

**SAVE THE BAY AND AFFILIATE
COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

SAVE THE BAY AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Save The Bay and Affiliate

Opinion

We have audited the accompanying combined financial statements of Save The Bay and Affiliate (a nonprofit organization), which comprise the combined statements of financial position as of September 30, 2025 and 2024, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of Save The Bay and Affiliate as of September 30, 2025 and 2024, and the changes in their net assets and their 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 Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Save The Bay and Affiliate 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Save The Bay and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 combined financial statements.

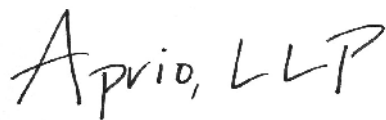
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Save The Bay and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Save The Bay and Affiliate'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The nonaccounting information shown on pages 22 - 23, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the combined financial statements. The nonaccounting information has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Aprivo, LLP". The signature is written in a cursive, slightly slanted style.

Woodland Hills, California

April 29, 2026

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024**

	<u>ASSETS</u>	
	<u>2025</u>	<u>2024</u>
<u>Current assets</u>		
Cash and cash equivalents	\$ 699,215	\$ 589,254
Investments	3,501,983	4,551,301
Other receivable	20,460	-
Prepaid expenses and other assets	74,408	46,835
Grants and contributions receivable	<u>565,162</u>	<u>359,306</u>
Total current assets	4,861,228	5,546,696
<u>Property and equipment, net</u>	58,754	71,429
<u>Other assets</u>		
Right-of-use asset - operating, net	13,892	67,966
Deposits	4,080	4,080
Grants and contributions receivable, net of current portion	133,333	-
Long term investments	<u>1,715,392</u>	<u>-</u>
Total assets	<u>\$ 6,786,679</u>	<u>\$ 5,690,171</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 20,216	\$ 71,276
Accrued payroll liabilities	224,779	261,878
Refundable advance	-	12,188
Current portion of operating lease payable	<u>14,057</u>	<u>54,404</u>
Total current liabilities	259,052	399,746
<u>Long-term liabilities</u>		
Operating lease payable, less current portion	<u>-</u>	<u>14,058</u>
Total liabilities	<u>259,052</u>	<u>413,804</u>
<u>Net assets</u>		
Undesignated	3,928,481	3,399,182
Board-designated	<u>1,997,980</u>	<u>1,702,185</u>
Without donor restriction	5,926,461	5,101,367
With donor restriction	<u>601,166</u>	<u>175,000</u>
Total net assets	<u>6,527,627</u>	<u>5,276,367</u>
Total liabilities and net assets	<u>\$ 6,786,679</u>	<u>\$ 5,690,171</u>

See independent auditors' report and accompanying notes

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Contributed support</u>			
Foundation and corporate	\$ 853,691	\$ 1,043,079	\$ 1,896,770
Membership and individuals	1,298,359	5,000	1,303,359
Legacies and bequests	174,544	-	174,544
Capacity campaign	586,969	160,450	747,419
In-kind contributions	10,298	-	10,298
Net assets released from restrictions	782,363	(782,363)	-
Total support	3,706,224	426,166	4,132,390
<u>Other revenue</u>			
Government - federal	158,907	-	158,907
Government - state and local	12,188	-	12,188
Non-government fees for service	299,428	-	299,428
Investment return, net	285,637	-	285,637
Other revenue	289,290	-	289,290
Total revenue	1,045,450	-	1,045,450
Total support and revenue	4,751,674	426,166	5,177,840
<u>Expenses</u>			
Program services	2,218,289	-	2,218,289
Supporting activities:			
Management and General	765,084	-	765,084
Fundraising	943,207	-	943,207
Total expenses	3,926,580	-	3,926,580
Change in net assets	825,094	426,166	1,251,260
Net assets, beginning of year	5,101,367	175,000	5,276,367
Net assets, end of year	\$ 5,926,461	\$ 601,166	\$ 6,527,627

See independent auditors' report and accompanying notes

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Contributed support</u>			
Foundation and corporate	\$ 355,097	\$ 495,000	\$ 850,097
Membership and individuals	1,027,079	5,000	1,032,079
Capacity campaign	1,126,900	224,781	1,351,681
Fundraising, net of direct expenses of \$51,458	31,929	-	31,929
Net assets released from restrictions	<u>834,896</u>	<u>(834,896)</u>	<u>-</u>
Total support	<u>3,375,901</u>	<u>(110,115)</u>	<u>3,265,786</u>
<u>Other revenue</u>			
Government - federal	59,647	-	59,647
Government - state and local	6,040	-	6,040
Non-government fees for service	340,477	-	340,477
Investment return, net	628,945	-	628,945
Other revenue	<u>4,563</u>	<u>-</u>	<u>4,563</u>
Total revenue	<u>1,039,672</u>	<u>-</u>	<u>1,039,672</u>
Total support and revenue	<u>4,415,573</u>	<u>(110,115)</u>	<u>4,305,458</u>
<u>Expenses</u>			
Program services	2,098,513	-	2,098,513
Supporting activities:			
Management and General	826,609	-	826,609
Fundraising	<u>1,144,067</u>	<u>-</u>	<u>1,144,067</u>
Total expenses	<u>4,069,189</u>	<u>-</u>	<u>4,069,189</u>
Change in net assets	346,384	(110,115)	236,269
Net assets, beginning of year	<u>4,754,983</u>	<u>285,115</u>	<u>5,040,098</u>
Net assets, end of year	<u>\$ 5,101,367</u>	<u>\$ 175,000</u>	<u>\$ 5,276,367</u>

See independent auditors' report and accompanying notes

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Program Services			Supporting Activities		Total	
	Restore Bay Habitat	Climate Policy	Education and Outreach	Total Program Services	Management and General		Fundraising
Salaries and related expenses:							
Salaries	\$ 651,172	\$ 506,668	\$ 311,754	\$ 1,469,594	\$ 430,371	\$ 640,614	\$ 2,540,579
Other employee benefits	52,803	41,132	25,343	119,278	35,252	51,887	206,417
Payroll taxes	<u>49,406</u>	<u>38,462</u>	<u>23,697</u>	<u>111,565</u>	<u>33,010</u>	<u>48,585</u>	<u>193,160</u>
Total salaries and related expenses	753,381	586,262	360,794	1,700,437	498,633	741,086	2,940,156
Professional services - other	151,515	41,468	44,252	237,235	67,287	61,528	366,050
Professional services - accounting	528	406	252	1,186	99,457	27,114	127,757
Travel and meals	59,301	13,504	2,103	74,908	3,289	6,263	84,460
Occupancy	23,815	14,607	7,145	45,567	9,557	14,748	69,872
Information and technology	11,207	7,176	9,477	27,860	9,167	19,059	56,086
Printing and publications	147	53	5,693	5,893	11	42,024	47,928
Insurance	10,778	-	-	10,778	23,942	-	34,720
Miscellaneous	9,232	3,846	9,547	22,625	6,846	3,817	33,288
Supplies	16,346	762	3,976	21,084	544	5,430	27,058
Telephone	9,217	4,701	2,919	16,837	4,040	6,025	26,902
Advertising and promotion	1,419	5,941	15,417	22,777	754	1,835	25,366
Bank fees	-	-	-	-	24,305	-	24,305
Depreciation	12,675	-	-	12,675	-	-	12,675
Postage	99	76	63	238	70	11,170	11,478
In-kind professional services	-	-	-	-	10,298	-	10,298
Dues, licenses, service fees	367	7,786	180	8,333	423	577	9,333
Conferences and meetings	2,966	796	476	4,238	2,502	1,346	8,086
Grants	193	3,248	92	3,533	127	190	3,850
Professional services - legal	-	-	-	-	3,832	-	3,832
Equipment rental and maintenance	<u>2,085</u>	<u>-</u>	<u>-</u>	<u>2,085</u>	<u>-</u>	<u>995</u>	<u>3,080</u>
Total	<u>\$ 1,065,271</u>	<u>\$ 690,632</u>	<u>\$ 462,386</u>	<u>\$ 2,218,289</u>	<u>\$ 765,084</u>	<u>\$ 943,207</u>	<u>\$ 3,926,580</u>

See independent auditors' report and accompanying notes

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Program Services			Supporting Activities		Total	
	Restore Bay Habitat	Climate Policy	Education and Outreach	Total Program Services	Management and General		Fundraising
Salaries and related expenses:							
Salaries	\$ 614,766	\$ 472,330	\$ 268,448	\$ 1,355,544	\$ 490,869	\$ 759,873	\$ 2,606,286
Other employee benefits	54,891	42,150	23,967	121,008	46,450	67,864	235,322
Payroll taxes	<u>46,532</u>	<u>35,737</u>	<u>20,312</u>	<u>102,581</u>	<u>37,112</u>	<u>57,485</u>	<u>197,178</u>
Total salaries and related expenses	716,189	550,217	312,727	1,579,133	574,431	885,222	3,038,786
Professional services - other	125,839	20,457	37,787	184,083	60,011	158,663	402,757
Professional services - accounting	700	534	304	1,538	94,365	23,642	119,545
Advertising and promotion	1,453	2,390	82,851	86,694	2,214	2,867	91,775
Information and technology	12,814	8,629	13,638	35,081	10,112	31,305	76,498
Travel and meals	52,893	7,507	953	61,353	893	2,197	64,443
Occupancy	14,991	10,323	5,536	30,850	10,680	15,806	57,336
Miscellaneous	8,928	11,798	7,780	28,506	10,236	12,651	51,393
Supplies	20,363	984	8,544	29,891	1,072	1,298	32,261
Insurance	7,756	-	-	7,756	23,551	-	31,307
Bank fees	-	-	-	-	27,212	-	27,212
Telephone	7,166	4,680	2,660	14,506	4,893	7,596	26,995
Printing and publications	253	1,047	1,979	3,279	-	18,480	21,759
Professional services - fundraising	-	-	-	-	-	20,305	20,305
Postage	25	261	279	565	144	14,078	14,787
Grants	5,591	5,823	256	11,670	472	731	12,873
Depreciation	10,162	-	-	10,162	-	-	10,162
Professional services - legal	-	2,011	-	2,011	5,898	-	7,909
Conferences and meetings	4,636	1,820	-	6,456	150	684	7,290
Equipment rental and maintenance	4,679	-	-	4,679	-	-	4,679
Dues, licenses, service fees	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>275</u>	<u>-</u>	<u>575</u>
Total expenses	<u>\$ 994,738</u>	<u>\$ 628,481</u>	<u>\$ 475,294</u>	<u>\$ 2,098,513</u>	<u>\$ 826,609</u>	<u>\$ 1,195,525</u>	<u>\$ 4,120,647</u>
Less: Special event direct costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,458)</u>	<u>(51,458)</u>
Total	<u>\$ 994,738</u>	<u>\$ 628,481</u>	<u>\$ 475,294</u>	<u>\$ 2,098,513</u>	<u>\$ 826,609</u>	<u>\$ 1,144,067</u>	<u>\$ 4,069,189</u>

See independent auditors' report and accompanying notes

**SAVE THE BAY AND AFFILIATE
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<u>Cash flows from operating activities</u>		
Change in net assets	\$ <u>1,251,260</u>	<u>236,269</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	12,675	10,162
Amortization of lease right of use assets	54,074	39,054
Net realized and unrealized investment gains	(128,095)	(483,869)
Donated securities	(183,532)	(203,673)
Proceeds from sales of donated securities	173,529	204,107
(Increase) decrease in assets:		
Other receivable	(27,573)	-
Prepaid expenses and other assets	(20,460)	27,909
Grants and contributions receivable	(339,189)	(19,327)
Deposits	-	(80)
Increase (decrease) in liabilities:		
Accounts payable	(51,060)	(23,783)
Accrued payroll liabilities	(37,099)	41,397
Refundable advance	(12,188)	12,188
Operating lease payable	<u>(54,405)</u>	<u>(38,558)</u>
Total adjustments	<u>(613,323)</u>	<u>(434,473)</u>
Net cash provided by (used in) operating activities	<u>637,937</u>	<u>(198,204)</u>
<u>Cash flows from investing activities</u>		
Purchases of investments	(4,424,334)	(2,645,126)
Proceeds from sale of investments	3,896,358	2,909,359
Purchases of property and equipment	<u>-</u>	<u>(38,467)</u>
Net cash (used in) provided by investing activities	<u>(527,976)</u>	<u>225,766</u>
Net increase in cash	109,961	27,562
Cash and cash equivalents, beginning of year	<u>589,254</u>	<u>561,692</u>
Cash and cash equivalents, end of year	\$ <u>699,215</u>	\$ <u>589,254</u>
<u>Supplemental Disclosure of Non-cash Investing and Financing Activity</u>		
Contributions received through donated securities	\$ <u>183,532</u>	\$ <u>203,673</u>

See independent auditors' report and accompanying notes

SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1

Nature of Organization

Save The Bay and Affiliate (the "Organization"), is a California nonprofit public benefit corporation founded in 1961 to preserve, restore, and protect the San Francisco Bay and Sacramento/San Joaquin River Delta Estuary as a healthy and biologically diverse ecosystem that is valued as essential to the well-being of the human community it sustains.

Program services include restoring bay habitat, creating resilient communities, supporting public education and outreach, and developing climate policy. The Organization's office is located in Oakland, California, and its primary sources of income are public and private grants and contributions.

Note 2

Summary of Significant Accounting Policies

Basis of Accounting:

The combined financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Principles of Combination:

The accompanying combined financial statements include the accounts of Save The Bay and Save The Bay Action Fund (collectively the "Organization"), a related 501(c)(4) nonprofit organization created in May 2014. Significant intercompany transactions and balances have been eliminated in the combination.

Financial Statement Presentation:

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

- *Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- *Net Assets With Donor Restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates:

The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents:

For purposes of financial statement presentation, the Organization considers all highly liquid debt instruments with maturities of ninety days or less, from the date of purchase, to be cash equivalents.

Concentration of Credit Risk:

The Organization's cash and cash equivalents and marketable securities are held at financial institutions and may exceed federally insured limits of \$250,000 under the Federal Deposit Insurance Corporation ("FDIC") and \$500,000 under the Securities Investor Protection Corporation ("SIPC"). At September 30, 2025 and 2024, the Organization's cash balances held at commercial banks exceeded the FDIC limit by approximately \$24,988 and \$0, respectively. The Organization has not experienced any losses through the date the combined financial statements were available to be issued.

Investments:

Investments are recorded at cost, if purchased, or at fair value on the date of donation, if donated. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the combined statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The Organization's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the fair value of investments may occur in the near term and could materially affect the amounts reported in the combined financial statements.

Fair Value Measurements:

The Organization applies FASB ASC 820, *Fair Value Measurements* (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The three general valuation techniques that may be used to measure fair value are described below:

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

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued):

- Level 2 Inputs to the valuation methodology include:
- Quoted market prices for similar assets or liability 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; and
 - 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.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following are descriptions of the valuation methods and assumptions used by the Organization to estimate the fair values of certain financial instruments. There have been no changes to the methodologies used at September 30, 2025 and 2024:

Cash and cash equivalents: Fair values of money market funds are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 1 inputs).

Certificates of deposit: Certificates of deposit or fixed income securities are invested primarily in high grade fixed income securities, which are one to six years in duration. The fair values of these investments are readily marketable and are determined by obtaining quoted prices on a nationally recognized securities exchanges (Level 2 inputs).

Exchange traded funds and mutual funds: Consist of exchange traded and mutual funds which are primarily invested in equity securities. The fair value of mutual funds, which are readily marketable, is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Grants and Contributions Receivable:

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts are included in contribution revenue in the combined statements of activities and changes in net assets. As of September 30, 2025 and 2024, grants that were to be received in one to five years totaled \$133,333 and \$0, respectively, of which the discounts to present value were considered by management to be negligible and therefore the balances were not adjusted. Management has determined that all grants receivable are fully collectible.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Property and Equipment:

Property and equipment purchased by the Organization are stated at cost, or if donated, at estimated fair value as of the date of the gift. Expenditures for minor additions of equipment are charged to expense when incurred. The Organization capitalizes interest as a component of the cost of property and equipment when the property and equipment is constructed using borrowed funds.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, as follows:

Buildings	20 years
Furniture & equipment	5 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Leases:

The Organization recognizes leases in accordance with Topic 842, Leases. As such the Organization considers specific criteria when determining whether a contract is (or contains) a lease and recognizes right-of-use ("ROU") assets and lease liabilities at the lease's inception and when the terms of an existing contract are changed. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

Variable lease costs are recognized in the period the obligation is incurred and are based on charges for variable operating costs. The discount rate is the implicit rate, if it is readily determinable, or the Organization's uses a risk-free rate in determining the imputed interest and present value of lease payments. The Organization recognizes the single lease cost on a straight-line basis over the remaining lease term for operating leases.

The Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease costs associated with its short-term leases on a straight-line basis over the lease term. When contracts contain lease and non-lease components, the Organization accounts for both components as a single lease component.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Revenue Recognition:

Contributions and Other Revenue Subject to ASC 958

The Organization recognizes contributions as revenue when cash, securities, or other assets are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statements of activities and changes in net assets. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue and as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received are recorded under Government - federal, Government - state and local, and Non-government fees for service in the combined statements of activities and changes in net assets. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the combined statements of financial position. The Organization has three and four cost-reimbursable grants totaling \$947,335 and \$1,286,267 that have not been recognized at September 30, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under contracts and grants at September 30, 2025. At September 30, 2024, there was \$12,188 in refundable advances.

Donated Goods and Services:

Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying combined statement of activities and changes in net assets and the combined statement of functional expenses.

In addition to receiving specialized in-kind services, the Organization was also the beneficiary of volunteer work parties organized to carry out restoration projects removing of trash and invasive species growing in San Francisco Bay, and collecting seeds from native plants and planting those seedlings to restore the bio-diversity and health of the bay. Although not recorded in the combined financial statements, the value of these services was estimated at \$376,955 and \$279,035 for the years ended September 30, 2025 and 2024, respectively. A portion of the donated services was used to meet the matching requirement of certain grants from various federal and state agencies.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 2

Summary of Significant Accounting Policies (Continued)

Functional Expenses:

The costs of providing program and other activities have been summarized on a functional basis in the combined statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting activities benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (such as salaries and wages, rent and utilities, insurance, and other overhead) have been allocated based on time and effort using the Organization's payroll allocations. Other expenses (such as professional services and other direct costs) have been allocated in accordance with the specific services received from vendors.

Tax Exempt Status:

The Organization is incorporated as a nonprofit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly-supported organization. The Organization evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2025, there are no accruals for uncertain tax positions. If applicable, the Organization records interest and penalties as a component of income tax expense.

Save The Bay Action Fund has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(4) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the organization continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

By statute, the Organization's federal and state income tax returns generally remain subject to examination by taxing authorities for three and four years, respectively, from the date the return is filed.

Reclassifications:

Certain reclassifications have been made to the prior year combined financial statements in order to make prior year amounts comparable to those of the current year. Such reclassifications had no effect on previously reported net assets or changes in net assets.

Concentrations:

As of September 30, 2025, two donors represented approximately 58% of grants receivable. As of September 30, 2024, one of these donors and two other represented approximately 75% of grants receivable.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 3

Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statements of financial position date, comprise the following:

	2025	2024
Financial assets available for general expenditure within one year:		
Cash and cash equivalents	\$ 699,215	\$ 589,254
Current portion of investments	3,501,983	4,551,301
Current portion of grants and contributions receivable	565,162	359,306
Total financial assets	4,766,360	5,499,861
Less: Board-designated net assets included in current portion of investments	(282,588)	(1,702,185)
Less: Net assets with donor restrictions for program	(467,833)	(175,000)
Total financial assets available for general expenditure within one year	\$ 4,015,939	\$ 3,622,676

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Although the Organization does not intend to spend from its board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Note 4

Investments

Investments consisted of the following as of September 30, 2025 and 2024:

	Assets at Fair Value as of September 30, 2025			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	\$ 554,829	\$ -	\$ -	\$ 554,829
Exchange traded funds	1,195,967	-	-	1,195,967
Certificates of deposit	-	3,466,579	-	3,466,579
Total investments at fair value	\$ 1,750,796	\$ 3,466,579	\$ -	\$ 5,217,375

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

**Note 4
Investments (Continued)**

	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds	\$ 2,284,929	\$ -	\$ -	\$ 2,284,929
Certificates of deposit	-	2,266,372	-	2,266,372
Total investments at fair value	\$ 2,284,929	\$ 2,266,372	\$ -	\$ 4,551,301

As of September 30, 2025 and 2024, the Organization's investment balances were covered through a combination of SIPC coverage and additional insurance maintained by the investment brokerage.

A portion of investments is held in the Board-designated Founders Fund (see Quasi-Endowment and Board-Designated Net Assets Note 7).

**Note 5
Property and Equipment**

The following is a summary of property and equipment at cost at September 30, 2025 and 2024:

	2025	2024
Furniture & equipment	\$ 112,032	\$ 112,032
Buildings	99,633	99,633
	211,665	211,665
Less: accumulated depreciation	(152,911)	(140,236)
Property and equipment, net	\$ 58,754	\$ 71,429

Depreciation expense for the years ended September 30, 2025 and 2024 totaled \$12,675 and \$10,162, respectively.

**Note 6
Employee Retention Credit**

The Organization was eligible for Employee Retention Credit ("ERC") under the provisions of the Coronavirus Aid, Relief, and Economic Security Act. The Organization recorded \$245,835, plus interest as other revenue in 2025, which has been fully collected. The revenue was recognized in accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*.

The Organization has also filed an additional ERC claim totaling \$127,610, which has not yet been received as of September 30, 2025. Management has determined that this amount represents a conditional contribution, as receipt is subject to review and approval by the Internal Revenue Service. Accordingly, no receivable or revenue has been recognized for this amount as of September 30, 2025.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 7

Quasi-Endowment and Board-Designated Net Assets

The Organization maintains a board-designated quasi-endowment, the Founders Fund, which is reported within net assets without donor restrictions. The Founders Fund was established by the Board of Directors to function as a long-term reserve intended to support the financial stability and mission of the Organization. Amounts designated by the Board may be undesignated and made available for general use at the Board's discretion.

Under the Founders Fund policy, the principal of the Fund is intended to be preserved and will not be spent except when specifically approved by the Board of Directors to address special opportunities or challenges. Such expenditures of principal are considered on a case-by-case basis. Investment income and realized and unrealized gains generated by the Founders Fund may be used for operations without requiring special Board approval.

The Founders Fund is invested in accordance with the Organization's Investment Policy as part of Tier 1 and Tier 2 investments, as amended in 2025, and the portfolio is reviewed and rebalanced at least semi-annually to maintain the desired asset allocation and risk profile. Tier 1 investments consist of the Organization's most secure and liquid reserves, established to maintain approximately seven months of annual expenses in zero-risk, liquid accounts such as bank checking, savings, and certificates of deposit held within applicable FDIC insurance limits. Tier 2 investments represent reserves in excess of those required for daily operations and contingencies and are invested in diversified, balanced or index mutual funds or exchange-traded funds with low expense ratios, as selected by the Board and monitored by management.

The primary investment objective for the Founders Fund is long-term growth of capital and total return, consistent with a moderate level of risk, in order to generate investment income that can support the Organization's programs and operations over time.

When the Founders Fund and related policies were initially established, all Capacity Campaign gifts designated by donors for the Founders Fund, as well as all undesignated bequests received after January 1, 2021, were allocated to the Founders Fund to build the quasi-endowment. During the year ended September 30, 2025, the Board refined this policy such that, beginning July 1, 2025, bequests will generally be recorded as non-designated income, with the Board retaining the option to designate unusually large or unanticipated bequests and other significant income amounts to the Founders Fund or other board-designated reserves.

Board designated net assets for the year ended September 30, 2025, are as follows:

<u>Beginning Balance</u>	<u>Investment earnings</u>	<u>Additions</u>	<u>Appropriations</u>	<u>Ending Balance</u>
\$ <u>1,702,185</u>	\$ <u>122,728</u>	\$ <u>295,795</u>	\$ <u>(122,728)</u>	\$ <u>1,997,980</u>

Board designated net assets for the year ended September 30, 2024 are as follows:

<u>Beginning Balance</u>	<u>Investment earnings</u>	<u>Additions</u>	<u>Appropriations</u>	<u>Ending Balance</u>
\$ <u>1,329,161</u>	\$ <u>40,805</u>	\$ <u>373,024</u>	\$ <u>(40,805)</u>	\$ <u>1,702,185</u>

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 8

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of September 30, 2025:

	<u>Beginning Balance</u>	<u>Contributions and Income</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Capacity Campaign - Clean and Healthy Communities	\$ -	\$ 160,450	\$ (160,450)	\$ -
Bay Trail	-	220,364	(5,864)	214,500
Estuary Restoration and Youth Education	-	210,215	(190,215)	20,000
Climate Policy	-	117,500	(67,500)	50,000
Time restrictions	<u>175,000</u>	<u>500,000</u>	<u>(358,334)</u>	<u>316,666</u>
	<u>\$ 175,000</u>	<u>\$ 1,208,529</u>	<u>\$ (782,363)</u>	<u>\$ 601,166</u>

Net assets with donor restrictions consist of the following as of September 30, 2024:

	<u>Beginning Balance</u>	<u>Contributions and Income</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Capacity Campaign - Clean and Healthy Communities	\$ -	\$ 224,781	\$ (224,781)	\$ -
Estuary Restoration and Youth Education	40,000	120,000	(160,000)	-
Climate Policy	-	200,000	(200,000)	-
Capital Projects	5,115	5,000	(10,115)	-
Time restrictions	<u>240,000</u>	<u>175,000</u>	<u>(240,000)</u>	<u>175,000</u>
	<u>\$ 285,115</u>	<u>\$ 724,781</u>	<u>\$ (834,896)</u>	<u>\$ 175,000</u>

Note 9

Retirement Plan

The Organization participates in a defined contribution plan of the Save The Bay and Affiliate Tax Sheltered Annuity (the "Plan"). The Plan covers all employees over the age of 18 and participants are eligible for employer matching contributions after one year of employment. Plan provisions allow for discretionary employer matching contributions. No such employer contributions were made during the years ended September 30, 2025 and 2024.

Note 10

Related Party Transactions

Contributions from members of the Board of Directors totaled \$155,450 and \$290,073 for the years ended September 30, 2025 and 2024, respectively.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 11
Leases

The Organization leases its office space under a non-cancelable lease agreement that expires on December 2025. Payments are due monthly and the Organization is also obligated to pay additional costs related to lease facilities. The lease included an option to extend for an additional 2 years, which was not considered when assessing the value of the ROU asset because the Organization is not reasonably certain that it will exercise its option to renew the lease.

Operating lease cost was composed of the following for the years ended September 30, 2025 and 2024, respectively:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 55,770	\$ 41,827
Short-term lease cost	5,236	12,783
Variable lease cost	<u>3,755</u>	<u>2,230</u>
Operating lease expense	<u>\$ 64,761</u>	<u>\$ 56,840</u>

Additional information about the Organization's lease is as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in measuring lease liabilities:		
Operating leases	\$ 56,100	\$ 41,332
Weighted average remaining lease term	0.25 years	1.25 years
Weighted average discount rate	4.33%	4.33%

Maturities of the lease liability as of September 30, 2025 consist of undiscounted lease payments of \$14,108 due in 2026. After deducting imputed interest of \$51, the present value of lease liabilities is \$14,057. Accordingly, the entire operating lease liability is classified as current.

In November 2025, the Organization entered into a new three-year lease for a new location, commencing in February 2026 and expiring in January 2029, at a base monthly rate of \$4,921.

**SAVE THE BAY AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

Note 12

Subsequent Events

The Organization evaluated subsequent events through April 29, 2026, the date the combined financial statements were available to be issued. Other than what has been previously disclosed and what is disclosed below, the Organization is not aware of any significant events that occurred subsequent to the statement of financial position date, but prior to April 29, 2026, that would have a material impact on its combined financial statements.

Bequest:

In December 2025, the Organization received a bequest of \$1,400,000 from the estate of a deceased donor. Contribution revenue was recognized at that time, as the amount became reasonably estimatable. The estate has also indicated that an additional amount may be distributable to the Organization; however, as of the date the combined financial statements were available to be issued, the amount and timing of any such additional distribution is not determinable and has not been recorded.

SUPPLEMENTARY INFORMATION - UNAUDITED

SAVE THE BAY AND AFFILIATE

About Us - Unaudited

Save The Bay protects and restores San Francisco Bay for people and wildlife. For 65 years, we've been the voice of the Bay, mobilizing the region to make the bay cleaner, healthier, and accessible for everyone to enjoy. Save The Bay Action Fund helps residents advocate and vote for initiatives to make the Bay Area sustainable for future generations.

History - Unaudited

For more than half a century, Save The Bay has mobilized Bay Area residents to protect our region's greatest natural treasure, improving our environment, quality of life and economy. In 1961, San Francisco Bay was choked with sewage and industrial pollution, ringed with garbage dumps, and the public could only access six miles of its shoreline. Filling and docking of the shallow Bay had destroyed 90 percent of its wetlands and shrunk its size by one-third, and every city had plans to grow by filling in more of the Bay.

Three courageous women founded Save The Bay to halt the Bay's destruction, and engaged thousands of people to force a moratorium on filling. Our movement won new state and federal laws to protect the Bay, control shoreline development, clean up pollution and increase public access. With many partners, we increased wetlands habitat for endangered wildlife and created a necklace of shoreline parks linked by hundreds of miles of Bay Trail. We've educated tens of thousands of Bay Area students to understand the Bay and participate in its stewardship.

Save The Bay Action Fund was created in 2014 and has helped voters to pass billions of dollars of investment in restored wetlands, improved transit and affordable housing. Now, as climate change and pollution threaten the Bay, we're shaping the region's development to create resilient communities, where nature grows and people thrive. We're leading efforts to protect the Bay Area from floods, sea level rise and other climate impacts, for current residents and future generations. And we engage thousands of volunteers every year to replant the Bay shoreline with critical habitat for fish and wildlife.

Management's Discussion and Analysis on the Combined Financial Statements - Unaudited

Save The Bay has high impact with effective operations and extensive public engagement. We conduct restoration and education programs on the shoreline to restore crucial wildlife habitat with adult and student volunteers. During the current year ended September 30, 2025, our volunteers removed 2,800 pounds of trash and 26,000 pounds of invasive plants from the Bay shoreline, grew and planted 16,000 seedlings to restore bio-diversity, and conducted educational events throughout the region.

Save The Bay's 2030 Strategic Plan is continuing to grow our beneficial impact on San Francisco Bay through partnerships and initiatives to protect people and nature from rising tides and accelerating climate change. We are working directly with Bay Area cities to increase their resilience to flooding from sea level rise and more extreme storms, emphasizing nature based solutions that provide multiple benefits. And we have launched a regional effort to complete and enhance the San Francisco Bay Trail so it provides improved access to the Bay for all communities.

See independent auditors' report on supplementary information

SAVE THE BAY AND AFFILIATE

Save The Bay Board of Directors - Unaudited

Name	Office
Christopher Hockett	Chair
Dennis DeBroeck	Vice-Chair for Governance
Steve Dakin	Vice-Chair for Internal Affairs
Lauren Swezey	Vice-Chair for External Affairs
Nancy Fee	Co-Chair for Development & Communications
Hugh Le	Co-Chair for Development & Communications
Chirag Amin	Director
Adrienne Donley	Director
Christiana Jonas	Director
Yoon Kim	Director
Carmela Krantz	Director
Alex Minasian	Director
Diane Oshima	Director
Jay Pierrepont	Director
Joy Leilei Shih-Casado	Director
Terry Young	Director

Executive Director

David Lewis

Chief Financial Officer/Secretary

Robin Erickson

Save The Bay Action Fund Board of Directors - Unaudited

Name	Office
Don Weden	President
David Lewis	Secretary/Treasurer
Donnie Fowler	Director
Mark Kyle	Director
Felicia Madsen	Director

See independent auditors' report on supplementary information