PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

FINANCIAL STATEMENTS
December 31, 2025 and 2024

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

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PCC
Propp
Christensen
Caniglia
LLP
CERTIFIED PUBLIC ACCOUNTANTS

9261 Sierra College Boulevard
Roseville, California 95661
916.751.2900
916.751.2979 FAX
pccllp.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pacific Institute for Studies in Development, Environment, and Security

Opinion

We have audited the accompanying financial statements of Pacific Institute for Studies in Development, Environment, and Security, which comprise the statements of financial position as of December 31, 2025 and 2024, 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 present fairly, in all material respects, the financial position of Pacific Institute for Studies in Development, Environment, and Security as of December 31, 2025 and 2024, 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 Pacific Institute for Studies in Development, Environment, and Security 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 Pacific Institute for Studies in Development, Environment, and Security'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 Pacific Institute for Studies in Development, Environment, and Security'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 Pacific Institute for Studies in Development, Environment, and Security'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.



October 26, 2026
Roseville, California

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	$ 3,169,653	$ 3,547,042
Grants receivable	440,000	215,000
Contracts receivable, net	1,031,130	721,688
Other receivable	250,000	-
Prepaid expenses	46,135	73,105
Total current assets	4,936,918	4,556,835
Investments	56,323	47,535
Deposits and other assets	44,672	56,466
Total assets	$ 5,037,913	$ 4,660,836

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$ 161,211	$ 133,858
Contract liabilities	949,019	582,806
Refundable advances	581,647	646,041
Accrued compensated absences	241,071	203,274
Total liabilities	1,932,948	1,565,979
Net assets:		
Without donor restrictions:		
Available for operations	2,417,154	2,720,241
Board designated	56,323	47,535
With donor restrictions	631,488	327,081
Total net assets	3,104,965	3,094,857
Total liabilities and net assets	$ 5,037,913	$ 4,660,836

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

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contract revenue	$ 3,833,932	$ -	$ 3,833,932	$ 3,241,789	$ -	$ 3,241,789
Grants and contributions	2,520,108	1,089,250	3,609,358	3,151,420	564,905	3,716,325
Other income	17,878	-	17,878	72,295	-	72,295
Net return on investments	82,949	-	82,949	98,578	-	98,578
Net assets released from restrictions	784,843	(784,843)	-	560,491	(560,491)	-
Total support and revenue	7,239,710	304,407	7,544,117	7,124,573	4,414	7,128,987
Expenses:						
Program services	4,942,210	-	4,942,210	4,802,735	-	4,802,735
General and administrative	1,468,167	-	1,468,167	1,176,376	-	1,176,376
Fundraising	711,982	-	711,982	390,274	-	390,274
Communications	295,749	-	295,749	369,528	-	369,528
Facilities	115,901	-	115,901	130,257	-	130,257
Total expenses	7,534,009	-	7,534,009	6,869,170	-	6,869,170
Change in net assets	(294,299)	304,407	10,108	255,403	4,414	259,817
Net assets, beginning of year	2,767,776	327,081	3,094,857	2,512,373	322,667	2,835,040
Net assets, end of year	$ 2,473,477	$ 631,488	$ 3,104,965	$ 2,767,776	$ 327,081	$ 3,094,857

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

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	Program Services	General and Administrative	Fundraising	Communications	Facilities	2025 Total
Salaries	$ 2,218,855	$ 886,446	$ 463,342	$ 194,851	$ -	$ 3,763,494
Payroll taxes	186,567	63,386	35,949	15,916	-	301,818
Employee benefits	523,699	166,742	113,480	41,888	-	845,809
Professional fees	1,731,700	52,668	72,800	7,605	-	1,864,773
Occupancy	1,667	12,744	-	-	94,588	108,999
Travel	144,476	3,164	-	-	-	147,640
Telephone and communications	48,182	34,933	-	2,771	7,917	93,803
Conferences and meetings	32,160	-	-	-	-	32,160
Printing and publications	48,772	15,238	-	16,968	-	80,978
Office supplies	199	5,012	-	-	12,518	17,729
Insurance	-	10,334	-	-	-	10,334
Staff development	5,176	16,438	-	2,400	-	24,014
Bank and other fees	-	13,801	-	-	-	13,801
Postage and shipping	-	522	-	-	878	1,400
Contract credit loss	-	181,012	-	-	-	181,012
Miscellaneous	757	5,727	26,411	13,350	-	46,245
Total expenses	4,942,210	1,468,167	711,982	295,749	115,901	7,534,009
Shared costs allocation	1,879,817	(1,468,167)	-	(295,749)	(115,901)	-
Total after allocation	$ 6,822,027	$ -	$ 711,982	$ -	$ -	$ 7,534,009

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

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Years Ended December 31, 2025 and 2024

	Program Services	General and Administrative	Fundraising	Communications	Facilities	2024 Total
Salaries	$ 2,178,675	$ 786,707	$ 246,272	$ 192,893	$ -	$ 3,404,547
Payroll taxes	190,587	57,697	18,239	14,251	-	280,774
Employee benefits	476,648	150,167	63,287	33,771	-	723,873
Professional fees	1,495,758	44,857	42,461	76,303	-	1,659,379
Occupancy	4,800	-	-	-	109,996	114,796
Travel	180,932	7,937	-	297	-	189,166
Telephone and communications	62,092	34,778	-	8,759	8,509	114,138
Conferences and meetings	110,201	-	-	-	-	110,201
Printing and publications	79,178	604	-	13,969	-	93,751
Office supplies	500	7,794	-	-	11,752	20,046
Insurance	-	9,100	-	-	-	9,100
Staff development	6,971	24,017	-	3,739	-	34,727
Bank and other fees	-	19,139	-	-	-	19,139
Postage and shipping	-	364	-	-	-	364
Miscellaneous	16,393	33,215	20,015	25,546	-	95,169
Total expenses	4,802,735	1,176,376	390,274	369,528	130,257	6,869,170
Shared costs allocation	1,676,161	(1,176,376)	-	(369,528)	(130,257)	-
Total after allocation	$ 6,478,896	$ -	$ 390,274	$ -	$ -	$ 6,869,170

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

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from grants, contracts and contributions	$ 6,779,655	$ 7,814,144
Cash received from investments and other income	88,759	161,146
Cash paid to vendors, employees and other agencies	(7,249,083)	(6,994,365)
Net cash provided by (used in) operating activities	(380,669)	980,925
Cash flows from investing activities:		
Purchase of investments	(6,884)	(10,725)
Proceeds from sale of investments	10,164	9,720
Net cash provided by (used in) investing activities	3,280	(1,005)
Change in cash and cash equivalents	(377,389)	979,920
Cash and cash equivalents, beginning of year	3,547,042	2,567,122
Cash and cash equivalents, end of year	$ 3,169,653	$ 3,547,042
Ending cash and cash equivalents includes the following accounts:		
Cash and cash equivalents	$ 3,169,653	$ 3,547,042

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

PACIFIC INSTITUTE FOR STUDIES IN DEVELOPMENT, ENVIRONMENT, AND SECURITY

STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	$ 10,108	$ 259,817
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Net unrealized gain on investments	(12,068)	(9,727)
Contract credit loss	181,012	-
Change in operating assets and liabilities:		
Grants receivable	(225,000)	174,963
Contracts receivable	(490,454)	1,137,901
Other receivables	(250,000)	-
Prepaid expenses	26,970	(9,374)
Deposits and other assets	11,794	-
Accounts payable and accrued expenses	27,353	(91,858)
Contract liabilities	366,213	(239,336)
Refundable advances	(64,394)	(217,498)
Accrued compensated absences	37,797	14,220
Payable to sponsored groups	-	(38,183)
Net cash provided by (used in) operating activities	$ (380,669)	$ 980,925

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

NOTE 1: NATURE OF ORGANIZATION

Pacific Institute for Studies in Development, Environment, and Security (the "Institute") was organized in 1987 as a not-for-profit organization. The Institute works to create a healthier planet and sustainable communities. It conducts interdisciplinary research and partners with stakeholders to produce solutions that advance environmental protection, economic development, and social equity in California, nationally, and internationally. The Institute's main office is located in Oakland, California.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Institute have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation
The Institute presents its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, Subtopic 210 (FASB ASC 958-210), Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958-210, the Institute is required to report information regarding its financial position and activities according to the following two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to stipulations. Board designated net assets represents assets without donor restrictions that have been set aside by the Board of Directors. This amount is set aside until it reaches $500,000, at which time this will be considered a quasi-endowment.

Net assets with donor restrictions - Net assets that are subject to stipulations that will be met by actions or the passage of time.

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Donor-restricted contributions are reported as revenues which increase net assets with donor restrictions. Expirations of donor restrictions on contributions whose restrictions are met in the same reporting period have been reported as reclassifications between the applicable classes of net assets.

Revenue Recognition
In accordance with the provisions of FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition* (FASB ASC 958-605), unconditional contributions are generally recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give (pledges) are recognized as revenues once a valid pledge has been received. The receivable and corresponding revenue are recognized concurrently. Conditional contributions, as defined in ASC 958-605-25-5A, involve a barrier that must be overcome and a right of return (or release) of assets if the condition is not met. The Institute does not recognize such contributions as revenue until the conditions have been substantially met or explicitly waived by the donor. Until then, funds received are recorded as a refundable advance liability in the statement of financial position, in accordance with ASC 958-605-45-4. Once the conditions are met, the Institute recognizes contribution revenue in the period in which the conditions are satisfied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)
The Institute reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Institute adopted provisions of the FASB Accounting Standards Update ("ASU") No. 2018-08 *Not-for-Profit Entities* (Topic 958). The ASU provides an update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The Institute adopted provisions of FASB ASC Topic 606, *Revenue from Contracts with Customers*, which replaced most existing revenue recognition guidance. Topic 606 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The Institute recognizes revenue arising from research contracts with its customers based upon performance of the contract obligations when goods are transferred or services rendered in accordance with FASB ASC 606, *Revenue from Contracts with Customers*. The completion of a research contract is generally considered to be a single performance obligation satisfied over the duration of the research project and recognized as revenue as the services are rendered to the extent that any variable consideration is probable of not resulting in a significant reversal of revenue. Payments received in advance of satisfying the performance obligation, as well as variable consideration that is contractually due and recorded as a receivable but remains subject to the variable consideration constraint are recorded as contract liabilities until the applicable recognition criteria are met.

Program and Functional Expenses
The costs of providing program services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Costs specifically identified with programs or fundraising are directly allocated to those functions. All costs not identifiable with a specific program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Institute's existence, are included as management and general expenses. Expenses that benefit more than one function of the Institute are allocated among the functions based generally on the amount of time and effort spent by personnel on each function.

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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Institute considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. In accordance with FASB ASC 230, *Statement of Cash Flows*, the statement of cash flows presents the total change in cash, including restricted cash, during the year.

Receivables and Contract Balances
Receivables primarily consist of grant reimbursements and contract revenues. Receivables are stated at the amount the Institute expects to collect, net of an allowance for credit losses when necessary. The Institute applies the current expected credit loss ("CECL") methodology, as outlined in ASU 2016-13, *Financial Instruments – Credit Losses*, and related amendments, to estimate expected credit losses based on historical experience, current economic conditions, and reasonable forecasts. Receivables are written off when deemed uncollectible, and changes in the allowance are recognized as expenses in the Statements of Activities.

The following reflects the balances and activity in grants receivable; contract assets, including contracts and other receivables, and the allowance for credit losses; and contract liabilities for the years ended December 31:

	2025	2024	2023
Grants receivable	$ 440,000	$ 215,000	$ 389,963
Contract assets:			
Contracts receivable			
Contracts receivable	$ 496,162	$ 608,516	$ 1,733,505
Accrued revenue	715,980	113,172	126,084
Allowance for credit losses:			
Balance as of January 1,	-	-	-
Additions charged to expense	(181,012)	-	-
Balance as of December 31,	(181,012)	-	-
Contracts receivable, net	1,031,130	721,688	1,859,589
Other receivable	250,000	-	-
Total contract assets	$ 1,281,130	$ 721,688	$ 1,859,589
Contract liabilities	$ 949,019	$ 582,806	$ 822,142

Fixed Assets and Depreciation
The Institute records acquisition of tangible items with a cost or fair value of $2,500 or more and development and design of its website as fixed assets. Fixed assets are recorded at cost when purchased or developed and fair value when received as a donation. Depreciation is provided over the estimated useful lives using the straight-line method of depreciation. Property and equipment consists of $43,571 of costs capitalized for the Institute's website. The website was fully depreciated as of December 31, 2018.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments
Investments are recorded at fair market value. Changes in the carrying amounts of investments held are included in the statement of activities as unrealized gains or losses. Investment income, gains and losses are reported as changes in assets without donor restrictions unless a donor restricts their use. Investments designated by the Board of Directors for long-term purposes are classified and reported as non-current assets.

The Institute has adopted ASU 2016-13 and related amendments and applies the CECL methodology as appropriate to its investments. CECL requires estimating credit losses over the remaining life of financial assets based on historical experience, current conditions, and reasonable forecasts, and applies to financial assets measured at amortized cost, such as debt securities held to maturity. For available-for-sale debt securities, CECL requires that other-than-temporary impairments be recorded through an allowance for credit losses rather than as a direct write-down, provided management does not intend to sell the investment and does not believe it is likely to be required to sell. As of December 31, 2025 and 2024, the Institute had no other-than-temporarily impaired investment securities and determined that no allowance for credit losses was necessary.

Allocation of Shared Costs
Shared costs include costs related to the operation and maintenance of the office facility. They are pooled in a cost center and allocated among program and supporting activities benefiting from them, in total, based on Full Time Equivalent count. Salaries and related costs are allocated based on time activity reports prepared by staff during the year.

Fair Value of Financial Instruments
FASB ASC Topic 820-10, *Fair Value Measurements and Disclosures* (FASB ASC 820-10), establishes a 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 under FASB ASC 820-10 are described as follows:

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

Level 2 Fair Value Measurements
Inputs to the valuation methodology are

- 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 asset or liability;
- inputs that are derived principally from or corroborated by observable market data by 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Level 3 Fair Value Measurements
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. The following methods and assumptions were used by the Institute in estimating the fair value of its financial instruments:

Mutual Funds: Fair values, which are the amounts reported in the Statement of Financial Position, are based on quoted market prices in active markets for identical investments, as of the measurement date (Level 1).

In January 2016, the FASB modified ASC Section 825 by issuing ASU 2016-01*, Financial Instruments – Overall*. The amendments in this update are designed to address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The Institute presents their financial statements in accordance with ASU 2016-01.

Income Taxes
The Institute is recognized as a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code sections of the California Revenue and Taxation Code, is subject to income tax. The Institute does not have any uncertain tax positions that are material to the financial statements, as management believes all of its activities are related to its tax-exempt purposes. After they are filed, the information returns remain subject to examination by the taxing authorities generally three years for federal returns and four years for state returns.

Leases
The Partnership presents its leases in accordance with the provisions of FASB ASC 842, *Leases*. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, have not been recorded on the balance sheet and are recognized as lease expense on a straight-line basis over the lease term.

Subsequent Events
Events and transactions have been evaluated for potential recognition and disclosure through October 26, 2026, the date that the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Institute's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Institute's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	$ 3,169,653	$ 3,547,042
Grants receivable	440,000	215,000
Contracts receivable, net	1,031,130	721,688
Other receivable	250,000	-
Investments	56,323	47,535
Financial assets	4,947,106	4,531,265
Less those unavailable for general expenditures within one year due to:		
Purpose restrictions stipulated by donors	(631,488)	(327,081)
Board designations	(56,323)	(47,535)
Financial assets available to meet cash need for expenditures within one year	$ 4,259,295	$ 4,156,649

NOTE 4: CONCENTRATIONS

Cash and Cash Equivalents

The Institute maintains cash and cash equivalents in various financial institutions and investment company accounts. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 and investment accounts are insured by the Securities Investor Protection Corporation (SIPC) up to $500,000. At December 31, 2025 and 2024, the uninsured cash and cash equivalents balance totaled $222,081 and $618,040, respectively.

Major Funding Sources

Support and revenue for the years ended December 31, 2025 and 2024, included one major funding source each year, which accounted for approximately 26% each year, of the support and revenue of the Institute. Management believes the concentration of risk is minimal due to the collection history from these funding sources.

NOTE 5: CASH HELD FOR SPONSORED GROUPS

The Institute acts as the fiscal agent for various other organizations from which administrative fees are earned. Funds are disbursed as directed by the respective entities and are not available for use by the Institute.

NOTE 6: INVESTMENTS AT FAIR VALUE

All investments held by the Institute are in mutual funds investing in stocks.

The following table sets forth by level, within the fair value hierarchy, the Institute's assets at fair value as of December 31, 2025 and 2024:

December 31, 2025	Level 1	Level 2	Level 3	Total
Mutual funds	$ 56,323	$ -	$ -	$ 56,323

December 31, 2024	Level 1	Level 2	Level 3	Total
Mutual funds	$ 47,535	$ -	$ -	$ 47,535

NOTE 7: OPERATING LEASES

The Institute leases its offices under non-cancelable operating leases with monthly rent subject to annual increases. Rent expense totaled $104,090 and $110,141 for the years ended December 31, 2025 and 2024, respectively. The leases do not extend for terms greater than one year. Their current office lease is month-to-month.

NOTE 8: RETIREMENT BENEFITS

The Institute has a defined contribution plan available to all of its full-time employees that provides up to 5% of gross wages as matching contributions for eligible employees. For the years ended December 31, 2025 and 2024, the employer matching contribution was $134,245 and $115,773, respectively.

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Catalyzing Increased Corporate Investments in WASH and Prioritizing Piped Water to the Home (Feasibility Study Phase 1)	$ -	$ 30,700
Toilet Leak Detection Project	19,330	32,649
Advancing solutions to ensure safe, clean, and equitable water access in the U.S.	4,391	-
Supporting the overall well-being of the employees of the Institute	8,137	-
Understanding, building, and adopting equitable, climate conscious water and sanitation laws and policies	14,820	31,135
Making Conservation a Way of Life Project	-	184
Net Positive Water Impact Project	-	128,837
Net Positive Water Impact Project phase II	100,853	-
The Untapped Potential of Water Supply Alternatives in New Mexico	13,743	103,576
Funding specifically earmarked for JM by Sanjeev	5,097	-
CWAC 10th Anniversary Outreach	6,408	-
Mississippi River Basin Support	147,042	-
CA Water Briefs	8,642	-
To continue collaborate with Science Based Target Freshwater Hub in advancing urgent workstreams related to both internal and external engagement and outputs	31,615	-
To conduct research to inform multi-benefit school greening efforts in Los Angeles and San Diego	8,473	-
CEO Water Mandate – Rio Bravo / Rio Grande Water Action Collaborative	25,533	-
WASHlaw Framework, working with frontline communities in the Mississippi River watershed to co-develop legal and policy solutions, revise and better manage the impact of climate change on water and wastewater infrastructure	65,000	-
Catalyzing a Water-Resilient Future through Collective Action	127,414	-
Blasker Environment Program: Green Schools 2025	12,638	-
Target Toilet Leak Detection 2025	32,352	-
	$ 631,488	$ 327,081

NOTE 10: SUBSEQUENT EVENT

During the year ended December 31, 2025, the Organization was the victim of an unauthorized wire transfer for the amount of $431,012. Subsequent to year end, the Organization was able to file a claim for reimbursement with their insurance, which resulted in $250,000 being reimbursed to the Organization. The Organization is uncertain as to the collectability of the remaining $181,012 and has recorded an allowance for contract credit losses for this balance as of December 31, 2025.