



## Management Discussion & Analysis

### Values and Vision

The Humboldt Area Foundation + Wild Rivers Community Foundation is three years into a decade-long strategic plan with the vision of a thriving, just, healthy, and equitable future for all generations and communities in our remarkable region. Our service area includes the region of Del Norte, Humboldt, and Trinity counties in Northern California and Curry County in Southern Oregon, as well as 18 Native American tribal nations and lands, among the country's most populous and culturally significant ancestral lands. We are supported in this work by the remarkable community we serve, as well as our Board of Directors, national and statewide philanthropic partners, and generous local donors.

Our work is guided by five key perennial values:

1. We seek to reduce economic, social, health, and environmental vulnerabilities that disproportionately impact underserved communities.
2. We are in active promotion of racial equity. We recognize that people of color possess unique knowledge, assets, and experiences that can elevate us all.
3. We will be adaptable and responsive leaders, addressing both urgent and systematic issues that affect our region.
4. We will partner and collaborate to increase impact, share resources and responsibility, build capacity, and diversify understanding.
5. We bring our region's cultures and communities together in a spirit of learning, empathy, and connection. We empower local knowledge and invest in our community's solutions.

## Our Progress and Commitment

In the 2023-2024 fiscal year, the Foundation distributed \$8.7 million in grants, over \$900k in scholarships as well as engaged in countless hours of technical assistance, advocacy, and convening.

This work would not be possible without our family of affiliates and supporting organizations: the Native Cultures Fund, Humboldt Health Foundation, Klamath River Fund, Trinity Trust, Redwood Region Climate & Community Resilience Hub (CORE Hub) and other programs. These powerful community-based partnerships deliver resources to our region's diverse places, purposes, and peoples.

With the guidance of our committed and diligent Board of Directors, we recently restructured our leadership to welcome former Chief of Staff Sara Dronkers into a new role as Chief Operating Officer. Sara, who has been with HAF+WRCF for more than 20 years, now leads the executive day-to-day management of the organization. Bryna Lipper has transitioned from CEO to the role of Chief Innovation Officer after being accepted to a distinguished Ph.D. program at Carnegie Mellon University. The program includes a focus on climate change and social justice in rural and Indigenous communities. Bryna will continue to collaborate at national and state levels to further philanthropic efforts supporting our region.

In 2023-2024, we continued to deepen our work in our goal areas of advancing racial equity, supporting thriving youth and families, helping create healthy ecosystems and environments, and championing a just economy and economic development.

### Racial Equity

*Transforming our institutions and structures to address the outcome gaps across every indicator of success, from infant mortality to life expectancy, that have been created by hundreds of years of racial oppression.*

The Foundation's Racial Equity Goal Area serves as an umbrella for all other strategic goals of the Foundation. By weaving a focus on racial equity into all our work, we aim to make investments that will improve community wellbeing for generations to come. One such investment in the 2023-2024 fiscal year was a grant to the Karuk Tribe to support strategic planning for its language revitalization project. Having access to cultural practices has a demonstrable effect on positive mental and physical health outcomes while decreasing vulnerability to adverse social outcomes. The grant will support the design of a strategic plan to create a long-term program to keep the Tribe's ancestral language alive.

## Thriving Youth and Families

*Investing in the future by creating a safe, healthy place where generations of families can grow and have the chance to succeed – where everyone has the chance to experience support and success in their community and reach their greatest potential.*

This year, with the guidance of its committee members, the Pacific Redwoods Missing & Murdered Indigenous People Crisis Action Fund awarded \$135,000 in grants to organizations focusing on solutions to this ongoing crisis. The committee, together with Foundation staff, works to identify risk factors and other conditions that contribute to the Missing and Murdered Indigenous People (MMIP) crisis.

“The more complex a problem is, the more upstream you need to go,” says Holly Hensher, a Senior Program Officer at the Foundation.

The grants directly supported violence survivors through the North Coast Rape Crisis Team, funded a coordinator position at the Redwood Adult & Teen Challenge and offered support for young mothers to attend programs offered by A Mother’s Village.

## Healthy Ecosystems and Environments

*Using traditional knowledge and cutting-edge science to clean our water, purify our air, maintain our soil, adapt to a changing climate, and provide sustainable food, energy, water, and transportation sources.*

The Klamath River Fund, launched in June 2024, is a new program focused on community-led climate resilience and restorative justice work in the Klamath Basin. The fund’s announcement coincides with the historic removal of four dams, returning the Klamath River to its natural path. Led by the Yurok, Karuk, and Klamath Tribes in partnership with nonprofit organizations, lawyers, scientists, and activists, the removal project reopened 400 miles of habitat for coho salmon, Chinook salmon, steelhead trout, and other threatened fish species and allowed the lower Klamath River to flow freely for the first time in more than a century. It is widely recognized as a successful Tribal justice initiative that will help revitalize the culture and economies of several Tribal Nations whose homelands are in the Klamath Basin.

The Klamath River Fund was created with generous funding from the William & Flora Hewlett Foundation, which has been joined in generosity to date by The James Irvine Foundation, Roundhouse Foundation, Meyer Memorial Trust, Tamalpais Trust, and an anonymous funder. The fund has now grown to nearly \$12 million with the goal of supporting the communities of the Klamath River Basin through 2033. The removal of the dams is the result of generations of work to bring healing to the Klamath River basin. Now we have another generational project ahead of us: restoring the ecosystem so the region can thrive, ecologically, culturally, economically, and beyond.

## A Just Economy and Economic Development

*Bolstering economic development to create opportunities for each person in our region to have a dignified, productive, and creative life unencumbered by poverty or exploitation.*

This year, as the Foundation pursued its goal area of A Just Economy & Economic Development, it focused much of its work on post-disaster recovery happening throughout our region. That's because most disaster recovery work is economic in nature. This has been true of the 2022 Ferndale Earthquake and the 2023 Smith River Complex Fire, which the Foundation continues to monitor and support with funds for recovery and resilience.

The Foundation's Community Response Team has continuously supported organizations leading the December 2022 earthquake recovery efforts in the Eel River Valley using a mix of tools including grantmaking and technical assistance. As of June 2024, over \$850k had been granted to non-profit organizations carrying out recovery work in the region.

In July 2023, the Community Response Team connected with partners across the region working to address the impacts and needs created by the Perch Fire, Flat Fire, and the Smith River Complex Fire which threatened and eventually displaced community members. Within a few weeks, the team connected with several community partners to understand and assess needs, acted as a conduit to connect needs to existing resources, and deployed over \$150,000 in rapid response grantmaking dollars for emergency supplies, food security, hygiene, and general operating support.

## Native Land Acknowledgement Statement

The HAF+WRCF Service Region includes the unceded lands of many Indigenous peoples.

Chetco	Sinkyone
Chilula	Tolowa
Chimariko	Tsnungwe
Coquille	Tututni
Hupa	Wailaki
Karuk	Whilkut
Lassik	Wintu
Nomlaki	Wiyot
Nongatl	Yurok

We share a deep gratitude and respect for our Indigenous communities. We acknowledge these 18 Indigenous peoples and the federally and non-federally recognized nations that represent them.

As part of our commitment to taking action with our land acknowledgement, and in recognition that our properties sit on the unceded homelands of the Tolowa and Wiyot peoples, HAF+WRCF pays a voluntary honor tax to the Tolowa Dee-ni' Nation and the Wiyot Honor Tax Fund.

For more information, visit [tolowa-nsn.gov](http://tolowa-nsn.gov) and [honortax.org](http://honortax.org).



## About the Foundation

The Humboldt Area Foundation + Wild Rivers Community Foundation serves Curry, Del Norte, Humboldt and Trinity Counties by building a Thriving, Just, Healthy, and Equitable region.

HAF+WRCF supports a family of organizations, initiatives and programs including:





HUMBOLDT AREA  
FOUNDATION

*Wild Rivers*

COMMUNITY  
FOUNDATION



Humboldt Area Foundation

Consolidated Financial Statements

June 30, 2024

With Summary Comparative Information for

June 30, 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Humboldt Area Foundation:

### **Opinion**

We have audited the accompanying consolidated financial statements of the Humboldt Area Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year 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 consolidated financial position of the Humboldt Area Foundation as of June 30, 2024, and the changes in net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Humboldt Area Foundation 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 consolidated 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 the Humboldt Area Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



## **Auditors' 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 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 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Humboldt Area Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Humboldt Area Foundation'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.

## **Report on Summarized Comparative Information**

We have previously audited the Humboldt Area Foundation's consolidated financial statements for the fiscal year ended June 30, 2023, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Evergreen Alliance*

Los Alamitos, California  
February 12, 2025

**HUMBOLDT AREA FOUNDATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2024 AND 2023**

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,952,229	\$ 8,717,030
Unconditional promises to give, net	1,254,000	1,101,275
Grants receivable, current portion	500,000	--
Accounts receivable	74,676	37,279
Note receivable, current portion	8,694	8,694
Investments	173,731,073	149,369,430
Mission-related investments	2,090,558	2,330,740
Prepaid expenses and other current assets	104,945	92,753
Assets held for distribution, net	<u>1,754,781</u>	<u>--</u>
	187,470,956	161,657,201
<b>PROPERTY AND EQUIPMENT, NET</b>	2,225,984	4,003,458
<b>NON-CURRENT ASSETS</b>		
Grants receivable, net of current portion	500,000	--
Note receivable, net of current portion	<u>8,835</u>	<u>12,288</u>
	<u>508,835</u>	<u>12,288</u>
<b>TOTAL ASSETS</b>	<u>\$ 190,205,775</u>	<u>\$ 165,672,947</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 208,868	\$ 255,255
Accrued employee related expenses	500,981	441,373
Grants payable	1,579,984	1,147,190
Agency pass-through funds	39,285,000	34,900,016
Obligations under split-interest agreements	<u>1,760,089</u>	<u>1,710,905</u>
<b>COMMITMENTS (NOTE 14)</b>		
<b>TOTAL LIABILITIES</b>	43,334,922	38,454,739
<b>NET ASSETS</b>		
Without donor restrictions	125,104,190	116,092,653
With donor restrictions	<u>21,766,663</u>	<u>11,125,555</u>
<b>TOTAL NET ASSETS</b>	<u>146,870,853</u>	<u>127,218,208</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 190,205,775</u>	<u>\$ 165,672,947</u>

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT AREA FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>June 30,</u>	
			<u>2024</u>	<u>2023</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 3,409,070	\$ --	\$ 3,409,070	\$ 3,271,184
Grants	315,890	15,262,020	15,577,910	7,563,753
Investment income, net	17,099,488	11,110	17,110,598	12,271,765
Administrative fee income	328,777	--	328,777	307,140
Workshops and other income	205,285	--	205,285	99,934
Rental income	33,600	--	33,600	50,800
Change in value of split-interest agreements	--	103,615	103,615	110,813
Net assets released from restrictions	<u>4,735,637</u>	<u>( 4,735,637)</u>	<u>--</u>	<u>--</u>
<b>TOTAL REVENUE AND SUPPORT</b>	26,127,747	10,641,108	36,768,855	23,675,389
<b>EXPENSES</b>				
Programs and grants	13,732,046	--	13,732,046	12,850,686
Supporting services:				
Administration and general	1,727,687	--	1,727,687	1,583,889
Fundraising and development	<u>1,656,477</u>	<u>--</u>	<u>1,656,477</u>	<u>1,343,156</u>
<b>TOTAL EXPENSES</b>	<u>17,116,210</u>	<u>--</u>	<u>17,116,210</u>	<u>15,777,731</u>
<b>CHANGE IN NET ASSETS</b>	9,011,537	10,641,108	19,652,645	7,897,658
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>116,092,653</u>	<u>11,125,555</u>	<u>127,218,208</u>	<u>119,320,550</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 125,104,190</u>	<u>\$ 21,766,663</u>	<u>\$ 146,870,853</u>	<u>\$ 127,218,208</u>

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT AREA FOUNDATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
WITH SUMMARY COMPARATIVE INFORMATION FOR 2023**

			June 30,		
	Programs and Grants	Administration and General	Fundraising and Development	2024	2023
<b>PERSONNEL EXPENSES</b>					
Salaries and wages	\$ 2,192,556	\$ 963,669	\$ 912,236	\$ 4,068,461	\$ 3,391,624
Employee benefits and taxes	719,539	318,344	299,796	1,337,679	1,106,496
<b>TOTAL PERSONNEL EXPENSES</b>	2,912,095	1,282,013	1,212,032	5,406,140	4,498,120
<b>OTHER EXPENSES</b>					
Grants and assistance	8,753,610	--	--	8,753,610	8,548,365
Bank and merchant fees	--	12,749	--	12,749	12,449
Community convening, conferences and meetings	672,327	5,371	38,317	716,015	631,620
Depreciation	51,877	36,123	13,882	101,882	99,598
Equipment and rentals	9,110	10,921	4,197	24,228	20,080
Information technology	67,401	68,863	90,940	227,204	259,608
Insurance	6,555	43,200	2,258	52,013	44,746
Professional services:					
Accounting	--	48,748	--	48,748	48,030
Legal	39,818	12,859	--	52,677	67,408
Other professional services	796,750	8,132	3,125	808,007	613,454
Occupancy	109,788	62,640	24,072	196,500	170,055
Office expenses	47,896	70,470	27,081	145,447	142,171
Outreach, promotion and development	186,711	59,632	230,597	476,940	503,844
Repairs and maintenance	31,086	489	188	31,763	67,044
Travel	44,955	4,933	9,579	59,467	46,884
Other expenses	2,067	544	209	2,820	4,255
<b>TOTAL OTHER EXPENSES</b>	10,819,951	445,674	444,445	11,710,070	11,279,611
<b>TOTAL EXPENSES</b>	\$ 13,732,046	\$ 1,727,687	\$ 1,656,477	\$ 17,116,210	\$ 15,777,731

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT AREA FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 19,652,645	\$ 7,897,658
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in allowance and present value discount for unconditional promises to give	207,300	( 325,705)
Donated securities	( 307,741)	( 272,976)
Realized and unrealized gains on investments	( 20,882,399)	( 13,477,798)
Contributions restricted for investment in perpetuity	( 11,110)	( 11,092)
Depreciation	101,882	99,599
Change in actuarial annuity liability	231,649	126,051
Change in operating assets and liabilities:		
Unconditional promises to give	( 360,025)	1,211,148
Grants receivable	( 1,000,000)	--
Accounts receivable	( 37,397)	( 37,279)
Note receivable	3,453	( 20,982)
Prepaid expenses and other current assets	( 12,192)	207
Accounts payable and accrued expenses	( 46,387)	( 61,580)
Accrued employee related expenses	59,608	85,632
Grants payable	432,794	188,692
Agency pass-through funds	4,384,984	2,918,779
Obligations under split-interest agreements	( 182,465)	( 207,611)
Net Cash Provided By (Used In) Operating Activities	2,234,599	( 1,887,258)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	19,444,924	149,660,710
Purchases of investments	( 22,609,240)	( 146,279,092)
Proceeds from repayments on mission-related investments	232,995	96,658
Disbursements on mission-related investments	--	( 330,000)
Purchases of property and equipment	( 79,189)	--
Net Cash (Used In) Provided By Investing Activities	( 3,010,510)	3,148,276
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long-term investments	11,110	11,092
Net Cash Provided By Financing Activities	11,110	11,092
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	( 764,801)	1,272,110
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	8,717,030	7,444,920
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 7,952,229	\$ 8,717,030

The accompanying notes are an integral part of these financial statements.

**HUMBOLDT AREA FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**WITH SUMMARY COMPARATIVE INFORMATION FOR 2023**

**NOTE 1 – Organization**

The Humboldt Area Foundation + Wild Rivers Community Foundation (the Foundation, or HAF+WRCF) is a nonprofit public benefit corporation. The Foundation’s strategic vision is to help create a thriving, just, healthy, and equitable region.

For five decades, the Humboldt Area Foundation — joined since 2004 by the Wild Rivers Community Foundation — has proudly served the counties of Humboldt, Trinity, and Del Norte in California and Curry County in Southern Oregon. Our service region includes the unceded lands of many Indigenous peoples. The Foundation honors the territories of 18 Indigenous peoples. We share deep gratitude and respect for our Indigenous communities, the federally and non-federally recognized nations that represent them. This service area represents remote, rural, and tribal areas that are bound together by land, water, history, and circumstance. This region is a nearly 10,000 square-mile area that is simultaneously challenging, remarkable, evolving, enduring, and beautiful — and is home to about 200,000 individuals who we are entrusted to serve.

This region is defined in numerous ways that our Foundation and affiliates are devoted to serving. These lands harbor precious natural ecosystems. Containing 24 lakes and 13 rivers, Curry County is 18% water. Del Norte County is also 18% water, with 19 lakes and five major rivers — four of which flow through Humboldt County with its 110 miles of Pacific coastline, 12 watersheds, five lagoons, and two lakes. Trinity County has four lakes and shares Trinity River with the adjacent Humboldt County. The region is stitched together by these bodies of water and are linked to the Pacific. These bodies are sacred, wild, scenic, and recreational. They are the basis of life here, flowing through the history of the place, feeding the redwood trees, the salmon, the farms, and generations of people. Klamath, Eel, Mad, Mattole, Smith, Chetco, Rogue, and Sixes are just some of the evocative names of these rivers, which connect jurisdictions and cultures, times and places, species, and ways of living. Local Tribes include the Yurok Nation, the most populous in the state, as well as the Hoopa Valley, Karuk, Wiyot, and Tolowa Dee-Ni’ nations.

And while the Foundation invests in this remarkable Tribal cultural renaissance, they recognize that the institution and others like it must reconcile the legacy of systematic genocide and ongoing harm to our Indigenous peoples before honest healing can occur. Immigrants brought their cultures and dreams here — and yet were subjected to the harshness of the boom-and-bust and extractive resource cycles, which have extracted more than just wealth from people and place. But the souls of those who endured were etched into our cuisines, music, arts, literature, philosophy, and shared identity. And thus, the region reflects Hmong and Lao, Chinese, Salvadoran, Mexican, and dozens of other cultural influences. Moreover, much of the region is now a sanctuary for a significant number of California’s migrant and undocumented workers, given its agriculture and service industries that feed and care for tens of millions of beings.

**HUMBOLDT AREA FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**WITH SUMMARY COMPARATIVE INFORMATION FOR 2023**

**NOTE 1 – Organization (continued)**

Today, the Foundation’s service area has emerged as a hub of dairy, ranching and agricultural production for the region — including a transitioning cannabis industry. Its largest employers are governments, nonprofits, and retail services. The art and music produced here is nationally acclaimed. The region’s Tribes are leading internationally recognized ecological, equity, and revitalization efforts. There are tremendous opportunities to work together to blend these skills, ideas, and interests to ensure that our economy serves our people in a just and equitable way and provides for each family's thriving, health, and inspiration.

During the last fiscal year, the Foundation distributed \$8.8 million in grants, including over 500 scholarships; and managed \$2.1 million in its local impact lending portfolio. The Foundation partners closely with generous donors to manage their philanthropic funds and investments. Revenue through the earnings on investments, grants, contributions from the community, and from certain community events support the Foundation’s programs, grants, scholarships, and operations.

The Foundation was originally formed in 1972 under a Declaration of Trust for public and charitable purposes to develop philanthropy and engage in grant making in northwestern California. On May 3 of that year, the Foundation received a gift of \$1,000 from Vera Perrott Vietor and was subsequently named an income beneficiary of the Estate of Vera Perrott Vietor. During 1974, a distribution was received from the estate and the Foundation commenced operations. On August 25, 1993, the Humboldt Area Foundation was incorporated as a 501(c)(3) charitable organization, with the original Declaration of Trust created in 1972 terminated. All trust assets were transferred to the new nonprofit corporation. HAF+WRCF, its affiliates and supporting organizations are governed by no fewer than eight Board of Directors who oversee fiduciary and legal responsibilities in accordance with California State law.

The Humboldt Health Foundation (HHF), formerly the Union Labor Health Foundation, is a supporting organization of the Foundation. The Foundation is responsible for expenditures of HHF for specific charitable purposes. This responsibility is ensured by the presence of two board members appointed to the board of HHF by the Foundation. HHF’s charitable purpose is to expand access to affordable, quality health care for underserved individuals, families, groups and communities, and to promote fundamental improvements in the health status of the people of Humboldt County. Upon dissolution of HHF, the assets of HHF would transfer to the Foundation. The accompanying consolidated financial statements include all activities of HHF.

The Foundation serves residents of Del Norte County in California and Curry County in Oregon and tribal lands by also operating under the name Wild Rivers Community Foundation. Since 2021, the Foundation has combined both operating names and is now referred to as the Humboldt Area Foundation + Wild Rivers Community Foundation, as mentioned at the beginning of this document. The accompanying consolidated financial statements include all activities in those regions.

**HUMBOLDT AREA FOUNDATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**  
**WITH SUMMARY COMPARATIVE INFORMATION FOR 2023**

**NOTE 1 – Organization *(continued)***

The Foundation is the 100% owner of Leavey Ranch, LLC (the LLC), a 240-acre historic working ranch that supports education-based research in rangeland management, wildlife, forestry, and fisheries. The accompanying consolidated financial statements include all activities of the LLC.

**NOTE 2 – Summary of Significant Accounting Policies**

***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of the Foundation, the LLC, and HHF, its supporting organization. All material inter-organization transactions and balances have been eliminated upon consolidation.

***Basis of Presentation of Financial Statements***

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

***Comparative Financial Information***

The accompanying consolidated financial statements include certain prior fiscal year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparison of operations year over year. Accordingly, these comparative consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the fiscal year ended June 30, 2023, from which the summarized information was derived.

***Cash and Cash Equivalents***

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.



**HUMBOLDT AREA FOUNDATION  
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**NOTE 2 – Summary of Significant Accounting Policies *(continued)***

***Unconditional Promises to Give***

Unconditional promises to give are stated at the amount management expects to receive. The Foundation provides an allowance for probable uncollectible promises to give through an adjustment to the allowance based on its assessment of each promise using the Finance Committee approved valuation allowance rules. The valuation considers liquidity of the gift, accuracy of the estimate and length of time until expected realization of the gift. Promises that are deemed uncollectible are written off.

***Grants Receivable***

Grants receivable that are expected to be collected within one year are recorded at net realizable value. Grants receivable that are expected to be collected in future fiscal years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the fiscal years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. For the fiscal years ended June 30, 2024, and 2023, the Foundation did not receive any conditional promises to give.

***Accounts Receivable***

Accounts receivable consists primarily of amounts due from workshop income and other receivables and are stated at the amount that management expects to collect from outstanding balances based on historical loss information along with current and forecasted economic conditions. Accounts receivable are written off when they are determined to be uncollectable.

***Note Receivable***

Note receivable consists of amounts due from a community member that was transferred to the Foundation as part of being named the beneficiary of an estate. The note receivable is secured by real property.

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**NOTE 2 – Summary of Significant Accounting Policies (*continued*)**

***Investments***

Investments are stated at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at fair value in the consolidated statement of financial position, and the changes in fair value are reported as investment income in the consolidated statement of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the consolidated statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

The Foundation maintains three master investment accounts for the various types of funds within the Foundation. Realized and unrealized gains and losses and income from the master investment accounts are allocated monthly to individual funds based on individual average daily fund balances.

The three master accounts are as follows:

- *Fixed income pool* focuses on maintaining the principal of the fund and is invested in money market accounts over a short duration.
- *Mid-term pool* is investments with a shorter time frame of three to five years. The pool is composed of 60 percent fixed income investments and 40 percent equity investments.
- *Long-term pool* is investments with a long-term horizon and is invested 79.4 percent in equities, 9.6 percent in fixed income, 4.7 percent in the private credit, 4.7 percent in private equities and 1.6 percent in private real estate.

The Foundation previously had a fourth fund, the socially responsible pool, that was focused on investments that address climate change, sustainability, and other social issues, and maintain good governance practices. The Socially Responsible Pool was rolled into the Long-Term Pool during the fiscal year ended June 30, 2023 and the asset allocation on the Long-Term Pool was updated. This new Long-Term Mission Aligned Pool took on many of the focuses of the Socially Responsible Pool and further implements Mission Alignment of our entire investment portfolio by using investment screens, mission-related tilts, and shareholder engagement. As of June 30, 2024, management believes that there is no risk of credit loss for Treasury bills due to their explicit guarantee by a high-quality sovereign entity and their long history of no credit losses.

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**NOTE 2 – Summary of Significant Accounting Policies (*continued*)**

***Assets Held for Distribution***

As of the fiscal year ended June 30, 2024, the Foundation has classified the assets contained within Leavey Ranch, LLC as held for distribution on the Statement of Financial Position. These assets represent real property the Foundation intends to grant to another nonprofit organization. The assets are measured at the lower of their carrying amount of fair value less costs to distribute. The Foundation anticipates the distribution will be effectuated in early 2025.

***Property and Equipment***

The Foundation's policy is to capitalize asset additions over \$10,000. Property and equipment are stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation has been provided on the straight-line method over the useful lives of the assets, which are generally three to forty years. Expenditures for repairs and maintenance are expensed as incurred.

***Grants Payable***

Unconditional grants are recognized when approved and communicated to the grantee. Grants approved by the Board of Directors that are payable upon the performance of specified conditions by the grantee are not reflected in grants payable until those conditions are satisfied. Conditional grants outstanding were \$980,000 and \$120,000, for the fiscal years ended June 30, 2024, and 2023, respectively.

The Foundation's Board of Directors has approved the grant distributing the assets of Leavey Ranch, LLC, however the grant is conditional on approval by the California Attorney General and other compliance requirements, including an appraisal to establish fair value.

***Agency Pass-Through Funds***

In accordance with accounting standards generally accepted in the US (US GAAP), when a nonprofit organization, such as a community foundation, accepts a contribution from a donor and agrees to transfer those assets, the return on investment on those assets, or both, to another entity that is specified by the donor, the community foundation must account for the transfer of such assets as if it is holding the funds as an agent of the donor. These funds, identified as agency funds, are included in the Foundation's assets with an off-setting liability on the consolidated statement of financial position. The liability is valued at fair value of the agency funds, estimated by the Foundation. Activities related to the agency funds do not affect the change in net assets of the Foundation.

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**NOTE 2 – Summary of Significant Accounting Policies (*continued*)**

***Classification of Net Assets***

Net assets, revenues, gains, and losses 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 available for use in general operations and not subject to donor-imposed restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, for example contributed assets that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating that resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities as net assets released from restrictions.

The Foundation's corporate bylaws and contribution documents grant the Foundation variance power that, in effect, gives the Foundation control over all grant disbursements. In addition, all donor funds are subject to an annual spending policy which may require the use of the principal from time to time to regulate the flow of grant dollars to optimize total investment return on the fund assets and grant dollars delivered to the community. Consequently, all contributions are classified as net assets without donor restrictions if they are available to the Foundation with no restriction as to when the funds are available for expenditure.

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**NOTE 2 – Summary of Significant Accounting Policies *(continued)***

***Revenue Recognition***

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Program service revenue and event sponsorships received in advance are deferred to the applicable period in which the related services are performed, or event occurs.

***Donated Goods, Services and Use of Facilities***

Contributed goods and use of facilities are recorded at fair value at the date of donation. Contributed services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of securities are recorded at the average of the quoted high and low market price on the date of donation. Donated securities totaled \$307,741 and \$272,976 for the fiscal years ended June 30, 2024, and 2023, respectively. Contributions of real estate are recorded at appraised and estimated fair value on the date received and generally made available for sale as soon as practical. During the fiscal years ended June 30, 2024, and 2023, the Foundation did not receive any donated goods or services.

***Outreach, Promotion and Development***

Outreach, promotion and development, or advertising expenditures, are charged to operations when incurred. Advertising expense for the fiscal years ended June 30, 2024, and 2023 was \$476,940 and \$503,844, respectively.

***Income Tax Status***

The Foundation and its supporting organization have received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and under Revenue and Taxation Code Section 23701d, respectively.

Leavey Ranch, LLC is a single-member limited liability company, wholly owned by the Foundation. Accordingly, all activity is reported under the Foundation's name and Leavey Ranch, LLC assumes the same tax status as the Foundation.

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**NOTE 2 – Summary of Significant Accounting Policies *(continued)***

***Income Tax Status (continued)***

Since the Foundation is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Foundation uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt information returns are more likely than not to be sustained upon examination. The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

***Estimates***

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates and those differences could be material.

***Financial Instruments and Credit Risk***

Concentration risk is managed by placing cash and cash equivalents with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Foundation has not experienced losses in any of these accounts. During the fiscal year ended June 30, 2023 and 2024, the Foundation initiated a Deposit Placement Agreement by which funds are deposited with multiple banks to maintain levels below the maximum Federal Deposit Insurance Corporation (FDIC) deposit insurance limits. Funds in the program at June 30, 2024, and 2023, totaled \$4,563,990 and \$3,728,676, respectively. Credit risk associated with unconditional promises to give and grants receivable are considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although fair values of investments are subject to fluctuations on a year-to-year basis, the Foundation believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation. The Foundation contracts with Angeles Investment Advisors to act as the Outsourced Chief Investment Office (OCIO) for the Mission Aligned Long-Term Pool and the Mid-Term Pool.

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**NOTE 2 – Summary of Significant Accounting Policies *(continued)***

***Accounting Pronouncements Adopted***

In June 2016, FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost. ASU 2016-02 became effective for nonpublic entities for the annual reporting period beginning after December 15, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

***Subsequent Events***

The Foundation has evaluated subsequent events through February 12, 2025, which was the date these consolidated financial statements were available to be issued for the fiscal year ended June 30, 2024, and noted no items to disclose.

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**NOTE 3 – Liquidity and Availability**

Financial assets available to meet cash needs for general expenditures within one year are as follows as of June 30:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 7,952,229	\$ 8,717,030
Unconditional promises to give, net	1,254,000	1,101,275
Grants receivable, current portion	500,000	--
Accounts receivable	74,676	37,279
Note receivable, current portion	8,694	8,694
Investments	173,731,073	149,369,430
Total financial assets	183,520,672	159,233,708
Less: amounts unavailable for general expenditures within one-year, as a result of:		
Donor restrictions:		
Funds subject to time or purpose restrictions	( 15,726,396)	( 5,087,757)
Endowments	( 5,757,227)	( 5,746,118)
Investments in property and equipment, net	( 283,040)	( 291,680)
	( 21,766,663)	( 11,125,555)
Board-designated funds:		
Operating reserves	( 1,305,679)	( 1,175,124)
Investment in property and equipment, net	( 1,942,944)	( 3,711,778)
	( 3,248,623)	( 4,886,902)
Investments measured at NAV	( 18,749,239)	( 11,660,531)
Investments held for agency pass-through funds	( 35,933,990)	( 31,923,045)
	( 54,683,229)	( 43,583,576)
Financial assets available to meet cash needs for general expenditures within one year	\$ 103,822,158	\$ 99,637,675

Operating liquidity comes from fees, grants, donations, and distributions from the reserve funds. Fee income is assessed monthly and based on the average daily balance of funds administered by the Foundation. Reserve distributions are assessed quarterly or as the budgeted needs arise.



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**NOTE 3 – Liquidity and Availability (continued)**

Grant liquidity is provided through either the long-term mission aligned pool, the medium-term pool or the short-term fixed income pool. The long-term mission aligned pool typically maintains \$150,000 - \$350,000 in cash for grant-making purposes. This amount may be exceeded during periods of high grant-making activity when grantmaking instructs finance of the need for additional cash. Excess (beyond two week's need) grant cash in the checking accounts is moved to a linked FDIC Insured Cash Sweep (ICS) account. Over 90% of the Foundation's long-term mission aligned pool is held in publicly traded securities which can be readily liquidated when needed.

The medium-term pool typically maintains \$150,000 - \$350,000 in cash for grant-making purposes. 100% of the Foundation's medium-term pool is held in publicly traded securities which can be readily liquidated when needed.

The short-term fixed income pool is held in money market, interest earning savings, and checking accounts. The short-term fixed income pool also utilizes a linked FDIC Insured Cash Sweep (ICS) account to maintain account balances under the FDIC \$250,000 limit.

The Foundation's reserve funds are invested in the mid-term pool. Included in the reserve funds is an operating reserve that can be used with approval from the Board of Directors to carry any shortfalls in operations. All funds are monitored to ensure the spending rates are in compliance with the gift instrument under which the fund was established.

At June 30, 2024, and 2023, an additional \$98,302,141 and \$82,692,844, respectively, of donor endowed funds classified as net assets without donor restrictions would not be considered available to meet general expenditures within one year, leaving the financial assets of \$5,520,017 and \$16,944,831, respectively, available for general expenditures. In the event of an unanticipated liquidity need, the Foundation has four Board-designated operating reserves that can be used with Board approval for administrative and operating expenses. The Board-designated reserve funds have balances of \$1,305,679 and \$1,175,124 as of June 30, 2024, and 2023, respectively.

**NOTE 4 – Unconditional Promises to Give**

Unconditional promises to give consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Amounts expected in less than one year	\$ 2,315,000	\$ 1,954,975
Less: allowance for uncollectible amounts	( 1,061,000)	( 853,700)
Total	<u>\$ 1,254,000</u>	<u>\$ 1,101,275</u>

**HUMBOLDT AREA FOUNDATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 4 – Unconditional Promises to Give (continued)**

Unconditional promises to give are composed of amounts expected to be received from decedents' estates or trusts, and amounts to be received from charitable remainder trusts for which the Foundation is named as beneficiary, but not named as trustee. It is reasonably possible that these estimates could fluctuate based on changes in future market prices in the near term.

Unconditional promises to give expected in more than one fiscal year are discounted to net present value using a rate of 5%. At June 30, 2024, and 2023, there were no unconditional promises to give expected in greater than one fiscal year.

**NOTE 5 – Grants Receivable**

Grants receivable are summarized as follows at June 30:

	<b>2024</b>	<b>2023</b>
Unconditional contributions expected to be collected in:		
Within one year	\$ 500,000	\$ --
Two to five years	500,000	--
Total	\$ 1,000,000	\$ --

There was no net present value discount deemed necessary by management at June 30, 2024, and 2023, as the discount was deemed to be immaterial to the financial statement as a whole. There was also no estimated credit losses deemed necessary by management at June 30, 2024, and 2023, as all items were expected to be collected in full.

**NOTE 6 – Accounts Receivable**

Accounts receivable are summarized as follows for the fiscal years ended June 30:

	<b>2024</b>	<b>2023</b>
Amounts expected in less than one year	\$ 74,676	\$ 37,279

There was no bad debt expense or estimated credit losses deemed necessary by management at June 30, 2024, or 2023.

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**NOTE 7 – Notes Receivable**

Notes receivable are summarized as follows for the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Amounts expected in less than one year	\$ 8,694	\$ 8,694
Amounts expected in one to five years	<u>8,835</u>	<u>12,288</u>
Total	<u>\$ 17,529</u>	<u>\$ 20,982</u>

**NOTE 8 – Fair Value Measurements and Disclosures**

The Foundation reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous, market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets that the Foundation has the ability to access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

Nonmarketable securities are valued at net asset value (NAV) per share, or its equivalent, as a practical expedient, as reported by the investment manager unless specific evidence indicates the NAV should be adjusted.

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**NOTE 8 – Fair Value Measurements and Disclosures** *(continued)*

The following table presents assets and liabilities that are measured at fair value on a recurring basis at June 30, 2024:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>ASSETS</b>				
Fixed income funds	\$ 9,881,042	\$ 9,881,042	\$ --	\$ --
ETF's & CEF's	31,159,632	31,159,632	--	--
Global equity funds	73,306,581	73,306,581	--	--
Mutual funds	40,197,264	40,197,264	--	--
Other assets	437,315	--	437,315	--
Regional mission- related investment	<u>2,090,558</u>	<u>2,090,558</u>	<u>--</u>	<u>--</u>
	157,072,392	<u>\$ 156,635,077</u>	<u>\$ 437,315</u>	<u>\$ --</u>
Investments at NAV	<u>18,749,239</u>			
Total	<u>\$ 175,821,631</u>			
<b>LIABILITIES</b>				
Agency pass-through funds	\$ 39,285,000	\$ --	\$ --	\$ 39,285,000

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**NOTE 8 – Fair Value Measurements and Disclosures (continued)**

The following table presents assets and liabilities that are measured at fair value on a recurring basis at June 30, 2023:

	<u>Total</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>ASSETS</b>				
ETF's & CEF's	\$ 19,783,402	\$ 19,783,402	\$ --	\$ --
Global equity funds	72,851,568	72,851,568	--	--
Mutual funds	43,890,237	43,890,237	--	--
REIT's	1,117,349	--	1,117,349	--
Other assets	66,343	--	66,343	--
Regional mission- related investment	<u>2,330,740</u>	<u>2,330,740</u>	<u>--</u>	<u>--</u>
	140,039,639	<u>\$ 138,855,947</u>	<u>\$ 1,183,692</u>	<u>\$ --</u>
Investments at NAV	<u>11,660,531</u>			
Total	<u>\$ 151,700,170</u>			
<b>LIABILITIES</b>				
Agency pass-through funds	\$ 34,900,016	\$ --	\$ --	\$ 34,900,016

The changes in Level 3 liabilities are summarized as follows for the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Fair value, beginning of the year	\$ 34,900,016	\$ 31,981,236
Additions to the funds	920,706	1,481,694
Investment income, net	5,085,673	3,607,575
Management fees	( 284,190)	( 263,383)
Expenses	--	( 37,754)
Withdrawal of funds by agency	( 1,337,205)	( 1,869,352)
Fair value, end of the year	<u>\$ 39,285,000</u>	<u>\$ 34,900,016</u>

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**NOTE 8 – Fair Value Measurements and Disclosures (continued)**

The following table presents the unfunded commitments, redemption frequency, and notice period for investments in entities that calculate fair value using net asset value per share or its equivalent at fiscal year ended June 30, 2024:

<u>Investments</u>	<u>Note</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Private credit fund	(a)	\$ 7,698,254	\$ 8,864,424	Liquidate	n/a
Private equity fund	(b)	3,933	20,000	Liquidate	n/a
Direct equity fund	(c)	3,843,202	2,186,700	Liquidate	n/a
Private markets	(d)	4,588,069	4,828,742	Liquidate	n/a
Real assets fund	(e)	2,512,972	3,579,400	Liquidate	n/a
Affordable Housing Preservation Fund	(f)	<u>102,809</u>	<u>1,372,500</u>	Liquidate	n/a
Total		<u>\$18,749,239</u>	<u>\$ 20,851,766</u>		

The following table presents the unfunded commitments, redemption frequency, and notice period for investments in entities that calculate fair value using net asset value per share or its equivalent at fiscal year ended June 30, 2023:

<u>Investments</u>	<u>Note</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
Private credit fund	(a)	\$ 7,097,066	\$ 6,115,250	Liquidate	n/a
Private equity fund	(b)	5,010	20,000	Liquidate	n/a
Direct equity fund	(c)	861,574	95,118	Liquidate	n/a
Private markets	(d)	2,815,513	6,128,975	Liquidate	n/a
Real assets fund	(e)	<u>881,368</u>	<u>2,417,528</u>	Liquidate	n/a
Total		<u>\$11,660,531</u>	<u>\$ 14,776,871</u>		

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**NOTE 8 – Fair Value Measurements and Disclosures** *(continued)*

(a) The Angeles Private Credit Fund investment objective is to achieve attractive risk-adjusted returns by primarily pursuing credit-oriented investment strategies. The Fund expects to invest in private and public debt, stressed or distressed debt and public or private equity. The Fund is permitted to make investments in independent investment funds or accounts (“Portfolio Funds”) advised by investment managers (“Portfolio Managers”) and/or by making direct co-investments in equity or debt alongside Portfolio Funds or other direct investments in equity or debt (“Direct Investments”). These investments are generally not redeemable from the fund manager. Instead, distributions are received through the liquidation of the underlying assets of the Fund. At June 30, 2024, and 2023, there were \$8,864,424 and \$6,115,250 in unfunded commitments, respectively.

(b) The Private Equity Fund is an investment in Blackrock Fulton Street Fund, L.P., a limited partnership that seeks to provide capital appreciation through diversified investments in private equity, and externally managed pooled investment vehicles, as well as investments in private companies. These investments are generally not redeemable from the Fund manager. Instead, distributions are received through the liquidation of the underlying assets of the fund, typically over 10 years or more. As of both June 30, 2024, and 2023, there was \$20,000 in unfunded commitments.

(c) The Angeles Direct Equity Fund investment objective is to achieve attractive returns by pursuing co-investments (Co-Investments) or direct investments (Direct Investments) in equity, debt, real estate or real assets (collectively, the Investments) sourced directly by the Investment Manager (as defined below) or through managers where the Investment Manager has an existing relationship (Portfolio Managers). The Fund expects the Investments will include, but will not be limited to, distressed, turnaround and special situations, buyouts, growth equity and venture capital. The Fund expects to invest in companies which the Investment Manager believes has long term growth trends primarily in growth equity and buyout opportunities, but may opportunistically invest in venture-stage or any other private company. These investments are generally not redeemable from the fund manager. Instead, distributions are received through the liquidation of the underlying assets of the Fund. As of June 30, 2024, and 2023, there was \$2,186,700 and \$95,118 in unfunded commitments, respectively.

(d) The Angeles Private Markets investment objective is to achieve attractive risk-adjusted returns by primarily investing in private equity strategies including, but not limited to, distressed, turnaround and special situations, buyouts, growth equity and venture capital. The Fund will pursue these strategies by investing in independent investment funds or accounts (Portfolio Funds) advised by investment managers (Portfolio Managers). These investments are generally not redeemable from the fund manager. Instead, distributions are received through the liquidation of the underlying assets of the Fund. As of June 30, 2024, and 2023, there was \$4,828,742 and \$6,128,975 in unfunded commitments, respectively.

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**NOTE 8 – Fair Value Measurements and Disclosures *(continued)***

(e) The Angeles Real Assets Fund investment objective is to achieve attractive risk-adjusted returns by primarily investing in real estate and real assets strategies, including, but not limited to, real estate assets, infrastructure and natural resources projects. The Fund will pursue these strategies by investing in independent investment funds or accounts (Portfolio Funds) advised by investment managers (Portfolio Managers). These investments are generally not redeemable from the fund manager. Instead, distributions are received through the liquidation of the underlying assets of the Fund. As of June 30, 2024, and 2023, there was \$3,579,400 and \$2,417,528 in unfunded commitments, respectively.

(f) The Rose Affordable Housing Preservation Fund seeks to achieve strong risk-adjusted returns along with measurable social and environmental impact. The fund seeks to provide investors with stable, cash-flowing investments in affordable, mixed-income and workforce multifamily housing in metropolitan regions throughout the U.S. The Fund seeks to preserve affordable housing for the long-term, enhance the lives of its residents by creating “Communities of Opportunity” (through the Firm’s Communities of Opportunity program) and improve the environmental and economic performance of its properties. These investments are generally not redeemable from the fund manager. Instead, distributions are received through the liquidation of the underlying assets of the Fund. As of June 30, 2024, there were \$1,372,500 in unfunded commitments. There were no unfunded commitments as of June 30, 2023, as the fund was not yet in place.

**NOTE 9 – Mission-Related Investments**

The Foundation’s Board of Directors has approved a policy for investing up to five percent of the long-term investment pool in local investments. Mission-related investments are to support community-related projects that align with and support the philanthropic objectives of the Foundation. These loans are generally due over a period of one to fifteen years with stated interest rates of 1 to 7.25 percent, and are designed to match the returns of the Foundation’s fixed income portfolio. At June 30, 2024, and 2023, up to approximately \$5,970,000 and \$5,082,171, respectively, was available for local investments; \$2,330,740 and \$2,427,398, respectively, was outstanding.



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**NOTE 9 – Mission-Related Investments (continued)**

The following is a summary of investments outstanding at the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Northern California Indian Development Council	\$ 289,299	\$ 309,613
Hoopla Tribe	792,019	818,966
Humboldt NeuroHealth	273,454	280,459
City of Blue Lake Town Center	40,745	191,838
Business Resilience Loans	53,640	86,317
Eureka Theatre	225,000	225,000
Resident Owned Parks	86,401	88,547
Dell' Arte	<u>330,000</u>	<u>330,000</u>
Total	<u>\$ 2,090,558</u>	<u>\$ 2,330,740</u>

During the fiscal year ended June 30, 2022, the Foundation purchased eight working capital loans for nonprofit agencies from a local financial institution in response to the COVID-19 pandemic. In addition, the Foundation made available \$500,000 to a local economic development agency to purchase participations in thirty loans to small businesses. During the fiscal years ended June 30, 2024, and 2023, the loans were \$2,090,558 and \$2,330,740 respectively.

These mission-related investments are subject to credit risk and are evaluated for impairment in accordance with the Current Expected Credit Losses (CECL) model. Management estimates the expected credit losses over the life of the investment, based on historical experience, current conditions, and reasonable and supportable forecasts of future economic conditions. Management has determined that an allowance for expected credit losses was not considered necessary at June 30, 2024, or 2023.

**NOTE 10 – Endowment**

The Foundation's Board of Directors is charged with the responsibility for management of the endowed assets. To assist in carrying out this duty, the Foundation has adopted an investment policy that prioritizes preservation of capital, long-term growth, and adherence to the prudent person investment philosophy. To enact this policy, the Foundation's investment strategy emphasizes total return, assuming a level of risk consistent with reasonable and prudent investment practices for such funds. Additionally, the endowment spending policy is in compliance with the regulation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted by the State of California in 2009, to ensure the prudent management of endowed funds in the disbursement of current earnings in support of the Foundation, and to meet future needs established by the donors. The Foundation has established a target annual spending policy of 4.5% of the most recent 16-quarter trailing average market value of the endowed fund.

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**NOTE 10 – Endowment (*continued*)**

UPMIFA allows a charity to appropriate for expenditure, or accumulate, so much of an endowment fund as the charity determines is prudent for the purposes for which the fund was established. Considerations include the duration and preservation of the endowment fund, the purposes of the charity and the fund, general economic condition, effects of inflation and deflation, expected total return from income and appreciation, the charity's other resources, and the charity's investment policy.

Under the terms of the UPMIFA, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes.

The Board of the Foundation has adopted a total return policy, that is, annual spending may be comprised of income, realized capital gains, unrealized capital gains, of principal, or any combination thereof as determined to be prudent when taking into account those factors and considerations relevant to the Foundation and outlined in UPMIFA.

The spending policy sets grant payouts and administrative fees as a percentage of total assets, calculated on the average of the trailing 16 quarterly values. With the goal of creating stability of assets over time, the Investment Committee annually reviews and makes recommendations regarding the spending policy to the Board. During periods of higher-than-expected return, principal balances will increase, and during times of lower-than-expected return, past appreciation of principal or principal will be used to maintain payout rates. Even with this smoothing of the impact of changes in spending and investment returns, there is a possibility that both nominal and inflation-adjusted spending may experience year-to-year declines.

The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is approximately 7.7 percent in June 30, 2024, and 7.5 percent in June 30, 2023, net of investment fees. Actual returns in any given year may vary from this amount. To satisfy long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

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**NOTE 10 – Endowment (continued)**

At times certain individual endowment funds may have their fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. However, the Foundation further recognizes that a decline below original gift value threatens that fund's ability to make future grants on the scale intended by the donor. At June 30, 2024, and 2023, there were no underwater endowments.

The Foundation’s endowment funds, by net asset classification, were as follows as of June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ 1,799,136	\$ 5,757,227	\$ 7,556,363

The Foundation’s endowment funds, by net asset classification, were as follows as of June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment funds	\$ 1,206,347	\$ 5,746,118	\$ 6,952,465

**NOTE 11 – Property and Equipment**

The Foundation conducts its main operations at 363 Indianola Road, Bayside, California. The real property was previously held in trust under the will of Vera P. Vietor and was transferred to the Foundation as successor trustee on January 17, 1995. The Vietor Trust was terminated on December 31, 2010. The property was transferred to the Foundation on April 17, 2015. The Foundation continues to follow all the terms of the Trust and considers these as assets with donor restrictions.

Property and equipment are summarized as follows as of June 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Building and improvements	\$ 2,554,106	\$ 345,600	\$ 2,899,706
Furniture and equipment	105,700	--	105,700
Vehicles	95,109	--	95,109
	2,754,915	345,600	3,100,515
Less accumulated depreciation	( 1,298,427)	( 250,560)	( 1,548,987)
Land	486,456	188,000	674,456
Total	<u>\$ 1,942,944</u>	<u>\$ 283,040</u>	<u>\$ 2,225,984</u>

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**NOTE 11 – Property and Equipment (continued)**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Assets held for distribution	\$ 1,754,781	\$ --	\$ 1,754,781

Property and equipment are summarized as follows as of June 30, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Building and improvements	\$ 2,978,544	\$ 345,600	\$ 3,324,144
Furniture and equipment	105,700	--	105,700
Vehicles	26,610	--	26,610
	3,110,854	345,600	3,456,454
Less accumulated depreciation	( 1,337,532)	( 241,920)	( 1,579,452)
Land	1,938,456	188,000	2,126,456
Total	\$ 3,711,778	\$ 291,680	\$ 4,003,458

Depreciation expense for the fiscal years ended June 30, 2024, and 2023, was \$101,882 and \$99,598, respectively.

**NOTE 12 – Grants Payable**

The Foundation’s grants payable were approved for payment by the Board of Directors. Future commitments are as follows:

<b><u>For the fiscal year ending June 30,</u></b>			
2025		\$	1,528,984
2026			32,000
2027			19,000
Total		\$	1,579,984

There was no net present value discount deemed necessary by management as the amount would be considered immaterial to the consolidated financial statements.

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**NOTE 13 – Split-Interest Agreements**

The Foundation administers fourteen charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (often the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are distributed to end-of-term beneficiaries and then the balance is available for the Foundation's use. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the consolidated statement of activities as a contribution with donor restrictions in the period the trust is established. The changes in the assets held in the charitable remainder trusts were as follows for the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 2,678,674	\$ 2,649,098
Contributions	--	--
Investment income, net	385,086	289,136
Final distributions	--	--
Management fees	( 44,586)	( 43,757)
Beneficiary distributions	( 182,465)	( 207,612)
Expenses	( 5,820)	( 8,191)
Ending Balance	<u>\$ 2,831,429</u>	<u>\$ 2,678,674</u>

On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. Present values of the estimated future payments are calculated using a discount rate and applicable mortality tables, and totaled \$1,760,089 and \$1,710,905 for the fiscal years ended June 30, 2024, and 2023, respectively.

**NOTE 14 – Commitments**

***Annual Pension Payments***

The Foundation is committed, and funds have been set aside, to make annual pension payments of \$9,000 for the next 6 years.

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**NOTE 15 – Net Assets**

***Net Assets without Donor Restrictions***

*Board-Designated Operating Reserves*

The Foundation has four Board-designated operating reserve funds to be used when economic circumstances limit the income for operations. The Board considers it prudent management to plan for possible downturns in the economy with the ability to continue operations and continue to respond to the community during economic challenges.

The Board-designated operating reserve is allocated as follows for the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating reserve	\$ 1,122,683	\$ 1,007,569
Strategic programs reserve	96,810	49,021
Technology reserve	27,630	97,613
Deferred maintenance reserve	<u>58,556</u>	<u>20,921</u>
Total	<u>\$ 1,305,679</u>	<u>\$ 1,175,124</u>

Net assets without donor restrictions were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Board-designated		
Operating reserves	\$ 1,305,679	\$ 1,175,124
For investment in property and equipment	<u>1,942,944</u>	<u>3,711,778</u>
Total Board-designated	3,248,623	4,886,902
Undesignated	<u>121,855,567</u>	<u>111,205,751</u>
Total	<u>\$ 125,104,190</u>	<u>\$ 116,092,653</u>

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**NOTE 15 – Net Assets (continued)**

***Net Assets with Donor Restrictions***

Net assets with donor restrictions were as follows as of June 30:

	<b>2024</b>	<b>2023</b>
Subject to expenditure for specified purpose:		
Programmatic activities	\$ 13,653,936	\$ 4,119,038
Restricted property	283,040	291,680
Subject to the passage of time:		
Assets held under split-interest agreements, net	1,071,340	967,767
Subject to the passage of time:		
Grants receivable that are restricted by donors, but which are unavailable for expenditure until due	1,000,000	--
Perpetual in nature, the earnings from which are subject to spending policies or appropriation:		
Endowed assets formerly held in trust	5,757,227	5,746,117
Annuity	1,120	953
Total	<b>\$ 21,766,663</b>	<b>\$ 11,125,555</b>

Net assets released from donor restrictions included the following during the fiscal years ended June 30:

	<b>2024</b>	<b>2023</b>
Satisfaction of purpose restrictions:		
Programmatic activities	\$ 4,726,997	\$ 1,640,562
Distributions (proceeds were not restricted by donors):		
Restricted property	8,640	8,640
Total	<b>\$ 4,735,637</b>	<b>\$ 1,649,202</b>

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**NOTE 16 – Concentrations**

For the fiscal years ended June 30, 2024, and 2023, two estates constituted 86% and 80% of net unconditional promises to give, respectively.

For the fiscal year ended June 30, 2024, two donors constituted 100% of grants receivable. There were no concentrations at June 30, 2023.

For the fiscal years ended June 30, 2024, and 2023, three donors constituted 71% and 80% of contribution revenue, respectively.

**NOTE 17 – Retirement Plan**

The Foundation has a tax-deferred annuity plan as covered by Internal Revenue Code Section 403(b) (the Plan). Regular employees working a minimum of twenty hours per week are eligible to enter the Plan as a participant (a) solely for the purpose of making elective deferrals, upon date of hire; and (b) solely for the purpose of receiving employer nonelective contributions, upon completing six months of service. Total employer contributions as of June 30, 2024, and 2023 were \$307,568 and \$241,793, respectively.

**NOTE 18 – Functional Expenses**

The costs of programs and grants and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural and functional classification detail of expenses. Certain costs have been allocated among the programs and grants and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits and taxes, community convening, conferences and meetings, depreciation, equipment and rentals, information technology, insurance, legal, other professional services, occupancy, office expenses, outreach, promotion, and development, repairs and maintenance, travel, and other expenses, which are allocated on the basis of estimates of time and effort.



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**NOTE 19 – Affordable Housing Grant**

The Foundation received a \$1 million gift to support local affordable housing during the fiscal year ended June 30, 2019. During the same fiscal year, the Foundation made a \$1 million loan to an affordable housing project in Samoa, California. The note has a fifty-five-year term, 3 percent annual interest to accrue, and no payments are required until maturity. Due to the charitable purpose of the project and the long tenure of the note, the Foundation has chosen to account for this as grant expense. Upon future receipt of payments for interest and/or principal, the Foundation will recognize income at that time.

**NOTE 20 – Statements of Cash Flow Supplemental Disclosures**

For the fiscal years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for interest	NONE	NONE
Cash paid for income taxes	NONE	NONE
Noncash investing transactions	\$ 307,741	\$ 272,976
Noncash financing transactions	NONE	NONE