

**ROSE FOUNDATION FOR COMMUNITIES  
AND THE ENVIRONMENT**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2024**

This Page Left Intentionally Blank

## **INTRODUCTORY SECTION**

This Page Left Intentionally Blank

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**  
**Financial Statements**  
**For the Year Ended December 31, 2024**

**Table of Contents**

**Page**

**INTRODUCTORY SECTION**

Table of Contents .....	i
-------------------------	---

**FINANCIAL SECTION**

<b>Independent Auditor's Report .....</b>	<b>1</b>
---	----------

**Financial Statements:**

Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7

**SUPPLEMENTAL SECTION**

Schedule of Funds With Donor Restrictions – Purpose Restrictions .....	20
Schedule of Grassroots Funds .....	21
Schedule of Fiscal Sponsorship .....	22
Schedule of Mitigation Funds .....	24
Schedule of Funds With Donor Restrictions – Perpetual in Nature .....	27

This Page Left Intentionally Blank

## **FINANCIAL SECTION**

This Page Left Intentionally Blank



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Rose Foundation for Communities and the Environment  
Oakland, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Rose Foundation for the Communities and the Environment (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of the Rose Foundation for Communities and the Environment as of December 31, 2024, 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 (GAAS). 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 Rose Foundation for Communities and the Environment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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 Foundation's ability to continue as a going concern for a reasonable period of time, generally 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

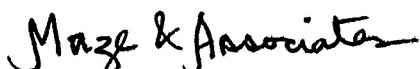
In performing an audit in accordance with GAAS, we:

- 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 Foundation'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 Foundation'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 Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules included in the Supplemental Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Pleasant Hill, California  
December 9, 2025

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**ASSETS**

Current assets:

Cash and cash equivalents (Note 2B)	\$17,474,232
Investments (Note 3)	8,645,833
Accounts receivables	781,370
Grants receivable	51,746
Prepays and deposits	9,000

Total current assets	<u>26,962,181</u>
----------------------	-------------------

Noncurrent assets:

Right-of-use asset - lease (Note 8)	<u>376,372</u>
-------------------------------------	----------------

Total Assets	<u><u>\$27,338,553</u></u>
--------------	----------------------------

**LIABILITIES**

Current liabilities:

Accounts payable	\$10,088
Accrued compensation	85,183
Grants payable (Note 4)	3,826,712
Deferred revenue (Note 5)	21,614,815
Right-of-use liability - lease (Note 8)	<u>121,493</u>

Total current liabilities	<u>25,658,291</u>
---------------------------	-------------------

Noncurrent liabilities:

Right-of-use liability - lease (Note 8)	<u>289,885</u>
---	----------------

Total non-current liabilities	<u>289,885</u>
-------------------------------	----------------

Total Liabilities	<u>25,948,176</u>
-------------------	-------------------

**NET ASSETS (Note 2A)**

Without donor restrictions	298,446
----------------------------	---------

With donor restrictions:

Purpose restrictions (Note 7)	1,065,549
Perpetual in nature (Note 6)	<u>26,382</u>

Total Net Assets	<u>1,390,377</u>
------------------	------------------

Total Liabilities and Net Assets	<u><u>\$27,338,553</u></u>
----------------------------------	----------------------------

See accompanying notes to financial statements

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions		
		Purpose Restrictions	Perpetual in Nature	Total
<b>SUPPORT AND REVENUE</b>				
Support				
Donations and bequests	\$63,651	\$1,054,542		\$1,118,193
Grants:				
Public foundations		1,210,305		1,210,305
Private foundations		330,744		330,744
Governmental		9,283,284		9,283,284
Mitigation fund receipts				
Other income	16,138			16,138
Total Support	79,789	11,878,875		11,958,664
Revenue				
Net investment income (Note 3)	646,140		\$4,339	650,479
Transfers	(2,000)	2,000		
Total Revenue	644,140	2,000	4,339	650,479
Net assets released from restrictions (Note 7)	11,535,110	(11,534,458)	(652)	
Total Support and Revenue	12,259,039	346,417	3,687	12,609,143
<b>OPERATING EXPENSES</b>				
Program service	10,824,581			10,824,581
Support services:				
Management and general	790,252			790,252
Fundraising	410,222			410,222
Total Expenses	12,025,055			12,025,055
Change in net assets	233,984	346,417	3,687	584,088
Net Assets at Beginning of Year	64,462	719,132	22,695	806,289
Net Assets at End of Year	\$298,446	\$1,065,549	\$26,382	\$1,390,377

See accompanying notes to financial statements

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

		<u>Support Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES				
Personnel - salaries	\$792,028	\$543,484	\$246,971	\$1,582,483
Personnel - benefits and payroll taxes	151,733	130,370	106,075	388,178
Grants awarded	9,523,181			9,523,181
Professional fees	164,389	53,411	11,844	229,644
Bank and credit card fees	1,311	1,076	1,637	4,024
Dues, subscriptions and professional development	22,842	8,971	4,085	35,898
Equipment maintenance	1,459	944	458	2,861
Insurance	2,526	3,185	792	6,503
Office supplies	6,918	1,079	94	8,091
Office expense	3,284	2,069	1,024	6,377
Postage	585	728	3,946	5,259
Printing	266	172	8,078	8,516
Rent (Note 8)	66,507	40,588	21,268	128,363
Lease amortization (Note 8)	4,729			4,729
Telephone and website	3,443	2,411	1,439	7,293
Travel and transportation	30,533	1,764	943	33,240
Stipends	44,633			44,633
Events				
Training	634			634
Miscellaneous	3,580		1,568	5,148
Total Functional Expenses	<u>\$10,824,581</u>	<u>\$790,252</u>	<u>\$410,222</u>	<u>\$12,025,055</u>

See accompanying notes to financial statements

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$584,088
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Amortization of lease asset	4,729
Right-of-Use asset / liability	(490,491)
Realized gain on investments	(291,010)
Unrealized gain on investments	(2,636)
Reclassification of cash held in investment accounts	(1,319,281)
(Increase) in accounts receivable	(406,370)
Decrease in grants receivable	32,191
Decrease in prepaids and deposits	5,852
Increase in accounts payable	(54,325)
(Decrease) in accrued compensation	(20,719)
(Decrease) in grants payable	1,002,033
(Decrease) in deferred revenue	(231,206)
Total Adjustments	<u>(1,771,233)</u>
Net Cash (Used) by Operating Activities	<u>(1,187,145)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase and reinvestment of investments	(1,385,063)
Sales of investments	2,391,540
Dividend and interest income	266,879
Net (reinvestment) of dividend and interest income	(98,715)
Investment expenses, fees and other	24,552
Net Cash (Used) by Investing Activities	<u>1,199,193</u>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 12,048

Cash and Cash Equivalents, Beginning of Year 17,462,184

Cash and Cash Equivalents, End of Year \$17,474,232

**SUPPLEMENTARY INFORMATION:**

No taxes or interest were paid by the Foundation during 2024.

See accompanying notes to financial statements

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 1 – ORGANIZATION AND PROGRAMS**

**A. Reporting Entity**

The Rose Foundation for Communities and the Environment (Foundation) is a California non-profit corporation which was organized in 1992. The purpose of the Foundation is to encourage environmental and community stewardship by supporting charitable and educational projects. The Foundation's principal sources of revenue are from donations, grants, and mitigation payments as a neutral third party. The Foundation is not involved as either a plaintiff or defendant in the underlying actions.

**B. Programs**

*Grant Making Programs* – are organized into a series of discrete funds. Each fund has a specific mission, and each fund may also have a specific geographic scope. Most funds are guided by a volunteer funding board whose members donate their time and expertise in guiding overall grant making strategy and individual grant decisions.

*New Voices Are Rising* – seeks to increase civic participation within under-represented communities, increase young people's commitment to environmental justice, and reduce air and water pollution that severely impact both human health and the health of the San Francisco Bay. The program helps young people gain the skills and experience in civic engagement that they need to begin to tackle the problems – including environmental health problems – that disproportionately impact their communities.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The Foundation reports information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

***B. Cash and Cash Equivalents***

For purposes of the statement of cash flows, cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

***C. Investments***

Investments are reported at their fair values in the statement of financial position using readily determinable market values. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

***D. Receivables***

Receivables are recorded net of an allowance for expected losses. The allowance is recorded based on an estimate of the expected collectability of the amounts.

***E. Property and Equipment***

Fixed asset additions in excess of \$3,000 are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is determined on the straight-line method over the estimated useful lives of the assets assigned at 5 years for computers and equipment and 7 years for furniture and fixtures. Expenditures for maintenance and repairs are charged to expenses as incurred. As of December 31, 2024, the Foundation has no property and equipment meeting its threshold.

***F. Leases***

The Foundation recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Foundation determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. The Foundation's policy is to recognize leases in excess of \$3,000. Lease liabilities and a right of use (ROU) asset are recognized at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a discount rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Foundation uses its incremental borrowing rate. See Note 8 for further details.



**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***G. Support and Revenues***

Support consists of donations, bequests, and grants from individuals, public and private foundations, governments. Unconditional promises to give are recognized as revenues or gains in the period received and as assets depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Support also includes grants from corporations resulting from pollution and consumer-protection lawsuit settlements classified as mitigation fund receipts. These funds are received in advance and the recognition of revenue is deferred until such time that these funds are utilized for their pre-determined purposes. See Note 5 for further details.

***H. Contributed Services and Equipment***

Donated services and equipment are reflected in the financial statements at the fair value of the services received only if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

***I. Advertising Costs***

Advertising costs, if any, are expensed as incurred.

***J. Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on the type of expense.

The Foundation allocated its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Indirect costs are allocated among program and support services on a basis proportionate to the direct staff time or other method which best measures the relative degree of benefit.

***K. Income Taxes***

The Foundation is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Foundation paid no taxes on unrelated business income in the year ended December 31, 2024.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Foundation's tax returns remain open for federal income tax examination for three years from the date of filing.

***L. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principle requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***M. Fair Value Measurements***

The Foundation reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***N. Financial Instruments and Credit Risk***

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash and investments. The Foundation holds its cash with four separate financial institutions, and substantially all of its investments with one financial institution. These balances may at times exceed FDIC and SIPC insurance limits. The Foundation invests only with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity.

At December 31, 2024, the Foundation had approximately \$1 million on deposit in excess of federally insured limits. The Foundation has not experienced any losses on its federally insured accounts and believes they are not exposed to any significant credit risk from cash.

***O. Subsequent Events***

The Foundation evaluated subsequent events for recognition and disclosure through December 9, 2025, the date which these financial statements were available to be issued. Management concluded that no material subsequent events occurred since December 31, 2024 that requires recognition or disclosure in such financial statements.

<b>NOTE 3 – INVESTMENTS</b>
-----------------------------

The Foundation's overall investment goal is to preserve capital, generate income to support current operations, maintain appropriate liquidity, and consider investments as an extension of the Foundation's programs, and therefore, ensure that funds are invested in consideration of mission. The Foundation's secondary goal is the growth of capital to offset the effect of inflation and to provide for future needs.

The Foundation investment portfolio shall be comprised of four pools: Cash Pool, Short-Term Pool, Long-Term Pool, and Endowments/Special Funds.

The Cash Pool is to be invested 100% in cash and cash equivalents, such as money market funds, sufficient to fully support at least 6 months of the Foundation's annual operating budget, plus funds needed to support 3-6 months of projected grantmaking. Certificates of deposit shall be no longer in duration than 1 year.

The Short-Term Pool shall be invested in a combination of cash and cash equivalents, and fixed income securities such as US Treasury instruments, other government bonds, investment-grade corporate bonds, and fixed income mutual funds. Bonds or other fixed income securities must be rated "A" or better by Standard & Poor or Moody's at the time of purchase. The holding of junk bonds (i.e., bonds rated below "BBB" by a standard rating agency), is prohibited. Holdings in any one company or issuer shall not exceed 10% of the total value of the portfolio. No more than 25% of the portfolio shall be invested in any single economic sector. However, unrated US Treasury and other US government securities are eligible for inclusion in the portfolio, and holdings of US government securities may exceed 10% of the total value of the portfolio.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 3 – INVESTMENTS (Continued)**

The Long-Term Pool (Reserve Fund/Operating Endowment) shall be invested similarly to the Short-Term Pool, however, may hold fixed income securities with maturities greater than 3 years, and may hold promissory notes from community loan funds and similar types of less-liquid but mission-aligned investments. The equities portion of the pool shall be invested in U.S. and international securities and/or mutual funds including exchange-traded funds. No single investment security shall represent more than 5% of the total pool. The purchase of private placements of any kind, options, futures, warrants, margin purchases, short sales and/or real estate (except REITs) is prohibited.

The Permanent Endowments and Special Funds Pool will be managed in such a way to meet the needs expressed in the Deed of Gift or other specific instructions. Such funds shall generally be placed in separate accounts, and a specific asset allocation plan shall be developed for each fund as it is created.

The following are the major categories of marketable equity securities measured at fair value on a recurring basis during the year ended December 31, 2024 using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

<u>Description</u>	Fair Value Measurements Using		Total
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Cash and Cash Investments	\$2,227,083		\$2,227,083
Fixed Income	3,224,182		3,224,182
Equities	1,906,387		1,906,387
Mutual Funds		\$1,222,400	1,222,400
Other Assets		65,781	65,781
	<u>\$7,357,652</u>	<u>\$1,288,181</u>	<u>\$8,645,833</u>

Mutual Funds and Other Assets are reported using level 2 inputs based on values provided by the investment advisors.

Net investment return consisted of the following for the year ended December 31, 2024:

Interest and dividend income	\$355,673
Realized gain on investments	289,314
Unrealized gain/loss on investments	32,495
Investment expenses	<u>(27,003)</u>
Net investment income	<u>\$650,479</u>

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 4 – GRANTS PAYABLE**

As of December 31, 2024, the Foundation recorded grants payable related to grants approved prior to year-end. The following summarizes grants payable at December 31, 2024:

California Watershed Protection	\$46,850
Central Coast Fund	115,000
Columbia River	80,000
Consumer Financial Education	265,000
Consumer Products Fund	1,858,345
Donor Advised Funds	60,500
Fiscally Sponsored	4,000
Foundation Partnerships	55,000
Grassroots Leadership Funds	4,577
Grays Harbor & Chehalis River Watersl	73,485
Hazardous Waste Protection	95,000
LA Community Water Justice	460,231
Madera Well Resistance	23,494
Orca Fund	115,000
Port of LA Air Pollution	7,120
Privacy Grants	98,000
Puget Sound & Salish Sea	465,110
	<hr/>
Total Grants Payable	<u><u>\$3,826,712</u></u>

**NOTE 5 – DEFERRED REVENUE**

The Foundation receives mitigation payments from various corporations and fiscally-sponsored funds. These mitigation payments and fiscally-sponsored funds are sometimes advanced to finance program expenditures and are conditional on performance of the terms of the agreement. Deferred revenue constitutes the amount of grants awarded and mitigation payments in which allowable program expenditures have not yet been incurred as of year-end.

**Mitigation Funds** – As part of settlements in which the Foundation is written in to receive funds, a portion of these funds are allocated for administrative fees. While most funds are collected in advance, the Foundation does not recognize revenue from these funds until certain conditions are met, and therefore, defers any unearned amounts until the funds are utilized for their specified purposes.

**Fiscally Sponsorship Funds** – The Foundation receives fiscally sponsored funds, and has little discretion over the use of these funds, and therefore, defers any amounts not utilized at the end of the year. During 2024, the Foundation received and deferred \$145,784 of these funds.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 5 – DEFERRED REVENUE (Continued)**

As of December 31, 2024, deferred revenue consists of the following:

California Watershed Protection	\$4,226,056
Central Coast Fund	14,000
Columbia River	207,503
Consumer Privacy Rights	88,243
Environmental Others	1,836,933
Fiscally Sponsored Funds	145,784
Funding Partnerships	331,000
Kern County Air Pollution	198,708
Madera Well Resilience Fund	425,730
New Voices Are Rising	186,480
Other	4,743
Port of LA Air Pollution	11,899,192
Puget Sound & Salish Sea	956,419
Southeast Madera County Responsible Growth	201,317
Rose Foundation Deferred Fees	892,707
	<hr/>
Total Deferred Revenue	<u><u>\$21,614,815</u></u>

**NOTE 6 – ENDOWMENT**

The Foundation's endowment consists of a donor restricted balance established for the purpose of creating an endowment for the Anthony Grassroots Prize and is held in one investment account. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Law

The Board of Directors of the Foundation has interpreted the California State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair market value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if applicable. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 6 – ENDOWMENT (Continued)**

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a constant stream of funding for annual operating needs supported by its endowment while seeking to preserve the real (i.e., inflation adjusted) purchasing power of the endowment assets. Endowment assets include those assets of the donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Finance Committee, the endowment assets are invested in a manner that is intended to produce results that (1) meet the expected rate of return as dictated by the asset allocation in place and (2) exceed a weighted index of the total asset allocation and component benchmarks over rolling five-year periods by an appropriate amount (annualized, net of fees, over a full market cycle). In addition to rolling five-year periods, rolling three-year periods will be monitored for trends. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return, the Foundation targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives with prudent risk constraints.

Spending Policy and how the Investment Objectives Relate to Spending Policy

The Foundation currently distributes all income from endowment assets.

The changes in endowment net assets for the year ended December 31, 2024 were as follows:

	Restricted in Perpetuity	Total
Endowment net assets, December 31, 2023	\$22,695	\$22,695
Donations received	-	-
Investment return:		
Investment income, net	2,266	2,266
Interest and dividends	2,073	2,073
Total investment return	4,339	4,339
Appropriation for endowment assets for expenditure	(652)	(652)
Endowment net assets, December 31, 2024	\$26,382	\$26,382

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 6 – ENDOWMENT (Continued)**

The endowment net asset composition by type of fund as of December 31, 2024, consists of the following:

	Perpetual in Nature	Total
Donor-restricted endowment funds	\$26,382	\$26,382
Total Funds	\$26,382	\$26,382

Funds with Deficiencies

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 Foundation has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2024, the Foundation had no underwater endowments.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2024:

Donor Advised	\$651,006
Grassroots Programs	412,060
Single Entity Funds	2,483
	\$1,065,549

For the year ended December 31, 2024, net assets were released from restriction from donor sources as follows:

Donor Advised	\$637,780
Fiscally Sponsored	1,070,100
Grassroots Programs	317,240
Mitigation Funds	7,809,859
New Voices Are Rising	500,437
Single Entity Funds	5,880
Endowment Fund	652
	\$10,341,948



**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE 8 – LEASES**

***Right-of-Use Asset and Liability – Related to Lease***

The Foundation leases its office space under a 120-month non-cancelable operating lease which commenced on March 1, 2018 and terminates on February 29, 2028. The minimum monthly lease rate for the office space started at \$9,000 per month, adjusted annually by 3% each March 1st. At the end of the 120-month term, the Foundation has an option to renew the lease for another 5-year term. The lease agreement does not provide an implicit rate, therefore the Foundation has elected to use the risk-free rate of 1.5% as its incremental borrowing rate, based on the information available at the commencement date in determining the present value of lease payments.

Future asset amortization and lease payments for the office space are as follows:

	Asset	Liability
2025	\$118,848	\$121,493
2026	118,848	129,210
2027	118,848	137,278
2028	19,828	23,397
Total	<u>\$376,372</u>	<u>\$411,378</u>

As of December 31, 2024, monthly rent was \$10,746. For the 2024 fiscal year, total rent expense was \$128,363, and amortization of the right-of-use lease asset was \$4,729.

**NOTE 9 – RETIREMENT PLANS**

The Foundation has adopted a 401(k) retirement plan, which covers all employees who have completed six months of service. The Foundation makes matching contributions equal to 100% of the participant contribution during the plan year, not to exceed 5% of each participant's compensation, for all eligible participants. To encourage employee contributions, the Foundation matches \$1 for every \$4 invested in the Plan by employees up to \$1,000 per year. During the year ended December 31, 2024 the Board approved a contribution to the plan which totaled \$59,894.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

**A. Concentrations**

A significant portion of the Foundation's total revenue is derived from mitigation payments from various causes. For the year ended December 31, 2024, support from mitigation was 74% of total revenue.

**B. Government Agreements**

The Foundation has several multiple-year agreements with governmental agencies related to its New Voices are Rising program, that will be recognized as revenue in subsequent years as certain barriers to performance have been met. As of December 31, 2024, the Foundation had nine agreements in place approximating \$4.7 million, and has recognized \$778 thousand to date. The remaining balance as of year-end was approximately \$3.9 million.

**ROSE FOUNDATION FOR THE COMMUNITIES AND THE ENVIRONMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES</b>
--

Financial assets available for general expenditures of \$3,655,034, that is, without donor or other restrictions limiting their use, for use within one year of the statement of financial position date, consisted of the following at December 31, 2024:

Total current financial assets:	
Cash and cash equivalents	\$17,474,232
Investments	8,645,833
Grants receivable	<u>51,746</u>
Total current financial assets	26,171,811
Contractual or donor-imposed restrictions:	
Amounts held in deferred revenue for specific purposes	(21,614,815)
Donor-imposed restrictions for specific purposes	(1,065,549)
Endowment fund - restricted in perpetuity	<u>(26,382)</u>
Financial Assets Available to Meet Cash Needs	
Within One Year for General Expenditures	<u><u>\$3,465,065</u></u>

<b>NOTE 12 – RELATED PARTIES</b>
----------------------------------

The Co-Founders of the Foundation, who also served as employees and members on the Board during 2024, were married. During 2024, both individuals retired as employees and board members.

## **SUPPLEMENTAL SECTION**

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**  
**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS - PURPOSE RESTRICTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Donor Advised	Fiscally Sponsored	Grassroots Programs	Mitigation Funds	New Voices Are Rising	Single Entity Funds	Total
<b>SUPPORT AND REVENUE</b>							
Support							
Donations and bequests	\$622,270	\$390,900	\$10,355		\$31,017		\$1,054,542
Grants:							
Private foundations		710,250	439,755		60,300		1,210,305
Governmental					330,744		330,744
Mitigation payments:							
Mitigation receipts				\$8,981,970	301,314		9,283,284
Total Support	622,270	1,101,150	450,110	8,981,970	723,375		11,878,875
Revenue							
Transfers	(5,745)		17,744	(9,999)			2,000
Total Revenue	(5,745)		17,744	(9,999)			2,000
Net assets released from restrictions							
Total Support and Revenue	(637,780)	(1,101,150)	(317,240)	(8,971,971)	(500,437)	(\$5,880)	(11,534,458)
	(21,255)		150,614		222,938	(5,880)	346,417
Change in net assets	(21,255)		150,614		222,938	(5,880)	346,417
Net Assets at Beginning of Year	672,261		261,446		(222,938)	8,363	719,132
Net Assets at End of Year	\$651,006		\$412,060			\$2,483	\$1,065,549

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**

**SCHEDULE OF GRASSROOTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	California	Leadership Fund	Pacific Northwest	Total
<b>SUPPORT AND REVENUE</b>				
Support				
Donations and bequests	\$10,355			\$10,355
Grants:				
Private foundations	276,909	\$398,708	\$25,000	700,617
Governmental				-
Mitigation payments:				
Mitigation receipts				-
Total Support	287,264	398,708	25,000	710,972
Revenue				
Transfers	18,999		(1,255)	17,744
Total Revenue	18,999		(1,255)	17,744
Net assets released from restrictions	(371,672)	(157,684)	(48,745)	(578,101)
Total Support and Revenue	(65,409)	241,024	(25,000)	150,615
Change in net assets	(65,409)	241,024	(25,000)	150,615
Net Assets at Beginning of Year	165,992	70,454	25,000	261,446
Net Assets at End of Year	\$100,583	\$311,478	-	\$412,061

ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT

SCHEDULE OF FISCAL SPONSORSHIP  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Clearya	Environment in the Public Interest	Fresno Building Healthy Communities	Friends of Sierra Valley	Foundation Partnership	Lincoln Heights Coalition
SUPPORT AND REVENUE						
Support						
Donations and bequests	\$311,550	\$2,349			\$4,000	
Grants:						
Public foundations	8,750		\$701,500			
Private foundations	320,300	2,349	701,500		4,000	
Total Support						
Revenue						
Transfers						
Total Revenue						
Net assets released from restrictions	(320,300)	(2,349)	(701,500)		(4,000)	
Total Support and Revenue						
Change in net assets						
Net Assets at Beginning of Year						
Net Assets at End of Year						
As of December 31, 2024, each program has the following funds available for future expenditures, included in Deferred Revenue	\$56,769	-	-	\$664	\$509	\$9,995

ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT

SCHEDULE OF FISCAL SPONSORSHIP  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Continued)

SUPPORT AND REVENUE	Little Growers	Million Marker	Rootid	CEQA Works	Together Restoring Economic Empowerment	Water Climate Project	Total
Support							
Donations and bequests	\$14			\$72,987			\$390,900
Grants:							
Public foundations							710,250
Private foundations							1,101,150
Total Support	14			72,987			
Revenue							
Transfers							
Total Revenue							
Net assets released from restrictions	(14)			(72,987)			(1,101,150)
Total Support and Revenue							
Change in net assets							-
Net Assets at Beginning of Year							
Net Assets at End of Year							
As of December 31, 2023, each program has the following funds available for future expenditures, included in Deferred Revenue	-	\$1,249	\$748	\$74,211	\$1,224	\$415	\$145,784

ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT

SCHEDULE OF MITIGATION FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024

	California Hazardous Waste Protection	California Watershed Protection	Central Coast	Columbia River	Consumer Financial Education	Consumer Privacy Rights
SUPPORT AND REVENUE						
Support						
Mitigation payments:						
Mitigation receipts	\$277,500	\$756,400	\$1,186,000	\$345,000	\$1,566,919	\$14,918
Total Support	277,500	756,400	1,186,000	345,000	1,566,919	14,918
Revenue						
Interest and dividends						
Transfers						
Total Revenue						
Net assets released from restrictions	(277,500)	(756,400)	(1,186,000)	(345,000)	(1,566,919)	(14,918)
Total Support and Revenue						
Change in net assets						
Net Assets at Beginning of Year						
Net Assets at End of Year						
As of December 31, 2024, each program has the following funds available for future expenditures, included in Deferred Revenue	-	\$4,226,056	\$14,000	\$207,503	-	\$88,243



ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT

SCHEDULE OF MITIGATION FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Continued)

	Consumer Products Fund	Environmental Others	Funding Partnerships	Grays Harbor & Chehalis River Watershed	Kern County Air Pollution Mitigation Fund	LA Community Water Justice
SUPPORT AND REVENUE						
Support						
Mitigation payments:						
Mitigation receipts	\$2,027,514		\$400,000	\$213,485	\$633	\$734,236
Total Support	2,027,514		400,000	213,485	633	734,236
Revenue						
Interest and dividends						
Transfers						
Total Revenue						
Net assets released from restrictions	(2,027,514)		(400,000)	(213,485)	(633)	(734,236)
Total Support and Revenue						
Change in net assets						
Net Assets at Beginning of Year						
Net Assets at End of Year						
As of December 31, 2024, each program has the following funds available for future expenditures:	-	\$1,836,950	\$331,000	-	\$198,708	-

ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT

SCHEDULE OF MITIGATION FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Continued)

	Madera Well Resilience	Port of LA Air Pollution	Puget Sound & Salish Sea	Southeast Madera County Responsible Growth	Total
SUPPORT AND REVENUE					
Support					
Mitigation payments:					
Mitigation receipts	\$205,506	\$389,120	\$864,739		\$8,981,970
Total Support	205,506	389,120	864,739		8,981,970
Revenue					
Interest and dividends					
Transfers			(9,999)		(9,999)
Total Revenue			(9,999)		(9,999)
Net assets released from restrictions	(205,506)	(389,120)	(854,740)		(8,971,971)
Total Support and Revenue					
Change in net assets					
Net Assets at Beginning of Year					
Net Assets at End of Year					
As of December 31, 2024, each program has the following funds available for future expenditures:	\$425,714	\$11,899,192	\$956,418	\$201,317	\$20,385,101

**ROSE FOUNDATION FOR COMMUNITIES AND THE ENVIRONMENT**  
**SCHEDULE OF FUNDS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

REVENUE	Anthony Prize Endowment	Total
Realized and unrealized gains (losses), net	\$2,266	\$2,266
Interest and dividends	2,073	2,073
Total Revenue	4,339	4,339
Net assets released from restrictions	(652)	(652)
Total Support and Revenue	3,687	3,687
Change in net assets	3,687	3,687
Net Assets at Beginning of Year	22,695	22,695
Net Assets at End of Year	\$26,382	\$26,382

This Page Left Intentionally Blank