

REGIONAL PARKS FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

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INTRODUCTORY SECTION

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REGIONAL PARKS FOUNDATION
Financial Statements
For the Year Ended December 31, 2023

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REGIONAL PARKS FOUNDATION

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

DECEMBER 31, 2023

BOARD OF DIRECTORS

Les Hausrath
Holly Potter
Bruce Kern
John Martin
Yakov Berenshteyn
Bob Brown
Nik Dehejia
Craig Geldard
Renee Kemp
Stephanie Ledesma
Amber Miksza
Ravi Poorsina
Jeset Sidore
Taj Tashombe
Keith White
Geoffrey Zimmerman

MANAGEMENT

Lauren Bernstein, Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Regional Parks Foundation
Pleasanton, California

Opinion

We have audited the accompanying financial statements of the Regional Parks Foundation (Foundation), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Parks Foundation as of December 31, 2023, 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 Regional Parks Foundation 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 Summarized Comparative Information

We have previously audited the Regional Parks Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pleasant Hill, California
May 2, 2024

REGIONAL PARKS FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH COMPARATIVE AMOUNTS AS OF DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2B)	\$3,250,014	\$2,703,608
Investments (Note 3)	7,957,678	4,639,587
Prepaid expenses		14,676
Total Current Assets	<u>11,207,692</u>	<u>7,357,871</u>
Non-Current Assets:		
Long-term investments (Note 3)	2,378,172	4,119,265
ECCCHC/NCCP Endowment (Note 3)	8,250,827	6,703,425
Property and equipment, net of accumulated depreciation of \$80,340 and \$80,340, respectively (Note 2E)		
Total Non-Current Assets	<u>10,628,999</u>	<u>10,822,690</u>
Total Assets	<u><u>\$21,836,691</u></u>	<u><u>\$18,180,561</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$344,694	\$3,119
Accrued liabilities		318,628
Total Liabilities	<u>344,694</u>	<u>321,747</u>
Net Assets (Note 2A):		
Without donor restrictions	6,175,760	4,680,227
With donor restrictions (Note 5)	15,316,237	13,178,587
Total Net Assets	<u>21,491,997</u>	<u>17,858,814</u>
Total Liabilities and Net Assets	<u><u>\$21,836,691</u></u>	<u><u>\$18,180,561</u></u>

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
SUPPORT, REVENUE AND GAINS				
Private gifts, grants and benefits	\$1,074,769	\$461,924	\$1,536,693	\$1,940,785
Contributed services and supplies (Note 2F)	1,218,374		1,218,374	1,002,027
Membership fees	1,061,245		1,061,245	1,110,905
Net investment return (Note 3)	862,322	1,892,258	2,754,580	(2,125,735)
Net assets released from restrictions:				
Satisfaction of usage requirements (Note 5)	216,532	(216,532)		
Total Support, Revenue and Gains	4,433,242	2,137,650	6,570,892	1,927,982
EXPENSES				
Program services	2,459,585		2,459,585	2,143,173
Supporting services:				
General and administrative	253,768		253,768	295,076
Fundraising and development	224,356		224,356	196,684
Total Expenses	2,937,709		2,937,709	2,634,933
Changes in Net Assets	1,495,533	2,137,650	3,633,183	(706,951)
Net Assets at Beginning of Year	4,680,227	13,178,587	17,858,814	18,565,765
Net Assets at End of Year	\$6,175,760	\$15,316,237	\$21,491,997	\$17,858,814

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	General & Administrative	Fundraising & Development	Totals	
				2023	2022
FUNCTIONAL EXPENSES					
Support for EBRPD (Note 8)	\$768,875			\$768,875	\$926,308
Scholarships and program support (Note 8)	472,336			472,336	214,838
In kind administrative distributions (Note 2F)	1,218,374			1,218,374	1,002,027
Membership program			\$131,207	131,207	143,625
Marketing, collateral and graphic design		\$30,515		30,515	49,682
Computer expense		84,884		84,884	69,270
Contract services		32,846		32,846	40,065
Bank charges		3,800	24,470	28,270	28,449
Fundraising and appeals			54,289	54,289	39,915
Education and conferences		38,815		38,815	34,251
Legal and accounting		17,098		17,098	22,384
Professional and grants writing services			14,390	14,390	13,144
Postage and courier fees		3,716		3,716	3,624
Dues and subscriptions		6,777		6,777	9,742
Travel and entertainment		12,201		12,201	12,154
D & O insurance		1,250		1,250	1,134
Office supplies		6,004		6,004	3,421
Public relations/promotion		4,828		4,828	10,449
Printing		11,034		11,034	10,451
Total Functional Expenses	\$2,459,585	\$253,768	\$224,356	\$2,937,709	\$2,634,933

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$3,633,183	(\$706,951)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Unrealized gains (losses) on investments	(2,474,329)	3,004,871
Changes in operating assets and liabilities:		
Accounts receivable		35,280
Contributions receivable		4,627,405
Prepaid expenses	14,676	51,855
Accounts payable	341,575	(2,736)
Accrued liabilities	<u>(318,628)</u>	<u>(400,804)</u>
Net Cash Provided by Operating Activities	<u>1,196,477</u>	<u>6,608,920</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(19,679,138)	(12,326,381)
Proceeds from sale of investments	19,029,067	9,744,281
Endowment	<u></u>	<u>(3,227,405)</u>
Net Cash (Used) by Investing Activities	<u>(650,071)</u>	<u>(5,809,505)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	546,406	799,415
Cash and Cash Equivalents, Beginning of Year	<u>2,703,608</u>	<u>1,904,193</u>
Cash and Cash Equivalents, End of Year	<u><u>\$3,250,014</u></u>	<u><u>\$2,703,608</u></u>
SUPPLEMENTAL DISCLOSURES:		
No taxes or interest were paid by the Foundation during 2023 or 2022.		
Noncash activities:		
In-kind labor and facilities	<u><u>\$1,218,374</u></u>	<u><u>\$1,002,027</u></u>

See accompanying notes to financial statements

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 1 – ORGANIZATION

The Regional Parks Foundation (the Foundation) was established in 1969 to support the East Bay Regional Park District (the District). The Regional Parks Foundation supports the East Bay Regional Park District through fundraising to provide universal access, environmental stewardship, educational and recreational programs and the acquisition of parklands. At the Regional Parks Foundation we believe connections with nature are critical for leading a healthy, balanced life. Every day, we provide resources to ensure underserved populations have equal access to nature through the East Bay Regional Park District's parks, trails, programs and services. When we do, lives are changed, and we inspire the next generation of environmental stewards to value and protect open space and the environment. Sources of revenue and support include direct public support, interest income, and contributed services and property.

The Foundation is not a direct employer. The District contributes the services of its employees to the Foundation (see Note 2F). In addition, the District owns the majority of furniture, fixtures and equipment, as well as buildings, used by the Foundation.

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. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment, and all other financial support without donor restrictions received by the Foundation is considered designated to support programs which benefit the East Bay Regional Park District.

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.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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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

The Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents were \$3,250,014 and \$2,703,608 at December 31, 2023 and 2022, respectively.

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

Contributions and accounts receivable are stated at the amount the Foundation's management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation based on its assessment of the current status of individual accounts. The Foundation recognizes pledges receivable at fair value when an unconditional promise to give is received. Unconditional pledges receivable that are expected to be collected within one year are recorded at the present value of their future cash flows. Management estimates an allowance for uncollectible pledges receivable based on current economic conditions, historical trends, and current and past experience with the Foundation's donor base. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2023 and 2022, respectively.

E. Property and Equipment

The Foundation capitalizes property and equipment over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets assigned at 5 years for all fixed assets. Expenses for maintenance and repairs are charged to expenses as incurred. Replacements and capital improvements of assets are capitalized. As of December 31, 2023 and 2022 property and equipment were fully depreciated and in use.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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F. Support and Other Revenue

Contributions consist of grants and gifts from individuals, corporations, and foundations. 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. Membership fees are recorded as income when received.

Contributed services and supplies are recorded at the estimated fair value at the date of the donation. Fair value is determined by appraisals or estimates made by the Foundation. During 2023 and 2022, the Foundation received contributed services and supplies from the District with an estimated fair value of \$1,218,374 and \$1,002,027, respectively. These amounts are reflected as both revenue and expense in the statement of activities.

G. Advertising Costs

Advertising costs are expensed as incurred.

H. 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 present the natural classification detail of expenses by function. Accordingly, certain costs may be allocated among the programs and supporting services benefited, based on the type of expense.

I. Income Taxes

The Foundation is exempt from income tax under Section 501(c)(3) of The U.S. 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 years ended December 31, 2023 or 2022, respectively.

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.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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J. 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.

K. 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 Foundations 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.

L. 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 substantially all of its cash with one financial institution, and substantially all of its investments with another financial institution. These balances may at times exceed FDIC and SIPC insurance limits. The Organization invests only with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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M. Lease Accounting

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. As of December 31, 2023, the Foundation did not have any leases in excess of its established threshold.

N. Comparative Data

The financial statement information for the year ended December 31, 2022, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statements for that fiscal year.

O. Subsequent Events

Regional Parks Foundation evaluated subsequent events for recognition and disclosure through May 2, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2023 that requires recognition or disclosure in such financial statements.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 3 – INVESTMENTS

The Foundation's investment policy allows management to invest in the following investment types:

Authorized Investment Type	% of Portfolio	Maximum Investment In One Issuer
<i>Foundation Portfolio:</i>		
Short-Term Pool		
US Fixed Income	0-20%	N/A
Cash & Equivalents	80-100%	N/A
Medium-Term Pool		
US Equity - Large Cap.	0-30%	N/A
International Equity	0-20%	N/A
US Fixed Income	40-80%	N/A
High Yield	0-25%	N/A
Long-Term Pool		
US Equity - Large Cap.	30-50%	N/A
US Equity - SMID Cap.	0-20%	N/A
International Equity	15-35%	N/A
US Fixed Income	10-50%	N/A
High Yield	0-10%	N/A
<i>ECCCCHC/NCCP Endowment Fund:</i>		
US Equity - Large Cap.	30-50%	N/A
US Equity - SMID Cap.	0-20%	N/A
International Equity	15-35%	N/A
US Fixed Income	10-50%	N/A
High Yield	0-10%	N/A

As of December 31, 2023 and 2022, respectively, the Foundation's investment portfolio was in compliance with its investment policy.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 3 – INVESTMENTS (Continued)

Substantially all of the Foundation's investments are in the custody of and managed by eight different investment management firms with coordination and oversight provided by UBS Financial Services, Inc. The following table summarizes the Foundation's investments at December 31:

		Fair Value (Level 1)	
		2023	2022
<u>Foundation:</u>			
<i>Investments:</i>			
Stocks and bonds		\$1,446,113	\$3,948,078
Equities		4,746,556	1,773,285
Mutual funds		4,143,181	3,037,489
	Sub-total	10,335,850	8,758,852
<i>Cash Equivalents:</i>			
UBS money market		1,939,397	648,467
Totals		<u>\$12,275,247</u>	<u>\$9,407,319</u>
		Fair Value (Level 3)	
		2023	2022
<u>ECCCHC/NCCP Endowment Fund:</u>			
<i>Investments:</i>			
Stocks and bonds		\$932,059	\$401,225
Equities		4,156,017	4,103,771
Mutual funds		3,024,001	2,143,559
	Sub-total	8,112,077	6,648,555
<i>Cash Equivalents:</i>			
UBS money market		138,750	54,870
Totals		<u>\$8,250,827</u>	<u>\$6,703,425</u>

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2023 or 2022, respectively.

Cash Equivalents – consist primarily of money market funds and are valued at the closing prices reported on the active markets in which the securities are traded at fiscal year end.

Investments – are valued at quoted market prices in active markets or require using significant unobservable inputs.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 3 – INVESTMENTS (Continued)

Investments classified as Level 1 are valued using quoted prices in active markets. Although the underlying investments in the ECCCHC/NCCP Endowment Fund are measured at Level 1 and Level 2 inputs, the Fund itself is not publicly traded nor can it be valued based on observable direct or indirect inputs. Accordingly, it is classified as a Level 3 measurement. The valuation methodologies used by the Foundation may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Net investment return consisted of the following for the years ended December 31:

	2023	2022
<u>Foundation:</u>		
Dividends and interest income	\$337,662	\$165,775
Realized (loss) gain on investments	(152,651)	8,701
Unrealized gain (loss) on investments	1,080,634	(1,285,233)
Investment expense	(22,905)	(55,675)
Sub-total	<u>1,242,740</u>	<u>(1,166,432)</u>
 <u>ECCCHC/NCCP Endowment Fund:</u>		
Dividends and interest income	197,481	132,855
Realized gain on investments	(31,185)	4,026
Unrealized gain (loss) on investments	1,393,695	(1,071,171)
Investment expense	(48,151)	(25,013)
Sub-total	<u>1,511,840</u>	<u>(959,303)</u>
Net investment return - total	<u><u>\$2,754,580</u></u>	<u><u>(\$2,125,735)</u></u>

NOTE 4 – BOARD DESIGNATED NET ASSETS

In 2008, the Foundation established the Regional Park Foundation Endowment Fund (Fund). The purpose of the Fund is to support projects to further the charitable and educational purposes of the East Bay Regional Parks District. The intent of the Fund is to provide a permanent source of income for the stated purposes on a long-term basis. Only a portion of the earnings of the Fund will be spent with the excess being added to the principal balance. In 2008 the Foundation made an initial contribution in the form of a Quasi Endowment by designating \$250,000 from the Foundation's Net Assets to the Fund. The Board Designated Endowment Fund at December 31, 2023 and 2022, amounted to \$505,251 and \$458,645, respectively.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	2023	2022
<i>Subject to expenditure for specified purpose:</i>		
Funds for Parks	\$6,311,513	\$5,773,658
Youth Development	2,500	2,500
Environmental Restoration and Enhancement	65,889	65,889
Tilden Regional Park Carousel Restoration	21,032	21,032
Signature Event	28,922	28,922
Sub-total	<u>6,429,856</u>	<u>5,892,001</u>
<i>Endowments:</i>		
Subject to the Foundation's endowment spending policy and appropriation:		
Campership Program	40,488	40,488
Educational programs, camperships and environmental remediation	134,776	122,570
Botanic Garden	421,930	381,743
East Contra Costa County HCP/NCCP	<u>8,289,187</u>	<u>6,741,785</u>
Total Endowments	<u>8,886,381</u>	<u>7,286,586</u>
Total Net Assets With Donor Restrictions	<u><u>\$15,316,237</u></u>	<u><u>\$13,178,587</u></u>

For the years ended December 31, 2023 and 2022, respectively, net assets were released from restriction for the following:

	2023	2022
Funds for Parks	\$136,378	\$94,404
Youth Development	36,546	19,103
Environmental Restoration and Enhancement		12,197
Botanic Garden	785	
Educational Programs, Camperships and Environmental Remediation	238	
East Contra Costa County HCP/NCCP	<u>42,585</u>	
Total	<u><u>\$216,532</u></u>	<u><u>\$125,704</u></u>

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 6 – ENDOWMENTS

The Foundation's endowment consists of 4 individual funds established by donors for the following purposes:

Campership Program – A donor-restricted contribution of \$40,000 was received in 2000. Interest income earned on these assets is restricted for use in the Campership program.

Regional Park Foundation Endowment – Donor-restricted contributions of \$66,750 were received in 2008. These contributions are associated with the purposes of the Regional Park Foundation Endowment Fund.

Botanic Garden Endowment – Donor-restricted contributions of \$219,779 were received in 1991. Interest income earned on these assets is restricted for the specific charitable and educational programs related to the East Bay Regional Park District's Botanic Garden.

East Contra Costa County Habitat Conservation Plan/Natural Community Conservation Plan(ECCC HCP/NCCP) Endowment – Donor-restricted notice of contributions of \$3,357,264 were received as of December 31, 2021. Total amount was fully received in December 2022 which brings the total endowment account to \$6,675,724. Interest income earned on these assets is restricted for the long-term management and monitoring of the Preserve System after the end of the Permit Term (2037).

The donor contributions are maintained in perpetuity, the income of which is expendable for the donors' intended purpose in proportion to each fund's percentage of the total endowment fund corpus. Annual distributions are in accordance with the Organization's distribution policy.

The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors (see Note 5).

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of the Foundation has interpreted UPMIFA as not requiring the preservation of the fair value of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. 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 UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 6 – ENDOWMENTS (Continued)

The Foundation has investment policies that attempt to provide a predictable stream of funding to programs supported by operations as well as endowment donations. Endowment assets include those assets of donor-restricted funds that the Foundation may hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Assets are invested in a manner that is intended to produce results that exceed the respective benchmark while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

As of December 31, 2023, the Foundation had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$8,886,381	\$8,886,381
Board-designated endowment funds	\$505,251		505,251
Total fund	<u>\$505,251</u>	<u>\$8,886,381</u>	<u>\$9,391,632</u>

As of December 31, 2022, the Foundation had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$7,286,586	\$7,286,586
Board-designated endowment funds	\$458,645		458,645
Total fund	<u>\$458,645</u>	<u>\$7,286,586</u>	<u>\$7,745,231</u>

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 UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2023 and 2022, respectively, the Foundation had no underwater endowments.

Investment and Spending Policies

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 6 – ENDOWMENTS (Continued)

The changes in endowment net assets for the year ended December 31, 2023, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$458,645	\$7,286,586	\$7,745,231
Contributions		322,753	322,753
Investment Return:			
Investment income	6,734	82,709	89,443
Unrealized Gain	39,872	1,194,333	1,234,205
Net appreciation	46,606	1,277,042	1,323,648
Release of assets for fees and taxes	0	0	0
Endowment net assets, end of year	<u>\$505,251</u>	<u>\$8,886,381</u>	<u>\$9,391,632</u>

The changes in endowment net assets for the year ended December 31, 2022, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$511,591	\$7,749,796	\$8,261,387
Contributions		275,167	275,167
Investment Return:			
Investment income	(52,946)	13,843	(39,103)
Unrealized (loss)		(752,220)	(752,220)
Net appreciation	(52,946)	(738,377)	(791,323)
Release of assets for fees and taxes	0	0	0
Endowment net assets, end of year	<u>\$458,645</u>	<u>\$7,286,586</u>	<u>\$7,745,231</u>

REGIONAL PARKS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, is as follows as of December 31:

	2023	2022
Total financial assets:		
Cash and cash equivalents	\$1,483,103	\$2,703,608
Investments	18,586,677	15,462,277
	<u>20,069,780</u>	<u>18,165,885</u>
Contractual or donor-imposed restrictions:		
Donor-imposed restrictions for specific purposes	(15,316,237)	(13,178,587)
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$4,753,543</u>	<u>\$4,987,298</u>

NOTE 8 – RELATED PARTY TRANSACTIONS

For the years ended December 31, 2023 and 2022, respectively, the Foundation made distributions of \$1,241,211 and \$1,141,146 to support the scholarships and programs, services, in projects at the respective parks. The fiscal year 2023 distributions were comprised of \$1,149,186 in direct payments to the East Bay Regional Park District and \$92,028 paid to external vendors.

NOTE 9 – CONCENTRATIONS

A. Contributors

In 2023 and 2022, respectively, the East Bay Regional Park District contributed services that accounted for 19% and 52% of the Foundation's support and revenue.

B. Membership Fees

In 2023 and 2022, respectively, Foundation park membership fees accounted for 16% and 58% of the Foundation's total support and revenue.

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