

350.org and Affiliate

Consolidated Financial Report
September 30, 2024

Contents

Independent auditor's report	1-2
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4-5
Consolidated statements of functional expenses	6-7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-17

Independent Auditor's Report

Board of Directors
350.org and Affiliate

Opinion

We have audited the consolidated financial statements of 350.org and Affiliate (the Organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. 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 issued or 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 an audit conducted in accordance with GAAS 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 GAAS, 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.

RSM US LLP

New York, New York

May 12, 2025

350.org and Affiliate

Consolidated Statements of Financial Position September 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 5,458,352	\$ 9,437,061
Investments	755,240	97,823
Grants and contributions receivable, net	3,867,675	4,498,179
Due from 350.org action fund	16,883	3,221
Travel card advances	29,291	84,696
Prepaid expenses and other assets	249,200	224,030
Deposits	692,101	574,863
Property and equipment, net of accumulated depreciation of 2024—\$93,184; 2023—\$80,776	2,207	12,408
Total assets	\$ 11,070,949	\$ 14,932,281
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 784,597	\$ 1,376,857
Accrued salaries and payroll liabilities	21,350	16,237
Accrued vacation	497,284	511,939
Advance deposits	25,000	25,000
Total liabilities	1,328,231	1,930,033
Commitments and Contingencies (Note 11)		
Net assets:		
Without donor restrictions	2,745,380	7,756,893
With donor restrictions	6,997,338	5,245,355
Total net assets	9,742,718	13,002,248
Total liabilities and net assets	\$ 11,070,949	\$ 14,932,281

See notes to consolidated financial statements.

350.org and Affiliate

Consolidated Statement of Activities Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grants and contributions	\$ 11,311,988	\$ 7,897,169	\$ 19,209,157
Contributed nonfinancial assets	142,026	-	142,026
Investment income	340,002	-	340,002
Other income, net	(1,940)	-	(1,940)
Releases from restriction	6,145,186	(6,145,186)	-
Total revenue and support	17,937,262	1,751,983	19,689,245
Expenses:			
Program services:			
Field	13,186,811	-	13,186,811
Communications	2,880,814	-	2,880,814
Digital	3,335,159	-	3,335,159
Total program services	19,402,784	-	19,402,784
Supporting services:			
Management and general	1,572,466	-	1,572,466
Fundraising	1,973,525	-	1,973,525
Total supporting services	3,545,991	-	3,545,991
Total expenses	22,948,775	-	22,948,775
Change in net assets	(5,011,513)	1,751,983	(3,259,530)
Net assets:			
Beginning	7,756,893	5,245,355	13,002,248
Ending	\$ 2,745,380	\$ 6,997,338	\$ 9,742,718

See notes to consolidated financial statements.

Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Grants and contributions	\$ 12,979,366	\$ 6,438,422	\$ 19,417,788
Contributed nonfinancial assets	231,560	-	231,560
Investment income	238,470	-	238,470
Other income, net	(61,229)	-	(61,229)
Releases from restriction	4,717,922	(4,717,922)	-
Total revenue and support	18,106,089	1,720,500	19,826,589
Expenses:			
Program services:			
Field	12,404,966	-	12,404,966
Communications	2,767,668	-	2,767,668
Digital	3,380,897	-	3,380,897
Total program services	18,553,531	-	18,553,531
Supporting services:			
Management and general	1,871,664	-	1,871,664
Fundraising	1,550,744	-	1,550,744
Total supporting services	3,422,408	-	3,422,408
Total expenses	21,975,939	-	21,975,939
Change in net assets	(3,869,850)	1,720,500	(2,149,350)
Net assets:			
Beginning	11,626,743	3,524,855	15,151,598
Ending	\$ 7,756,893	\$ 5,245,355	\$ 13,002,248

See notes to consolidated financial statements.

350.org and Affiliate

Consolidated Statement of Functional Expenses Year Ended September 30, 2024

	Program Services				Supporting Services		
	Field	Communications	Digital	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 6,560,384	\$ 1,595,203	\$ 1,552,770	\$ 9,708,357	\$ 520,381	\$ 828,785	\$ 11,057,523
Taxes and employee benefits	2,319,598	468,858	448,445	3,236,901	132,189	228,694	3,597,784
Volunteer training	19,378	-	221	19,599	7,741	86	27,426
Conferences and meetings	408,680	7,393	4,204	420,277	13,294	117	433,688
Consulting	643,700	212,389	681,569	1,537,658	388,608	395,127	2,321,393
Grants to partners	933,881	-	-	933,881	-	-	933,881
Communications	7,607	34,246	15,404	57,257	-	39,316	96,573
Telephone	54,801	7,413	2,168	64,382	17,786	3,873	86,041
Website	26,791	-	17,635	44,426	-	-	44,426
Insurance	87,219	21,217	17,593	126,029	33,075	9,391	168,495
Postage and shipping	8,184	52	30	8,266	839	42,596	51,701
Professional fees	1,146,858	204,573	216,390	1,567,821	100,590	46,020	1,714,431
Miscellaneous	92,085	18,824	17,807	128,716	(5,708)	19,970	142,978
Fundraising fees	105	-	-	105	-	305,878	305,983
Equipment rental and purchases	57,858	50,659	58,332	166,849	100,240	14,583	281,672
Dues and IT subscriptions	91,227	213,310	245,773	550,310	37,498	15,334	603,142
Professional development	19,829	4,721	4,567	29,117	8,211	2,972	40,300
Occupancy	55,822	6,492	335	62,649	629	179	63,457
Travel	646,755	33,993	50,484	731,232	214,401	19,840	965,473
Depreciation and amortization	6,049	1,471	1,432	8,952	2,692	764	12,408
Total expenses	\$ 13,186,811	\$ 2,880,814	\$ 3,335,159	\$ 19,402,784	\$ 1,572,466	\$ 1,973,525	\$ 22,948,775

See notes to consolidated financial statements.

Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services				Supporting Services		
	Field	Communications	Digital	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 6,031,111	\$ 1,424,610	\$ 1,487,684	\$ 8,943,405	\$ 699,397	\$ 1,000,695	\$ 10,643,497
Taxes and employee benefits	1,860,264	396,896	365,372	2,622,532	153,402	191,543	2,967,477
Volunteer training	13,723	2,391	2,175	18,289	214	-	18,503
Conferences and meetings	352,240	4,888	9,198	366,326	23,455	3,644	393,425
Consulting	589,894	203,400	451,332	1,244,626	440,608	82,748	1,767,982
Grants to partners	454,920	29,706	37,582	522,208	-	-	522,208
Communications	201,178	58,527	119,347	379,052	1,488	17,629	398,169
Telephone	40,640	5,031	1,656	47,327	16,687	3,822	67,836
Website	4,845	1,012	38,784	44,641	25	-	44,666
Insurance	67,157	15,351	13,642	96,150	28,369	8,588	133,107
Postage and shipping	10,038	101	333	10,472	4,048	48,720	63,240
Professional fees	1,132,561	202,582	257,973	1,593,116	149,641	67,689	1,810,446
Miscellaneous	84,419	19,660	20,303	124,382	45,230	17,443	187,055
Equipment rental and purchases	53,639	64,515	10,999	129,153	41,964	5,211	176,328
Dues and IT subscriptions	320,525	212,969	463,287	996,781	46,323	32,163	1,075,267
Professional development	13,735	2,251	2,829	18,815	5,223	1,670	25,708
Occupancy	76,082	6,974	8,307	91,363	7,833	2,371	101,567
Travel	1,085,298	113,805	86,961	1,286,064	200,798	64,702	1,551,564
Depreciation and amortization	12,697	2,999	3,133	18,829	6,959	2,106	27,894
Total expenses	\$ 12,404,966	\$ 2,767,668	\$ 3,380,897	\$ 18,553,531	\$ 1,871,664	\$ 1,550,744	\$ 21,975,939

See notes to consolidated financial statements.

350.org and Affiliate

Consolidated Statements of Cash Flows Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (3,259,530)	\$ (2,149,350)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	12,408	27,894
Donated securities received	(650,276)	(373,858)
Proceeds from sales of donated securities liquidated immediately	-	336,030
Realized and unrealized gains on investments	(62,141)	(8,227)
Change in discount on grants and contributions receivable	35,348	10,887
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable, net	595,156	(2,507,757)
Accounts receivable	-	50,455
Due from 350.org Action Fund	(13,662)	24,599
Travel card advances	55,405	(45,651)
Prepaid expenses and other current assets	(25,170)	97,570
Deposits	(117,238)	(183,310)
Increase (decrease) in:		
Accounts payable and accrued expenses	(592,260)	550,963
Accrued salaries and payroll liabilities	5,113	6,545
Accrued vacation	(14,655)	104,034
Net cash used in operating activities	(4,031,502)	(4,059,176)
Cash flows from investing activities:		
Purchases of equipment	(2,207)	-
Proceeds from investments	55,000	-
Net cash provided by investing activities	52,793	-
Net decrease in cash and cash equivalents	(3,978,709)	(4,059,176)
Cash and cash equivalents:		
Beginning	9,437,061	13,496,237
Ending	<u>\$ 5,458,352</u>	<u>\$ 9,437,061</u>
Supplemental schedule of noncash investing activities:		
Donated securities not immediately liquidated	<u>\$ 650,276</u>	<u>\$ 45,031</u>

See notes to consolidated financial statements.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: 350.org is a dynamic and highly collaborative climate change organizations, building global grassroots movements to solve the climate crisis. The Organization works with volunteers in countries around the world to facilitate strategic campaigns, grassroots organizing and public engagement actions, using online tools 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 consolidated financial statements include the accounts of 350.org and Stichting 350 Global (350 Global) (collectively referred to as the Organization). 350 Global is a foundation incorporated in the Netherlands. It was established on May 28, 2024, to directly serve the public benefit aim of nature and environment, which concept includes sustainability (duurzaamheid), by protecting our society and future generations from global warming. There was limited activity in 350 Global during fiscal year 2024.

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.

A summary of the Organization's significant accounting policies follows:

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

Principles of consolidation: The accounts for 350.org and 350 Global are included in the consolidation. All inter-entity balances and transactions have been eliminated in consolidation.

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Topic of the FASB ASC, Financial Statements of Not-for-Profit Organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Net assets with donor restrictions also includes net assets subject to donor-imposed stipulations that the assets will be maintained permanently by the Organization.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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.

Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) and changes in donor intent are reported as reclassifications between the applicable classes of net assets.

Income taxes: The Internal Revenue Service (IRS) has determined 350.org 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 350.org's tax exempt purpose is subject to taxation as unrelated business income. 350.org had no net unrelated business income for the years ended September 30, 2024 and 2023.

350.org requires that a tax position be recognized or deterred based on a more likely than not threshold. This applies to positions taken or expected to be taken in a tax return. 350.org does not believe its consolidated financial statements include, or reflect, any uncertain tax positions. 350.org's IRS Form 990 is subject to examination generally for three years after filing.

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: Investments in marketable securities with readily determinable fair values and investments in debt securities at their fair value are reflected at fair value in the statement of financial position. Investment income, including realized and unrealized gains and losses, are included in the consolidated statements of activities.

Financial risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any such loss in the past and does not believe it is exposed to any significant financial risk on these balances.

The Organization invests funds in portfolios that are exposed to various risks, such as interest rate, credit and market value risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amount reported in the consolidated financial statements. As a result, investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

The fair value of mutual funds is based on quoted market prices. Investments in equity instruments traded on national securities exchanges are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

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.

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Accounts receivable: The Organization records accounts receivable at estimated net realizable value.

Allowance for credit losses: On October 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, which replaced the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The update was intended to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The current expected credit loss (CECL) model provides that an initial estimate of expected credit losses and any changes in that estimate are recognized as adjustments to the allowance. The impact of the adoption was not considered material to the financial statements.

The Organization reviews the collectability of the receivables on a regular basis. Management determines the allowance for credit losses by identifying troubled accounts and using historical characteristics, current economic conditions and reasonable forecasts. No reserve for credit loss has been established because management expects to collect receivables in full.

Prior to adoption of ASC 326, the Organization reviewed the collectability of the receivables on a regular basis, no reserve for doubtful accounts was established because management expected to collect receivables in full.

Property and equipment: The Organization capitalizes all property and equipment acquisitions greater than \$5,000. Property and equipment is 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.

Valuation of long-lived assets: The Organization reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

Revenue and support recognition: Unconditional grants and contributions are recorded as support at fair value when received or when promised. Unconditional 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 consolidated statements of activities as net assets released from restrictions.

Conditional contributions are recognized when donor-imposed conditions are met. These revenues are subject to right of return if funds are not spent, and also have barriers that must be met in order to be entitled to the funds. Accordingly, amounts received but not yet recognized as revenue are classified as refundable advances in the consolidated statements of financial position. As of September 30, 2024 and 2023, there were no revenues to be earned on conditional grants. Conditional grants are recognized as net assets without donor restrictions at the time conditions have been met and no donor-imposed restrictions remain.

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

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

Contributions of nonfinancial assets: Contributions of nonfinancial assets, including eligible donated services, supplies, property and equipment and other assets are recorded at fair value. 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.

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

Functional allocation of expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements 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 salaries, taxes and employee benefits, occupancy, dues and subscriptions, 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 consolidated 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.

Reclassifications: Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported equity.

Subsequent events: The Organization has evaluated events through May 12, 2025, the date on which the consolidated financial statements were available to be issued.

Note 2. Liquidity and Availability of Resources

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

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 2. Liquidity and Availability of Resources (Continued)

The following reflects the Organization's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general operating expenditure within one year:

	2024	2023
Cash and cash equivalents	\$ 5,458,352	\$ 9,437,061
Investments	755,240	97,823
Grants and contributions receivable due in less than one year	2,973,996	4,488,627
Due from 350.org Action Fund	16,883	3,221
Less amount restricted by donors for purpose	(3,708,135)	(1,670,803)
Less board designated operational reserve	(2,500,000)	(7,100,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,996,336</u>	<u>\$ 5,255,929</u>

The Organization's Board of Directors created a target for an Operation Reserve Fund equal to four months average operating expenses, approximately \$2.5 million and \$7.1 million as of September 30, 2024 and 2023, respectively, which would be able to be utilized with authorization of a majority of the Board of Directors. These funds are included in net assets without donor restrictions.

Note 3. Investments and Fair Value Measurements

The Organization uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves, other market data, or by using a market approach from pricing sources utilized by investment managers.

Level 3: Unobservable inputs which reflect the report entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments using Level 1 inputs consist of common stocks, exchange traded funds and municipal bonds which are valued based on quoted market prices at the reporting date for those investments in active markets. Additionally, investments in mutual funds are valued at the last sales price or, if there is no sale or the market is still considered active, at the last transaction price before year-end.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 3. Investments and Fair Value Measurements (Continued)

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

	2024			
	Fair Value	Level 1	Level 2	Level 3
Common stock	\$ 710,440	\$ 710,440	\$ -	\$ -
Exchange traded funds	594	594	-	-
Mutual funds	44,206	44,206	-	-
Total	<u>\$ 755,240</u>	<u>\$ 755,240</u>	<u>\$ -</u>	<u>\$ -</u>

	2023			
	Fair Value	Level 1	Level 2	Level 3
Common stock	\$ 43,935	\$ 43,935	\$ -	\$ -
Exchange traded funds	466	466	-	-
Municipal bond	53,422	-	53,422	-
Total	<u>\$ 97,823</u>	<u>\$ 44,401</u>	<u>\$ 53,422</u>	<u>\$ -</u>

Note 4. Grants and Contributions Receivable

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

	2024	2023
Receivable in less than one year	\$ 2,973,996	\$ 4,488,627
Receivable in one to five years	929,475	10,000
Total grants and contributions receivable	3,903,471	4,498,627
Less discount to net present value	(35,796)	(448)
Grants and contributions receivable, net	<u>\$ 3,867,675</u>	<u>\$ 4,498,179</u>

Grants and contributions receivable have been discounted to present value using discount rates between 3.66% and 3.98% at September 30, 2024 and 2023.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of September 30, 2024 and 2023:

	2024	2023
Purpose restricted		
North America	\$ 484,587	\$ 205,254
Asia	55,927	315,534
Africa	390,529	791,706
Worldwide Programme	1,860,875	158,309
Other	916,217	200,000
Time restricted	3,289,203	3,574,552
Total net assets with donor restrictions	<u>\$ 6,997,338</u>	<u>\$ 5,245,355</u>

Net assets were released from donor restrictions for the years ended September 30, 2024 and 2023, as follows:

	2024	2023
Purpose restricted		
North America	\$ 540,667	\$ 426,087
Asia	291,808	600,251
Europe	-	151,438
Africa	1,157,146	523,663
Worldwide Programme	1,406,597	679,431
Other	173,968	687,985
Time restricted	2,575,000	1,649,067
Net assets released from restrictions	<u>\$ 6,145,186</u>	<u>\$ 4,717,922</u>

Note 6. 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 offers a provident fund to South Africa-based employees which is equivalent to a pension fund. The Organization's contributions to the retirement plans were approximately \$393,000 and \$163,000 for the years ended September 30, 2024 and 2023, respectively.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 7. Contributed Nonfinancial Assets

During the years ended September 30, 2024 and 2023, the Organization received contributed nonfinancial assets which are included in professional fees and dues, subscriptions and licenses in the consolidated statements of functional expenses, and are allocated as follows:

2024							
	Field	Communications	Digital	Total Program Services	Management and General	Fundraising	Total
Legal services	\$ 60,423	\$ 14,692	\$ 14,301	\$ 89,416	\$ 26,886	\$ 7,975	\$ 124,277
Software licenses	8,629	2,098	2,042	12,769	3,840	1,139	17,748
Total	\$ 69,052	\$ 16,790	\$ 16,343	\$ 102,185	\$ 30,726	\$ 9,114	\$ 142,025
2023							
	Field	Communications	Digital	Total Program Services	Management and General	Fundraising	Total
Legal services	\$ 97,337	\$ 22,991	\$ 24,007	\$ 144,335	\$ 53,327	\$ 16,150	\$ 213,812
Software licenses	8,080	1,908	1,993	11,981	4,426	1,341	17,748
Total	\$ 105,417	\$ 24,899	\$ 26,000	\$ 156,316	\$ 57,753	\$ 17,491	\$ 231,560

Legal services are valued and are reported at the estimated fair value based on current rates of similar legal services. Software licenses are valued and reported at the estimated fair value based on estimates of values that would be received for selling similar products.

All contributed nonfinancial assets received by the Organization for the years ended September 30, 2024 and 2023, were considered without donor restrictions.

Note 8. 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. The Fund is a related non-controlled and financial independent entity. 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 years ended September 30, 2024 and 2023, were approximately \$17,000 and \$11,000, respectfully. Subsequent to year end, the September 30, 2024 and 2023 balances owed to the Organization were paid. The Fund contributed \$125,000 to the Organization during the year ended September 30, 2023. The Fund did not contribute to the Organization during the year ended September 30, 2024.

Note 9. 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 in the consolidated statements of activities. For the years ended September 30, 2024 and 2023, foreign currency transactions netted to a gain of approximately \$24,600 and \$61,500, respectively, and reported as other income on the consolidated statements of activities. Assets of the Organization's branches outside the United States were approximately \$418,500 and \$390,200 at September 30, 2024 and 2023, respectively.

350.org and Affiliate

Notes to Consolidated Financial Statements

Note 10. Concentrations

As of September 30, 2024 and 2023, approximately 51% and 78% of grants and contributions receivable (unpaid balances), respectively, were due from two donors.

Certain employees in the United States are members of the Progressive Workers Union, which engages in collective bargaining with the Organization.

Note 11. Commitments and Contingencies

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.