

CORO NORTHERN CALIFORNIA
(A NONPROFIT PUBLIC BENEFIT CORPORATION)
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

April 1, 2025

Board of Directors
Coro Northern California
San Francisco, California

Opinion

I have audited the accompanying financial statements of Coro Northern California (a nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2024, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coro Northern California as of June 30, 2024, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Coro Northern California and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Coro Northern California'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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Coro Northern California'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coro Northern California's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

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 my auditor's report thereon. My opinion on the financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the financial statements, my 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, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.



Healy and Associates
Concord, California

CORO NORTHERN CALIFORNIA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 691,846
Investments	1,094,181
Accounts receivable	260,202
Grants receivable	113,992
Prepaid expenses	25,596
Other current assets	1,064

TOTAL CURRENT ASSETS 2,186,881

Right-of-use asset	445,232
Property and equipment, net	20,212
Security deposit	20,259

TOTAL ASSETS \$ 2,672,584

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 103,177
Refundable deposits	1,800
Grant advances	10,000
Lease liability, current portion	98,087

TOTAL CURRENT LIABILITIES 213,064

Lease liability, long-term portion	362,038
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TOTAL LIABILITIES 575,102

NET ASSETS

Without donor restrictions	1,261,940
With donor restrictions	835,542

TOTAL NET ASSETS 2,097,482

TOTAL LIABILITIES AND NET ASSETS \$ 2,672,584

CORO NORTHERN CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,316,949	\$ 310,000	\$ 1,626,949
Program service fees	1,499,757	-	1,499,757
Investment income, net	111,647	31,181	142,828
Tuition fees	125,000	-	125,000
In-kind services	86,744	-	86,744
Fundraising event:			
Gross proceeds: 54,000			
Less: expenses <u>(16,623)</u>	37,377	-	37,377
Loss on disposal of fixed assets	<u>(5,572)</u>	-	<u>(5,572)</u>
Total Revenue	<u>3,171,902</u>	<u>341,181</u>	<u>3,513,083</u>
 Net assets released from restriction	 <u>2,568,271</u>	 <u>(2,568,271)</u>	 <u>-</u>
Total Revenue and Support	<u>5,740,173</u>	<u>(2,227,090)</u>	<u>3,513,083</u>
 EXPENSES			
Program Services	4,768,394	-	4,768,394
Supporting Services:			
General and Administrative	563,295	-	563,295
Fundraising	<u>361,707</u>	<u>-</u>	<u>361,707</u>
Total Expenses	<u>5,693,396</u>	<u>-</u>	<u>5,693,396</u>
 Change in net assets	 46,777	 (2,227,090)	 (2,180,313)
NET ASSETS, beginning of year	<u>1,215,163</u>	<u>3,062,632</u>	<u>4,277,795</u>
NET ASSETS, end of year	<u>\$ 1,261,940</u>	<u>\$ 835,542</u>	<u>\$ 2,097,482</u>

See Notes to Financial Statements

CORO NORTHERN CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	General and Administrative	Fundraising	Total
EXPENSES:				
Salaries	\$ 2,734,156	\$ 295,750	\$ 192,006	\$ 3,221,912
Professional services	352,896	19,775	7,351	380,022
Program related	343,541	-	-	343,541
Employee benefits	264,093	27,678	18,043	309,814
Payroll taxes	204,943	21,706	14,086	240,735
Stipends	219,020	-	-	219,020
Program sessions, retreats, and graduation	156,896	-	-	156,896
Events	93,450	7,883	17,544	118,877
Lease expense	98,979	10,746	6,894	116,619
In-kind services	-	86,744	-	86,744
Dues and subscriptions	46,941	15,564	11,872	74,377
Marketing and outreach	1,175	122	49,247	50,544
Travel, lodging, and conferences	43,260	520	3,803	47,583
Payroll service fees	37,437	4,006	2,591	44,034
Retreats	39,831	214	161	40,206
Miscellaneous	23,726	10,195	4,852	38,773
Audit and accounting	231	36,379	-	36,610
Employee intake/recruit	4,926	1,093	30,366	36,385
Equipment rental/maintenance	24,440	2,840	1,922	29,202
Insurance	19,170	2,389	1,330	22,889
Employee development	12,393	6,552	817	19,762
Taxes and fees	5,799	8,100	4,266	18,165
Office supplies	10,095	1,031	1,392	12,518
Telecommunications	8,503	1,998	557	11,058
Bad debt	8,046	-	1,350	9,396
Depreciation	7,367	799	549	8,715
Meetings and hospitality	4,297	454	1,088	5,839
Postage and shipping	437	75	4,783	5,295
Printing and copying	1,520	85	1,439	3,044
Utilities and building services	826	28	21	875
Bank fees and charges	-	569	-	569
	<u>4,768,394</u>	<u>563,295</u>	<u>378,330</u>	<u>5,710,019</u>
Less expenses included with revenues on the statement of activities:				
Direct fundraising expenses	<u>-</u>	<u>-</u>	<u>(16,623)</u>	<u>(16,623)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 4,768,394</u>	<u>\$ 563,295</u>	<u>\$ 361,707</u>	<u>\$ 5,693,396</u>

CORO NORTHERN CALIFORNIA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets \$ (2,180,313)

Adjustments to reconcile change in net assets to net cash
used by operating activities:

Depreciation 8,715

Loss on disposal of fixed assets 5,572

Realized and unrealized gain on investments (142,828)

CHANGES IN ASSETS AND LIABILITIES:

Accounts and grants receivable 2,272,863

Prepaid expenses 12,683

Other current assets 12,180

Right-of-use asset (445,232)

Accounts payable and accrued expenses (19,117)

Unearned revenue (55,000)

Refundable deposits (300)

Lease liability 460,125

Grant advances (536,494)

NET CASH USED BY OPERATING ACTIVITIES (607,146)

CASH FLOWS FROM INVESTING ACTIVITIES:

Investments purchased (9,769,467)

Investments sold 10,557,223

NET CASH PROVIDED BY INVESTING ACTIVITIES 787,756

NET CHANGE IN CASH AND CASH EQUIVALENTS 180,610

CASH AND CASH EQUIVALENTS, beginning of year 511,236

CASH AND CASH EQUIVALENTS, end of year \$ 691,846

**SCHEDULE OF NONCASH INVESTING AND FINANCING
TRANSACTIONS:**

Right-of-use asset \$ 541,205

Operating lease liability for right-of-use asset \$ 532,205

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE A – NATURE OF ACTIVITIES

Coro Northern California (Organization) is a California nonprofit public benefit corporation, established in 1990, located in San Francisco. The Organization's mission is to train, support, and connect leaders to foster a thriving democracy and tackle society's biggest challenges together. The training programs include: The Fellows Program in Public Affairs, Exploring Leadership, and Women in Leadership.

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.

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 statement of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those 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.

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization is supported primarily through grants, fees, 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.

A portion of the Organization's revenue is derived from grants, which are conditioned upon the Organization providing services or other deliverables. Amounts received are recognized as revenue when the Organization has provided services or deliverables in compliance with specific grant provisions. Amounts received prior to providing services or deliverables are reported as grant advances in the statement of financial position. The Organization has grant funds and contract fees of \$50,000 that have not been recognized as of June 30, 2024 because services or other deliverables have not been completed. Total grant advance payments recognized in the statement of financial position as grant advances is \$10,000 as of June 30, 2024.

Contract fees, program service fees, project fees and tuition fees are recognized when the services have been provided.

Donated Facilities Use, Goods, and Services (In-kind)

The Organization records donated goods, facilities use, and services at their estimated fair value on the date of receipt if they meet the criteria for recognition. During the year ended June 30, 2024, the Organization received pro bono legal services of \$86,744, as valued by the donor, and was used for administrative purposes.

Accounts and Grants Receivable

Accounts and grants receivable consist primarily of program service fee revenue receivable and unconditional promises to give, respectively, to be collected within the next year at net realizable value. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management has determined no allowance for credit losses and doubtful accounts is necessary at June 30, 2024.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets in excess of \$2,500 are capitalized. Depreciation on property and equipment is computed using the straight-line method over the estimated lives of the asset, generally four to five years.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents, and investments (Level 1). The carrying amount of these financial instruments has been estimated by management to approximate fair value. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. ASC 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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 are supported by little or no market activity and that are significant to the fair values of the assets.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statement 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 on time and effort spent in the area.

Tax Exemption Status

The Organization has received 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 no unrelated business income, and management has analyzed tax positions taken and has concluded that, as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE C – CONCENTRATIONS

Cash Deposits

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents in a financial institution. From time to time, the Organization can hold funds on deposit exceeding federally insured limits. At June 30, 2024 there is \$331,242 in excess of federally insured limits.

Accounts and Grants Receivable

The Organization's accounts and grants receivable have a concentration of credit risk at June 30, 2024, as 45% is due from two funders (25% and 20%).

NOTE D – INVESTMENTS

The Organization's investments, measured for fair value on a recurring basis, based on their Level 1 fair value hierarchy at June 30, 2024, are comprised of the following:

Cash held in investment account	\$ 10,568
Mutual funds	211,524
Fixed income	798,949
Exchange traded funds	73,140
Total investments	<u>\$ 1,094,181</u>

Investment activity for the year ended June 30, 2024 is as follows:

Investments, beginning of year	\$ 1,739,109
Deposits, additions, and reinvestments	9,635,252
Withdrawals	(10,423,008)
Interest and dividends	29,816
Fees	(2,693)
Unrealized gain on investment	115,705
Investments, end of year	<u>\$ 1,094,181</u>

NOTE E – PROPERTY AND EQUIPMENT

At June 30, 2024, property and equipment is comprised of the following:

Leasehold improvements	\$ 22,623
Computers and equipment	5,562
Less: accumulated depreciation	<u>(7,973)</u>
Property and equipment, net	<u>\$ 20,212</u>

Depreciation expense for the year ended June 30, 2024 was \$8,715.

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE F – EMPLOYEE RETIREMENT PLANS AND ACCRUED PTO

The Organization's exempt full-time employees are entitled to unlimited paid time off (PTO). The amount of PTO liability at June 30, 2024 could not be determined and is thus not reflected in the accompanying financial statements. PTO is accounted for in the period it is used.

During the year ended June 30, 2022, the Organization began offering paid time off to its Fellows. At June 30, 2024, the Organization had accrued \$2,584 for accrued PTO liability.

The Organization offers the opportunity for regular employees to participate in a sponsored 403(b) plan. The Organization matches employee and fellow contributions up to a maximum of 5% and 3%, respectively, of their annual salary after completion of one year of service. The Organization contributed \$94,469 for the year ended June 30, 2024.

NOTE G – UNEARNED REVENUE AND GRANT ADVANCES

The following table provides information about significant changes in unearned revenue and grant advances for the year ended June 30, 2024:

	Balance at 6/30/2023	Revenue Recognized	Deferred for future	Balance at 6/30/2024
Unearned revenue	\$ 55,000	(\$ 55,000)	\$ -	\$ -
Grant advances	546,494	(546,494)	10,000	10,000
Total	<u>\$ 601,494</u>	<u>(\$ 601,494)</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

The Organization had the following activity in net assets with donor restrictions for the year ended June 30, 2024:

Nature of Restriction	6/30/2023	Awards	Releases	6/30/2024
Purpose restricted:				
Endowment	\$ 245,000	\$ -	\$ -	\$ 245,000
Scholarship	14,570	31,181	-	45,751
Public Affairs Fellowship	129,780	-	(30,000)	99,780
Youth engagement	50,000	-	(50,000)	-
WSN	493,064	-	(186,199)	306,865
Leadership network	-	310,000	(171,854)	138,146
Affordable Housing Fellow.	2,130,218	-	(2,130,218)	-
Total	<u>\$3,062,632</u>	<u>\$ 341,181</u>	<u>(\$2,568,271)</u>	<u>\$ 835,542</u>

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE I – 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 space, under a non-cancellable lease, in San Francisco, California, commencing July 1, 2023, and extending through August 2028 at a rate of approximately \$9,300 per month with 3% annual increases.

The Organization used a rate of 4.13% to determine present value. Right-of-use asset is \$445,232 and lease liabilities are \$460,125 as of June 30, 2024. The weighted-average discount rate used to calculate the present value of future minimum lease payments was the risk-free interest rate of 4.13%. The weighted-average lease term was 4.17 years at June 30, 2024.

Lease expense, as included in occupancy in the accompanying statement of functional expenses, includes the following for the year ended June 30, 2024:

Operating lease expense	\$ 116,619
Total lease expense	<u>\$ 116,619</u>

The total cash amount paid for operating leases was \$92,727 for the fiscal year ended June 30, 2024, with a non-cash component of \$23,892.

Future minimum payments for the fiscal year ending June 30 is as follows:

	Future Commitments
2025	\$ 114,878
2026	118,215
2027	121,653
2028	125,193
2029	20,866
Total minimum lease payments	500,805
Less: net present value	(40,680)
Present value of minimum lease payments	<u>\$ 460,125</u>

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE J – 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	\$ 691,846
Investments	1,094,181
Accounts and grants receivable	374,194
Total financial assets	<u>2,160,221</u>
Less: Net assets with purpose restrictions to be met in one year	<u>(835,542)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,324,679</u></u>

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.

NOTE K – ENDOWMENT

The Board of Directors has determined it holds assets which meet the definition of endowment funds under the California Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). As a result of this interpretation, the corpus of funds subject to UPMIFA is classified as with donor restrictions. The corpus represents the fair value of the original gifts as of the gift date, and all subsequent gifts where the donor has indicated the gift be retained permanently. The value of assets in excess of original gifts in donor-restricted endowment funds are classified as net assets with donor restrictions until appropriated for expenditures by the Organization.

In Accordance with UPMIFA, the Organization considers the following factors in making a determination as to the appropriation of assets for expenditures:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024, there were no underwater endowment funds.

CORO NORTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE K – ENDOWMENT (Continued)

The Organization has an endowment with funds held in perpetuity as follows:

Pacelli, Veneman, and Luchetta funds (Scholarships)	\$ 105,000
Ross and Guggenheim funds (General Operations)	<u>140,000</u>
Total endowment	<u><u>\$ 245,000</u></u>

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to operations and programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a well-diversified (balanced) asset mix including both equity and debt securities. The investment policy identifies acceptable levels of risk and rate of return objectives for the endowed funds. Currently, assets are invested in a manner that is intended to produce moderate income while assuming a low level of risk. The Organization expects the endowment funds, over time, to yield an average rate of return of that is consistent with market standards for its types of investment. Actual returns in any given year may vary.

To satisfy long-term rate of return objectives, the Organization 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). The Organization targets a diversified assets allocation plan within prudent risk constraints.

NOTE L – FISCAL SPONSORSHIP

The Organization provided fiscal sponsorship and organizational services to Water Solutions Network (WSN), which engaged in activities that were consistent with the Organization's mission. The Organization had variance power over the fiscal sponsorship contributions or grants it received, therefore, such funds received were recognized as net assets with donor restrictions. Any expenses incurred for the fiscal sponsorship programs were also recognized by the Organization, at which time the corresponding net assets were released from restriction. From time to time, projects will obtain their own 501(c)(3) status, at which point the fiscal sponsorship program for the respective project will be terminated. For the year ended June 30, 2024, the Organization recognized \$0 in fiscal sponsorship service fee revenue.

NOTE M – SUBSEQUENT EVENTS

Subsequent to year end, the Organization ended its fiscal sponsorship with WSN.

Management has evaluated subsequent events for recognition and disclosure through April 1, 2025, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024 that required recognition or disclosure in the financial statements.