CCST
CALIFORNIA COUNCIL ON SCIENCE & TECHNOLOGY

FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023 AND 2022

MUN CPAs, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, CA 95833

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
TABLE OF CONTENTS
DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
California Council on Science and Technology
Sacramento, California

Opinion

We have audited the accompanying financial statements of California Council on Science and Technology (CCST) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 CCST as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCST and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CCST's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CCST'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 CCST'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.

MUN CPAs, LLP

Sacramento, California
May 21, 2024

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	$ 541,405	$ 1,308,538
Investments (Note 4)	43,104,020	30,000,059
Accounts receivable	-	33,488
Contributions receivable	34,867	37,582
Prepaid expenses	56,835	47,203
Deposits	15,900	15,900
Total Current Assets	43,753,027	31,442,770
Non-Current Assets		
Property and equipment, net (Note 6)	15,103	12,289
Right-of-use asset, premises (Note 7)	185,698	355,099
Total Non-Current Assets	200,801	367,388
Total Assets	$ 43,953,828	$ 31,810,158
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 57,558	$ 45,937
Accrued expenses	94,641	81,672
Lease liability - current portion (Note 7)	188,600	183,504
Total Current Liabilities	340,799	311,113
Non-Current Liabilities		
Lease liability - net of current portion (Note 7)	15,828	204,428
Total Non-Current Liabilities	15,828	204,428
Total Liabilities	356,627	515,541
Net Assets		
With donor restrictions (Note 10)	33,730,293	24,632,950
Without donor restrictions (Note 11)	9,866,908	6,661,667
Total Net Assets	43,597,201	31,294,617
Total Liabilities and Net Assets	$ 43,953,828	$ 31,810,158

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

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Government contributions	$ -	$ 10,000,000	$ 10,000,000
Partner contributions	803,775	-	803,775
Program grants	66,566	8,333	74,899
Investment income	3,745,763	905,134	4,650,897
Donations	458,331	41,245	499,576
Other income	270,028	-	270,028
Total Support and Revenues	5,344,463	10,954,712	16,299,175
Net assets released from restrictions	1,857,369	(1,857,369)	-
Total Revenues	7,201,832	9,097,343	16,299,175
Expenses			
Program services	2,741,517	-	2,741,517
Fundraising	180,136	-	180,136
Management and general	1,074,938	-	1,074,938
Total Expenses	3,996,591	-	3,996,591
Change in Net Assets	3,205,241	9,097,343	12,302,584
Net Assets - January 1, 2023	6,661,667	24,632,950	31,294,617
Net Assets - December 31, 2023	$ 9,866,908	$ 33,730,293	$ 43,597,201

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

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Government contributions	$ -	$ 10,000,000	$ 10,000,000
Partner contributions	873,708	-	873,708
Program grants	9,000	8,333	17,333
Investment loss	(2,039,822)	(742,382)	(2,782,204)
Donations	192,235	209,407	401,642
Other Income	68,575	-	68,575
Total Support and Revenues	(896,304)	9,475,358	8,579,054
Net assets released from restrictions	2,105,565	(2,105,565)	-
Total Revenues	1,209,261	7,369,793	8,579,054
Expenses			
Program services	2,604,365	-	2,604,365
Fundraising	262,473	-	262,473
Management and general	1,089,246	-	1,089,246
Total Expenses	3,956,084	-	3,956,084
Change in Net Assets	(2,746,823)	7,369,793	4,622,970
Net Assets - January 1, 2022	9,408,490	17,263,157	26,671,647
Net Assets - December 31, 2022	$ 6,661,667	$ 24,632,950	$ 31,294,617

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

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Program Services				
	S & T Policy Fellows	Science Services	Fundraising	Management and General	Total 2023
Salaries and benefits	$ 1,470,608	$ 759,084	$ 144,018	$ 788,626	$ 3,162,336
Dues and subscriptions	16,370	8,068	1,326	3,062	28,826
Events and meetings	16,864	23,119	2,230	8,003	50,216
Expensed equipment and furniture	2,068	-	-	4,765	6,833
Information technology	8,148	16,132	1,612	6,698	32,590
Insurance	4,353	8,706	870	3,940	17,869
Office supplies and expenses	5,390	8,497	853	3,454	18,194
Printing/reprographics	761	741	502	3,905	5,909
Professional development	13,302	-	207	13,625	27,134
Professional services	100,521	34,152	12,694	180,801	328,168
Relocation expenses	38,818	-	-	-	38,818
Rent	42,736	84,471	-	45,196	172,403
Telecommunication	4,715	4,310	429	1,718	11,172
Travel	37,211	32,191	15,395	7,691	92,488
Miscellaneous	181	-	-	66	247
Depreciation	-	-	-	3,388	3,388
Total Expenses	$ 1,762,046	$ 979,471	$ 180,136	$ 1,074,938	$ 3,996,591

	Program Services				
	S & T Policy Fellows	Science Services	Fundraising	Management and General	Total 2022
Salaries and benefits	$ 1,541,074	$ 588,412	$ 164,226	$ 832,197	$ 3,125,909
Dues and subscriptions	8,479	6,905	2,081	5,634	23,099
Events and meetings	12,492	5,250	153	10,355	28,250
Expensed equipment and furniture	-	-	-	29,505	29,505
Information technology	297	15,703	2,018	14,133	32,151
Insurance	3,182	6,212	621	2,484	12,499
Office supplies and expenses	3,143	10,758	1,086	9,716	24,703
Printing/reprographics	512	744	407	1,796	3,459
Professional development	11,384	-	138	2,068	13,590
Professional services	115,434	66,229	40,502	155,736	377,901
Relocation expenses	28,385	-	-	2,000	30,385
Rent	50,284	100,569	50,284	-	201,137
Telecommunication	1,990	4,272	427	3,845	10,534
Travel	18,837	3,818	530	19,604	42,789
Miscellaneous	-	-	-	173	173
Total Expenses	$ 1,795,493	$ 808,872	$ 262,473	$ 1,089,246	$ 3,956,084

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

CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 12,302,584	$ 4,622,970
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(3,839,869)	3,963,005
Amortization of right-of-use asset	169,401	197,211
Depreciation	3,388	-
(Increase) decrease in:		
Accounts receivable	33,488	(30,485)
Contributions receivable	2,715	2,213,418
Prepaid expenses	(9,632)	(24,841)
Increase (decrease) in:		
Accounts payable	11,621	(2,326)
Accrued expenses	12,969	36,552
Lease liability	(183,504)	(164,378)
Net Cash Provided by Operating Activities	8,503,161	10,811,126
Cash Flows from Investing Activities		
Acquisition of property and equipment	(6,202)	(12,289)
Proceeds from sales and maturities of investments	12,175,879	5,538,725
Purchase of investments	(21,439,971)	(21,543,105)
Net Cash Used for Investing Activities	(9,270,294)	(16,016,669)
Decrease in Cash and Cash Equivalents	(767,133)	(5,205,543)
Cash and Cash Equivalents, Beginning of Year	1,308,538	6,514,081
Cash and Cash Equivalents, End of Year	$ 541,405	$ 1,308,538

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

California Council on Science and Technology ("CCST") is a non-partisan, nonprofit organization that exists to make California's policies stronger with science and technology. Established via the California State Legislature in 1988 and incorporated on September 20, 1990, under the non-profit laws of the State of California to provide objective advice from California's scientists and research institutions, CCST responds to the Governor, the Legislature, and other state entities who request independent assessment of public policy issues affecting the State of California relating to science and technology.

CCST is modeled after the National Academies of Sciences, Engineering, and Medicine - the official scholarly body serving the United States of America - to provide the State of California with a parallel network of institutional and individual advisors. Following this model, CCST operates in partnership with, as well as receives financial support from, a network of public and private higher-education institutions and Federally funded research institutions:

NASA Ames Research Center	University of California
NASA Jet Propulsion Laboratory	The California State University
Lawrence Berkeley National Laboratory	California Community Colleges
Lawrence Livermore National Laboratory	California Institute of Technology
Sandia National Laboratories	Stanford University
SLAC National Accelerator Laboratory	University of Southern California

Basis of Presentation and Accounting

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). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CCST and changes therein are classified and reported as follows:

> Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations.
>
> Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of CCST and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, CCST considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have original maturities of three months or less.

Investments

CCST's Board of Directors created an investment management committee (IMC) and hired a registered investment advisor to create and implement investment and spending policies that attempt to provide a primary long-term financial objective to preserve the real (e.g. inflation - adjusted) purchasing power of CCST net of annual distributions for expenses. The investment strategy is designed to produce a total portfolio with long-term real return. Consequently, prudent risk-taking is warranted within the context of the overall portfolio. CCST's invested assets are managed by the IMC with formal approval by the CCST Board of Directors. All of CCST's investments are held by Charles Schwab.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments are carried at estimated fair market value on the statement of financial position. Fair values are estimated based upon quoted market prices, when available, estimates of fair value determined by quoted prices for similar instruments, or model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data. Changes in estimated fair values are recognized as gains or losses in the statement of activities as part of realized and unrealized gain on investments. Investment securities held by a broker who is a member of the Securities Investor Protection Corporation (SIPC), are insured up to $500,000 for the purpose of the third party safekeeping, but not for losses of investment values.

Contributions Receivable

Contributions receivable represent amounts due from private funders. Management believes all contributions receivable are collectible and therefore has not recorded an allowance against these receivables.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair value at the date of the gift, if donated. Use of funds without donor restrictions for property and equipment acquisitions are capitalized in the year of acquisition. Items with a cost in excess of $1,000 and an estimated economic life in excess of one year are capitalized. Depreciation is computed under the straight-line method over the economic life of the assets ranging from 5 to 7 years. Maintenance and repairs are charged to expenses as incurred.

Compensated Absences

CCST accrues the cost of unpaid vacation leave. Accrued sick leave is not accrued, as CCST does not have a legal obligation to pay such benefits upon termination. At December 31, 2023 and 2022, CCST had a liability of $66,038 and $60,911, respectively, associated with compensated absences that is included in accrued expenses.

Revenue Recognition

Contributions are recognized in full when received or unconditionally promised. All contributions are considered available for CCST's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase the respective class of net assets. Contributions received with restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Functional Expense Allocation

The costs of providing program, fundraising, and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Costs are charged as program, management and general, or fundraising expenses directly based on the nature of the expense when identifiable and possible. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates of the employee's time incurred and usage of resources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

CCST, pursuant to a determination letter from the Internal Revenue Service, is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue code and Section 23701(d) of the California Revenue and Taxation Code.

FASB ASC 740-10 prescribes a recognition threshold and measurement standard for financial statement recognition and measurement of an income tax position taken or expected to be taken in a tax return. In addition, FASB ASC 740-10 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures, and transition. The provisions of FASB ASC 740-10 have been applied to all tax positions of CCST and it did not have a material impact on CCST's financial position, results of operations, or cash flows.

Use of 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.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

NOTE 2: LIQUIDITY AND AVAILABILITY

CCST manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

CCST's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 541,405	$ 1,308,538
Investments	43,104,020	30,000,059
Accounts receivable	-	33,488
Contributions receivable	34,867	37,582
Total	43,680,292	31,379,667
Less amounts unavailable for general expenditure within one year due to:		
Restricted by donors with purpose restrictions	27,736,546	19,536,263
Restricted by donors into perpetuity	5,993,747	5,096,687
Total financial assets available to management for general expenditure within one year	$ 9,949,999	$ 6,746,717

NOTE 3: CASH AND CASH EQUIVALENTS

As of December 31, 2023, CCST's total balance in financial institutions was $541,405, of which $500,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and $41,405 was uninsured. At December 31, 2022, CCST's total bank balance was $1,308,538, of which $500,000 was insured by the FDIC and $808,538 was uninsured. CCST has not experienced any losses in such accounts and management believes CCST is not exposed to any significant credit risk related to cash and cash equivalents.

NOTE 4: INVESTMENTS

As of December 31, 2023 and 2022, CCST held the following investments:

Investment Type	2023 Fair Value	2022 Fair Value
Money market funds	$ 7,957,557	$ 567,977
Mutual funds	35,146,463	29,397,650
Exchange traded funds	-	34,432
Total Investments	$ 43,104,020	$ 30,000,059

NOTE 5: FAIR VALUE MEASUREMENTS

*FASB Accounting Standards Codification 820, Fair Value Measurement*s *and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CCST has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 5: FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2023. CCST had no assets or liabilities measured at fair value on a nonrecurring basis.

Money market funds, mutual funds, and exchange traded funds: Fair value is based on quoted market prices in an active market, resulting in a Level 1 valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CCST 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.

The following table sets forth by level, within the fair value hierarchy, CCST's investments at fair value as of December 31, 2023:

Investment Type	Level 1	Level 2	Level 3	Total
Money market funds	$ 7,957,557	$ -	$ -	$ 7,957,557
Mutual funds	35,146,463	-	-	35,146,463
Total investments at fair value	$ 43,104,020	$ -	$ -	$ 43,104,020

The following table sets forth by level, within the fair value hierarchy, CCST's investments at fair value as of December 31, 2022:

Investment Type	Level 1	Level 2	Level 3	Total
Mutual funds	$ 29,397,650	$ -	$ -	$ 29,397,650
Exchange traded funds	34,432	-	-	34,432
Total investments at fair value	$ 29,432,082	$ -	$ -	$ 29,432,082

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	December 31, 2023	December 31, 2022
Furniture and equipment	$ 18,491	$ 12,289
Less: accumulated depreciation	(3,388)	-
Total property and equipment	$ 15,103	$ 12,289

Depreciation expense was $3,388 for the year ended December 31, 2023. There was no depreciation expense for the year ended December 31, 2022.

NOTE 7: LEASE COMMITMENTS

CCST leases its office space in Sacramento under an operating lease agreement with an expiration date of January 31, 2025. As of December 31, 2023, the lease requires combined monthly rental payments ranging from $15,300 to $15,828.

In accordance with ASU 2016-02, *Leases*, CCST reflects the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "Right-of-Use" asset and a corresponding lease liability. As of December 31, 2023, CCST has recorded a total lease liability in the amount of $204,428 for its office space (split between the current amount of $188,600 and noncurrent amount of $15,828) and a corresponding right-of-use asset for the premises in the amount of $185,698. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2023 was 1.04%, which represents an estimate of CCST's incremental borrowing rate.

Maturities of operating lease liabilities are as follows:

Year Ending December 31:	Lease Payments
2024	$ 189,672
2025	15,828
Total lease payments	205,500
Less: interest	(1,072)
Present value of lease liabilities	$ 204,428

Operating lease cost totaled $172,403 for the year ended December 31, 2023.

NOTE 8: EMPLOYEE RETIREMENT PLAN

CCST has established a salary deferral plan under the Internal Revenue Code Section 403(b) covering all employees. Matching contributions to the plan are made at the discretion of CCST's Board of Directors and are based on salary subject to a maximum limit allowable per year under the Internal Revenue Code. CCST contributions to the retirement plan totaled $79,876 and $44,115 for the years ended December 31, 2023 and 2022, respectively.

NOTE 9: CONCENTRATIONS OF REVENUE

CCST is primarily supported by partner contributions, government contributions, and donations. During the year ended December 31, 2023, CCST received 100% of government contribution revenue from one government source and 80% of donation revenue from three private donors. In addition, all partner contribution revenue listed on the statement of activities is received from related parties, CCST's partners.

During the year ended December 31, 2022, CCST received 100% of government contribution revenue from one government source and 73% of donation revenue from four private donors. In addition, all partner contribution revenue listed on the statement of activities is received from related parties, CCST's partners.

NOTE 10: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	December 31, 2023	December 31, 2022
Subject to expenditure for a specified purpose:		
Fellows program	$ 2,582,784	$ 4,252,516
Fellows endowment	25,000,000	15,000,000
Endowment campaign	165,670	198,011
Vannevar Bush	-	62,828
Wildfires	(11,908)	11,640
Board development	-	11,268
Total funds restricted by purpose	27,736,546	19,536,263
Endowment:		
Perpetual in nature:		
Philanthropy	5,993,747	5,096,687
Total funds perpetual in nature	5,993,747	5,096,687
Total	$ 33,730,293	$ 24,632,950

Net assets were released from restrictions by incurring expenses satisfying the purpose restrictions as follows:

	December 31, 2023	December 31, 2022
Fellows program	$ 1,710,977	$ 1,773,807
Endowment campaign	32,341	68,731
Vannevar Bush	62,828	16,848
Wildfires	31,881	6,693
Board development	11,268	-
Disaster resilience	-	232,047
Other	8,074	7,439
Net assets released from restrictions	$ 1,857,369	$ 2,105,565

NOTE 11: NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are comprised of the following:

	December 31, 2023	December 31, 2022
Without donor restrictions:		
Designated by the Board for:		
Fellows endowment	$ 3,019,848	$ 322,906
Fellows operations	736,576	229,156
Emergency reserve	1,000,000	1,000,000
Disaster Resilience Initiative Reserve	417,154	393,635
Fellows Operations Reserve	316,685	299,645
Disaster resilience	3,825,343	4,008,089
Designated total	9,315,606	6,253,431
Undesignated	551,302	408,236
Net assets without donor restrictions	$ 9,866,908	$ 6,661,667

NOTE 12: ENDOWMENTS

CCST has one donor restricted endowment for the fellows program. From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires CCST to maintain as a fund of perpetual duration (underwater endowment). At December 31, 2023 and 2022, CCST did not have any endowments that were considered to be underwater.

NOTE 12: ENDOWMENTS (CONTINUED)

Changes in endowment net assets are as follows:

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	$ -	$ 5,096,687	$ 5,096,687
Investment return, net	-	897,060	897,060
Endowment net assets, end of year	$ -	$ 5,993,747	$ 5,993,747

	December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	$ -	$ 5,831,141	$ 5,831,141
Investment loss, net	-	(734,454)	(734,454)
Endowment net assets, end of year	$ -	$ 5,096,687	$ 5,096,687

NOTE 13: GOVERNMENT CONTRIBUTION REVENUE

On July 10, 2023, the Governor approved Senate Bill No. 102, which authorized the California State University to provide funding for CCST under (g) in Section 2.8. For the year ended December 31, 2023, CCST recorded the $10 million funding received as government contribution revenue in the statement of activities. The $10 million will be used to sustain the CCST Policy Fellowships Program.

NOTE 14: EMPLOYEE RETENTION CREDIT

In 2023, CCST received $221,174 of refundable tax credits in accordance with the Employee Retention Credit (ERC) program, authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by subsequent legislative changes. In accordance with the ERC program, a company is eligible for and ERC if, due to the COVID-19 pandemic, there has been a significant decline in gross receipts in the current year as compared with 2019 gross receipts, or a full or partial shutdown based on a governmental order. The ERC is computed based on a percentage of qualified wages (including qualified health insurance expenses) incurred during the year, with a maximum annual credit per employee. The federal tax credit amount is included in the statement of income as other income for the year ending December 31, 2023.

NOTE 15: SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 21, 2024, which is the date the financial statements were available to be issued.