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# **The Regeneration Project**

## **FINANCIAL STATEMENTS**

**December 31, 2007**

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

# **The Regeneration Project**

## **Contents**

Accountants' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6-7

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

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Board of Directors  
The Regeneration Project  
San Francisco, California

We have reviewed the accompanying statements of financial position of The Regeneration Project (a nonprofit organization) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Regeneration Project.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Crosby & Kaneda*

Certified Public Accountants  
Oakland, California  
June 24, 2008

# **The Regeneration Project**

## **Statement of Financial Position**

**December 31, 2007**

### **Assets**

#### **Current Assets**

Cash and cash equivalents	\$ 655,688
Grants receivable	50,000
Total Assets	<u>\$ 705,688</u>

### **Liabilities and Net Assets**

#### **Current Liabilities**

Accounts payable and accrued expenses	\$ 4,001
Total Liabilities	<u>4,001</u>

#### **Contingencies (Note 4)**

#### **Net Assets**

Unrestricted	474,050
Temporarily restricted (Note 5)	227,637
Total Net Assets	<u>701,687</u>

Total Liabilities and Net Assets	<u>\$ 705,688</u>
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See Accountants' Report and  
Notes to the Financial Statements

# The Regeneration Project

## Statement of Activities Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Contributions	\$ 151,733	\$	\$ 151,733
Foundation grants	659,167	407,433	1,066,600
Interest	9,400		9,400
Net assets released from restriction (Note 5)	179,796	(179,796)	-
Total Support and Revenue	<u>1,000,096</u>	<u>227,637</u>	<u>1,227,733</u>
<b>Expenses</b>			
Program	382,132		382,132
General and administrative	103,199		103,199
Fundraising	40,311		40,311
Total Expenses	<u>525,642</u>	<u>-</u>	<u>525,642</u>
Change in net assets	<u>474,454</u>	<u>227,637</u>	<u>702,091</u>
Net Assets, beginning of year	<u>(404)</u>	<u>-</u>	<u>(404)</u>
Net Assets, end of year	<u><u>\$ 474,050</u></u>	<u><u>\$ 227,637</u></u>	<u><u>\$ 701,687</u></u>

See Accountants' Report and  
Notes to the Financial Statements

# **The Regeneration Project**

## **Statement of Cash Flows Year Ended December 31, 2007**

### **Cash flows from operating activities:**

Change in net assets	\$ 702,091
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Change in assets and liabilities:	
Grants receivable	(50,000)
Deferred revenue	<u>2,066</u>
Net cash provided by operating activities	<u>654,157</u>
Net change in cash	654,157
Cash, beginning of year	<u>1,531</u>
Cash, end of year	<u><u>\$ 655,688</u></u>

See Accountants' Report and  
Notes to the Financial Statements

## The Regeneration Project

### Statement of Functional Expenses Year Ended December 31, 2007

	Program	General and Administrative	Fundraising	Total
Salaries	\$ 169,500	\$ 39,226	\$ 25,562	\$ 234,288
Payroll taxes	16,491	3,818	916	21,225
Employee benefits	22,515	1,781	543	24,839
Total personnel expenses	<u>208,506</u>	<u>44,825</u>	<u>27,021</u>	<u>280,352</u>
Grants	19,000			19,000
Conferences and events	42,618			42,618
Contract services	66,259	28,687	1,378	96,324
Insurance	-	3,821		3,821
Occupancy	7,800	20,342		28,142
Supplies	10,234	3,111		13,345
Advertising	7,041		7,041	14,082
Printing and publications	5,505	200	4,871	10,576
Telephone and communications	9,068	2,213		11,281
Travel	6,101			6,101
Total expenses	<u>\$ 382,132</u>	<u>\$ 103,199</u>	<u>\$ 40,311</u>	<u>\$ 525,642</u>

See Accountants' Report and  
Notes to the Financial Statements

# **THE REGENERATION PROJECT**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007**

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### **NOTE 1: NATURE OF ACTIVITIES**

The Regeneration Project (the Organization) is a California nonprofit public benefit corporation which is an interfaith ministry devoted to deepening the connection between ecology and faith. The Organization's goal is to help people of faith recognize and fulfill their responsibility for the stewardship of creation. The Organization provides educational programs for clergy and congregations that achieve tangible environmental results.

### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

#### **Basis of Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

#### **Revenue Recognition**

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d).

#### **Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.



# THE REGENERATION PROJECT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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### Estimates

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

### Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### NOTE 3: CONCENTRATION OF CREDIT RISK

The Organization maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as concentration of credit risk requiring disclosure regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

### NOTE 4: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

### NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows At December 31, 2007:

The Regeneration Project -IPL	\$ 46,636
Regranting program	<u>181,000</u>
Total	<u>\$ 227,636</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the year ending December 31, 2007:

The Regeneration Project-IPL	\$ 15,364
Regranting program	19,000
California Interfaith Power & Light	60,000
Alaska Interfaith Power & Light	40,683
Summit meeting	<u>44,750</u>
Total	<u>\$ 179,797</u>