

CITIZENS' CLIMATE EDUCATION CORP
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

CITIZENS' CLIMATE EDUCATION CORP

	<u>Pages</u>
I Index	1
II Independent auditor's report	2 – 3
III Statements of financial position	4
IV Statements of activities and changes in net assets	5 – 6
V Statements of functional expenses	7 – 8
VI Statements of cash flows	9
VII Notes to the financial statements	10 – 17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Citizens' Climate Education Corp

We have audited the accompanying financial statements of Citizens' Climate Education Corp, a nonprofit organization, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 auditor considers internal control relevant to the Organization'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 Organization'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens' Climate Education Corp as of December 31, 2020 and 2019, and the changes in its net assets, functional expenses, and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Considine & Considine". The script is cursive and fluid, with a stylized ampersand connecting the two names.

CONSIDINE & CONSIDINE
An accountancy corporation

June 9, 2021

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

Page 4

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,543,998	\$ 1,148,615
Receivables	1,564,003	651,211
Investments (note 5)	499,905	-
Prepaid expenses	173,233	116,574
Due from related party (note 3)	41,236	34,053
	<u>5,822,375</u>	<u>1,950,453</u>
OTHER ASSETS		
Investments (note 5)	3,371	18,142
Other receivables	13,200	4,000
	<u>16,571</u>	<u>22,142</u>
TOTAL ASSETS	<u><u>5,838,946</u></u>	<u><u>1,972,595</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	25,796	9,376
Accrued expenses (note 6)	308,016	223,977
Deferred revenue	79,437	176,889
	<u>413,249</u>	<u>410,242</u>
NET ASSETS (note 7)		
Without donor restrictions	3,843,897	799,334
With donor restrictions	1,581,800	763,019
	<u>5,425,697</u>	<u>1,562,353</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,838,946</u></u>	<u><u>\$ 1,972,595</u></u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

Page 5

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Contributions and grants	\$ 4,685,565	\$ 2,887,791	\$ 7,573,356
Conference revenue	169,563	-	169,563
Other income (note 8)	593,089	-	593,089
	<u>5,448,217</u>	<u>2,887,791</u>	<u>8,336,008</u>
NET ASSETS RELEASED FROM RESTRICTIONS (note 6)			
Satisfaction of program restrictions	649,594	(649,594)	-
Expiration of time restrictions	1,419,416	(1,419,416)	-
	<u>2,069,010</u>	<u>(2,069,010)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	7,517,227	818,781	8,336,008
EXPENSES			
Program services	3,391,103	-	3,391,103
Management and general	727,931	-	727,931
Development	353,630	-	353,630
	<u>4,472,664</u>	<u>-</u>	<u>4,472,664</u>
CHANGE IN NET ASSETS	3,044,563	818,781	3,863,344
NET ASSETS, BEGINNING OF YEAR	<u>799,334</u>	<u>763,019</u>	<u>1,562,353</u>
NET ASSETS, END OF YEAR	<u>\$ 3,843,897</u>	<u>\$ 1,581,800</u>	<u>\$ 5,425,697</u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

Page 6

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Contributions and grants	\$ 2,236,994	\$ 2,105,253	\$ 4,342,247
Conference revenue	328,960	-	328,960
Other income	1,864	-	1,864
	<u>2,567,818</u>	<u>2,105,253</u>	<u>4,673,071</u>
NET ASSETS RELEASED FROM RESTRICTIONS (note 6)			
Satisfaction of program restrictions	800,608	(800,608)	-
Expiration of time restrictions	727,584	(727,584)	-
	<u>1,528,192</u>	<u>(1,528,192)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	4,096,010	577,061	4,673,071
EXPENSES			
Program services	3,939,645	-	3,939,645
Management and general	497,075	-	497,075
Development	355,594	-	355,594
	<u>4,792,314</u>	<u>-</u>	<u>4,792,314</u>
CHANGE IN NET ASSETS	(696,304)	577,061	(119,243)
NET ASSETS, BEGINNING OF YEAR	<u>1,495,638</u>	<u>185,958</u>	<u>1,681,596</u>
NET ASSETS, END OF YEAR	<u>\$ 799,334</u>	<u>\$ 763,019</u>	<u>\$ 1,562,353</u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Page 7

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Advertising and marketing	\$ 53,521	\$ -	\$ 39,555	\$ 93,076
Bank and other fees	11,591	15,712	33,613	60,916
Conference and meetings	107,086	-	-	107,086
Employee benefits	42,696	11,535	4,885	59,116
Insurance	49,237	12,554	5,316	67,107
Office	47,403	12,806	5,424	65,633
Outreach and education	119,475	-	-	119,475
Payroll taxes	158,229	42,746	18,103	219,078
Professional services	-	49,982	-	49,982
Rent	52,808	14,266	6,042	73,116
Salaries and wages	2,549,527	568,330	240,692	3,358,549
Technology	164,718	-	-	164,718
Travel	34,812	-	-	34,812
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 3,391,103</u>	<u>\$ 727,931</u>	<u>\$ 353,630</u>	<u>\$ 4,472,664</u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

Page 8

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Advertising and marketing	\$ 106,449	\$ -	\$ 53,883	\$ 160,332
Bank and other fees	-	17,074	25,610	42,684
Conference and meetings	567,192	-	-	567,192
Employee benefits	62,096	8,538	6,986	77,620
Insurance	22,880	23,342	924	47,147
Office	33,150	4,558	3,729	41,437
Outreach and education	61,852	-	-	61,852
Payroll taxes	150,966	20,758	16,984	188,707
Professional services	-	120,331	-	120,331
Rent	54,319	7,469	6,111	67,899
Salaries and wages	2,561,860	277,505	227,049	3,066,414
Technology	127,270	17,500	14,318	159,088
Travel	191,611	-	-	191,611
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 3,939,645</u>	<u>\$ 497,075</u>	<u>\$ 355,594</u>	<u>\$ 4,792,314</u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Page 9

	<u>2020</u>	<u>2019</u>
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 3,863,344	\$ (119,243)
ADJUSTMENTS TO RECONCILE THE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Donated investments	(1,628,191)	(291,827)
Change in operating assets and liabilities:		
Receivables	(912,792)	(403,150)
Prepaid expenses	(56,659)	(30,448)
Due from related party	(7,183)	31,407
Other current assets	-	-
Other receivables	(9,200)	13,874
Accounts payable	16,420	(20,991)
Accrued expenses	84,039	(73,558)
Deferred revenue	(97,452)	176,889
	<u>(982,827)</u>	<u>(305,977)</u>
CASH FLOWS PROVIDED /(USED) BY OPERATING ACTIVITIES	1,252,326	(717,047)
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Proceeds on sale of investments	<u>1,143,057</u>	<u>306,223</u>
NET INCREASE/(DECREASE) IN CASH	2,395,383	(410,824)
CASH, BEGINNING OF YEAR	<u>1,148,615</u>	<u>1,559,439</u>
CASH, END OF YEAR	<u><u>\$ 3,543,998</u></u>	<u><u>\$ 1,148,615</u></u>

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 10

NOTE 1 THE ORGANIZATION

Citizens' Climate Education Corp. (the "Organization") trains individuals to educate political leaders, the media, and the general public about climate change solutions. The Organization's programs explain the many benefits of fair, effective, and transparent climate action. The Organization is nonpartisan and empowers ordinary citizens to become active and effective participants in their democracy. Substantially all of the Organization's support is received as contributions from individuals and foundations.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The accompanying financial statements are prepared using the accrual method in conformity with accounting principles generally accepted (GAAP) in the United States.

Basis of presentation – The Organization follows the recommendation of Financial Accounting Standards Board's (FASB) Financial Statements of Not-For-Profit Organizations for presentation of its financial statements which require that net assets, support, revenue and gains, expenses and losses be classified as with donor restrictions and without donor restrictions.

Estimates – The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair value measurement – The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Net assets without donor restriction – Net assets without donor restriction represent expendable funds available for operations that are not otherwise limited by donor restrictions. Net assets without donor restriction also include amounts designated for certain purposes by the Board of Directors. At December 31, 2020 and 2019, the Organization had approximately \$3,844,000 and \$799,000 of net assets without donor restriction, respectively.

Net assets with donor restriction – Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may recognize the funds or recognize the support. At December 31, 2020 and 2019, the Organization had donor restricted net assets of approximately \$1,581,800 and \$763,000, respectively.

Cash – The Organization considers financial instruments with a fixed maturity of less than three months to be cash equivalents. The Organization maintains its cash in bank deposit accounts which at times exceed the federally insured deposit limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash. The Organization had approximately \$2,886,000 and \$476,000 in excess of the federally insured deposit limits at December 31, 2020 and 2019, respectively.

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 11

Investments – Investments are carried at fair market value. Income on investments are recognized as revenue in the period it is earned, and realized and unrealized gains and losses are recognized as changes in net assets in the accounting period in which they occur. The Organization receives investments from donors and converts them into cash immediately.

Receivables – For the years ended December 31, 2020 and 2019 pledges receivable consist of approximately \$1,475,000 and \$515,000, respectively, included in receivables in the statements of financial position. These are stated at the outstanding balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. For the years ended December 31, 2020 and 2019, management did not write off any amount of its receivables. Receivables also include donations in-transit through the Organization's various payment platforms.

Contributions – Contributions received are considered to be unrestricted and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities and changes in net assets as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as net assets with donor restrictions and then released from restriction in the same period.

Revenue recognition – The Organization follows Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") Topic 606 ("ASC 606") Revenue from Contracts with Customers, which provides guidance for revenue recognition. This ASC's core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods and services. The standard also clarifies the principal versus agent considerations. Providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer.

Conditional Grants – During 2020 and 2019, the Organization received restricted grants approximating \$362,000 and \$687,000, respectively that contained donor conditions (primarily matching funds requirements). Since these grants represent conditional promises to give, they are not recorded as contribution revenue until donor conditions are met. Funds received from the donor in advance of the conditions being met totaled \$79,437 and \$137,282 as of December 31, 2020 and 2019 respectively; are recorded as deferred revenue in the statements of financial position and will subsequently be recognized as contribution revenue when donor conditions are met. Of the \$362,000 and \$687,000 restricted grants received in 2020 and 2019, respectively, the Organization recognized approximately \$419,000 and \$549,000 as contribution revenues respectively, once the donor conditions were met. Also included in deferred revenues are conference fees of approximately \$0 and \$40,000 received during the year ended December 31, 2020 and 2019, respectively, for events taking place in a subsequent year.

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 12

Functional expense allocation – The Organization allocates its expenses on a functional basis among its program and support services. Directly identifiable expenses are charged to program and supporting services. There are certain categories of expenses that are attributable to more than one program or supporting function and require allocation on a reasonable basis. Expenses such as compensation and benefits, utilities, advertising and marketing and rent are allocated on the basis of estimates of time and effort. Other expenses related to more than one function are charged to program and supporting services on the basis of periodic and expense studies.

Income taxes – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within limitations prescribed by the Code.

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return. As of December 31, 2020, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

NOTE 3 RELATED PARTY

The Organization's sister organization, Citizens' Climate Lobby ("CCL"), is a 501(c)(4) organized to lobby for specific climate change solutions. During the years ended December 31, 2020 and 2019, CCL reimbursed the Organization a total of approximately \$943,500 and \$573,500, respectively, for expenses incurred by the Organization on CCL's behalf. During the years ended December 31, 2020 and 2019, the Organization had \$169,563 and \$328,960 of shared conference revenue with CCL, respectively. As of December 31, 2020 and 2019, \$41,236 and \$34,053, respectively, was owed by CCL.

NOTE 4 FAIR VALUE MEASUREMENT

The Organization follows the methods of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the higher priority to level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quotes prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 13

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The investments in equities and exchange traded funds are valued at market prices in active markets and have readily determined fair values. The assets are classified as level 1 investments.

The investments in U.S. treasury bills are valued by using quoted prices of securities with similar characteristics. These assets are classified as level 2 investments.

Financial assets carried at fair value at December 31, 2020 are classified in the following schedules in one of three categories described above. The table below presents the balances of assets measured at fair values as of December 31, 2020 on a recurring basis:

Assets	Level 1	Level 2	Level 3	Total
U.S Treasury Bills	\$ -	\$ 499,905	\$ -	\$ 499,905
Equities	3,371	-	-	3,371
	<u>\$ 3,371</u>	<u>\$ 499,905</u>	<u>\$ -</u>	<u>\$ 503,276</u>

Financial assets carried at fair value at December 31, 2019 are classified in the following schedules in one of three categories described above. The table below presents the balances of assets measured at fair values as of December 31, 2019 on a recurring basis:

Assets	Level 1	Level 2	Level 3	Total
Equities	<u>\$ 18,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,142</u>

NOTE 5 INVESTMENTS

Investments are held at fair market value and consist of the following at December 31, 2020:

	Cost	Fair value
U.S. treasury bills	\$ 499,906	\$ 499,906
Equities	3,371	3,371
	<u>\$ 503,277</u>	<u>\$ 503,277</u>

Investments are held at fair market value and consist of the following at December 31, 2019:

	Cost	Fair value
Equities	<u>\$ 18,142</u>	<u>\$ 18,142</u>

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 14

The Organization's investment gains included with other income on the statement of activities and changes in net assets, for the years ended December 31, 2020 and 2019 was \$9,051 and (\$326), respectively.

NOTE 6 ACCRUED EXPENSES

Accrued expenses consists of the following:

	2020	2019
Accrued payroll	\$ 143,317	\$ 101,958
Accrued vacation	141,337	95,135
Accrued expenses	20,287	17,675
Credit cards payable	3,075	9,209
	<u>\$ 308,016</u>	<u>\$ 223,977</u>

NOTE 7 NET ASSETS

Net assets were available for the following purposes as of December 31:

	2020	2019
Without donor restrictions		
Unrestricted and undesignated	\$ 3,843,897	\$ 799,334
With donor restrictions:		
Subject to expenditure for specific purpose:		
General program restrictions	106,800	143,603
Time restrictions	1,475,000	619,416
Total net assets with donor restrictions	<u>1,581,800</u>	<u>763,019</u>
Total net assets	<u>\$ 5,425,697</u>	<u>\$ 1,562,353</u>

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 15

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors during the years ended December 31 are as follows:

	2020	2019
Purpose restrictions accomplished:		
State initiatives	\$ 83,288	\$ 75,000
International projects	73,884	133,628
Conservative Fellowship	43,768	16,168
Diversity Fellowship / Scholarships	17,000	6,000
Monthly donation drive	419,291	549,258
Young Conservative Lobby Day	12,363	20,554
	<u>649,594</u>	<u>800,608</u>
Expiration of time restrictions:		
General support	1,419,416	727,584
	<u>\$ 2,069,010</u>	<u>\$ 1,528,192</u>

NOTE 8 PAYCHECK PROTECTION PROGRAM

In response to the COVID-19 pandemic, the Paycheck Protection Program (PPP) was established under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the Small Business Administration (SBA). Organizations who met the eligibility requirements set forth by the PPP could qualify for PPP loans. If the loan proceeds are fully utilized to pay qualified expenses, the full principal amount of the PPP loan, along with any accrued interest, may qualify for loan forgiveness, subject to potential reduction based on the level of full-time employees maintained by the Organization.

In May 2020, the Company received loans totaling \$570,260 under the PPP. The loans bear interest at 1.0%, with principal and interest payments deferred for the first six months of the loans. After that, the loans and interest would be paid back over a period of 18 months, if the loans are not forgiven under the terms of the PPP.

On May 20, 2021, the Organization received forgiveness for the above PPP loan and hence has decided that the PPP loans should be accounted for as a government grant. As GAAP does not contain guidance on the accounting for government grants, the Organization is following the guidance in International Accounting Standards, or IAS, 20, Accounting for Government Grants and Disclosure of Government Assistance. Under the provisions of IAS 20, "a forgivable loan from the government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan." Under IAS 20, government grants are recognized in income as required activities are undertaken. Included in other income on the statement of activities and changes in net assets for the year ended December 31, 2020, is the full amount of the PPP loan, \$570,260, and no liability for the PPP loans is reflected in the statement of financial position as of December 31, 2020.

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 16

NOTE 9 COMMITMENTS

The Organization subleases office space in the District of Columbia under an operating lease. The lease expired June 30, 2020 and is now on a month to month basis. The monthly rent is \$5,068.

Additionally, the Organization leases office space in San Diego under an operating lease. The lease expired November 30, 2020 and is now on a month on month basis. The base rent is \$2,385 payable every month.

The total rent expense was \$73,116 and \$67,899 for the years ended December 31, 2020 and 2019, respectively.

NOTE 10 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by contributions with and without restrictions. Contributions and expenses are monitored on a monthly basis by the management and on a quarterly basis by the Organization's leadership and board. The level of assets are monitored on an annual basis. The Organization has historically had an average of approximately \$1,275,000 in donations without restrictions every year.

The goal is to be able to function within the boundaries of the income received throughout the year. Occasionally, the Organization receives contributions with restrictions. As of December 31, 2020 and 2019, the Organization has approximately \$1,582,000 and \$763,000, respectively, of net assets with donor restrictions.

These funds can be used for expenditures within the guidelines established by the donor with time or purpose restrictions. Donations without restrictions total approximately \$3,844,000 and \$799,000 as of December 31, 2020 and 2019, respectively. Upon board approval, excess funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical course of business.

As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization manages its liquidity following these guiding principles: operating within a prudent range of financial stewardship and stability and maintaining adequate liquid assets to fund near-term needs, to provide reasonable assurance that long-term obligations will be discharged.

The following reflect the Organization's financial assets as of December 31, 2020 and 2019, reduced by the amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date:

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Page 17

Financial assets, at year-end:	2020	2019
Cash	\$ 3,543,998	\$ 1,148,615
Receivables	1,564,003	651,211
Investments	503,276	18,142
	<u>5,611,277</u>	<u>1,817,968</u>
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions		
Donor-restricted to specific programs	(106,800)	(143,603)
Donor-restricted to time restrictions	(1,475,000)	(619,416)
	<u>(1,581,800)</u>	<u>(763,019)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,029,477</u>	<u>\$ 1,674,365</u>

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2021, the date the financial statements were available to be issued. There were not material subsequent events which affected the amounts or disclosures in the financial statements, except noted as below.

While the Organization has not experienced decreased revenue due to the COVID-19 pandemic it continues to monitor the effects on the Organization and, as needed, adjusts its operations based on the health orders issued by governmental authorities. The future financial impact of the pandemic cannot be reasonably estimated at this time.