

**CITIZENS' CLIMATE EDUCATION CORP
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

CITIZENS' CLIMATE EDUCATION CORP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Citizens' Climate Education Corp

Opinion

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, 2021 and 2020, 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.

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, 2021 and 2020, and the results of its activities and its 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. 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 Citizens' Climate Education Corp 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 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.

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 Citizens' Climate Education Corp's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user base on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citizens' Climate Education Corp'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about Citizens' Climate Education Corp'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.



CONSIDINE & CONSIDINE
An accountancy corporation

May 5, 2022

**CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

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	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,978,528	\$ 3,543,998
Receivables	669,112	1,564,003
Investments (note 5)	-	499,905
Prepaid expenses	188,651	173,233
Due from related party (note 3)	162,040	41,236
	5,998,331	5,822,375
OTHER ASSETS		
Investments (note 5)	3,619	3,371
Other receivables	5,300	13,200
	8,919	16,571
TOTAL ASSETS	6,007,250	5,838,946
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	-	25,796
Accrued expenses (note 6)	418,144	308,016
Deferred revenue	325	79,437
	418,469	413,249
NET ASSETS (note 7)		
Without donor restrictions	4,945,269	3,843,897
With donor restrictions	643,512	1,581,800
	5,588,781	5,425,697
TOTAL LIABILITIES AND NET ASSETS	\$ 6,007,250	\$ 5,838,946

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Contributions and grants	\$ 6,049,935	\$ 260,500	\$ 6,310,435
Conference revenue	29,759	-	29,759
Other income (note 8)	113,859	-	113,859
	6,193,553	260,500	6,454,053
NET ASSETS RELEASED FROM RESTRICTIONS (note 6)			
Satisfaction of program restrictions	221,788	(221,788)	-
Expiration of time restrictions	977,000	(977,000)	-
	1,198,788	(1,198,788)	-
TOTAL REVENUE AND SUPPORT	7,392,341	(938,288)	6,454,053
EXPENSES			
Program services	5,155,325	-	5,155,325
Management and general	655,201	-	655,201
Development	480,443	-	480,443
	6,290,969	-	6,290,969
CHANGE IN NET ASSETS	1,101,372	(938,288)	163,084
NET ASSETS, BEGINNING OF YEAR	3,843,897	1,581,800	5,425,697
NET ASSETS, END OF YEAR	\$ 4,945,269	\$ 643,512	\$ 5,588,781

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

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	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	593,089	-	593,089
	5,448,217	2,887,791	8,336,008
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)	-
	2,069,010	(2,069,010)	-
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
	4,472,664	-	4,472,664
CHANGE IN NET ASSETS	3,044,563	818,781	3,863,344
NET ASSETS, BEGINNING OF YEAR	799,334	763,019	1,562,353
NET ASSETS, END OF YEAR	\$ 3,843,897	\$ 1,581,800	\$ 5,425,697

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Advertising and marketing	\$ 584,744	\$ -	\$ 53,165	\$ 637,909
Bank and other fees	1,323	2,427	34,086	37,836
Charitable donations	28,474	-	-	28,474
Communications	393,917	-	-	393,917
Conference and meetings	99,068	-	-	99,068
Employee benefits	131,629	23,105	14,765	169,499
Insurance	24,879	4,430	2,922	32,231
International outreach	74,268	-	-	74,268
Office	2,644	34,476	3,134	40,254
Outreach and education	240,164	-	-	240,164
Payroll taxes	236,335	40,657	26,777	303,769
Professional services	-	25,992	-	25,992
Rent	55,190	9,452	6,326	70,968
Salaries and wages	3,050,393	514,639	338,931	3,903,963
Strategic imperatives	2,717	-	-	2,717
Technology	228,450	-	-	228,450
Travel	1,130	23	337	1,490
TOTAL EXPENSES	<u>\$ 5,155,325</u>	<u>\$ 655,201</u>	<u>\$ 480,443</u>	<u>\$ 6,290,969</u>

See accompanying notes

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

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	<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
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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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	2021	2020
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 163,084	\$ 3,863,344
ADJUSTMENTS TO RECONCILE THE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Donated investments	(1,212,202)	(1,628,191)
Change in operating assets and liabilities:		
Receivables	894,891	(912,792)
Prepaid expenses	(15,418)	(56,659)
Due from related party	(120,804)	(7,183)
Other receivables	7,900	(9,200)
Accounts payable	(25,796)	16,420
Accrued expenses	110,128	84,039
Deferred revenue	(79,112)	(97,452)
	(440,413)	(2,611,018)
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES	(277,329)	1,252,326
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Proceeds on sale of investments	1,711,859	1,143,057
NET INCREASE IN CASH	1,434,530	2,395,383
CASH, BEGINNING OF YEAR	3,543,998	1,148,615
CASH, END OF YEAR	\$ 4,978,528	\$ 3,543,998

See accompanying notes

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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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, 2021 and 2020, the Organization had approximately \$4,945,000 and \$3,844,000 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, 2021 and 2020, the Organization had donor restricted net assets of approximately \$643,500 and \$1,581,800, 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 \$3,991,000 and \$2,886,000 in excess of the federally insured deposit limits at December 31, 2021 and 2020, respectively.

CITIZENS' CLIMATE EDUCATION CORP
A NONPROFIT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
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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, 2021 and 2020 receivable consist of pledges, approximately \$600,000 and \$1,475,000, respectively; credit card receivables of approximately \$67,000 and \$89,000, respectively; and accounts receivables of approximately \$2,100 and \$0, respectively. 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, 2021 and 2020, management did not write off any amount of its receivables.

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 2021 and 2020, the Organization received grants of approximately \$421,000 and \$362,000, respectively that contained donor conditions (primarily matching fund requirements). Since these grants represent conditional promises to give, they are not recorded as contribution revenue until the donor conditions are met. During 2021 and 2020, approximately \$500,000 and \$419,000 in conditions were fulfilled and recognized as contribution revenue.

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.

CITIZENS' CLIMATE EDUCATION CORP
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NOTES TO THE FINANCIAL STATEMENTS
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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, 2021, 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 has two sister organizations, Citizens' Climate Lobby ("CCL"), a 501(c)(4) organized to lobby for specific climate change solutions, and Citizens' Climate International ("CCI"), a 501(c)(3) that is organized to provide climate-related education and capacity building to the general public, media, and policy-makers internationally. During the years ended December 31, 2021 and 2020, CCL reimbursed the Organization a total of approximately \$1,413,000 and \$943,500, respectively, for expenses incurred by the Organization on CCL's behalf. During the years ended December 31, 2021 and 2020, the Organization had \$29,759 and \$169,563 of shared conference revenue with CCL, respectively. As of December 31, 2021 and 2020, \$162,040 and \$41,236, 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.

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. These assets are classified as level 1 investments.

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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, 2021 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, 2021 on a recurring basis:

Assets	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	<u>\$ 3,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,619</u>

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	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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>

NOTE 5 INVESTMENTS

Investments are held at fair market value and consist of the following at December 31, 2021:

	<u>Cost</u>	<u>Fair value</u>
Equities	<u>\$ 3,619</u>	<u>\$ 3,619</u>

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

	<u>Cost</u>	<u>Fair value</u>
U.S. Treasury Bills	\$ 499,905	\$ 499,905
Equities	3,371	3,371
	<u>\$ 503,276</u>	<u>\$ 503,276</u>

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, 2021 and 2020 was (\$3,184) and \$9,051, respectively.

**CITIZENS' CLIMATE EDUCATION CORP
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DECEMBER 31, 2021 AND 2020**

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NOTE 6 ACCRUED EXPENSES

Accrued expenses consists of the following:

	<u>2021</u>	<u>2020</u>
Accrued vacation	\$ 194,100	\$ 141,337
Accrued payroll	192,261	143,317
Credit cards payable	28,766	3,075
Accrued expenses	3,017	20,287
	<u>\$ 418,144</u>	<u>\$ 308,016</u>

NOTE 7 NET ASSETS

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

	<u>2021</u>	<u>2020</u>
Without donor restrictions		
Unrestricted and undesignated	\$ 4,945,269	\$ 3,843,897
With donor restrictions:		
Subject to expenditure for specific purpose:		
General program restrictions	43,512	106,800
Time restrictions	600,000	1,475,000
Total net assets with donor restrictions	<u>643,512</u>	<u>1,581,800</u>
Total net assets	<u>\$ 5,588,781</u>	<u>\$ 5,425,697</u>

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:

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	2021	2020
Purpose restrictions accomplished:		
Conservative Fellowship	\$ 144,088	\$ 43,768
State initiatives	51,712	83,288
Diversity Fellowship / Scholarships	25,988	17,000
International projects	-	73,884
Monthly donation drive	-	419,291
Young Conservative Lobby Day	-	12,363
	221,788	649,594
 Expiration of time restrictions:		
General support	977,000	1,419,416
	\$ 1,198,788	\$ 2,069,010

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 PPP loan received 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, 2021.

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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 \$70,968 and \$73,116 for the years ended December 31, 2021 and 2020, 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. Since 2014, the Organization has had an average of approximately \$1,734,400 in net assets 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, 2021 and 2020, the Organization has approximately \$643,500 and \$1,582,000, 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. Net assets without restrictions total approximately \$4,945,000 and \$3,844,000 as of December 31, 2021 and 2020, 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, 2021 and 2020, reduced by the amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date:

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A NONPROFIT ORGANIZATION
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	2021	2020
Financial assets, at year-end:		
Cash	\$ 4,978,528	\$ 3,543,998
Receivables	669,112	1,564,003
Investments	3,619	503,276
	5,651,259	5,611,277
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions		
Donor-restricted to specific programs	(43,512)	(106,800)
Donor-restricted to time restrictions	(600,000)	(1,475,000)
	(643,512)	(1,581,800)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,007,747	\$ 5,504,477

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 5, 2022, the date the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.