
The Regeneration Project

FINANCIAL STATEMENTS

December 31, 2008

(With Comparative Totals for December 31, 2007)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations



The Regeneration Project

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Certified Public Accountants

Dedicated to Nonprofit Organizations

Latham Square Building
1611 Telegraph Ave. Suite 318
Oakland, CA 94612-2151
Tel: 510 · 835 · CPAS (2727)
Fax: 510 · 835 · 5711
e-mail: info@ckcpa.biz

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, 2008, and the related statements of activities, cash flows, and functional expenses 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
May 4, 2009

The Regeneration Project

Statement of Financial Position December 31, 2008 (With Comparative Totals for December 31, 2007)

Assets	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and cash equivalents	\$ 951,406	\$ 655,688
Pledges receivable	23,951	50,000
Prepaid expenses	11,711	-
Total current assets	<u>\$ 987,068</u>	<u>\$ 705,688</u>
Property and equipment, net (Note 3)	6,201	-
Deposits	5,190	-
Total assets	<u>\$ 998,459</u>	<u>\$ 705,688</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 37,191	\$ 4,001
Total Liabilities	<u>37,191</u>	<u>4,001</u>
Contingencies (Note 5)		
Net Assets		
Unrestricted	523,155	474,050
Temporarily restricted (Note 6)	438,113	227,637
Total Net Assets	<u>961,268</u>	<u>701,687</u>
Total Liabilities and Net Assets	<u>\$ 998,459</u>	<u>\$ 705,688</u>

See Accountants' Report and
Notes to the Financial Statements

The Regeneration Project

Statement of Activities
Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	Unrestricted	Temporarily Restricted	Total	
			2008	2007
Support and Revenue				
Contributions	\$ 51,518	\$ 91,000	\$ 142,518	\$ 151,733
Foundation grants	592,212	594,000	1,186,212	1,066,600
Interest	16,478		16,478	9,400
Miscellaneous	92		92	-
Net assets released from restriction (Note 6)	474,524	(474,524)	-	-
Total Support and Revenue	<u>1,134,824</u>	<u>210,476</u>	<u>1,345,300</u>	<u>1,227,733</u>
Expenses				
Program	868,712		868,712	382,132
General and administrative	131,535		131,535	103,199
Fundraising	85,472		85,472	40,311
Total Expenses	<u>1,085,719</u>	<u>-</u>	<u>1,085,719</u>	<u>525,642</u>
Change in net assets	<u>49,105</u>	<u>210,476</u>	<u>259,581</u>	<u>702,091</u>
Net Assets, beginning of year	<u>474,050</u>	<u>227,637</u>	<u>701,687</u>	<u>(404)</u>
Net Assets, end of year	<u>\$ 523,155</u>	<u>\$ 438,113</u>	<u>\$ 961,268</u>	<u>\$ 701,687</u>

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The Regeneration Project

Statement of Cash Flows Year Ended December 31, 2008 (With Comparative Totals for the Year Ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 259,581	\$ 702,091
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	1,240	-
Change in assets and liabilities:		
Grants receivable	26,049	(50,000)
Prepaid expenses	(11,711)	-
Deposits	(5,190)	-
Accounts payable and accrued expenses	33,190	-
Deferred revenue	-	2,066
Net cash provided by operating activities	<u>303,159</u>	<u>654,157</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(7,441)</u>	-
Net cash used by investing activities	<u>(7,441)</u>	-
Net change in cash	295,718	654,157
Cash and cash equivalents, beginning of year	<u>655,688</u>	<u>1,531</u>
Cash and cash equivalents, end of year	<u>\$ 951,406</u>	<u>\$ 655,688</u>

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The Regeneration Project

Statement of Functional Expenses

Year Ended December 31, 2008

(With Comparative Totals for the Year Ended December 31, 2007)

	Program	General and		Totals	
		Administrative	Fundraising	2008	2007
Salaries	\$ 261,909	\$ 50,394	\$ 67,606	\$ 379,909	\$ 234,288
Payroll taxes	22,969	4,327	5,992	33,288	21,225
Pension contribution	2,254		50	2,304	-
Employee benefits	21,243	3,969	2,740	27,952	24,839
Total personnel expenses	<u>308,375</u>	<u>58,690</u>	<u>76,388</u>	<u>443,453</u>	<u>280,352</u>
Grants	230,500			230,500	19,000
Accounting fees		38,838		38,838	-
Legal fees	645			645	-
Conferences and events	42,584			42,584	42,618
Contract services	111,005		6,256	117,261	96,324
Insurance	1,144	1,700		2,844	3,821
Occupancy	13,113	31,278		44,391	28,142
Supplies	13,095	1,029		14,124	13,345
Advertising				-	14,082
Printing and publications	61,080		1,578	62,658	10,576
Telephone and communications	10,773			10,773	11,281
Postage	1,761			1,761	-
Travel	12,643		1,250	13,893	6,101
Depreciation	1,240			1,240	-
Advertising and public relations	1,136			1,136	-
Video production and website	59,618			59,618	-
Total expenses	<u>\$ 868,712</u>	<u>\$ 131,535</u>	<u>\$ 85,472</u>	<u>\$ 1,085,719</u>	<u>\$ 525,642</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

Pledges receivable

The Organization believes that all pledges receivable will be fully collected within one year. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to expense in the period in which that determination is made.

Fair Value of Financial Instruments

The fair values of financial instruments represent the quoted marked prices for similar assets or liabilities in active markets.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

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.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2007, from which the summarized information was derived.

THE REGENERATION PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2008:

Furniture and equipment	\$ 7,441
Less accumulated depreciation	<u>(1,240)</u>
Total	<u>\$ 6,201</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in San Francisco which expires in January 2013. The future minimum operating lease payments are as follows at December 31:

2009	\$ 71,389
2010	77,157
2011	79,435
2012	82,293
2013	<u>6,878</u>
Total	<u>\$ 317,152</u>

Rent for the year ended December 31, 2008 was \$42,795.

NOTE 5: 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 6: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows at December 31:

	<u>2008</u>	<u>2007</u>
California Interfaith Power & Light	\$ 39,532	\$ -
Alaska Interfaith Power & Light	56,081	-
The Regeneration Project-IPL	34,000	46,637
Regranting program	<u>308,500</u>	<u>181,000</u>
Total	<u>\$ 438,113</u>	<u>\$ 227,637</u>

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FOR THE YEAR ENDED DECEMBER 31, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows during the years ended December 31:

	<u>2008</u>	<u>2007</u>
The Regeneration Project-IPL	\$ 35,000	\$ 15,364
Regranting program	225,500	19,000
California Interfaith Power & Light	132,870	60,000
Alaska Interfaith Power & Light	81,154	40,683
Summit meeting	<u>-</u>	<u>44,750</u>
Total	<u>\$ 474,524</u>	<u>\$ 179,797</u>