketing	123,264	3,241	6,003	132,508	33,859
In-kind expenses	-	71,801	42,150	113,951	63,802
Transportation	99,010	4,515	1,203	104,728	78,067
Insurance	1,571	77,786	-	79,357	68,597
Depreciation	-	63,056	-	63,056	63,287
Communications	34,655	15,698	6,860	57,213	55,613
Interest Expense	44,644	6,274	5,504	56,422	58,400
Equipment rental and maintenance	42,701	610	-	43,311	14,933
Office supplies	32,428	4,900	26	37,354	54,022
Other program expenses	35,659	305	500	36,464	15,179
Printing and copying	408	9,450	-	9,858	8,731
Memberships and subscriptions	215	2,573	2,958	5,746	6,417
Miscellaneous	49	3,205	-	3,254	4,571
Total operating	2,149,430	534,745	111,253	2,795,428	2,155,244
Less expenses included with revenues on the statement of activities:					
Direct fundraising expenses	-	-	(13,573)	(13,573)	(13,796)
TOTAL EXPENSES	$ 6,478,841	$ 1,496,836	$ 749,010	$ 8,724,687	$ 7,010,382

RISING SUN CENTER FOR OPPORTUNITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2024)

	Year Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,285,863	$ (29,454)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized net gain on investments	(468,699)	(239,469)
Depreciation	63,056	63,287
	880,220	(205,636)
CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES:		
Receivables	(66,562)	155,090
Prepaid expenses	(41,781)	27,325
Inventory	(11,421)	7,847
Right-of-use asset	4,812	4,548
Deposits	(2,264)	-
Accounts payable and accrued expenses	132,665	49,638
Lease liability	(4,812)	(4,548)
Sabbatical benefit	19,990	25,970
NET CASH PROVIDED BY OPERATING ACTIVITIES	910,847	60,234
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,011,233)	(575,880)
Sales and maturities of investments	1,011,233	575,880
Purchase of property and equipment	(42,722)	(12,426)
NET CASH USED BY INVESTING ACTIVITIES	(42,722)	(12,426)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment on note payable	(51,724)	(49,787)
NET CASH USED BY FINANCING ACTIVITIES	(51,724)	(49,787)
NET CHANGE IN CASH AND CASH EQUIVALENTS	816,401	(1,979)
CASH AND CASH EQUIVALENTS, beginning of year	1,048,423	1,050,402
CASH AND CASH EQUIVALENTS, end of year	$ 1,864,824	$ 1,048,423
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 56,422	$ 58,400

See Notes to Financial Statements

NOTE A – GENERAL AND NATURE OF ACTIVITIES

Rising Sun Center for Opportunity (Organization), formerly known as Rising Sun Energy Center, is a California nonprofit public benefit corporation established in 1994. Their mission is to build career pathways for economic equity and climate resilience. The Organization has locations in Oakland and Stockton, California.

The Organization operates two main programs:

> Climate Careers (CC), formerly California Youth Energy Services, is the youth development and employment program. The CC program is a youth development program with an emphasis on job development skills and communities' ability to withstand and mitigate climate change. The CC program has a core earn-and-learn component, in which CC sets up offices in cities throughout Northern California, hires and trains local youth, and through those youth, provides no-cost energy and water efficiency services (including the installation of measures such as LED light bulbs and efficient shower heads) to residents throughout the area.
>
> Opportunity Build (OB), formerly Green Energy Training Services, provides job training, case management, and job placement support to low-income adults with barriers to employment. Participants go through an intensive, nine-week, hands-on training program in which they learn hard- and soft-skills that prepare them for successful apprenticeship job opportunities in the trades. Following the training program, participants receive supportive services from Rising Sun Center for Opportunity for up to one year. The OB program works extensively with the re-entry population.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to 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 the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. A portion of net assets without donor restrictions has been recognized as board designated.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Method and Basis of Presentation (Continued)

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 the Organization 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 statements of activities.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates and those differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts, Grants, and Contributions Receivable

Accounts, grants, and contributions receivable are comprised of accounts receivable from contract earnings and promises to give expected to be received within one year at their net realizable value. The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management did not consider an allowance for doubtful accounts or credit losses necessary as of December 31, 2025.

Inventory

Inventory is comprised of program-related materials and supplies and is stated at the lower of cost or market determined by the first in first out method. No allowance for obsolescence was deemed necessary by the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization's financial instruments include cash and cash equivalents measured as noted below using Level 1. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets are traded, and the reliability of the assumptions used to determine fair value. These levels are:

> **Level 1**— Quoted prices for identical assets in active markets.
> **Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
> **Level 3**— Unobservable inputs that cannot be corroborated by observable market data.

Fixed Assets

Fixed asset additions are recorded at cost, less accumulated depreciation. Property and equipment acquisitions $5,000 and greater are capitalized and depreciated over their respective useful lives which range from 5 to 39 years. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

Tax Exemption Status

The Organization has received tax exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the State of California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Organization earns revenue from cell tower rental income. No provision for income tax has been made on that income as management has determined the amount of tax is minimal and not material to these financial statements taken as a whole and is expensed in the period it is paid.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization is supported primarily through government grants, contract services, and contributions.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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. Consequently, at December 31, 2025, contributions of approximately $201,000, have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met.

Revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided. The Organization has approximately $13,545,000 in contracts that have not been recognized as of December 31, 2025, because performance requirements have not been met. No amounts have been received in advance.

A portion of the Organization’s revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. The Organization has approximately $3,292,000 in grants that have not been recognized as of December 31, 2025, because performance requirements have not been met and/or qualifying expenditures have not yet been incurred. No amounts have been received in advance.

Donated Equipment, Supplies and Services (In-kind)

The Organization receives goods and services, which are donated for carrying out the mission of the Organization. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. The Organization received $113,951 and $63,802 in donated goods and services during the years ended December 31, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based upon either square footage usage or employee time spent in the functional area and management’s estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle – Adoption of CECL

Effective January 1, 2025, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related amendments ("CECL"). The standard replaces the incurred loss model with an expected credit loss model, which requires recognition of an allowance for lifetime expected losses on financial assets measured at amortized cost.

Adoption and Practical Expedients

In adopting CECL, the Organization implemented its Credit Loss Policy consistent with ASC 326 and applicable nonprofit guidance. The Organization elected the following practical expedients and accounting policy elections:

1. Practical Expedient for Short-Term Receivables – The Organization assumes that economic conditions at the balance sheet date will remain unchanged for the short remaining life of its receivables, thereby eliminating the need to forecast future macroeconomic variables (ASC 326-20-30-10C and 30-10D).
2. Accounting Policy Election for Post-Balance-Sheet Collections – The Organization considers actual cash collections received between the balance sheet date and the date the financial statements are available to be issued (or another selected cut-off date). Receivables collected during this period are excluded from the allowance for credit losses (ASC 326-20-30-10E through 30-10H).
3. Pooling and Qualitative Approach – For uncollected receivables remaining after the cut-off date, the Organization evaluates expected credit losses collectively using historical experience adjusted for current conditions and known specific risks when applicable.

Application to Receivables

The financial assets subject to CECL consist primarily of service fees. These receivables are short-term in nature, and the Organization has not experienced significant credit losses in prior years. After evaluating historical collection patterns, subsequent receipts, and current conditions, management determined that no allowance for credit losses was necessary as of December 31, 2025, because substantially all receivables were collected prior to the date the financial statements were available to be issued.

Effect of Adoption

The adoption of CECL did not result in a cumulative-effect adjustment to beginning net assets and did not have a material impact on the Organization's financial position or results of operations. The Organization has disclosed its election of both the practical expedient and post-balance-sheet collection accounting policy election in accordance with ASC 326-20-50-12A and 50-12B. The date through which the receivables were evaluated is March 17, 2026.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information and Reclassifications

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE C – INVESTMENTS

Investments are comprised of the following as of December 31, 2025:

	Level 1
Mutual funds	$ 2,539,777
ETFs	1,334,954
Cash, money funds, and bank deposits	19,987
Ending Balance, December 31, 2025	$ 3,894,718

Activity in investments for the year ended December 31, 2025 is as follows:

Beginning Balance, December 31, 2024	$ 3,426,019
Interest and other income	141,222
Fees	(15,349)
Unrealized gain	342,826
Ending Balance, December 31, 2025	$ 3,894,718

NOTE D – CONCENTRATIONS

The Organization’s cash and cash equivalents are held primarily by two financial institutions. The amounts for the years ended December 31, 2025 and 2024, in excess of FDIC insurance or without insurance, were approximately $2,582 and $2,850, respectively.

During the years ended December 31, 2025 and 2024, the Organization received approximately 57% and 48% of its revenue from two funders (30% and 27%) and (36% and 12%), respectively. The loss of this funding could have an impact on the results of operations for the Organization.

In addition, 64% (40% and 24%) and 59% (40% and 19%) of receivables at December 31, 2025 and 2024 are due primarily from two funders.

NOTE E – FIXED ASSETS

Depreciation expense for the year ended December 31, 2025 and 2024, was $63,056 and $63,287, respectively. At December 31, fixed assets consist of the following:

	2025	2024
Land	$1,113,200	$1,113,200
Building and improvements	1,643,232	1,634,730
Furniture, fixtures, computers, and equipment	209,792	175,572
	2,966,224	2,923,502
Less: Accumulated depreciation	(465,048)	(401,992)
Total fixed assets	$2,501,176	$2,521,510

NOTE F – NOTE PAYABLE

In May 2018, the Organization purchased a property in Oakland, California and entered into a note payable with a financial institution. During the year ended December 31, 2021, the Organization refinanced the note. Note payable at December 31 consists of the following:

	2025	2024
Note payable in the amount of $1,800,000, to Heritage Bank, secured by real property, bearing interest at 3.45% per annum, with monthly payments of $9,012, principal and interest payments amortized over twenty-five years but due July 21, 2031.	$1,584,892	$1,636,616
Less: Current portion of long-term debt	(53,561)	(51,723)
Total Long-Term Debt	$1,531,331	$1,584,893

The interest expense for the years ended December 31, 2025 and 2024, was $56,422 and $58,400, respectively. Annual maturities of long-term debt are as follows:

Year Ending December 31	Principal
2026	$ 53,561
2027	$ 55,465
2028	$ 57,292
2029	$ 59,473
2030 and beyond	$ 1,359,101

NOTE G – LINE OF CREDIT

The Organization has a secured $400,000 revolving line of credit. The interest rate is 0.75% over the index, with a minimum rate of 4.5%, and was 7.5% as of December 31, 2025. The line matures August 2026. At December 31, 2025 and 2024 the line balance was $0.

NOTE H – EMPLOYEE BENEFITS

Employees of the Organization are entitled to paid vacation based on length of service and other factors and gain a vested right to accumulated vacation. Accrued vacation payable as of December 31, 2025 and 2024, was $294,620 and $232,299, respectively, and is included in the accompanying financial statements.

In addition, employees may participate in a voluntary 403(b) employer sponsored plan (Plan). During the year ended December 31, 2021, the Organization amended the Plan to allow for discretionary employer matching contributions up to 3%. The matching contributions totaled $73,852 and $50,099 for the years ended December 31, 2025 and 2024, respectively.

The Organization offers a sabbatical benefit of forty (40) continuous working days after seven years continuous, permanent, full-time employment to employees. The expense is $73,852 for the year ended December 31, 2025 and the liability accrued is $151,317 and $131,327 at December 31, 2025 and 2024, respectively.

NOTE I – BOARD DESIGNATED RESERVE

During the year ended December 31, 2017, the Board of Directors voted to establish a reserve in net assets without donor restrictions. During the year ended December 31, 2024, the Board approved an increase to the reserve of $1,740,000. At December 31, 2025, the balance of net assets with board designations for operations is $2,840,000.

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions had the following activity during the year ended December 31, 2025:

Nature of Restriction	12/31/2024	Income	Releases	12/31/2025
Climate career	$ 500,000	$ 246,000	($ 456,000)	$ 290,000
Opportunity build	100,000	517,500	(332,500)	285,000
Policy	-	165,000	(165,000)	-
Other	-	2,000	(2,000)	-
Total	$ 600,000	$ 930,500	($955,500)	$ 575,000

NOTE K – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 1,864,824
Investments	3,894,718
Receivables	1,412,379
Total financial assets	7,171,921
Less: Amounts not available to be used within one year	(575,000)
Less: Board designated net assets	(2,840,000)
	$ 3,756,921

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's board designated funds are $2,840,000 at December 31, 2025. Although the Organization does not intend to spend from this board designated fund these amounts could be made available if necessary.

To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $400,000, which it could draw upon.

NOTE L – LEASES

The Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, Leases, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization elected the 'package of practical expedients', which permitted the Organization not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs; and all of the new standard's available transition practical expedients. In addition, the Organization adopted the practical expedients of using the risk-free interest rate and the short-term lease definition.

The Organization leases office equipment under a non-cancellable lease at a rate of approximately $432 per month through February 2026.

The Organization has leases which are treated as short-term. They lease office space in Stockton, California under a month-to-month lease at a rate of approximately $2,100 per month. In addition, the Organization leases space for satellite locations during the summertime for programming.

NOTE L – LEASES (Continued)

The Organization used a rate of 6.25% to determine present value. Right-of-use assets were $813 and lease liabilities were $813 as of December 31, 2025. The weighted-average discount rate used to calculate the present value of future minimum lease payments was the interest rate of 6.25%. The weighted-average lease term was 0.17 years at December 31, 2025.

Lease expense consists of the following for the year ended December 31, 2025:

Operating lease expenses	$ 5,183
Short-term lease expense	89,204
Total lease expense	$ 94,387

The total cash amount paid for operating leases was $5,183 for the fiscal year ended December 31, 2025 with no non-cash component.

Future minimum payments for the fiscal year ended December 31 are as follows:

	Operating Leases	Short-term Leases	Total Commitments
2026	$ 864	-	$ 864
Total minimum lease payments	864	-	864
Less: net present value	(51)	-	(51)
Present value of minimum lease payments	$ 813	$ -	$ 813

NOTE M – IN-KIND DONATIONS

During the year ended December 31, 2025, the Organization received the following in-kind services which were allocated across program and general and administrative based on usage:

Services Received	Basis for Valuation	Total
Services – administrative	FV stated by donor	$ 71,801
Services – fundraising	FV stated by donor	40,300
Goods – fundraising	FMV	1,850
Total		$ 113,951

NOTE N – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the Organization engaged the services of a member of the Board of Directors and paid approximately $16,000 for services in that year.

NOTE O – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for recognition and disclosure through June 24, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, that required recognition or disclosure in the financial statements.