
The Regeneration Project

FINANCIAL STATEMENTS

December 31, 2009

(With Comparative Totals for December 31, 2008)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

The Regeneration Project

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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, 2009, 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.



Certified Public Accountants
Oakland, California
July 13, 2010

The Regeneration Project

Statement of Financial Position December 31, 2009 (With Comparative Totals for December 31, 2008)

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,245,451	\$ 951,406
Grants and pledges receivable	66,991	23,951
Inventory	35,857	44,900
Prepaid expenses	19,591	11,711
Total current assets	<u>\$ 1,367,890</u>	<u>\$ 1,031,968</u>
Property and equipment, net (Note 3)	8,498	6,201
Deposits	7,473	5,190
Total assets	<u>\$ 1,383,861</u>	<u>\$ 1,043,359</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 79,719</u>	<u>\$ 37,191</u>
Total Liabilities	<u>79,719</u>	<u>37,191</u>
Commitments and contingencies (Notes 4 and 5)		
Net Assets		
Unrestricted	697,580	568,055
Temporarily restricted (Note 6)	606,562	438,113
Total Net Assets	<u>1,304,142</u>	<u>1,006,168</u>
Total Liabilities and Net Assets	<u>\$ 1,383,861</u>	<u>\$ 1,043,359</u>

See Accountants' Report and
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The Regeneration Project

Statement of Activities
Year Ended December 31, 2009
(With Comparative Totals for the Year Ended December 31, 2008)

		Temporarily Restricted	Total	
	Unrestricted		2009	2008
Support and Revenue				
Contributions	\$ 125,512	\$	\$ 125,512	\$ 142,518
Foundation grants	566,686	864,295	1,430,981	1,186,212
Interest	6,414		6,414	16,478
Book sales, net	2,708		2,708	-
Miscellaneous	396		396	92
Net assets released from restriction (Note 6)	695,846	(695,846)	-	-
Total Support and Revenue	1,397,562	168,449	1,566,011	1,345,300
Expenses				
Program	1,064,311		1,064,311	823,812
General and administrative	113,003		113,003	131,535
Fundraising	90,723		90,723	85,472
Total Expenses	1,268,037	-	1,268,037	1,040,819
Change in net assets	129,525	168,449	297,974	304,481
Net Assets, beginning of year	568,055	438,113	1,006,168	701,687
Net Assets, end of year	\$ 697,580	\$ 606,562	\$ 1,304,142	\$ 1,006,168

See Accountants' Report and
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The Regeneration Project

Statement of Cash Flows

Year Ended December 31, 2009

(With Comparative Totals for the Year Ended December 31, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 297,974	\$ 259,581
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:		
Depreciation	2,030	1,240
Change in assets and liabilities:		
Grants and pledges receivable	(43,040)	26,049
Inventory	9,043	-
Prepaid expenses	(7,880)	(11,711)
Deposits	(2,283)	(5,190)
Accounts payable and accrued expenses	42,528	33,190
Net cash provided by operating activities	<u>298,372</u>	<u>303,159</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(4,327)</u>	<u>(7,441)</u>
Net cash used by investing activities	<u>(4,327)</u>	<u>(7,441)</u>
Net change in cash	294,045	295,718
Cash and cash equivalents, beginning of year	<u>951,406</u>	<u>655,688</u>
Cash and cash equivalents, end of year	<u>\$ 1,245,451</u>	<u>\$ 951,406</u>

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The Regeneration Project

Statement of Functional Expenses

Year Ended December 31, 2009

(With Comparative Totals for the Year Ended December 31, 2008)

	Program	General and Administrative	Fundraising	Total	
				2009	2008
Salaries	\$ 322,834	\$ 39,129	\$ 59,989	\$ 421,952	\$ 379,909
Payroll taxes	25,018	3,274	5,692	33,984	33,288
Pension contribution	6,590	1,163	24	7,777	2,304
Employee benefits	22,682	7,009	2,663	32,354	27,952
Total personnel expenses	<u>377,124</u>	<u>50,575</u>	<u>68,368</u>	<u>496,067</u>	<u>443,453</u>
Grants	357,994			357,994	230,500
Accounting fees		52,678		52,678	38,838
Legal fees	4,773			4,773	645
Conferences and events	63,783	191	215	64,189	42,584
Contract services	84,640		11,070	95,710	117,261
Insurance	1,494	1,700		3,194	2,844
Occupancy	61,783	6,630	11,050	79,463	44,391
Supplies	5,663	305		5,968	14,124
Printing and publications	10,710			10,710	17,758
Telephone and communications	10,089	486		10,575	10,773
Equipment rental and maintenance	2,711			2,711	-
Postage	6,863	20		6,883	1,761
Travel	9,337		20	9,357	13,893
Depreciation	1,812	218		2,030	1,240
Advertising and public relations	18,505			18,505	1,136
Video production and website	9,530			9,530	59,618
Web site development	32,996			32,996	-
Sales tax	621			621	-
Bank fees		50		50	-
Dues, licenses, service fees	623	150		773	-
Donated books	3,260			3,260	-
Total expenses	<u>\$ 1,064,311</u>	<u>\$ 113,003</u>	<u>\$ 90,723</u>	<u>\$ 1,268,037</u>	<u>\$ 1,040,819</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)

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, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)

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.

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, 2008, from which the summarized information was derived.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 11,768	\$ 7,441
Less accumulated depreciation	<u>(3,270)</u>	<u>(1,240)</u>
Total	<u>\$ 8,498</u>	<u>\$ 6,201</u>

THE REGENERATION PROJECT

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FOR THE YEAR ENDED DECEMBER 31, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)

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:

2010	\$ 77,157
2011	79,435
2012	82,293
2013	<u>6,878</u>
Total	<u>\$ 245,763</u>

Rent for the years ended December 31, 2009 and 2008 were \$79,463 and \$42,795, respectively.

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>2009</u>	<u>2008</u>
California Interfaith Power & Light	\$ 53,778	\$ 39,532
Alaska Interfaith Power & Light	29,759	56,081
The Regeneration Project-IPL	12,755	34,000
Regranting program	<u>510,270</u>	<u>308,500</u>
Total	<u>\$ 606,562</u>	<u>\$ 438,113</u>

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>2009</u>	<u>2008</u>
The Regeneration Project-IPL	\$ 140,776	\$ 35,000
Regranting program	357,994	225,500
California Interfaith Power & Light	143,754	132,870
Alaska Interfaith Power & Light	<u>53,322</u>	<u>81,154</u>
Total	<u>\$ 695,846</u>	<u>\$ 474,524</u>

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FOR THE YEAR ENDED DECEMBER 31, 2009

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)

NOTE 7: PENSION

The Organization has a SIMPLE IRA retirement plan as established under Internal Revenue Code Section 408(k) (the Plan). All employees are eligible for participation and are immediately vested in the Plan if they choose to participate. For each Plan year, the Organization contributes 3% of the eligible salary to the Plan. Total contributions made by the Organization for 2009 and 2008 were \$7,777 and \$2,304, respectively.