EMERALD CITIES COLLABORATIVE, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

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F.S. TAYLOR & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Emerald Cities Collaborative, Inc.

Opinion

We have audited the accompanying financial statements of Emerald Cities Collaborative, Inc., (ECC), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows and functional expenses for the year 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 Emerald Cities Collaborative, Inc. as of June 30, 2024, and the changes in its net assets 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. 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 ECC 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 ECC'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 ECC'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 ECC'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.



November 18, 2024
Washington, DC

EMERALD CITIES COLLABORATIVE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,410,060	$ 34,899,025
Contributions receivable	653,406	304,617
Prepaid expenses and other current assets	95,308	
Total current assets	19,158,774	35,203,642
Other assets:		
Deposits	16,703	16,703
Right-of-use assets, net - operating leases	516,996	628,494
Property and equipment, net	56,900	35,190
Total other assets	590,599	680,387
Total assets	$ 19,749,373	$ 35,884,029
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 293,607	$ 445,874
Accrued salaries	18,066	18,405
Accrued compensated absences	162,593	209,649
Lease liabilities, current portion	110,074	106,724
Total current and total liabilities	584,340	780,652
Other liabilities:		
Lease liabilities, net of current portion	412,130	522,204
Net assets:		
Without donor restrictions	11,676,972	13,308,042
With donor restrictions	7,075,931	21,273,131
Total net assets	18,752,903	34,581,173
Total liabilities and net assets	$ 19,749,373	$ 35,884,029

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2024 TOTAL
Public Support and Revenue			
Contributions	$ 847,150	$ 2,955,000	$ 3,802,150
Contributions held for fiscally-sponsored organizations		867,200	867,200
Investment income	172,478		172,478
Earned revenue and other income	2,220,473		2,220,473
Net assets released from donor restrictions	18,019,400	(18,019,400)	
Total public support and revenue	21,259,501	(14,197,200)	7,062,301
Expenses			
Program expenses	20,712,630		20,712,630
Supporting services:			
Management and general	2,088,863		2,088,863
Fundraising	89,078		89,078
Total supporting services	2,177,941		2,177,941
Total expenses	22,890,571		22,890,571
Change in net assets	(1,631,070)	(14,197,200)	(15,828,270)
Net assets at beginning of year	13,308,042	21,273,131	34,581,173
Net assets at end of year	$ 11,676,972	$ 7,075,931	$ 18,752,903

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	2023		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2023 TOTAL
Public Support and Revenue			
Contributions	$ 1,014,835	$ 1,790,000	$ 2,804,835
Contributions held for fiscally-sponsored organizations		22,335,000	22,335,000
Investment loss	30,302		30,302
Earned revenue and other income	2,986,679		2,986,679
Net assets released from donor restrictions	5,104,202	(5,104,202)	-
Total public support and revenue	9,136,018	19,020,798	28,156,816
Expenses			
Program expenses	8,985,846		8,985,846
Supporting services:			
Management and general	900,971		900,971
Fundraising	77,032		77,032
Total supporting services	978,002		978,002
Total expenses	9,963,848		9,963,848
Change in net assets	(827,830)	19,020,798	18,192,968
Net assets at beginning of year	14,135,872	2,252,333	16,388,205
Net assets at end of year	$ 13,308,042	$ 21,273,131	$ 34,581,173

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (15,828,270)	$ 18,192,968
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	23,115	13,399
Net right-of-use amortization	4,774	(376)
(Increase) decrease in operating assets:		
Contributions receivable	(348,789)	152,522
Prepaid expenses and other current assets	(95,308)	
Increase (decrease) in operating liabilities:		
Accounts payable	(152,267)	237,978
Accrued salaries	(339)	(6,030)
Accrued compensated absences	(47,056)	129,984
Net cash (used in) provided by operating activities	(16,444,140)	18,720,445
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Net (purchase) sales of investments		2,419
Purchases of property and equipment	(44,825)	(31,292)
Net cash used in investing activities	(44,825)	(28,873)
Net change in cash and cash equivalents	(16,488,965)	18,691,572
Cash and cash equivalents at beginning of year	34,899,025	16,207,453
Cash and cash equivalents at end of year	$ 18,410,060	$ 34,899,025
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid		$ 11

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	2024				
		Supporting Services			
	Total Program Services	General and Administrative	Fundraising	Total Support Services	2024 Total
Salaries	$ 2,977,349	$ 823,169	$ 66,743	$ 889,913	$ 3,867,262
Payroll Taxes	262,216	45,730	3,708	49,438	311,654
Benefits	472,979	186,034	15,084	201,118	674,097
Vacation Expense		(43,526)	(3,529)	(47,056)	(47,056)
Retirement Benefits		87,221	7,072	94,293	94,293
Payroll Processing Fees		19,393		19,393	19,393
Grants to Others	450,800				450,800
Consulting	965,448	267,610		267,610	1,233,058
Subcontractors	150,377				150,377
Audit & Accounting Services		40,600		40,600	40,600
Professional Services		45,992		45,992	45,992
Information Technology		79,905		79,905	79,905
Office Expense	16,546	15,375		15,375	31,921
Postage	193	588		588	781
Printing	543	5,353		5,353	5,896
Dues/Fees/Subscriptions	24,141	65,297		65,297	89,438
Lease Expense	27,126	37,863		37,863	64,990
Insurance		23,612		23,612	23,612
Telephone		15,309		15,309	15,309
Internet / Website		45,290		45,290	45,290
Software subscriptions	5,456	21,578		21,578	27,034
Travel	2,699	9,164		9,164	11,863
Meals	39	210		210	248
Meetings & Conferences	107,193	272,164		272,164	379,357
Training	10,287	1,595		1,595	11,882
Videos / Photo / Recordings / Media	5,100				5,100
Bank Charges		222		222	222
Depreciation Expense		23,115		23,115	23,115
Fiscally-Sponsored Organizations: Climate Breakthrough Project	960,264				960,264
Fiscally-Sponsored Organizations: Community Learning Partnership	14,173,873				14,173,873
Fiscally-Sponsored Organizations: EBE Fund	100,000				100,000
Total expenses	$ 20,712,630	$ 2,088,863	$ 89,078	$ 2,177,941	$ 22,890,571

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	2023				
		Supporting Services			
	Total Program Services	General and Administrative	Fundraising	Total Support Services	2023 Total
Salaries	$ 2,532,493	$ 457,680	$ 61,024	$ 518,703	$ 3,051,197
Payroll Taxes	204,168	36,898	4,920	41,818	245,985
Benefits	341,472	61,712	8,228	69,940	411,412
Vacation Expense	107,887	19,498	2,600	22,097	129,984
Retirement Benefits	10,791	1,950	260	2,210	13,001
Payroll Processing Fees		13,053		13,053	13,053
Grants to Others	776,000				776,000
Consulting	1,163,509	118,459		118,459	1,281,968
Subcontractors	122,281				122,281
Audit & Accounting Services	9,428	1,048		1,048	10,475
Professional Services	16,089	1,787		1,787	17,877
Office Expense	24,214	2,690		2,690	26,904
Postage	415	46		46	461
Printing	3,163	351		351	3,514
Dues/Fees/Subscriptions	83,986	9,332		9,332	93,317
Lease Expense	22,198	87,194		87,194	109,392
Insurance	19,314	2,146		2,146	21,460
Telephone	10,345	1,149		1,149	11,495
Internet / Website	43,940	4,882		4,882	48,822
Software subscriptions	8,906	990		990	9,896
Travel	98,238	10,915		10,915	109,153
Meals	6,992	777		777	7,769
Meetings & Conferences	470,629	52,292		52,292	522,921
Training	14,770	1,641		1,641	16,411
Videos / Photo / Recordings / Media	10,556	1,052		1,052	11,608
Miscellaneous Donations	1,238				1,238
Bank Charges	106	30		30	136
Depreciation Expense		13,399		13,399	13,399
Fiscally-Sponsored Organizations: Cli	363,648				363,648
Fiscally-Sponsored Organizations: Co	1,583,394				1,583,394
Fiscally-Sponsored Organizations: EB	935,677				935,677
Total expenses	$ 8,985,846	$ 900,971	$ 77,032	$ 978,002	$ 9,963,848

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

EMERALD CITIES COLLABORATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – BACKGROUND

Emerald Cities Collaborative, Inc. (ECC) was formed as a 501(c)(3) nonprofit corporation under the laws of the State of Delaware on August 6, 2009. The primary purpose of the Organization is to promote the "greening" of metropolitan areas in ways that improve equal opportunity, shared wealth and democracy within them. The Organization is supported primarily through contributions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded as incurred.

Basis of Presentation – In accordance with FASB ASU 2016-14, ECC reports its financial statements according to two classes of net assets – those with donor restrictions and those without donor restrictions. A description of the two net asset categories follows:

- Net Assets with Donor Restrictions – the portion of net assets that is subject to donor-imposed restrictions

- Net Assets without Donor Restrictions – the portion of net assets that is not subject to donor-imposed restrictions

Within net assets without donor restrictions are board-designated net assets. These are net assets without donor restrictions but are subject to self-imposed limits by action of the governing board, which could include amounts earmarked for future programs, investment, contingencies, purchase of fixed assets, or other uses. There were no board-designated net assets as of June 30, 2024 and 2023.

Income Taxes – ECC is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. It is also exempt from state income taxes in the District of Columbia. ECC has adopted the accounting for uncertainty in income taxes as required by *Income Taxes (Topic 74)* of the FASB Accounting Standards Codification. ECC has analyzed its position and has concluded that no liability for unrecognized tax benefits should be recorded related to any uncertain tax provision.

Property and Equipment – Purchased property and equipment over $500 are recorded at cost. Major renewals and betterments, including leasehold improvements, are capitalized; while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Depreciation is recorded on the straight-line basis over the estimated useful lives of the property and equipment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Cost Allocation – ECC allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with specific programs or support services are allocated directly according to their natural expenditure classification.

Contributions – Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions with donor-imposed restrictions and unconditional promises to give with payments due in future periods are reported as support and added to net assets with donor restrictions. Contributions that are restricted by the donor but said restrictions expire in the year in which the contribution is recognized are recorded as increases in net assets without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

Cash and Cash Equivalents – For the purpose of presentation in ECC's statement of cash flows, cash equivalents are short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near to maturity that they present insignificant risk of changes in value due to changing interest rates.

Allowance for Uncollectible Accounts – Each year, ECC evaluates each receivable for collectability. At June 30, 2024, ECC considers each receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Concentration of Risk – ECC has cash accounts at various banking institutions which are insured by the Federal Deposit Insurance Corporation up to the limit of $250,000 per bank. The uninsured bank balances totaled $1,811,807 and $34,151,429 at June 30, 2024 and 2023, respectively.

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 financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Reclassification – Certain amounts from the prior year have been reclassified to conform to the current year financial statement presentation.

NOTE 3 – LIQUIDITY OF AND AVAILABILITY RESOURCES

ECC regularly monitors the availability of resources required to meet its operating needs and other contractual obligations. ECC strives to operate within a balanced budget and anticipates collecting sufficient revenue to cover general operating expenditures. ECC's financial assets available within one year of the statement of financial position date are as follows:

	2024	2023
Cash and cash equivalents	$ 18,410,060	$ 34,899,025
Contributions receivable	653,406	304,617
Prepaid expenses and other current assets	95,308	
Total current assets	19,158,774	35,203,642
Less amounts not available within one year:		
Net assets with donor restrictions	(7,075,931)	(21,273,131)
Financial assets available to meet cash needs for general expenditures within one year	$ 12,082,843	$ 13,930,511

ECC serves as the fiscal sponsor to organizations whose work is consistent with the mission of ECC. The total amount of cash attributed to ECC fiscal sponsors as June 30, 2024 and 2023 was $6,960,930 and $21,152,479, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	2024	2023
Furniture and equipment	$ 155,816	$ 110,991
Software	82,100	82,100
Less: accumulated depreciation and amortization	(181,016)	(157,901)
Property and equipment, net	$ 56,900	$ 35,190

Depreciation expense for the years ended June 30, 2024 and 2023 was $23,115 and $13,399, respectively.

NOTE 5 – LEASE LIABILITIES AND RIGHT-OF-USE ASSETS

On May 22, 2023, ECC entered into a lease agreement for office space located in NW Washington, D.C. The agreement requires base monthly payments of $8,875, with annual escalations of 2.5%. The lease is set to expire in May 2029.

NOTE 5 – LEASE LIABILITIES AND RIGHT-OF-USE ASSETS (CONTINUED)

For the years ended June 30, 2024 and 2023, lease expense incurred and charged to operations was $64,990 and $109,392, respectively. The future minimum lease payments for the years ending June 30 are as follows:

Year Ending June 30,	Amount
2025	$ 109,165
2026	111,894
2027	114,691
2028	117,558
2029	110,456
Total	$ 563,764

A reconciliation of future minimum lease payments and the lease liability included in the statement of financial position as of June 30 is below:

	2024	2023
Actual Remaining Lease Payments	$ 563,764	$ 670,266
Less Present Value Discount	(41,560)	(41,338)
Discounted Remaining Payments	$ 522,204	$ 628,928
Lease Liability - Current Portion	$ 110,074	$ 106,724
Lease Liability - Non-Current Portion	412,130	522,204
Total Lease Liability	$ 522,204	$ 628,928

The right of use asset related to the lease is amortized on the life of the underlying lease. At June 30, the net right of use asset consisted of the following:

	2024	2023
Right to Use Asset	$ 774,455	$ 774,455
Accumulated Amortization ROU Asset	(257,459)	(145,961)
Right to Use Asset, Net	$ 516,996	$ 628,494

NOTE 6 – SUBSEQUENT EVENTS

In preparing these financial statements, management of ECC has evaluated events and transactions that occurred after June 30, 2024 for the potential recognition or disclosure in the financial statements. These events and transactions were evaluated through November 18, 2024, the date the financial statements were available to be issued. Management did not identify any such events or transactions that would require disclosure.