



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

**ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

30 JUNE 2025



Montemayor Britton Bender Carey PC

CERTIFIED PUBLIC ACCOUNTANTS

Arturo Montemayor III CPA, President & CEO | Stacy Britton CPA, Shareholder | Sean Bender CPA, Shareholder
Danielle Guerrero, Shareholder | Sara Carey CPA, Shareholder

Board of Directors and Management
Environmental Fund for Texas, Inc. dba EarthShare of Texas

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Environmental Fund for Texas, Inc. dba EarthShare of Texas (the "Organization"), which comprise the statement of financial position as of 30 June 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of 30 June 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

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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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Montemayor Britton Bender Carey PC

25 February 2026
Austin, Texas

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

ASSETS

CURRENT ASSETS

| | |
|-------------------------------|----------------|
| Cash and cash equivalents | \$724,575 |
| Accounts receivable and other | 132,813 |
| Pledges receivable | <u>114,842</u> |
| | 972,230 |

RESTRICTED CASH

291,649

\$1,263,879

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|-----------------------|----------------|
| Accounts payable | \$52,764 |
| Distributions payable | 260,445 |
| Accrued liabilities | 311,180 |
| Grant advance | <u>101,668</u> |
| | <u>726,057</u> |

NET ASSETS

| | |
|----------------------------|--------------------|
| Without donor restrictions | 423,137 |
| With donor restrictions | <u>114,685</u> |
| | <u>537,822</u> |
| | <u>\$1,263,879</u> |

The accompanying notes are an integral part of this financial statement presentation.

**ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS**

STATEMENT OF ACTIVITIES

YEAR ENDED 30 JUNE 2025

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|--|------------------|
| PUBLIC SUPPORT | | | |
| Gross campaign pledges | \$229,720 | \$0 | \$229,720 |
| Less: fees and shrinkage | (36,889) | 0 | (36,889) |
| Less: Designated to specific organizations | <u>(157,428)</u> | <u>0</u> | <u>(157,428)</u> |
| | <u>35,403</u> | <u>0</u> | <u>35,403</u> |
| REVENUE | | | |
| Government grants | 261,114 | 0 | 261,114 |
| Campaign management | 144,113 | 0 | 144,113 |
| Memberships | 103,298 | 0 | 103,298 |
| Contributions | 41,997 | 60,000 | 101,997 |
| Contributed services and space | 32,500 | 0 | 32,500 |
| Other | 1,763 | 0 | 1,763 |
| Net assets released from restriction | <u>118,898</u> | <u>(118,898)</u> | <u>0</u> |
| | <u>739,086</u> | <u>(58,898)</u> | <u>680,188</u> |
| EXPENSES | | | |
| Program | 750,014 | 0 | 750,014 |
| Administrative | 62,810 | 0 | 62,810 |
| Fundraising | <u>73,658</u> | <u>0</u> | <u>73,658</u> |
| | <u>886,482</u> | <u>0</u> | <u>886,482</u> |
| CHANGE IN NET ASSETS | (147,396) | (58,898) | (206,294) |
| BEGINNING NET ASSETS | <u>570,533</u> | <u>173,583</u> | <u>744,116</u> |
| ENDING NET ASSETS | <u>\$423,137</u> | <u>\$114,685</u> | <u>\$537,822</u> |

The accompanying notes are an integral part of this financial statement presentation.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|-------------------------------|
| Change in net assets | (\$206,294) |
| Change in accounts receivable and other | (45,621) |
| Change in pledges receivable | 2,562 |
| Change in prepaid expenses | 3,043 |
| Change in accounts payable | 20,189 |
| Change in distributions payable | 41,111 |
| Change in accrued liabilities | 146,588 |
| Change in grant advance | <u>101,668</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | 63,246 |
| BEGINNING CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | <u>952,978</u> |
| ENDING CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | <u><u>\$1,016,224</u></u> |

The accompanying notes are an integral part of this financial statement presentation.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED 30 JUNE 2025

| | <u>Program</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------------|------------------|-----------------------|--------------------|------------------|
| Payroll and related | \$202,379 | \$28,504 | \$54,158 | \$285,041 |
| Grant | 240,614 | 0 | 0 | 240,614 |
| Campaign costs | 110,696 | 0 | 0 | 110,696 |
| Professional fees | 53,213 | 27,598 | 7,705 | 88,516 |
| SECC | 50,477 | 0 | 0 | 50,477 |
| Campaign distributions | 35,403 | 0 | 0 | 35,403 |
| Contributed services and space | 23,075 | 3,250 | 6,175 | 32,500 |
| Other | <u>34,157</u> | <u>3,458</u> | <u>5,620</u> | <u>43,235</u> |
| | <u>\$750,014</u> | <u>\$62,810</u> | <u>\$73,658</u> | <u>\$886,482</u> |

The accompanying notes are an integral part of this financial statement presentation.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Environmental Fund for Texas, Inc., dba EarthShare of Texas, (the “Organization”) is a not-for-profit organization that was founded in 1992 as a federation of qualified member organizations (“Members”). The Organization conserves natural resources and builds a healthy and sustainable environment by leveraging monetary contributions to its member organizations, employers, and the community. The Organization supports more than 35 of the most respected conservation and environmental organizations in Texas. From air quality to wildlife rehabilitation to the development of green technology, members work to protect the environment. In 1997, EarthShare of Texas affiliated itself with EarthShare, a national federated fund-raising organization, and supports more than 30 national organizations through this affiliation.

The Organization protects its donors by ensuring that each of its member groups adheres to strict eligibility criteria and operates with the highest possible ethical and professional standards. Members are also required to pay annual dues, which are used to fund the operations of the Organization. The Organization’s other revenues come from campaign management fees, government grants and cause campaign support.

The Organization’s main activity is campaign management. Annual campaigns are conducted by the Organization to raise public support for distribution to members. Funds are raised during a campaign period, which is the time between the start of the planning, promotion, and initiation of appeals for contributions and pledges under a particular annual campaign and the formal termination date of the campaign. Most annual campaigns of the Organization are conducted in the fall of each year. The Organization distributes campaign funds using a distribution year, which is the 12-month period for which funds from a particular campaign are earmarked to be distributed to participating agencies. Distributions are made quarterly. The Organization earns administrative fees for conducting campaigns, monitoring and distributing funds to participant agencies and other donor designated organizations.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting. Using this method of accounting, revenues and other support and the related accounts receivable are reported when the funds are considered earned, regardless of when the cash is received. Expenses and the related accounts payable are reported when the obligation is incurred, regardless of when the cash is disbursed.

FINANCIAL STATEMENT PRESENTATION

Net assets 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 (or certain grantor) restrictions.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when the restriction expires, which includes when the stipulated time has elapsed, when the stipulated purpose for which the restricted resource has been fulfilled, or both.

ACCOUNTS RECEIVABLE

Accounts receivable represent membership dues owed to the Organization. Pledges receivable are the contributions pledged that will be paid out to beneficiaries. Grants, contributions, and program other receivables are recorded when revenue is earned prior to cash being received. The Organization analyzes all receivables individually for purposes of determining collectability at year end. At year end, no allowance for doubtful accounts is required.

FIXED ASSETS

Fixed assets over \$500 are recorded at cost if purchased and estimated fair value if donated. Depreciation is calculated using the straight-line method over the useful lives of the assets, ranging from 3 to 40 years.

CONTRIBUTIONS

Contributions, including unconditional pledges and grants, are recorded when received. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Campaign pledges are recorded in the financial statements upon receipt of pledge information from the campaigns. The Organization honors designations made to each member organization. As all pledges are expected to be collected within one year, they are recorded at their net realizable value, which approximates fair value. This is achieved by recording the pledges net of the estimated uncollectible pledges (shrinkage) and for estimated costs incurred by others (fees). Shrinkage occurs when employees leave their employment thus leaving pledge balance as uncollectible. This shrinkage is calculated based on historical collection percentages.

GOVERNMENT CONTRACTS

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local awards, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. The Organization received cost reimbursable grants of \$1,885,445 that have not been recognized at year end because qualifying expenditures have not been incurred.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recorded when the underlying performance obligations are met. When the Organization receives payment in advance, a contract liability is recorded as deferred revenue and then reduced when the revenue is recognized. Revenue from memberships is recognized over the term of the membership as benefits are available to be consumed during the entire period. Memberships are available to organizations. Memberships are typically paid at the end of the term, after the member has already received benefits. Risk of non-payment is low due to the Organizations, ability to reduce the subsequent years pledge distributions. In general, revenue does not have a significant financing component because payment terms are relatively short. The Organization is the manager of several charitable campaigns. They charge a management fee on an annual basis; the fee is a percentage of total pledges received during the campaign. The percentage charged varies based on contract agreements.

PLEDGE REVENUE

Pledges receivable reflect promises to give. The allowance for doubtful pledges is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. There were no balances for allowances for uncollectible accounts as of 30 June 2025 as substantially all accounts receivable were subsequently collected and the remaining balances were deemed collectible by management.

ESTIMATES

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL EXPENSE ALLOCATION

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and related, which is allocated based on estimates of time and effort; and professional fees, contributed services and space, and other, which are allocated based on management's review and analysis of individual transactions and costs.

CONTRIBUTED SERVICES AND SPACE

The Organization recognizes contributed services at their fair value if the services create or enhance a nonfinancial asset or require specialized skills, are provided by the individuals possessing those skills, and would have been purchased if not provided by contributors. The Organization recognizes other contributed support at fair value on the date received. Contributed support consists of donated consulting services and rented space.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INCOME TAX STATUS

The Organization is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. Therefore, no provision for income taxes is included in the accompanying financial statements.

DISTRIBUTIONS PAYABLE

Pledges that are designated to the Organization's member agencies are recorded as distributions payable. Cash received from campaigns is allocated to each participating member agency in the ratio that each agency was designated from the relevant campaign. The member's share of undesignated pledges is calculated based upon a Board-approved formula. Prior to the quarterly distribution of the campaign receipts to Members, expenses approved by the members are deducted and are recorded as campaign expenses.

CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Organization considers cash and highly liquid investments with maturities of three months or less when purchased to be cash equivalents, except when held specifically for investment purposes. Restricted cash is included in the cash and cash equivalents in the statement of cash flows at year end. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the statement of financial position that sum to totals of the same such amounts in the statement of cash flows.

| | <u>Amount</u> |
|--|--------------------|
| Cash | \$172,335 |
| Money market | 552,240 |
| Restricted cash - City of Austin Charitable Campaign | 80,294 |
| Restricted cash - Capital Area SECC | 207,530 |
| Restricted cash - Waco SECC | <u>3,825</u> |
| | <u>\$1,016,224</u> |

COACC AND SECC PAYABLES

The Organization manages the City of Austin Combined Charities Campaign (COACCC), the Capital Area State Employee Charitable Campaign (SECC) and the Waco SECC campaign. Pledges and contributions received from these campaigns are held in separate bank accounts and allocated to each participating member agency in the ratio that each agency was designated from the donor. The member's share of undesignated pledges is calculated based upon a ratio derived from the percent of designated funds received. Funds are distributed on a bi-monthly basis and an administrative fee is paid to the Organization based on the contract agreement.

**ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS**

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events as of the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

| | |
|--|------------------|
| Cash | \$724,575 |
| Accounts receivable and other | 132,813 |
| Pledges receivable | 114,842 |
| Less: amounts unavailable for general expenditures due to donor imposed restrictions | <u>(114,685)</u> |
| | <u>\$857,545</u> |

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage those obligations as well as unanticipated liquidity needs, the Organization maintains approximately \$550,000 in its savings account. Although the Organization does not intend to spend from its savings accounts, amounts could be made available if needs exceed what is held in the operating accounts.

NOTE 4: CONCENTRATIONS

During the year, the Organization received 38% of its revenue from one governmental contract.

The Organization had cash balances of \$675,364 in excess of FDIC coverage at 30 June 2025.

NOTE 5: EARTHSHARE NATIONAL

The Organization is an affiliate of EarthShare National, a national not-for-profit that connects the most influential environmental organizations with employers, people and communities to protect the planet. As a state affiliate, the Organization supports the national member organizations by providing access to the state employee charitable campaigns. Affiliate fees paid to EarthShare National were \$14,000 for the year ended 30 June 2025.

**ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS**

NOTES TO FINANCIAL STATEMENTS

NOTE 6: NET ASSETS WITH DONOR RESTRICTIONS

Purpose restrictions as of 30 June 2025:

| | |
|-------------------------------|------------------|
| Green Leaders Fellowship | \$111,435 |
| Green Workforce Collaborative | <u>3,250</u> |
| | <u>\$114,685</u> |

Satisfaction of purpose and time restrictions during the year ended 30 June 2025:

| | |
|--|------------------|
| Green leaders fellowship | \$105,565 |
| Donated facility space-passage of time | <u>13,333</u> |
| | <u>\$118,898</u> |

NOTE 7: REVENUE FROM CONTRACTS WITH CUSTOMERS

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue based on the timing of the satisfaction of performance obligations for the fiscal year ended 30 June 2025 consisted of campaign management revenue of \$144,113 and membership revenue of \$103,298 recognized over time.

CONTRACT BALANCES

Contract receivables consist of the Organization's right to payment from customers for goods and services that have been provided to the customers and members. The balances of contract receivables at 30 June 2025 and 2024 were \$108,711 and \$48,432, respectively.

NOTE 8: CONTRIBUTED NONFINANCIAL ASSETS

The Organization received \$12,500 of donated consulting fees utilized in campaign management programs and \$20,000 of related party donated lease space allocated among programs, administrative, and fundraising during the year ended 30 June 2025. Revenue from contributed goods and space were received without donor imposed restrictions.

NOTE 9: RETIREMENT PLAN

The Organization has a qualified 401(k) deferred compensation plan (the "Plan") covering all employees. Under the Plan, the Organization matches participating employee contributions up to three percent of gross compensation. The Organization made contributions of \$2,870 to the Plan for the year.

ENVIRONMENTAL FUND FOR TEXAS, INC.
dba EARTHSHARE OF TEXAS

NOTES TO FINANCIAL STATEMENTS

NOTE 10: PUBLIC SUPPORT DESIGNATED TO EARTHSHARE OF TEXAS

Public support received during the annual campaign, not designated for a specific participant organization, is to be allocated and distributed to participant agencies based on a formula determined by the governing Board and approved by the membership council. Such undesignated funds are to be allocated equally to fully participating agencies. The allocations are to be tracked and reported to participant agencies and no interest is to accumulate on undistributed funds. Whenever the Board authorizes payments on distributions, the payments will be made pro-rata to participant agencies. If a participant agency resigns and is in good standing, the agency is entitled to its share of moneys from campaigns conducted while still participating in the Organization, whenever that payment occurs. A terminated organization will be entitled to its share of moneys from campaigns conducted while still participating in the Organization, less expenses, fines, annual dues, entry fees, and any other monies due to the Organization. A terminated organization is not entitled to a refund of any dues, fees, or monies previously paid to the Organization.

NOTE 11: SUBSEQUENT EVENTS

The Organization's Board made the decision to terminate the relationship with Green Workforce Collaborative as their role as grant manager created challenges that compromise the Organization's ability to fully meet its fiduciary and programmatic responsibilities under the NOAA grant. To address these concerns, the Board decided that the Organization must transition program and financial management responsibilities back in-house. This decision reflects the need for stronger accountability and alignment with grant requirements.