



**350.ORG**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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SEPTEMBER 30, 2015

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## Independent Auditors' Report

To the Board of Directors  
350.Org  
Washington, D.C.

We have audited the accompanying financial statements of 350.Org (the Organization) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 350.Org, as of September 30, 2015, 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.

To the Board of Directors  
350.Org

***Report on Summarized Comparative Information***

We have previously audited the Organization's September 30, 2014 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 28, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Washington, D.C.  
August 26, 2016

Certified Public Accountants

**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2015**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2014)

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,894,414	\$ 1,546,918
Certificates of Deposit	807,515	807,098
Pledges and Grants Receivable	1,291,087	100,000
Employee Advances	10,849	41,344
Prepaid Expenses and Other Current Assets	<u>69,298</u>	<u>59,796</u>
<b>Total Current Assets</b>	<b>4,073,163</b>	<b>2,555,156</b>
<b>Pledges and Grants Receivable, Net of Current Portion</b>	<b>971,306</b>	<b>-</b>
<b>Security Deposits</b>	<b>24,814</b>	<b>18,529</b>
<b>Fixed Assets, Net</b>	<u><b>68,260</b></u>	<u><b>56,782</b></u>
<b>Total Assets</b>	<u><u><b>\$ 5,137,543</b></u></u>	<u><u><b>\$ 2,630,467</b></u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 743,728	\$ 604,661
Due to 350.Org Action Fund	7,871	63,593
Accrued Vacation	<u>222,312</u>	<u>171,688</u>
<b>Total Current Liabilities</b>	<b>973,911</b>	<b>839,942</b>
<b>Net Assets</b>		
Unrestricted	1,901,239	1,690,525
Temporarily Restricted	<u>2,262,393</u>	<u>100,000</u>
<b>Total Net Assets</b>	<u><b>4,163,632</b></u>	<u><b>1,790,525</b></u>
<b>Total Liabilities and Net Assets</b>	<u><u><b>\$ 5,137,543</b></u></u>	<u><u><b>\$ 2,630,467</b></u></u>

*See accompanying Notes to Financial Statements.*

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Revenue</b>				
Grants and Contributions	\$ 7,892,651	\$ 3,341,213	\$ 11,233,864	\$ 5,748,443
Donated Services	27,442	-	27,442	21,810
Interest Income	435	-	435	403
(Loss) Gain on Investments	(5,366)	-	(5,366)	2,796
Other Income	51,022	-	51,022	5,694
Releases from Restriction	<u>1,178,820</u>	<u>(1,178,820)</u>	<u>-</u>	<u>-</u>
<b>Total Revenue</b>	<b>9,145,004</b>	<b>2,162,393</b>	<b>11,307,397</b>	<b>5,779,146</b>
<b>Expenses</b>				
Program Services				
U.S. and Global Field	5,741,729	-	5,741,729	5,999,010
Communications	819,555	-	819,555	302,521
Digital	<u>846,087</u>	<u>-</u>	<u>846,087</u>	<u>840,967</u>
Total Program Services	7,407,371	-	7,407,371	7,142,498
Supporting Services				
Management and General	1,305,739	-	1,305,739	1,032,127
Fundraising	<u>221,180</u>	<u>-</u>	<u>221,180</u>	<u>165,791</u>
Total Supporting Services	<u>1,526,919</u>	<u>-</u>	<u>1,526,919</u>	<u>1,197,918</u>
<b>Total Expenses</b>	<b>8,934,290</b>	<b>-</b>	<b>8,934,290</b>	<b>8,340,416</b>
<b>Change in Net Assets</b>	<b>210,714</b>	<b>2,162,393</b>	<b>2,373,107</b>	<b>(2,561,270)</b>
<b>Net Assets, Beginning of Year</b>	<u>1,690,525</u>	<u>100,000</u>	<u>1,790,525</u>	<u>4,351,795</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,901,239</u>	<u>\$ 2,262,393</u>	<u>\$ 4,163,632</u>	<u>\$ 1,790,525</u>

*See accompanying Notes to Financial Statements.*

## 350.ORG

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 2,373,107	\$ (2,561,270)
Adjustments to Reconcile Change in Net Assets to to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	32,692	24,067
Loss (Gain) on Investments	5,366	(2,796)
Loss on Disposal of Fixed Assets	1,609	2,316
(Increase) Decrease in Pledges and Grants Receivable	(2,162,393)	400,000
Decrease (Increase) in Employee Advances	30,495	(41,344)
Increase in Prepaid Expenses and Other Current Assets	(9,502)	(1,189)
Increase in Security Deposits	(6,285)	-
Increase in Accounts Payable	139,067	401,685
Decrease in Due to 350.Org Action Fund	(55,722)	(8,403)
Increase in Accrued Vacation	50,624	96,957
	<u>399,058</u>	<u>(1,689,977)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>399,058</b>	<b>(1,689,977)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets	(45,779)	(45,079)
Donated Securities Received	(235,992)	(79,344)
Proceeds from Sales of Investments	230,626	82,140
Purchases of Certificates of Deposit	(1,614,865)	(2,017,151)
Maturities of Certificates of Deposit	1,614,448	2,016,755
	<u>(51,562)</u>	<u>(42,679)</u>
<b>Net Cash Used in Investing Activities</b>	<b>(51,562)</b>	<b>(42,679)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>347,496</b>	<b>(1,732,656)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,546,918</b>	<b>3,279,574</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,894,414</b>	<b>\$ 1,546,918</b>

*See accompanying Notes to Financial Statements.*

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

350.Org (the Organization) is a dynamic and highly collaborative climate change campaign building a global grassroots movement to solve the climate crisis. The Organization works with volunteers in countries around the world, using online tools to facilitate strategic campaigns, grassroots organizing, and public engagement actions in order to communicate both the realities of science and principles of justice and help realize the solutions that will ensure a better future for all.

The Organization is supported primarily by grants and contributions.

The major programs of the Organization are as follows:

**US Field:** The US Field program campaigns to bring US federal and local policy in line with the scientific necessities of tackling the climate crisis. This work is accomplished through building broad and deep grassroots connections to support community level organizing nationwide, as well as identifying key moments to elevate an issue and advocate for social change.

**Global Field:** The Global Field program campaigns to bring international and national policy more in line with the scientific necessities of tackling the climate crisis. This work is accomplished by building broad and deep grassroots connections to support an international network of climate activists in nearly every country on Earth, as well as identifying key moments to elevate an issue and advocate for social change.

**Communications:** The Communications program works to shape the terms of debate on climate change internationally and domestically through a creative and incisive narrative and a sophisticated media strategy encompassing both traditional and new media.

**Digital:** The Digital program works to facilitate dialogue and organizing amongst individuals, organizers, and organizations in the global climate movement around the world. This work is accomplished through online media such as emails, blogs, and social networks, multimedia such as photo galleries and videos, and web tools such as online maps that allow users to more quickly and easily understand how to connect to a global movement for change.

***Basis of Accounting***

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

***Income Taxes***

The Internal Revenue Service has ruled the Organization to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and it is not a private foundation within the meaning of Section 509(a) of the Code. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. The Organization had no net unrelated business income for the year ended September 30, 2015.



NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Income Taxes (Continued)*

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions. The Organization's IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination generally for three years after it is filed.

*Cash and Cash Equivalents*

For financial statement purposes, the Organization considers all cash held in demand deposit accounts to be cash and cash equivalents.

*Certificates of Deposit*

Certificates of deposit are recorded at cost plus accrued interest.

*Pledges and Grants Receivable*

The Organization records pledges and grants receivable at estimated net realizable value. The Organization reviews the collectability of the receivables on a regular basis, and no reserve for doubtful accounts has been established because management expects to collect receivables in full.

*Fixed Assets*

The Organization capitalizes all fixed asset acquisitions greater than \$500. Fixed assets are recorded at cost, if purchased or at fair market value, if donated. Depreciation is computed using the straight-line method over the useful lives of the assets. Maintenance and repairs are charged to expense when incurred.

*Revenue Recognition*

Unconditional contributions are recorded as support, at fair value, when received or when promised. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the existence and/or nature of the restriction. When the stipulated time restriction ends or the purpose of the restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement activities as net assets released from restrictions.

Contributed securities are recorded at fair value on the date of gift and are generally sold immediately.

*Donated Services*

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Donated Services (Continued)*

Volunteers also provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

*Net Assets*

For financial statement purposes, net assets are recorded as follows:

**Unrestricted:** Unrestricted net assets include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

**Temporarily Restricted:** Temporarily restricted net assets include those net assets whose use by the Organization has been donor restricted by specific time or purpose limitations.

*Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services they directly benefit or upon management's estimates of the proportion of these costs applicable to each function.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenue and expenses during that period. Actual results could differ from those estimates.

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended September 30, 2014. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2014, from which the summarized information was derived.

*Reclassifications*

Certain 2014 amounts have been reclassified for comparative purposes.

2. CONCENTRATIONS

As of September 30, 2015, approximately 87% of the pledges and grants receivable were due from two donors.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**2. CONCENTRATIONS (CONTINUED)**

The Organization maintains cash balances at a financial institution. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to a certain amount. At times during the year, the Organization's cash balance exceeded the FDIC insurance amount. Management believes the risk in this situation to be minimal.

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes as of September 30, 2015:

<u>Purpose</u>	<u>Amount</u>
Paris Climate Summit	\$ 128,479
Fossil Fuel Divestment	67,608
Fossil Freeze	20,000
Subsequent Year Operations	2,046,306
<b>Total Temporarily Restricted Net Assets</b>	<b><u>\$ 2,262,393</u></b>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors for the year ended September 30, 2015, as follows:

<u>Purpose</u>	<u>Amount</u>
Coal	\$ 5,000
Digital Platform Development	21,478
Tarsands	193,090
Youth Leadership and Training	40,000
Typhoon Haiyan Climate Impacts	1,566
Peoples Climate March	25,000
Paris Climate Summit	353,983
Movement Building	56,655
Fracking	7,485
Fossil Fuel Divestment	169,563
Fossil Freeze	205,000
Subsequent Year Operations	100,000
<b>Net Assets Released from Restrictions</b>	<b><u>\$ 1,178,820</u></b>

**4. RELATED PARTY TRANSACTIONS**

The Organization shares office space and other related expenses and services with 350.Org Action Fund (the Fund), a nonprofit organization exempt under Section 501(c)(4) of the Internal Revenue Code. Costs have been allocated between the Organization and the Fund based upon salaries and other contractual arrangements. Total expenses allocated to the Fund for the year ended September 30, 2015 were approximately \$61,000.

**5. RETIREMENT PLAN**

The Organization established a 401(k) plan (the Plan), effective January 1, 2009, that covers all employees age 21 and older with 90 days of service. Matching contributions will be made on behalf of participants in an amount equal to 100% of the eligible participant's elective deferrals that do not exceed 3% of the participant's compensation and 50% of the amount of the

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**5. RETIREMENT PLAN (CONTINUED)**

participant's elective deferrals that exceed 3% of the participant's compensation up to 5% of the participant's compensation. The matching contribution will not exceed 4% of the participant's compensation. The Organization's contributions to the Plan were approximately \$58,000 for the year ended September 30, 2015.

**6. FIXED ASSETS**

Fixed assets consisted of the following as of September 30, 2015:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 121,646
Software	39,251
Website	97,104
	<u>258,001</u>
Less Accumulated Depreciation and Amortization	(189,741)
<b>Fixed Assets, Net</b>	<b><u><u>\$ 68,260</u></u></b>

**7. DONATED SERVICES**

Donated legal services were reported as management and general expenses in the amount of approximately \$27,000.

**8. OPERATING LEASES**

The Organization has various leases for office space and is obligated under the leases through October of 2016.

Future minimum rental payments required under the leases are as follows:

<u>For the Years Ending September 30,</u>	<u>Amount</u>
2016	\$ 117,850
2017	4,738
<b>Total Minimum Lease Payments</b>	<b><u><u>\$ 122,588</u></u></b>

Rent expense for the year ended September 30, 2015 was approximately \$237,000.

**9. PLEDGES AND GRANTS RECEIVABLE**

Pledges and grants receivable consisted of the following as of September 30, 2015:

<u>Description</u>	<u>Amount</u>
Receivable in Less than One Year	\$ 1,291,087
Receivable in One to Five Years	1,000,000
Total Pledges and Grants Receivable	2,291,087
Less Discount to Net Present Value	(28,694)
<b>Net Pledges and Grants Receivable</b>	<b><u><u>\$ 2,262,393</u></u></b>

Pledges and grants receivable have been discounted at a rate of 2% as of September 30, 2015.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**10. SUBSEQUENT EVENTS**

Subsequent events were evaluated through August 26, 2016, which is the date the financial statements were available to be issued.