

HOME PLANET FUND

JULY 31, 2023

FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

HOME PLANET FUND

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Home Planet Fund:**

Opinion

We have audited the financial statements of Home Planet Fund (the Organization), which comprise the statement of financial position as of July 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of July 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the Organization'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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

Bartlett, Pringle + Wolf, LLP

Santa Barbara, California
June 7, 2024

HOME PLANET FUND
STATEMENT OF FINANCIAL POSITION
July 31, 2023

	<u>2023</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 18,941,138
Receivables	22,457
Prepaid expenses	<u>29,769</u>
Total assets	<u><u>\$ 18,993,364</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Accounts payable and accrued expenses	\$ 279,776
Grants payable	<u>2,500,000</u>
Total liabilities	<u>2,779,776</u>
Net Assets	
Without donor restrictions	<u>16,213,588</u>
Total net assets	<u>16,213,588</u>
Total liabilities and net assets	<u><u>\$ 18,993,364</u></u>

See accompanying notes

HOME PLANET FUND
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended July 31, 2023

	<u>2023</u>
Revenue, Support, and Gains:	
Contributions and grants	\$ 20,045,000
Net investment return	<u>313,089</u>
Total revenue, support, and gains	<u>20,358,089</u>
Expenses:	
Program services	3,102,995
Management and general	757,366
Fundraising	<u>284,140</u>
Total expenses	<u>4,144,501</u>
Increase in net assets without donor restrictions	16,213,588
Net assets without donor restrictions, beginning of year	<u>-</u>
Net assets without donor restrictions, end of year	<u><u>\$ 16,213,588</u></u>

See accompanying notes

HOME PLANET FUND
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended July 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 3,080,000	\$ -	\$ -	\$ 3,080,000
Outside services	-	733,979	-	733,979
Office expenses	-	15,655	27,881	43,536
Travel	22,545	7,732	-	30,277
Marketing	-	-	256,259	256,259
Professional development	450	-	-	450
Totals	<u>\$ 3,102,995</u>	<u>\$ 757,366</u>	<u>\$ 284,140</u>	<u>\$ 4,144,501</u>

See accompanying notes

HOME PLANET FUND
STATEMENT OF CASH FLOWS
For the year ended July 31, 2023

	<u>2023</u>
Cash flows from operating activities:	
Increase in net assets without donor restrictions	\$ 16,213,588
Changes in operating assets and liabilities	
Receivables	(22,457)
Prepaid expenses	(29,769)
Accounts payable and accrued expenses	279,776
Grants payable	<u>2,500,000</u>
Net provided by operating activities	<u>18,941,138</u>
Net increase in cash and cash equivalents	18,941,138
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 18,941,138</u></u>

See accompanying notes

HOME PLANET FUND
NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of the Organization

The Home Planet Fund (the Organization) is an independent nonprofit that supports local and Indigenous communities who work in concert with nature to stop climate breakdown.

Note 2 - Summary of Significant Accounting Policies

A) Basis of Accounting

The accompanying financial statements of the Organization are prepared using the accrual basis of accounting.

B) Cash and Cash Equivalents

All highly liquid financial instruments with a maturity of three months or less at the date of purchase are considered to be cash equivalents.

C) Classification of Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization did not have net assets with donor restrictions at July 31, 2023.

D) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

HOME PLANET FUND
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

E) Grants Payable

Grant awards made by the Organization are recorded as an expense and a liability when unconditionally approved by the Board of Directors, the respective grantee has been selected and notified, and any stipulated barriers in the grant agreement are overcome.

F) Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

G) Advertising Costs

Advertising and marketing costs are expensed as incurred, and were approximately \$256,000 during the year ended July 31, 2023.

H) Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Costs have been charged directly to the programs and supporting services benefited.

I) Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code; therefore, no provision for income taxes has been made. The Organization files tax returns in California and U.S. federal jurisdictions.

The Organization evaluates uncertain tax positions, whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of July 31, 2023, the Organization had no uncertain tax positions requiring disclosure or accrual.

HOME PLANET FUND
NOTES TO FINANCIAL STATEMENTS

Note 3 - Concentrations

Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of July 31, 2023, the Organization had approximately \$18,691,000 in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts.

Donor Concentration

For the year ended July 31, 2023, approximately 99.8% of the Organization's contribution revenue was provided by one public charity donor.

Note 4 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, consist of the following as of July 31, 2023:

	<u>2023</u>
Cash and cash equivalents	\$ 18,941,138
Receivables	22,457
	<u>\$ 18,963,595</u>

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

Note 5 - Leases

The Organization leases 250 square feet of office space as part of a services agreement effective September 6, 2022 for an initial term of one year, at \$258 per month. The agreement automatically renews for additional, consecutive six-month terms unless and until either party delivers to the other a written notice of non-renewal not less than 120 days prior to the end of the current term.

The short-term lease exemption has been elected for this lease. As such, no right of use asset or liability is recognized for this lease, and lease expense is recognized on the straight-line basis. Total lease cost for the year ended July 31, 2023 was \$3,090.

HOME PLANET FUND
NOTES TO FINANCIAL STATEMENTS

Note 6 - Subsequent Events

Subsequent events have been evaluated through June 7, 2024, the date the financial statements were available to be issued.

On January 22, 2024 the Organization entered into a revised services agreement which created a new one year lease term effective through January 22, 2025, with additional consecutive automatic six-month renewal periods, unless and until either party delivers to the other a written notice of non-renewal not less than 120 days prior to the end of the then current term. The monthly rent remained at \$258.