

101451 ~~12~~  
P20

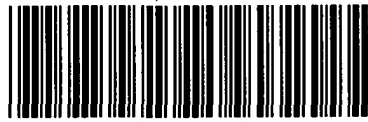
**350**

350.ORG

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

WEDNESDAY



\*ACA1EL7V\*

A21

16/08/2023

#86

COMPANIES HOUSE

TABLE OF CONTENTS  
SEPTEMBER 30, 2022

---

	<u>Pages</u>
Independent Auditor's Report .....	3-4
Financial Statements	
Statement of Financial Position .....	5
Statement of Activities .....	6
Statement of Functional Expenses .....	7
Statement of Cash Flows .....	8
Notes to Financial Statements .....	9-16



7910 WOODMONT AVENUE  
SUITE 500  
BETHESDA, MD 20814  
(T) 301.986.0600

## **Independent Auditor's Report**

Board of Directors  
350.org  
Washington, D.C.

### ***Opinion***

We have audited the accompanying financial statements of 350.org (the Organization) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 350.org as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 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.

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

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 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 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.

***Report on Summarized Comparative Information***

We have previously audited the Organization's September 30, 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated May 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Bethesda, Maryland  
July 3, 2023

Certified Public Accountants

## STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2021)

	2022	2021
<b>Assets</b>		
Cash and Cash Equivalents	\$ 13,496,237	\$ 11,681,555
Investments	51,768	75,274
Grants and Contributions Receivable, Net	2,001,309	3,615,435
Accounts Receivable	50,455	16,493
Due from 350.org Action Fund	27,820	11,302
Travel Card Advances	39,045	37,345
Prepaid Expenses and Other Current Assets	321,600	316,111
Deposits	391,553	322,696
Equipment, Less Accumulated Depreciation of: Approximately \$53,000	40,302	83,847
<b>Total Assets</b>	<b>\$ 16,420,089</b>	<b>\$ 16,160,058</b>
<b>Liabilities and Net Assets</b>		
Accounts Payable and Accrued Expenses	\$ 825,894	\$ 754,290
Accrued Salaries and Payroll Liabilities	9,692	867,713
Accrued Vacation	407,905	504,746
PPP Refundable Advance		1,291,827
Advance Deposits	25,000	
<b>Total Liabilities</b>	<b>1,268,491</b>	<b>3,418,576</b>
<b>Net Assets</b>		
Without Donor Restrictions	11,626,743	8,325,874
With Donor Restrictions	3,524,855	4,415,608
<b>Total Net Assets</b>	<b>15,151,598</b>	<b>12,741,482</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 16,420,089</b>	<b>\$ 16,160,058</b>

The Financial Statements were approved by the Board of Directors on July 5, 2023.

Signature:



Name of Director: Louise Constance Brostky

See accompanying Notes to Financial Statements.

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>Revenue</b>				
Grants and Contributions	\$ 16,011,841	\$ 4,163,670	\$ 20,175,511	\$ 21,708,217
PPP Contribution	1,291,827	-	1,291,827	1,299,898
Donated Services	97,382	-	97,382	21,871
Investment Income	4,481	-	4,481	43,350
Other Income, Net	40,139	-	40,139	81,796
Releases from Restriction	5,054,423	(5,054,423)	-	-
<b>Total Revenue</b>	<b>22,500,093</b>	<b>(890,753)</b>	<b>21,609,340</b>	<b>23,155,132</b>
<b>Expenses</b>				
Program Services				
Field	9,983,668	-	9,983,668	11,201,474
Communications	1,924,078	-	1,924,078	2,091,724
Digital	2,764,884	-	2,764,884	2,467,645
<b>Total Program Services</b>	<b>14,672,630</b>	<b>-</b>	<b>14,672,630</b>	<b>15,760,843</b>
Supporting Services				
Management and General	3,706,248	-	3,706,248	3,072,095
Fundraising	820,346	-	820,346	477,215
<b>Total Supporting Services</b>	<b>4,526,594</b>	<b>-</b>	<b>4,526,594</b>	<b>3,549,310</b>
<b>Total Expenses</b>	<b>19,199,224</b>	<b>-</b>	<b>19,199,224</b>	<b>19,310,153</b>
<b>Change in Net Assets</b>	<b>3,300,869</b>	<b>(890,753)</b>	<b>2,410,116</b>	<b>3,844,979</b>
<b>Net Assets, Beginning of Year</b>	<b>8,325,874</b>	<b>4,415,608</b>	<b>12,741,482</b>	<b>8,896,503</b>
<b>Net Assets, End of Year</b>	<b>\$ 11,626,743</b>	<b>\$ 3,524,855</b>	<b>\$ 15,151,598</b>	<b>\$ 12,741,482</b>

See accompanying Notes to Financial Statements.

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2021)

	Program Services				Supporting Services		2022 Total	2021 Total
	Field	Communications	Digital	Total Program Services	Management and General	Fundraising		
Salaries	\$ 4,679,832	\$ 919,316	\$ 1,371,037	\$ 6,970,185	\$ 2,464,350	\$ 565,419	\$ 9,999,954	\$ 11,626,211
Taxes and Employee Benefits	1,443,487	328,826	299,736	2,072,049	529,336	88,693	2,690,078	1,974,249
Volunteer Training	51,583	11,230	-	62,813	7,151	-	69,964	67,285
Conferences and Meetings	383,951	4,202	8,201	396,354	53,214	1,449	451,017	430,880
Consulting	1,105,264	149,298	239,488	1,494,050	144,731	-	1,638,781	2,009,071
Communications	399,299	57,974	1,749	459,022	5,913	812	465,747	207,622
Telephone	36,365	6,274	2,190	44,829	15,975	1,986	62,790	48,504
Website	44,866	-	13,869	58,735	-	210	58,945	85,738
Insurance	42,825	7,446	11,667	61,938	19,744	4,580	86,262	94,536
Postage and Shipping	6,444	28	110	6,582	9,901	45,909	62,392	22,951
Professional Fees	765,637	163,973	240,714	1,170,324	195,520	16,127	1,381,971	1,258,361
Miscellaneous	102,670	20,465	29,249	152,384	52,605	58,941	263,930	219,701
Equipment Rental and Purchases	49,342	24,402	9,118	82,862	18,243	5,155	106,260	40,438
Dues and IT Subscriptions	333,387	160,134	486,932	980,453	52,436	16,634	1,049,523	753,995
Professional Development	22,804	3,807	5,737	32,348	10,096	2,452	44,896	70,515
Occupancy	115,013	14,882	22,022	151,917	23,536	5,459	180,912	202,035
Travel	381,017	47,912	17,235	446,164	93,492	4,116	543,772	137,278
Depreciation and Amortization	19,882	3,909	5,830	29,621	10,005	2,404	42,030	60,783
<b>Total Expenses</b>	<b>\$ 9,983,668</b>	<b>\$ 1,924,078</b>	<b>\$ 2,764,884</b>	<b>\$ 14,672,630</b>	<b>\$ 3,706,248</b>	<b>\$ 820,346</b>	<b>\$ 19,199,224</b>	<b>\$ 19,310,153</b>

See accompanying Notes to Financial Statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 2,410,116	\$ 3,844,979
Adjustments to Reconcile Change in Net Assets to to Net Cash Provided by Operating Activities		
Depreciation and Amortization	42,030	60,783
Donated Securities Received	(1,098,433)	(1,476,838)
Proceeds from Sales of Donated Securities	1,121,939	1,477,333
Loss on Disposal of Property and Equipment	1,515	17,049
<u>(Increase) Decrease in Operating Assets</u>		
Grants and Contributions Receivable, Net	1,614,126	(1,126,065)
Accounts Receivable	(33,962)	(8,405)
Due from 350.org Action Fund	(16,518)	409,711
Travel Card Advances	(1,700)	26,573
Prepaid Expenses and Other Current Assets	(5,489)	(30,258)
Deposits	(68,857)	54,628
<u>Increase (Decrease) in Operating Liabilities</u>		
Accounts Payable and Accrued Expenses	71,604	65,009
Accrued Salaries and Payroll Liabilities	(858,021)	775,306
Accrued Vacation	(96,841)	(219,842)
Grants Payable	-	(142,070)
PPP Refundable Advance	(1,291,827)	-
Advance Deposits	25,000	-
Net Cash Provided by Operating Activities	1,814,682	3,727,893
<b>Cash Flows from Investing Activities</b>		
Purchases of Property and Equipment	-	(70,353)
Net Cash Used in Investing Activities	-	(70,353)
Net Increase in Cash and Cash Equivalents	1,814,682	3,657,540
Cash and Cash Equivalents, Beginning of Year	11,681,555	8,024,015
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$13,496,237</u>	<u>\$ 11,681,555</u>

See accompanying Notes to Financial Statements.



NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

---

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

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

The Organization is supported primarily by grants and contributions.

The major programs of the Organization are as follows:

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

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

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

***Basis of Accounting***

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

***Income Taxes***

The Internal Revenue Service has determined the Organization to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and not to be a private foundation within the meaning of Section 509(a) of the Code. However, income from certain activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. The Organization had no net unrelated business income for the year ended September 30, 2022.

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

***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.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

---

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

*Investments*

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

*Accounts Receivable*

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

*Grants and Contributions Receivable*

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

*Property and Equipment*

The Organization capitalizes all property and equipment acquisitions greater than \$5,000. Property and equipment are recorded at cost, if purchased, or at fair market value, if donated. Depreciation is computed using the straight-line method over the useful lives of the assets. Maintenance and repairs are charged to expense when incurred.

*Revenue Recognition*

Unconditional 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 statement of activities as net assets released from restrictions.

Conditional grants and contributions are reported as refundable advances until the date that the conditions have been substantially met or explicitly waived by the donor.

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

*Donated Services*

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

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

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

---

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

*Net Assets*

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

**Net Assets Without Donor Restrictions:** include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

**Net Assets With Donor Restrictions:** include those net assets whose use by the Organization has been donor-restricted by specific time or purpose limitations.

*Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include 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 financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended September 30, 2021. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended September 30, 2021, from which the summarized information was derived.

*Reclassification*

Certain 2021 amounts have been reclassified for comparative purposes.

*Adoption of Accounting Standards Update 2020-07*

During the year ended September 30, 2022, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in program and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**2. LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

The following reflects the Organization's financial assets as of September 30, 2022, reduced by amounts not available for general operating expenditure within one year:

<u>Financial Assets</u>	<u>Amount</u>
Cash and Cash Equivalents	\$ 13,496,237
Grants and Contributions Receivable Due in Less Than One Year	1,705,356
Accounts Receivable	50,455
Due from 350.org Action Fund	27,820
Investments Available for Operating Purposes	51,768
Less Amount Restricted by Donors for Purpose	(2,301,189)
Less Board Designated Operational Reserve	<u>(7,000,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 6,030,447</u>

The Organization's Board of Directors created a target for an Operational Reserve Fund equal to four months average operating expenses, approximately \$7 million currently, 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.

**3. CONCENTRATIONS**

As of September 30, 2022, approximately 47% of grants and contributions receivable (unpaid balances) were due from two donors.

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

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

**4. RELATED PARTY TRANSACTIONS**

The Organization shares office space and other related expenses and services with 350.org Action Fund (the Fund), a nonprofit organization exempt under Section 501(c)(4) of the Internal Revenue Code. Costs have been allocated between the Organization and the Fund based upon salaries and other contractual arrangements. Total expenses allocated to the Fund for the year ended September 30, 2022, were approximately \$17,000. Subsequent to year end, the September 30, 2022 balance owed to the Organization was paid.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**5. RESPONSE TO COVID-19**

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

During the years ended September 30, 2021 and 2020, the Organization received two Small Business Administration (SBA) loans under the Paycheck Protection Program (PPP).

The PPP loans were waived by the Small Business Administration (SBA) during the year ended September 30, 2022, and as such, the loan proceeds are included as PPP contribution without donor restrictions on the statement of activities for the year ended September 30, 2022.

**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's contributions to the retirement plans were approximately \$196,000 for the year ended September 30, 2022.

**7. OPERATING LEASES**

The Organization has a lease agreement for office space in New York which commenced on November 1, 2021 and terminated on October 31, 2022. In addition, the Organization has office space and parking leases in South Africa. The office space in South Africa commenced on June 1, 2022 and terminates on May 31, 2024. The leased parking space commenced on February 1, 2022 and terminates on May 31, 2024.

Future minimum rental payments subsequent to the lease amendment are as follows:

<u>For the Years Ending September 30,</u>	<u>Amount</u>
2023	\$ 14,834
2024	5,512
Total Minimum Lease Payments	<u>\$ 20,346</u>

Occupancy expense includes rental reimbursements made to employees.

**8. GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable consisted of the following as of September 30, 2022:

<u>Description</u>	<u>Amount</u>
Receivable in Less than One Year	\$ 1,705,356
Receivable in One to Five Years	307,288
Total Grants and Contributions Receivable	2,012,644
Less Discount to Net Present Value	(11,335)
Grants and Contributions Receivable, Net	<u>\$ 2,001,309</u>

Grants and contributions receivable have been discounted to present value using an annual discount rate of approximately 3.83%.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**9. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

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

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

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

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

The following presents the Organization's assets measured at fair value as of September 30, 2022:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Municipal Bond	\$ 51,768	\$ -	\$ 51,768	\$ -
Total	\$ 51,768	\$ -	\$ 51,768	\$ -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

**10. 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.

**11. DONATED SERVICES**

During the year ended September 30, 2022, the Organization received donated services of approximately \$97,400, which are included in professional fees and dues and subscriptions expenses in the statement of functional expenses, and are allocated as follows:

	Field	Communications	Digital	Total Program Services	Management and General	Fundraising	2022 Total
Professional Fees	\$ 37,736	\$ 10,444	\$ 10,631	\$ 58,811	\$ 18,901	\$ 4,384	\$ 82,096
Dues, Subscriptions, and Licenses	4,856	2,332	7,092	14,280	764	242	15,286
Total	\$ 42,592	\$ 12,776	\$ 17,723	\$ 73,091	\$ 19,665	\$ 4,626	\$ 97,382

The Organization was provided legal services and software licenses at no cost. Based on current market rates for legal services and the software licenses, the Organization would have paid \$97,382 for the year ended September 30, 2022.

**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**11. DONATED SERVICES (CONTINUED)**

All donated services received by the Organization for the year ended September 30, 2022, were considered without donor restrictions and available to be used by the Organization as determined by the Board of Directors and management.

**12. 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 statement of activities. For the year ended September 30, 2022, foreign currency transactions netted to a gain of approximately \$40,100 and reported as other income on the statement of activities. Assets of the Organization's branches outside the United States were approximately \$67,000 at September 30, 2022.

**13. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purposes as of September 30, 2022:

Purpose	Amount
North America	\$ 331,341
Asia	294,272
Europe	151,438
Africa	645,323
Worldwide Programme	190,830
Other	687,985
Time Restricted	1,223,666
Total Net Assets With Donor Restrictions	<u>\$ 3,524,855</u>

Net assets were released from donor restrictions for the year ended September 30, 2022, as follows:

Purpose	Amount
North America	\$ 341,357
South America	144,523
Asia	579,506
Europe	55,562
Africa	736,007
Worldwide Programme	179,750
Movements	46,911
Other	292,456
Time Restricted	2,678,351
Net Assets Released from Restrictions	<u>\$ 5,054,423</u>

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

---

**14. SUBSEQUENT EVENTS**

Subsequent events were evaluated through July 3, 2023, which is the date the financial statements were available to be issued.