

**FINANCIAL STATEMENTS**

**FUND FOR A BETTER FUTURE INC.**

**FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

**FUND FOR A BETTER FUTURE INC.**

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

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

#### **Opinion**

We have audited the accompanying financial statements of Fund for a Better Future Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 the Organization as of December 31, 2022, 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 the Organization 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 the Organization'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.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814  
(301) 951-9090 · WWW.GRFCPA.COM

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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, 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 the Organization'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 the Organization'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 Prior Year Comparative Statements**

The financial statements of the Organization for the year ended December 31, 2021 were audited by other auditors, whose report dated May 13, 2022, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

June 8, 2023

## FUND FOR A BETTER FUTURE INC.

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022 AND 2021

## ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 16,975,408	\$ 9,616,273
Investments	3,901,000	2,823,000
Accounts receivable	2,030	700
Prepaid expenses and other assets	<u>-</u>	<u>12,062</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 20,878,438</u></b>	<b><u>\$ 12,452,035</u></b>

## LIABILITIES AND NET ASSETS

## LIABILITIES

Accounts payable and accrued liabilities	\$ 556,195	\$ 383,112
Accrued expenses	97,119	79,018
Grants and contracts payable	<u>800,459</u>	<u>1,106,616</u>
Total liabilities	<u>1,453,773</u>	<u>1,568,746</u>

## NET ASSETS

Without donor restrictions	1,425,639	1,135,070
With donor restrictions	<u>17,999,026</u>	<u>9,748,219</u>
Total net assets	<u>19,424,665</u>	<u>10,883,289</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 20,878,438</u></b>	<b><u>\$ 12,452,035</u></b>

## FUND FOR A BETTER FUTURE INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ -	\$ 56,655,194	\$ 56,655,194
Contracts	11,888	-	11,888
Investment income, net	45,336	101,186	146,522
Net assets released from donor restrictions	<u>48,505,573</u>	<u>(48,505,573)</u>	<u>-</u>
Total support and revenue	<u>48,562,797</u>	<u>8,250,807</u>	<u>56,813,604</u>
<b>EXPENSES</b>			
Program Services	<u>47,008,027</u>	<u>-</u>	<u>47,008,027</u>
Supporting Services:			
General and Administrative	1,175,917	-	1,175,917
Fundraising	<u>88,284</u>	<u>-</u>	<u>88,284</u>
Total supporting services	<u>1,264,201</u>	<u>-</u>	<u>1,264,201</u>
Total expenses	<u>48,272,228</u>	<u>-</u>	<u>48,272,228</u>
Changes in net assets	290,569	8,250,807	8,541,376
Net assets at beginning of year	<u>1,135,070</u>	<u>9,748,219</u>	<u>10,883,289</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,425,639</u></b>	<b><u>\$ 17,999,026</u></b>	<b><u>\$ 19,424,665</u></b>

## FUND FOR A BETTER FUTURE INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ -	\$ 68,441,746	\$ 68,441,746
Contracts	653,891	-	653,891
Investment income, net	22,187	-	22,187
Net assets released from donor restrictions	<u>61,839,650</u>	<u>(61,839,650)</u>	<u>-</u>
Total support and revenue	<u>62,515,728</u>	<u>6,602,096</u>	<u>69,117,824</u>
<b>EXPENSES</b>			
Program Services	<u>61,516,870</u>	<u>-</u>	<u>61,516,870</u>
Supporting Services:			
General and Administrative	322,766	-	322,766
Fundraising	<u>44,052</u>	<u>-</u>	<u>44,052</u>
Total supporting services	<u>366,818</u>	<u>-</u>	<u>366,818</u>
Total expenses	<u>61,883,688</u>	<u>-</u>	<u>61,883,688</u>
Changes in net assets	632,040	6,602,096	7,234,136
Net assets at beginning of year	<u>503,030</u>	<u>3,146,123</u>	<u>3,649,153</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,135,070</u></b>	<b><u>\$ 9,748,219</u></b>	<b><u>\$ 10,883,289</u></b>

## FUND FOR A BETTER FUTURE INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>		
Grants and contracts	\$ 44,005,835	\$ -	\$ -	\$ -	\$ 44,005,835
Contracts salaries and benefits	2,289,919	464,235	72,621	536,856	2,826,775
Professional services	236,732	203,825	-	203,825	440,557
IT consulting and systems	347,402	51,472	9,295	60,767	408,169
Taxes	-	384,986	-	384,986	384,986
Facilities	46,165	37,370	4,009	41,379	87,544
Office expenses and supplies	50,213	18,617	2,359	20,976	71,189
Travel	31,761	231	-	231	31,992
Business insurance	-	15,181	-	15,181	15,181
<b>TOTAL</b>	<b><u>\$ 47,008,027</u></b>	<b><u>\$ 1,175,917</u></b>	<b><u>\$ 88,284</u></b>	<b><u>\$ 1,264,201</u></b>	<b><u>\$ 48,272,228</u></b>

See accompanying notes to financial statements.



## FUND FOR A BETTER FUTURE INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>		
Grants and contracts	\$ 59,466,298	\$ -	\$ -	\$ -	\$ 59,466,298
Contracts salaries and benefits	1,614,719	125,904	31,037	156,941	1,771,660
Professional services	180,675	119,498	3,750	123,248	303,923
IT consulting and systems	159,446	1,519	2,067	3,586	163,032
Facilities	82,528	64,105	6,857	70,962	153,490
Office expenses and supplies	8,032	2,671	341	3,012	11,044
Business insurance	-	9,069	-	9,069	9,069
Travel	5,172	-	-	-	5,172
<b>TOTAL</b>	<b>\$ 61,516,870</b>	<b>\$ 322,766</b>	<b>\$ 44,052</b>	<b>\$ 366,818</b>	<b>\$ 61,883,688</b>

**FUND FOR A BETTER FUTURE INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 8,541,376	\$ 7,234,136
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Realized gain	(77,307)	(20,607)
Receipt of donated investments	(1,109,155)	(8,516,725)
Proceeds from sale of donated investments	1,186,462	8,537,332
(Increase) decrease in:		
Accounts receivable and accrued liabilities	(1,330)	-
Prepaid expenses and other assets	12,062	(12,762)
Increase (decrease) in:		
Accounts payable	173,083	358,125
Accrued expenses	18,101	79,018
Grants and contracts payable	<u>(306,157)</u>	<u>1,106,616</u>
Net cash provided by operating activities	<u>8,437,135</u>	<u>8,765,133</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	<u>(1,078,000)</u>	<u>-</u>
Net cash used by investing activities	<u>(1,078,000)</u>	<u>-</u>
Net increase in cash and cash equivalents	7,359,135	8,765,133
Cash and cash equivalents at beginning of year	<u>9,616,273</u>	<u>851,140</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 16,975,408</u></b>	<b><u>\$ 9,616,273</u></b>

## FUND FOR A BETTER FUTURE INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Fund for a Better Future Inc. (the Organization) commenced principal operations during 2016. The Organization is an independent, nonprofit organization that pools private contributions and distributes funds to organizations and political campaigns, focusing on upholding democratic values, protecting the environment, promoting health, and advancing social equity. During 2021, the Organization became the fiscal sponsor for Climate Power. Climate Power seeks to enact bold climate action, building political will and public support to help set the stage for future wins.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

##### Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

Investments have been recorded under the cost method approach in accordance with ASC 321. See Note 2 for further detail. Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

##### Accounts receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

**FUND FOR A BETTER FUTURE INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2022 and 2021, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue -

Contributions and grants -

The Organization receives contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution or grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions and grants qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue unless they are from the United States Government which is then recorded as a refundable advance. For contributions and grants treated as contributions, the Organization did not have any unrecognized conditional awards as of December 31, 2022. The Organization had approximately \$15,000,000 in unrecognized conditional awards as of December 31, 2021.

Contracts revenue -

Contracts and program revenue classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, are recorded as revenue when performance obligations are met.

**FUND FOR A BETTER FUTURE INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Revenue (continued) -

Contracts revenue (continued) -

The Organization has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue. There were no receivables or deferred revenue from contracts as of December 31, 2022 and 2021.

Grants and contracts expense -

The Organization recognizes grant expense at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by executive management or the Board of Directors. Grants that have been determined to be conditional, which depend on the occurrence of specified uncertain events, are not recorded until the conditions have been met. Those grants that have been awarded but yet to be paid are recorded as grants payable. The Organization had outstanding conditional grants of \$4,625,000 as of December 31, 2021. There were no outstanding conditional grants as of December 31, 2022.

Additionally, the Organization contracts with consultants that provide a variety of services to the Organization's programs. These contracts are considered exchange transactions as the Organization receives commensurate value for the services provided. The Organization recognizes contract expenses as services or work is performed or expected to be performed.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a reasonable basis.

Salaries and benefits are allocated based on time and effort studies. All other expenses are allocated based on the proportion of the number of program or supporting function employees benefiting from the expenses per month.

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: upholding democratic values, protecting the environment, improving health, and advancing social equity.

## FUND FOR A BETTER FUTURE INC.

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Functional allocation of expenses (continued) -

- **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 related to fundraising or its directly attributable to the conduct of program activities.
- **Fundraising** - Expenditures are related to time spent on developing new programs, preparing proposals and soliciting contributions.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to separating accounts receivable from prepaid expenses.

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the Organization for the year ending December 31, 2023. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

#### 2. INVESTMENTS

The Organization's investment for program related and impact investing purposes at December 31, 2022 and 2021, consists of common shares in a privately held company without readily determinable fair value as it is not traded in active markets. These Investments have been recorded under the cost method approach in accordance with ASC 321 when the fair value of the equity security is not readily determinable. Under the cost method approach the initial recognition of the equity security is recorded at cost, which generally equates to its fair value. Subsequently, the investment is measured at cost less any impairment loss and adjusted to fair value if observable price changes occur to an identical or similar security from the same issuer.

In 2020, the Organization executed a subscription agreement for 2,823,000 shares of Class B, non-voting stock in the privately held company, for a price of \$1 per share. During 2022, the Organization made an additional investment of 1,078,000 of Class B, non-voting shares in the same privately held company at \$1 per share.

As of December 31, 2022 and 2021, non-marketable equity securities had a carrying value of \$3,901,000 and \$2,823,000 respectively. There have been no adjustments for impairment or fair value price changes as of December 31, 2022 and 2021.

**FUND FOR A BETTER FUTURE INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**2. INVESTMENTS (Continued)**

Included in investment income, net are the following:

	<b>2022</b>	<b>2021</b>
Interest and dividends (net of management fees)	\$ 69,215	\$ 1,580
Realized gain on sale of donated stock	77,307	20,607
<b>TOTAL INVESTMENT INCOME, NET</b>	<b>\$ 146,522</b>	<b>\$ 22,187</b>

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Subject to expenditure for specified purpose:		
Climate Power	\$ 3,489,290	\$ 5,715,066
Climate Impact Fund	4,080,167	3,105,167
Beyond Petrochemicals	8,614,368	476,000
Healthy Communities	1,744,867	374,304
Other Programs	70,334	77,682
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 17,999,026</b>	<b>\$ 9,748,219</b>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	<b>2022</b>	<b>2021</b>
Purpose restrictions accomplished:		
Climate Power	\$ 30,937,842	\$ 38,446,090
Climate Impact Fund	25,000	2,364,333
Beyond Petrochemicals	536,573	-
Healthy Communities	16,913,810	21,023,227
Other Programs	92,348	6,000
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ 48,505,573</b>	<b>\$ 61,839,650</b>

**4. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 16,975,408	\$ 9,616,273
Investments	3,901,000	2,823,000
Accounts receivable	2,030	700
Subtotal financial assets available within one year	20,878,438	12,439,973
Less: Donor restricted funds	(17,999,026)	(9,748,219)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 2,879,412</b>	<b>\$ 2,691,754</b>

**FUND FOR A BETTER FUTURE INC.**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**4. LIQUIDITY AND AVAILABILITY (Continued)**

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

**5. CONCENTRATION OF REVENUE**

The Organization has five major donors that accounted for 90% of total contribution revenue in 2022, and four major donors that accounted for 73% of total contribution revenue in 2021. The Organization has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the Organization's ability to finance ongoing operations.

**6. RELATED PARTY**

The President of the Organization during 2022 and 2021, was also the President 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. The Organization was billed \$3,525,021 and \$2,168,857 by RLF for shared services in 2022 and 2021, respectively. Of these amounts, due to RLF at year end was \$278,560 and \$348,220, respectively.

Additionally, the Organization received contributions from an immediate family member of a member of the Board of Directors. These contributions totaled \$123,978 in 2021 with no contributions in 2022. During 2022, the Organization received a donation from a board member totaling \$85,106.

At December 31, 2021, the Organization has an outstanding conditional grant from RLF for the Climate Power project in the amount of \$15,000,000. This conditional grant was no longer outstanding as of December 31, 2022.

**7. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 8, 2023, the date the financial statements were issued.