

**FUND FOR A BETTER FUTURE  
INC.**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED  
DECEMBER 31, 2016**

## **INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Fund for a Better Future Inc.  
Sacramento, California**

We have audited the accompanying financial statements of Fund for a Better Future Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Fund for a Better Future Inc.  
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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fund for a Better Future Inc. as of December 31, 2016, 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.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**June 6, 2017**

# FUND FOR A BETTER FUTURE INC.

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016

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### ASSETS

#### CURRENT ASSETS:

|                           |            |
|---------------------------|------------|
| Cash and cash equivalents | \$ 452,577 |
|---------------------------|------------|

|                     |                          |
|---------------------|--------------------------|
| <b>TOTAL ASSETS</b> | <b><u>\$ 452,577</u></b> |
|---------------------|--------------------------|

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES:

|                  |           |
|------------------|-----------|
| Accounts payable | \$ 61,897 |
|------------------|-----------|

|                              |               |
|------------------------------|---------------|
| Grants and contracts payable | <u>47,500</u> |
|------------------------------|---------------|

|                           |                |
|---------------------------|----------------|
| Total current liabilities | <u>109,397</u> |
|---------------------------|----------------|

#### NET ASSETS:

|              |        |
|--------------|--------|
| Unrestricted | 13,900 |
|--------------|--------|

|                        |                |
|------------------------|----------------|
| Temporarily restricted | <u>329,280</u> |
|------------------------|----------------|

|                  |                |
|------------------|----------------|
| Total net assets | <u>343,180</u> |
|------------------|----------------|

|   |                          |
|---|--------------------------|
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b><u>\$ 452,577</u></b> |
|---|--------------------------|

# FUND FOR A BETTER FUTURE INC.

## STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2016

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|  |                          |
|--|--------------------------|
| <b>TEMPORARILY RESTRICTED NET ASSETS:</b>            |                          |
| Contributions  | \$ 1,547,400             |
| Net assets released from restrictions                | <u>(1,218,120)</u>       |
| <b>INCREASE IN TEMPORARILY RESTRICTED NET ASSETS</b> | <u>329,280</u>           |
| <b>UNRESTRICTED NET ASSETS:</b>                      |                          |
| <b>REVENUES:</b>                                     |                          |
| Contributions  | 80,049                   |
| Interest and investment income                       | 3,377                    |
| Net assets released from restrictions                | <u>1,218,120</u>         |
| Total revenues                                       | <u>1,301,546</u>         |
| <b>EXPENSES:</b>                                     |                          |
| Program activities                                   | 1,218,120                |
| Supporting services:                                 |                          |
| General and administrative                           | 66,612                   |
| Fundraising  | <u>2,914</u>             |
| Total expenses                                       | <u>1,287,646</u>         |
| <b>INCREASE IN UNRESTRICTED NET ASSETS</b>           | <u>13,900</u>            |
| <b>INCREASE IN NET ASSETS</b>                        | 343,180                  |
| <b>NET ASSETS, Beginning of year</b>                 | <u>          </u>        |
| <b>NET ASSETS, End of year</b>                       | <u><u>\$ 343,180</u></u> |

The accompanying notes are an integral part of these financial statements.

# FUND FOR A BETTER FUTURE INC.

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2016

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|                                  | <u>Program<br/>Activities</u> | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>        |
|----------------------------------|-------------------------------|---------------------------------------|--------------------|---------------------|
| Grants and contracts             | \$ 700,837                    |                                       |                    | \$ 700,837          |
| Campaign contributions           | 479,600                       |                                       |                    | 479,600             |
| Contracted salaries and benefits | 35,792                        | \$ 31,653                             | \$ 2,637           | 70,082              |
| Professional services            |                               | 22,375                                |                    | 22,375              |
| Facilities                       | 1,891                         | 3,965                                 | 277                | 6,133               |
| Business insurance               |                               | 5,595                                 |                    | 5,595               |
| IT and website                   |                               | 1,767                                 |                    | 1,767               |
| Office expenses and supplies     |                               | 1,257                                 |                    | 1,257               |
| Total                            | <u>\$ 1,218,120</u>           | <u>\$ 66,612</u>                      | <u>\$ 2,914</u>    | <u>\$ 1,287,646</u> |

# FUND FOR A BETTER FUTURE INC.

## STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2016

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### CASH FLOWS FROM OPERATING ACTIVITIES:

|   |                   |
|---|-------------------|
| Increase in net assets                                      | \$ 343,180        |
| Reconciliation to net cash provided by operating activities |                   |
| Changes in:   |                   |
| Accounts payable  | 61,897            |
| Grants and contracts payable                                | <u>47,500</u>     |
| Net cash provided by operating activities                   | <u>452,577</u>    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>            | 452,577           |
| <b>CASH AND CASH EQUIVALENTS, Beginning of year</b>         | <u>          </u> |
| <b>CASH AND CASH EQUIVALENTS, End of year</b>               | <u>\$ 452,577</u> |

# FUND FOR A BETTER FUTURE INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

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### 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Fund for a Better Future Inc. (Organization) commenced principal operations during the 2016 year. The Organization is an independent, nonprofit organization that pools private contributions, and distributes funds to lobbying organizations and political campaigns, focusing on environmental and community health issues.

**Basis of presentation** – The financial statements are presented in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Organization has no permanently restricted net assets.

**Revenue recognition** – Contributions, including grants and contracts obtained from private foundations, other nonprofit organizations, and individual donors, are recognized in full when received or unconditionally promised, in conformity with professional standards applicable to not-for-profit entities. If there are donor or grantor-imposed restrictions, the amount is initially reported as an increase in temporarily restricted net assets. When a restriction expires (generally, as payments are made to fulfill the purposes of the contribution), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Cash and cash equivalents** – For financial statement purposes, the Organization considers all investments with a maturity at purchase of three months or less to be cash equivalents.

**Functional allocation of expenses** – The Organization accounts for its expenditures in the following categories:

**Program activities** – Expenditures are related to grants made to other not-for-profit organizations, contracts entered into for services and contributions made to political campaigns within the scope of the Organization's areas of interest: environmental protection and community health.

**General and administrative** – Expenditures are related to building and maintaining an efficient business infrastructure, including oversight, business and financial management, governance, general recordkeeping, budgeting, and all management and administration, except for that which is directly attributable to the conduct of program activities.

**Fundraising** – Expenses are related to time spent on developing new programs, preparing proposals and soliciting contributions.

**Grants awarded** – The Organization recognizes grant expense at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by management or the Board of Directors.

**Income taxes** – The Organization, a publicly supported organization, is exempt from income taxes under Internal Revenue Code Section 501(c)(4).

# FUND FOR A BETTER FUTURE INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

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**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent events** have been evaluated through June 6, 2017, the date the financial statements were issued. Management concluded that no material subsequent events have occurred since December 31, 2016 that require recognition or disclosure in the financial statements.

### 2. NET ASSETS

Temporarily restricted net assets consist of unexpended contributions restricted for the following programs at December 31, 2016:

|                           |                   |
|---------------------------|-------------------|
| Healthy Communities       | \$ 174,477        |
| Heritage Outdoors Project | <u>154,803</u>    |
| Total                     | <u>\$ 329,280</u> |

### 3. CONCENTRATIONS

The Organization minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

The Organization had four major donors that accounted for 82% of total contribution revenue in 2016.

### 4. RELATED PARTIES

A governing board member of the Organization is also an executive management member of Resources Legacy Fund (RLF). Additionally, the Organization, which has no employees, has entered into an agreement with RLF for shared resources of staff, office services, and technology resources.

During 2016 the Organization reimbursed RLF \$77,966 for shared services, and RLF contributed \$19,382 in unrestricted funds to the Organization.

Additionally, in 2016 the Organization received significant contributions from an immediate family member of a member of the Board of Directors. These contributions totaled \$194,477.