



350.ORG

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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SEPTEMBER 30, 2019

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Independent Auditors' Report

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, 2019, and the related statements of activities, functional expenses, 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, 2019, 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.

Emphasis of Matter

As discussed in Note 2 of the financial statements, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Organization's September 30, 2018, financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, 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.
January 11, 2021

Certified Public Accountants

STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,415,890	\$ 11,836,712
Grants and Contributions Receivable	1,974,853	1,862,079
Accounts Receivable	51,713	-
Due from 350.Org Action Fund	309,090	247,238
Employee Advances	107,647	257,034
Prepaid Expenses and Other Current Assets	491,143	200,039
Total Current Assets	<u>4,350,336</u>	<u>14,403,102</u>
Grants and Contributions Receivable, Net of Current Portion	164,451	1,202,185
Investments	1,041,037	67,133
Deposits	498,976	368,125
Property and Equipment, Net	166,484	107,692
Total Assets	<u>\$ 6,221,284</u>	<u>\$ 16,148,237</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 1,818,307	\$ 931,539
Accrued Vacation	607,762	501,501
Grants Payable	367,797	381,304
Total Current Liabilities	<u>2,793,866</u>	<u>1,814,344</u>
Noncurrent Liabilities		
Grants Payable, Net of Current Portion	<u>132,189</u>	<u>421,968</u>
Total Liabilities	<u>2,926,055</u>	<u>2,236,312</u>
Net Assets		
Without Donor Restrictions	1,517,325	10,357,530
With Donor Restrictions	<u>1,777,904</u>	<u>3,554,395</u>
Total Net Assets	<u>3,295,229</u>	<u>13,911,925</u>
Total Liabilities and Net Assets	<u>\$ 6,221,284</u>	<u>\$ 16,148,237</u>

See accompanying Notes to Financial Statements.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
Revenue				
Grants and Contributions	\$ 13,848,447	\$ 719,401	\$ 14,567,848	\$ 19,028,157
Donated Services	79,047	-	79,047	600
Investment Income	127,152	-	127,152	23,342
Other Income, Net	58,461	-	58,461	39,777
Releases from Restriction	<u>2,495,892</u>	<u>(2,495,892)</u>	<u>-</u>	<u>-</u>
Total Revenue	16,608,999	(1,776,491)	14,832,508	19,091,876
Expenses				
Program Services				
Field	15,355,949	-	15,355,949	10,534,512
Communications	1,653,361	-	1,653,361	1,417,717
Digital	<u>2,899,574</u>	<u>-</u>	<u>2,899,574</u>	<u>1,265,988</u>
Total Program Services	19,908,884	-	19,908,884	13,218,217
Supporting Services				
Management and General	4,649,692	-	4,649,692	2,548,536
Fundraising	<u>890,628</u>	<u>-</u>	<u>890,628</u>	<u>662,835</u>
Total Supporting Services	<u>5,540,320</u>	<u>-</u>	<u>5,540,320</u>	<u>3,211,371</u>
Total Expenses	<u>25,449,204</u>	<u>-</u>	<u>25,449,204</u>	<u>16,429,588</u>
Change in Net Assets	(8,840,205)	(1,776,491)	(10,616,696)	2,662,288
Net Assets, Beginning of Year	<u>10,357,530</u>	<u>3,554,395</u>	<u>13,911,925</u>	<u>11,249,637</u>
Net Assets, End of Year	<u><u>\$ 1,517,325</u></u>	<u><u>\$ 1,777,904</u></u>	<u><u>\$ 3,295,229</u></u>	<u><u>\$ 13,911,925</u></u>

See accompanying Notes to Financial Statements.

350.ORG

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Program Services			Total Program Services	Supporting Services		Total
	Field	Communications	Digital		Management and General	Fundraising	
Salaries	\$ 3,290,407	\$ 541,105	\$ 640,333	\$ 4,471,845	\$ 1,945,058	\$ 474,866	\$ 6,891,769
Taxes and Employee Benefits	644,716	101,951	109,983	856,650	349,093	98,905	1,304,648
Volunteer Training	166,872	1,793	1,349	170,014	11,144	-	181,158
Conferences and Meetings	1,049,570	3,746	15,718	1,069,034	94,092	9,365	1,172,491
Consulting	7,005,648	667,504	1,396,473	9,069,625	980,980	124,113	10,174,718
Advertising	80,667	12,070	62,950	155,687	14,716	11,667	182,070
Telephone	50,278	3,634	4,018	57,930	19,727	1,495	79,152
Website	45,634	-	155,751	201,385	3,366	4	204,755
Insurance	130,133	18,752	14,684	163,569	9,396	2,599	175,564
Printing and Publications	19,682	4	56	19,742	1,097	881	21,720
Postage and Shipping	5,139	-	163	5,302	4,014	2,293	11,609
Repairs and Maintenance	17,284	-	-	17,284	7,498	-	24,782
Professional Fees	650,250	97,384	183,642	931,276	334,653	16,747	1,282,676
Miscellaneous	55,083	6,095	9,812	70,990	27,947	110,256	209,193
Equipment Rental and Purchases	108,491	1,777	25,375	135,643	45,417	277	181,337
Dues and Subscriptions	124,165	35,040	163,679	322,884	25,181	12,373	360,438
Professional Development	14,315	7,892	3,135	25,342	46,767	986	73,095
Occupancy	336,312	29,010	51,731	417,053	33,091	8,824	458,968
Travel	1,508,293	121,513	53,561	1,683,367	677,510	11,957	2,372,834
Supplies	16,331	62	120	16,513	9,369	372	26,254
Depreciation and Amortization	36,679	4,029	7,041	47,749	9,576	2,648	59,973
Total Expenses	\$ 15,355,949	\$ 1,653,361	\$ 2,899,574	\$ 19,908,884	\$ 4,649,692	\$ 890,628	\$ 25,449,204

See accompanying Notes to Financial Statements.

350.ORG

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (10,616,696)	\$ 2,662,288
Adjustments to Reconcile Change in Net Assets to to Net Cash (Used in) Provided by Operating Activities		
Depreciation and Amortization	59,973	47,943
Donated Securities Received	(1,520,636)	(397,141)
Proceeds from Sales of Donated Securities	546,732	392,715
Loss on Disposal of Property and Equipment	15,092	-
Decrease (Increase) in Grants and Contributions Receivable	924,960	(2,075,220)
Increase in Accounts Receivable	(51,713)	-
Increase in Due from 350.Org Action Fund	(61,852)	(190,561)
Decrease (Increase) in Employee Advances	149,387	(230,756)
Increase in Prepaid Expenses and Other Current Assets	(291,104)	(76,772)
Increase in Deposits	(130,851)	(335,619)
Increase in Accounts Payable and Accrued Expenses	886,768	356,044
Increase in Accrued Vacation	106,261	279,072
(Decrease) Increase in Grants Payable	(303,286)	463,272
Net Cash (Used in) Provided by Operating Activities	<u>(10,286,965)</u>	895,265
Cash Flows from Investing Activities		
Purchases of Property and Equipment	<u>(133,857)</u>	<u>(84,722)</u>
Net Cash Used in Investing Activities	<u>(133,857)</u>	<u>(84,722)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(10,420,822)	810,543
Cash and Cash Equivalents, Beginning of Year	<u>11,836,712</u>	<u>11,026,169</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,415,890</u></u>	<u><u>\$ 11,836,712</u></u>

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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:

Field: The Field program works 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 connections to support an international network of climate activists, 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 determined the Organization to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and not to be 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, 2019.

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 is subject to examination generally for three years after filing.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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

Cash and Cash Equivalents

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

Investments

Equity investments are recorded at fair value using quotations on national exchanges. Debt securities are recorded at fair value using readily available pricing sources for comparable investments. Investment income, including realized and unrealized gains and losses, is included in the statement of activities.

Accounts Receivable

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

Grants and Contributions Receivable

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

Property and Equipment

The Organization capitalizes all property and equipment acquisitions greater than \$1,000. Property and equipment 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. Grants and contributions that are restricted by the donor for purpose or time are reported as increases in net assets with donor restrictions, depending on the existence and/or nature of the restriction. When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed securities are recorded at fair value on the date of the gift.

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, 2019

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 classified as follows:

Net Assets Without Donor Restrictions: 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.

Net Assets With Donor Restrictions: 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 benefitted. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include certain benefits, occupancy, accounting and audit expense, dues and subscriptions, bank and credit card fees, insurance, and depreciation and amortization. These expenses are allocated on the basis of either total salaries or total other costs. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

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 certain reported amounts and disclosures. Accordingly, 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, 2018. 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, 2018, from which the summarized information was derived.

Reclassification

Certain 2018 amounts have been reclassified for comparative purposes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

2. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

For the year ended September 30, 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification and provides information about liquidity and availability of resources. The changes required by the update have been applied retrospectively to all periods presented. A key change under ASU 2016-14 is the terminology of net asset classes used in these financial statements. Amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonal variations due to the timing of grants and contributions, and vendor payments. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

The following reflects the Organization's financial assets as of September 30, 2019, reduced by amounts not available for general operating expenditure within one year:

<u>Financial Assets</u>	<u>Amount</u>
Cash and Cash Equivalents	\$ 1,415,890
Grants and Contributions Receivable	1,974,853
Accounts Receivable	51,713
Due from 350.Org Action Fund	309,090
Employee Advances	107,647
Prepaid Expenses and Other Current Assets	491,143
Investments Available for Operating Purposes	1,041,037
Less Amount Restricted by Donors for Purpose	<u>(560,552)</u>
Total Financial Assets Available within One Year	<u>\$ 4,830,821</u>

In 2019, the Organization's Board of Directors created a target for an Operational Reserve Fund equal to three/four months' average operating expenses, approximately \$6 million, which would be able to be utilized with authorization of a majority of the Board of Directors.

4. CONCENTRATIONS

As of September 30, 2019, approximately 69% of grants and contributions receivable were due from three donors.

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 certain limits. At times during the year, the Organization's cash balances exceeded the FDIC insurance limits. Management believes the risk in these situations to be minimal.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

5. 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, 2019, were approximately \$122,000. The Organization made a grant of \$60,000 to the Fund for mobilization services and other support during the year ended September 30, 2019.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of September 30, 2019:

<u>Purpose</u>	<u>Amount</u>
North America	\$ 154,561
Europe	122,250
Fossil Fuel Divestment	194,621
Keep It In The Ground Campaign	89,120
Time Restricted	<u>1,217,352</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,777,904</u>

Net assets were released from donor restrictions for the year ended September 30, 2019, as follows:

<u>Purpose</u>	<u>Amount</u>
North America	\$ 303,333
Asia	127,880
Europe	192,655
Fossil Fuel Divestment	359,627
Keep It In The Ground Campaign	210,000
Time Restricted	<u>1,302,397</u>
Net Assets Released from Restrictions	<u>\$ 2,495,892</u>

7. RETIREMENT PLANS

The Organization has a defined contribution plan in the U.S. and a tax-advantaged pension scheme in the U.K. The Organization's contributions to the retirement plans were approximately \$184,000 for the year ended September 30, 2019.

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30, 2019:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 334,320
Software	39,251
Website	<u>97,104</u>
	470,675
Less Accumulated Depreciation and Amortization	<u>(304,191)</u>
Property and Equipment, Net	<u>\$ 166,484</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

9. OPERATING LEASES

The Organization has various leases for office space and is obligated under the leases through October 2022.

Future minimum rental payments required under the leases with terms in excess of one year are as follows:

<u>For the Years Ending September 30,</u>	<u>Amount</u>
2021	\$ 63,648
2022	5,463
Total Minimum Lease Payments	<u>\$ 69,111</u>

Occupancy expense includes rental reimbursements made to employees.

10. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consisted of the following as of September 30, 2019:

<u>Description</u>	<u>Amount</u>
Receivable in Less than One Year	\$ 1,974,853
Receivable in One to Five Years	169,083
Total Grants and Contributions Receivable	2,143,936
Less Discount to Net Present Value	<u>(4,632)</u>
Net Grants and Contributions Receivable	<u>\$ 2,139,304</u>

Grants and contributions receivable have been discounted to present value using a discount rate of approximately 1.7%.

11. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets (examples include equity securities);

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate and municipal bonds); and

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities, alternate investments and split-interest agreements).

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

11. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following presents the Organization's assets measured at fair value as of September 30, 2019:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Equities	\$ 984,497	\$ 984,497	\$ -	\$ -
Exchange Traded Funds	5,501	5,501	-	-
Municipal Bond	51,039	-	51,039	-
Total	<u>\$ 1,041,037</u>	<u>\$ 989,998</u>	<u>\$ 51,039</u>	<u>\$ -</u>

12. COMMITMENTS

The Organization has various contracts for consulting and other services, some of which include penalties for cancellation or early termination. Management believes the risk in these situations to be minimal.

13. DONATED SERVICES

During the year ended September 30, 2019, the Organization received donated legal services of approximately \$79,000. The expenses are included in professional fees in general and administrative on the statement of functional expenses.

14. FOREIGN OPERATIONS

The Organization operates in several countries outside the United States through employees, contract staff and consultants, and branch operations. The financial results of operations of the Organization's South African and the United Kingdom branch operations are prepared using the U.S. dollar as the functional currency. As a result, the transactions that are denominated in foreign currencies are remeasured into U.S. dollars, and any resulting gains or losses are included in other income, net, in the statement of activities. For the year ended September 30, 2019, foreign currency transactions netted to a loss of approximately \$33,000. Assets of the Organization's branches outside the United States were approximately \$103,000 at September 30, 2019.

15. MANAGEMENT'S PLANS

The Organization experienced a decrease in net assets of \$10.6 million and a decrease in operating cash flow of \$10.3 million for the year ended September 30, 2019, due to revenue being below targeted levels as the Organization continued its worldwide expansion. As a result, management eliminated 27 staff positions in the year ended September 30, 2019 and to date in the year ending September 30, 2020, and reduced its planned fiscal year 2020 expenditures by \$7 million, while redoubling its fundraising efforts.

For the year ended September 30, 2020, the Organization has reported an unaudited increase in net assets of \$4.1 million, and a cash and cash equivalents balance of \$8.2 million. Management has a reasonable expectation that the Organization has adequate resources to continue in operational existence for the foreseeable future.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

16. SUBSEQUENT EVENTS

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofits around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

The Organization has received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$1,291,828. PPP provides up to eight or twenty-four weeks of cash-flow assistance through 100% federally guaranteed loans to eligible recipients to maintain payroll during the COVID-19 public health emergency and cover certain other expenses. The first loan payment is deferred for six months. Assuming the Organization maintains its workforce and meets certain requirements, up to 100% of the loan is forgivable by the SBA if the loan proceeds are used to cover the first eight or twenty-four weeks of payroll, and certain other expenses. The Treasury Department anticipates that no more than 40% of the forgiven amount may be for non-payroll costs. Also, if the Organization does not retain its entire workforce, the level of forgiveness is reduced by the percentage of the decrease. Loans under PPP have an interest rate of 1% and a maturity of two to five years.

Subsequent to year end, the Organization's employees in the United States completed the process of unionizing with the Progressive Workers Union.

Subsequent events were evaluated through January 11, 2021, which is the date the financial statements were available to be issued.