

**COMMONWEAL  
AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended  
June 30, 2025 and 2024**

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## **Independent Auditors' Report**

Board of Directors  
Commonweal and The Hale Fund (supporting organization)

### **Opinion**

We have audited the accompanying consolidated financial statements of Commonweal (a nonprofit organization) and The Hale Fund (supporting organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Commonweal and The Hale Fund as of June 30, 2025 and 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 audits 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 Commonweal and The Hale Fund 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 consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Commonweal and The Hale Fund's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 Commonweal and The Hale Fund'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 Commonweal and The Hale Fund'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.

*Bregante + Company LLP*

San Francisco, California

March 14, 2026

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 661,341	\$ 1,198,938
Grants and contributions receivable, net	4,713,646	2,618,422
Program fees receivable, net	50,547	43,316
Resource sharing agreement receivable	8,134	7,871
Employee Retention Credit receivable	137,028	137,028
Investments	10,829,062	11,080,705
Investments - other	692,288	1,494,835
Prepaid expenses and other assets	472,803	288,460
Property and equipment, net	891,860	1,053,386
Operating lease right-of-use assets	<u>270,739</u>	<u>362,583</u>
Total assets	<u>\$ 18,727,448</u>	<u>\$ 18,285,544</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 358,132	\$ 565,478
Accrued compensated absences	344,787	230,850
Loan payable	38,052	-
Deferred revenue	96,685	76,595
Operating lease liabilities	<u>269,449</u>	<u>361,723</u>
Total liabilities	1,107,105	1,234,646
Net assets:		
Without donor restrictions:		
Undesignated	6,447,947	7,160,169
Board designated	<u>2,418,613</u>	<u>2,368,613</u>
Total without donor restrictions	8,866,560	9,528,782
With donor restrictions	<u>8,753,783</u>	<u>7,522,116</u>
Total net assets	<u>17,620,343</u>	<u>17,050,898</u>
Total liabilities and net assets	<u>\$ 18,727,448</u>	<u>\$ 18,285,544</u>

See accompanying notes to the consolidated financial statements.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Years Ended June 30, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants and contributions	\$ 437,307	\$ 8,903,739	\$ 9,341,046	\$ 312,856	\$ 8,822,759	\$ 9,135,615
Contributed goods and services	-	11,749	11,749	-	20,114	20,114
Program fees	965,534	-	965,534	998,077	-	998,077
Investment income, net	886,088	-	886,088	1,094,671	-	1,094,671
Other income	82,603	-	82,603	95,097	-	95,097
Net assets released from restrictions	<u>7,683,821</u>	<u>(7,683,821)</u>	<u>-</u>	<u>7,779,841</u>	<u>(7,779,841)</u>	<u>-</u>
 Total revenue and support	 <u>10,055,353</u>	 <u>1,231,667</u>	 <u>11,287,020</u>	 <u>10,280,542</u>	 <u>1,063,032</u>	 <u>11,343,574</u>
Expenses:						
Program services	8,859,466	-	8,859,466	8,565,680	-	8,565,680
Administrative	1,254,844	-	1,254,844	1,222,116	-	1,222,116
Fundraising	<u>603,265</u>	<u>-</u>	<u>603,265</u>	<u>457,081</u>	<u>-</u>	<u>457,081</u>
 Total expenses	 <u>10,717,575</u>	 <u>-</u>	 <u>10,717,575</u>	 <u>10,244,877</u>	 <u>-</u>	 <u>10,244,877</u>
Changes in net assets	(662,222)	1,231,667	569,445	35,665	1,063,032	1,098,697
Net assets, beginning of year	<u>9,528,782</u>	<u>7,522,116</u>	<u>17,050,898</u>	<u>9,493,117</u>	<u>6,459,084</u>	<u>15,952,201</u>
Net assets, end of year	<u>\$ 8,866,560</u>	<u>\$ 8,753,783</u>	<u>\$ 17,620,343</u>	<u>\$ 9,528,782</u>	<u>\$ 7,522,116</u>	<u>\$ 17,050,898</u>

See accompanying notes to the consolidated financial statements.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Changes in net assets	\$ 569,445	\$ 1,098,697
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	208,293	184,618
Net realized and unrealized gains on investments	(568,692)	(835,927)
Reduction in the carrying value of operating lease right-of-use assets	102,470	102,470
(Increase) decrease in assets:		
Grants and contributions receivable, net	(2,095,224)	(53,909)
Program fees receivable, net	(7,231)	5,172
Resource sharing agreement receivable	(263)	180,220
Prepaid expenses and other assets	(184,343)	(72,365)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(207,346)	33,483
Accrued compensated absences	113,937	751
Deferred revenue	20,090	(26,131)
Operating lease liabilities	<u>(102,900)</u>	<u>(102,900)</u>
Total adjustments	<u>(2,721,209)</u>	<u>(584,518)</u>
Net cash provided (used) by operating activities	<u>(2,151,764)</u>	<u>514,179</u>
Cash flows from investing activities:		
Net change in investments and investments - other	1,622,882	314,271
Purchases of property and equipment	<u>(46,767)</u>	<u>(153,899)</u>
Net cash provided by investing activities	<u>1,576,115</u>	<u>160,372</u>
Cash flows from financing activities:		
Proceeds from loan payable	<u>38,052</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(537,597)	674,551
Cash and cash equivalents, beginning of year	<u>1,198,938</u>	<u>524,387</u>
Cash and cash equivalents, end of year	\$ <u><u>661,341</u></u>	\$ <u><u>1,198,938</u></u>

**Supplemental disclosures of noncash operating activity:**

On July 1, 2023, Commonweal recognized a \$101,926 right-of-use asset and \$101,926 lease liability for one operating lease with the amendment of the Special Use Permit.

See accompanying notes to the consolidated financial statements.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended June 30, 2025 and 2024**

	2025				2024			
	Program Services	Administrative	Fundraising	Total	Program Services	Administrative	Fundraising	Total
Salaries and benefits	\$ 5,396,155	\$ 813,673	\$ 536,438	\$ 6,746,266	\$ 4,604,736	\$ 750,620	\$ 381,013	\$ 5,736,369
Consultants and contractors	1,738,983	100,880	9,890	1,849,753	2,426,348	82,007	15,653	2,524,008
Conferences and workshops	819,710	14,165	11,267	845,142	794,022	15,010	11,525	820,557
Occupancy	239,940	32,499	12,477	284,916	209,961	33,607	12,408	255,976
Office	219,521	32,045	30,268	281,834	157,369	35,433	28,652	221,454
Depreciation and amortization	93,940	114,353	-	208,293	133,799	49,733	1,086	184,618
Professional fees	45,182	76,475	-	121,657	20,548	62,783	304	83,635
Grants and awards	106,171	-	-	106,171	19,636	-	-	19,636
Insurance	10,388	58,582	-	68,970	28,072	129,156	1,303	158,531
Supplies	62,249	2,736	152	65,137	59,136	494	767	60,397
Maintenance and repairs	53,508	8,267	-	61,775	59,164	29,889	653	89,706
Dues and fees	51,239	250	2,711	54,200	23,090	30,949	2,490	56,529
Contributed goods and services	11,749	-	-	11,749	19,945	-	169	20,114
Advertising	10,731	919	62	11,712	9,854	2,435	1,058	13,347
<b>Total expenses</b>	<b>\$ 8,859,466</b>	<b>\$ 1,254,844</b>	<b>\$ 603,265</b>	<b>\$ 10,717,575</b>	<b>\$ 8,565,680</b>	<b>\$ 1,222,116</b>	<b>\$ 457,081</b>	<b>\$ 10,244,877</b>
	83%	12%	5%	100%	84%	12%	4%	100%

See accompanying notes to the consolidated financial statements.

## COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 and 2024

#### **NOTE A -- Description of organization**

Commonweal incorporated under the laws of the State of California on September 30, 1976, and operates as a non-profit “public” charity. The mission of Commonweal is to engage in educational, charitable, and research activities that contribute to the health of individuals, public health, and the health of the global environment. Commonweal operates in Bolinas, California, within the Point Reyes National Seashore.

Commonweal fulfills its mission through a program focus in three areas: Health and Healing, Environment and Justice, and Education and the Arts.

Health and Healing - Healing ourselves and healing the earth is Commonweal’s mission and has been so for four decades. We care about at-risk children, people with cancer, health professionals, and the healing that comes from caring for the earth. We care equally about healing for the rest of us, and about what each of us needs to heal.

Environment and Justice - We cannot be truly healthy people or live in peace on a sick planet. And we cannot heal the earth, or ourselves, without justice. Just as healing and learning are central to our lives, so is the quest for justice.

Education and the Arts - Learning is an essential dimension of true healing, and it emerges through dialogue. We believe that we are designed to learn better through conversation, story, and art. Our love of learning and our need for healing, forge our destinies - individual and collective. Our arts and education programs create spaces for learning and healing as a community.

Commonweal’s programs are diverse and evolving. Please visit [www.commonweal.org](http://www.commonweal.org) to learn about Commonweal’s programs and their latest work.

Commonweal also operates the Commonweal Retreat Center: a breathtakingly beautiful space within the Commonweal site that holds the Cancer Help Program retreats and other workshops, including personal and professional conferences, retreats and gatherings that are compatible with Commonweal’s nonprofit status. The Retreat Center includes Pacific House, a 12-bedroom retreat facility with a commercial kitchen, and Bothin and Kohler Houses, with two and three bedrooms, respectively.

The Hale Fund (supporting organization) was incorporated in California in 1990. It operates as a non-profit supporting organization. Its mission is to benefit and support other non-profit public charities, including Commonweal, which contribute to the health of individuals, public health and global environment. Commonweal controls the Hale Fund through certain common directors and officers.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE B -- Summary of significant accounting policies**

**Principles of consolidation**

The consolidated financial statements include the accounts of Commonweal and the supporting organization (Commonweal). The financial statements are consolidated since Commonweal has both an economic interest in and common control of the Hale Fund through a majority voting interest in its governing body. All significant inter-company balances and transactions have been eliminated in consolidation.

**Basis of accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposits with commercial banks and money market funds. Cash and money market funds held as part of the investment portfolio are included in investments - other.

**Grants and contributions receivable, net**

Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional grants and contributions receivable 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 is included in contribution revenue in the Consolidated Statements of Activities and Changes in Net Assets. Conditional grants and contributions receivable are not included as support until the conditions are substantially met.

Commonweal determines the allowance for credit losses on grants and contributions receivable based on historical experience, age of the receivable balance and a review of subsequent collections. Grants and contributions receivable are written off when deemed uncollectable. The allowance for credit losses on grants and contributions receivable was \$49,135 and \$27,388 as of June 30, 2025 and 2024, respectively.

**Program fees receivable, net**

Commonweal reports program fees receivable at net realizable value. Commonweal maintains an allowance for potentially uncollectable accounts on all program fees receivable. The balance reserved in the allowance for credit losses accounts is based on historical experience, age of the receivable balance and a review of subsequent collections. The allowance for credit losses accounts was \$5,384 and \$16,160 as of June 30, 2025 and 2024, respectively.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE B -- Summary of significant accounting policies (continued)**

**Investments**

Investments primarily consist of debt and equity securities. Debt and equity securities are measured at fair value using unadjusted quoted prices in active markets for identical assets.

Commonweal has categorized investments measured at fair value on a recurring basis according to the fair value hierarchy:

Level 1 - investment assets with observable inputs that are derived from quoted prices for identical assets or liabilities in an active market;

Level 2 - quoted prices in non-active or in active markets for similar assets or liabilities, inputs other than quoted prices that are unobservable, and inputs that are not directly observable, but are corroborated by observable market data; or

Level 3 - unobservable inputs, which cannot be corroborated by external market data.

**Investments - other**

Investments - other consist of certificates of deposits purchased through Certificates of Deposit Account Registry Service (CDARS) and cash, money market, and deposit accounts held as part of the investment portfolio. Certificates of deposit are stated at their estimated redemption value at June 30, 2024. Certificates of deposit held at June 30, 2024, matured at various dates through October 2024. Commonweal did not have certificates of deposit at the year ended June 30, 2025.

For the purposes of the Consolidated Statement of Cash Flows, certificates of deposits, cash, money market and deposits accounts held as part of the investment portfolio are considered to be investment assets.

**Property and equipment, net**

Commonweal's property and equipment are carried at cost or, if donated, at estimated fair value on the date of the gift. Property and equipment with an original cost or fair market value in excess of \$5,000 and an estimated useful life of over one year are capitalized. Depreciation on property, other than land, and equipment is calculated using the straight-line method over the estimated useful lives ranging from 3 to 39 years. The cost of leasehold improvements is amortized over the lesser of the improvements' useful life or the lease term, including reasonably assured renewal periods.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE B -- Summary of significant accounting policies (continued)**

**Net assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, Commonweal's 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 restrictions. The governing board has designated, from net assets without donor restrictions, net assets for reserve funds.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions for: (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. 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.

**Grants and contributions**

Commonweal recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Net assets with donor restrictions are released to net assets without donor restrictions when restrictions are satisfied.

**Contributed goods and services**

Contributions of goods are recognized at fair value when received. Contributions of services are recognized at fair value when received if such services create or enhance nonfinancial assets or requiring specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not donated.

**Program fees**

Program fees consist principally of fees from participants in the Visual Thinking Strategies, Healing Circles, Commonweal Cancer Help Program, Somos El Poder, as well as rental of the Retreat Center and other contracted and fiscal agency services. Commonweal reports program fees when the related services are provided.

**Investment income**

Investment income consists of interest, dividends, realized gains and losses, and unrealized appreciation and depreciation of investments, net of investment management fees. Investment income is reported when earned. Changes in fair values, as well as realized gains and losses, are reflected in the Consolidated Statements of Activities and Changes in Net Assets in the period in which such investments are sold or fluctuations occur.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE B -- Summary of significant accounting policies (continued)**

**Other income**

Other income primarily consists of rent collected from employees living on-site, sales of program related products, and website subscriptions.

**Income taxes**

Commonweal and the supporting organization are non-profit corporations exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and under Section 23701d of the California Revenue and Taxation Code. Therefore, no provision for federal or California income tax is reflected in the consolidated financial statements. Tax returns of Commonweal and the supporting organization are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

**Functional allocation of expenses**

The costs of providing the program services and supporting activities are reported on the Consolidated Statements of Functional Expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and supporting activities based on allocation methods and estimates made by management.

**Use of estimates**

The preparation of consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE C -- Liquidity and availability of resources**

Commonweal's financial assets available within one year of the Consolidated Statements of Financial Position for general expenditures at June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 661,341	\$ 1,198,938
Grants and contributions receivable, net	4,713,646	2,618,422
Program fees receivable, net	50,547	43,316
Resource sharing agreement receivable	8,134	7,871
Employee Retention Credit receivable	137,028	137,028
Investments	10,829,062	11,080,705
Investments - other	<u>692,288</u>	<u>1,494,835</u>
Total financial assets	17,092,046	16,581,115
Less amounts not available to be used within one year:		
Grants and contributions receivable - due after one year, net	(1,859,250)	(1,001,010)
Investments with liquidity horizons greater than one year	(4,202,990)	(3,881,406)
Board designated reserve funds	<u>(2,418,613)</u>	<u>(2,368,613)</u>
Financial assets not available to be used within one year	<u>(8,480,853)</u>	<u>(7,251,029)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 8,611,193</u>	<u>\$ 9,330,086</u>

Commonweal receives significant contributions and promises to give restricted by donors for specific programs. Commonweal only spends program-restricted funds on the expenditures for the applicable program. As part of Commonweal's liquidity management, Commonweal has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations as they come due.

**NOTE D -- Concentrations of credit risk**

Financial instruments which potentially subject Commonweal to concentrations of credit risk include cash and cash equivalents, grants and contributions receivable, investments and investments - other.

Commonweal maintains its cash and cash equivalents at two financial institutions. The balances at times may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC).

Commonweal's exposure to credit risk from grants and contributions receivable is mainly influenced by the type of donor. Receivables from governmental agencies and foundations generally have a very low default risk. Receivables from individuals are considered to have a higher default risk.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE D -- Concentrations of credit risk (continued)**

Investments are held by custodians and, at times, may exceed Securities Investor Protection Corporation insurance limits. Investments are subject to credit and market risks, such as changes in interest rates or credit ratings and market fluctuations.

Certificates of deposit are issued by various financial institutions. The balances at times may exceed federally insured limits as guaranteed by the FDIC.

Management believes that Commonweal is not exposed to any significant credit risk in respect to these financial instruments.

**NOTE E -- Grants and contributions receivable, net**

Grants and contributions receivable consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Due within one year	\$ 2,854,396	\$ 1,617,412
Due in one to five years	<u>2,010,000</u>	<u>1,094,000</u>
	4,864,396	2,711,412
Present value discount	<u>(150,750)</u>	<u>(92,990)</u>
Grants and contributions receivable, net	<u>\$ 4,713,646</u>	<u>\$ 2,618,422</u>

Grants and contributions receivable due in one to five years net of present value discount is \$1,859,250 and \$1,001,010 for the years ended June 30, 2025 and 2024, respectively. Commonweal computed the present value discount using a risk-free rate of 7.50% and 8.50% for the years ended June 30, 2025 and 2024, respectively.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE F -- Investments**

Investments are presented in the consolidated financial statements at fair value. Commonweal categorized all investment assets on an individual security basis according to the fair value hierarchy as Level 1.

Investments measured at fair value at June 30 are composed of the following:

	<u>2025</u>	<u>2024</u>
Stocks/REITs	\$ 5,251,285	\$ 5,611,477
Corporate bonds	1,270,741	1,135,943
Municipal bonds	601,766	548,517
U.S. Treasury bonds	<u>3,705,270</u>	<u>3,784,768</u>
Total	<u>\$ 10,829,062</u>	<u>\$ 11,080,705</u>

Investment returns, net of investment management fees for the years ended June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 317,396	\$ 258,745
Realized and unrealized gains, net	<u>568,692</u>	<u>835,926</u>
Investment income, net	<u>\$ 886,088</u>	<u>\$ 1,094,671</u>

Interest and dividend income includes interest earned on cash and cash equivalents and investments - other.

**NOTE G -- Grant and contribution concentrations**

A donor providing over 10% of total annual revenue and support is considered to be a major donor. For the year ended June 30, 2025, one major donor accounted for approximately 12% of revenue and support. For the year ended June 30 2024, no major donors provided over 10% of total revenue and support.

A donor accounting for over 10% of total grants and contributions receivable, net, is considered to be a major donor. For the year ended June 30, 2025, two major donors accounted for approximately 47% of total grants and contributions receivable. For the year ended June 30, 2024, five major donors accounted for approximately 67% of total grants and contributions receivable.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE H -- Property and equipment**

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 2,088,087	\$ 2,077,450
Furniture and equipment	881,659	845,530
Land	<u>233,474</u>	<u>233,473</u>
	3,203,220	3,156,453
Less accumulated depreciation and amortization	<u>(2,311,360)</u>	<u>(2,103,067)</u>
Property and equipment, net	\$ <u>891,860</u>	\$ <u>1,053,386</u>

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 was \$208,293 and \$184,618, respectively.

**NOTE I -- Net assets without donor restrictions - designated**

Commonweal's governing board has designated portions of its net assets without donor restrictions to be held in reserve funds for specified purposes as follows:

General reserve fund - Created to supplement funding if receipts are no longer sufficient to fund operations.

Maintenance reserve fund - Created to fund the maintenance of Commonweal's facilities as needed, including the on-site retreat center.

Real estate reserve fund - A real estate reserve created for site purchase or significant capital expenses.

The amounts designated to the reserve funds by the Board are as follows as of June 30:

	<u>2025</u>	<u>2024</u>
General reserve fund	\$ 62,681	\$ 62,681
Maintenance reserve fund	555,932	505,932
Real estate reserve fund	<u>1,800,000</u>	<u>1,800,000</u>
Total	\$ <u>2,418,613</u>	\$ <u>2,368,613</u>

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE J -- Net assets with donor restrictions**

Net assets with donor restrictions consist of the following at June 30, 2025:

<u>Program</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Health and Healing	\$ 2,894,314	\$ 1,811,988	\$ (2,055,541)	\$ 2,650,761
Environment and Justice	3,956,392	3,742,657	(4,378,422)	3,320,627
Education and the Arts	546,596	815,619	(833,190)	529,025
Time restricted	<u>124,814</u>	<u>2,545,224</u>	<u>(416,668)</u>	<u>2,253,370</u>
Total	<u>\$ 7,522,116</u>	<u>\$ 8,915,488</u>	<u>\$ (7,683,821)</u>	<u>\$ 8,753,783</u>

Net assets with donor restrictions consist of the following at June 30, 2024:

<u>Program</u>	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Health and Healing	\$ 2,695,018	\$ 2,619,321	\$ (2,420,025)	\$ 2,894,314
Environment and Justice	3,382,402	4,828,675	(4,254,685)	3,956,392
Education and the Arts	285,147	977,968	(716,519)	546,596
Time restricted	<u>96,517</u>	<u>416,909</u>	<u>(388,612)</u>	<u>124,814</u>
Total	<u>\$ 6,459,084</u>	<u>\$ 8,842,873</u>	<u>\$ (7,779,841)</u>	<u>\$ 7,522,116</u>

**NOTE K -- Conditional contributions and grants**

During the year ended June 30, 2025, Commonweal received a \$748,000 two-year conditional grant. The grant is conditioned upon achievement of agreed upon milestones for Commonweal's program, California Nurses for Environmental Health and Justice, to develop a community health promotion plan regarding heat risks. No portion of the grant was recognized during the year ended June 30, 2025.

Commonweal did not receive conditional grants during the year ended June 30, 2024.

**NOTE L -- Retirement plan**

Commonweal sponsors a defined contribution plan under IRC Section 403(b) for its employees. Under the Plan, Commonweal automatically contributes 3% of eligible employee compensation to the Plan and offers to match 100% of participant deferrals up to 2% of the participant's compensation. Eligible employees must have reached age 21 and complete one year of service with at least 1,000 hours. All contribution and matches made by Commonweal are full and immediately vested.

During the years ended June 30, 2025 and 2024, Commonweal's contributions to the plan totaled \$216,610 and \$153,161, respectively.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE M -- Lease commitments and contingencies**

Commonweal occupies various facilities owned by the National Park Service (NPS) under a special use permit and one lease agreement. Commonweal has a special use permit for its employee housing in Bolinas, California, with monthly payments of \$3,575, and an initial expiration date of December 31, 2025. The NPS has issued a new special use permit through December 31, 2026, which requires a monthly fee of \$7,166 consisting of \$3,575 rents payable to NPS and \$3,591 accrued for construction planning and improvement costs payable by Commonweal.

Commonweal has a lease agreement for its operating facilities which consist of an administrative building and three retreat center buildings in Bolinas, California with monthly payments of \$5,000, expiring on December 11, 2029. Under the lease agreement, NPS has the option to change the rent, based on an acceptable appraisal, every five years. The last rent change was effective May 15, 2001.

The impact of the rent change options and extension of the special use permit for the month of January 2026 have been excluded from Commonweal's calculated balance of operating lease right-of-use asset and operating lease liability.

**Lease term and discount rate**

Weighted average remaining lease term (in years)	4.2
Weighted average discount rate	3.28%

Future minimum lease payments under the special use permit and the lease agreements are as follows:

<u>Years ending June 30,</u>	
2026	\$ 81,450
2027	60,000
2028	60,000
2029	60,000
Thereafter	<u>26,774</u>
Subtotal	<u>288,224</u>
Less: present value discount	<u>(18,775)</u>
Operating lease liabilities	<u>\$ 269,449</u>

Rent expense included in occupancy cost totaled \$123,114 and \$114,909 for the years ended June 30, 2025 and 2024, respectively.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE N -- Loan payable**

In November 2024, Commonweal entered into a funding agreement in which a donor agreed to pay \$38,052 of Commonweal's program expenses and Commonweal would repay the donor such expenses at a future date. Interest on the loan is stated to accrue annually at a rate of 5% and is payable each year outstanding. No interest was accrued during the year ended June 30, 2025. In November 2025, the donor agreed to forgive the loan, and the loan and interest were reclassified as a contribution.

**NOTE O -- Related parties**

Michael Lerner, the Chair of the Board of Directors of Commonweal, is the President of The Jenifer Altman Foundation, which pays his salary and benefits. Under a Resource Sharing Agreement, Commonweal reimbursed The Jenifer Altman Foundation \$185,772 and \$188,352 for the years ended June 30, 2025 and 2024, respectively, for Michael Lerner's services directing Commonweal programs.

Commonweal received grants totaling \$251,500 and \$250,000 from The Jenifer Altman Foundation for the years ended June 30, 2025 and 2024 respectively. Under a Resource Sharing Agreement, The Jenifer Altman Foundation reimbursed Commonweal \$31,750 and \$31,260 for the years ended June 30, 2025 and 2024, respectively, for services provided by Commonweal's staff. Under a Resource Sharing Agreement, Commonweal reimbursed The Jenifer Altman Foundation \$9,100 for the year ended June 30, 2024, for services provided by The Jenifer Altman Foundation's staff.

Catherine Dodd is on the Board of Directors and was paid \$812 and \$800 for leading sessions with Healing Circles for the years ended June 30, 2025 and June 30, 2024, respectively.

Jaune Evans is on the Board of Directors and was paid \$1,200 for working in the Commonweal Cancer Help Program in fiscal year ended June 30, 2024.

Commonweal paid the spouse of one of the members of the Board of Directors \$26,734 and \$21,846 to operate the Commonweal Biomonitoring Resource Center for the years ended June 30, 2025 and 2024, respectively.

Commonweal paid the spouse of one of the members of the Board of Directors \$18,100 and \$27,500 to operate the Gift of Compassion program for the years ended June 30, 2025 and 2024, respectively.

Commonweal paid the spouse of the Executive Director \$350 to speak at a The New School workshop for the year ended June 30, 2024. Commonweal paid \$141,846 and \$136,234 to relatives of the Executive Director as compensation for staff work for the years ended June 30, 2025 and 2024, respectively.

Under a Resource Sharing Agreement, Climate Action Systems, Inc. reimbursed Commonweal \$376,229 for payroll expenses and back office services for the year ended June 30, 2024. In December 2023, Climate Action Systems, Inc. ceased operations, and the trust created by its closure donated \$14,000 to Commonweal as reimbursement for expenses in year ended June 30, 2025.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE P -- Contributed goods and services**

Contributed goods and services recognized as support in the Consolidated Statements of Activities and Changes in Net Assets for the years ended June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Program contractor services	\$ 11,749	\$ 19,029
Office supplies	-	585
Equipment	-	<u>500</u>
Total	<u>\$ 11,749</u>	<u>\$ 20,114</u>

Contributions of goods are recognized at fair value when received. During the year ended June 30, 2024, the value of contributed goods included in contributed goods and services in the accompanying consolidated financial statements was \$1,085. There were no contributed goods included in contributed goods and services during the year ended June 30, 2025.

Commonweal recognized contributed goods and services in revenue and support, including property and equipment, and office supplies. All contributed goods and services had donor- imposed restrictions.

Contributed equipment and office supplies were utilized in various programs and within Commonweal's administrative expenses.

In valuing the property and equipment, and office supplies, Commonweal estimated the fair value based on retail values that would be paid for similar products.

Contributions of services are recognized at fair value when received if such service (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

In addition, a substantial number of volunteers have donated significant amounts of time to Commonweal programs. The value of these volunteer services has not been recognized in the consolidated financial statements because such services do not meet the criteria described above.

**NOTE Q -- Subsequent events**

In July 2025, Commonweal received a contribution of 200,000 shares of stock. All shares of stock were sold on July 14, 2025, for a total of \$1,246,000. Commonweal repurchased 56,000 shares of the same stock in September 2025 and 7,500 shares in October 2025.

In November 2025, Commonweal received a grant of \$1,000,000. The grant is with donor restriction to support one of Commonweal's fiscally sponsored projects during the period of November 2025 through November 2026.

**COMMONWEAL AND THE HALE FUND (SUPPORTING ORGANIZATION)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**June 30, 2025 and 2024**

**NOTE Q -- Subsequent events (continued)**

In December 2025, Commonweal received an initial donation of \$460,007 from an estate in which Commonweal is a residual beneficiary to support Commonweal's programs Commonweal Cancer Help Program and Cancer Choices. Future donations from the estate cannot be determined at this time.

The date to which events occurring after June 30, 2025 have been evaluated for possible adjustments to the consolidated financial statements or disclosure is March 14, 2026, which is the date the consolidated financial statements were available to be issued.