

STAND
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021



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**STAND
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



INDEPENDENT AUDITORS' REPORT

Board of Directors
Stand
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Stand (a California nonprofit public benefit corporation, the Organization), which comprise the statement of financial position as of December 31, 2021, 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 the Organization as of December 31, 2021, 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 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 Auditors' 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 for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 Financial statements, and our report dated November 30, 2021 expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.



CliftonLarsonAllen LLP

Pasadena, California
August 15, 2022

STAND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,438,203	\$ 4,653,073
Accounts Receivable	1,549	32,000
Contributions Receivable	196,250	58,104
Prepaid Expenses and Other Assets	80,029	77,426
Property and Equipment, Net of Accumulated Depreciation of \$176,842 in 2021 and \$147,577 in 2020	<u>54,865</u>	<u>36,441</u>
Total Assets	<u><u>\$ 4,770,896</u></u>	<u><u>\$ 4,857,044</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 421,213	\$ 213,763
Loan Payable	<u>-</u>	<u>409,450</u>
Total Liabilities	421,213	623,213
NET ASSETS		
Without Donor Restrictions	917,313	506,136
With Donor Restrictions	<u>3,432,370</u>	<u>3,727,695</u>
Total Net Assets	<u><u>4,349,683</u></u>	<u><u>4,233,831</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,770,896</u></u>	<u><u>\$ 4,857,044</u></u>

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
REVENUE AND SUPPORT				
Contributions and Grants	\$ 956,681	\$ 7,147,372	\$ 8,104,053	\$ 7,836,356
PPP Loan Forgiveness	409,450	-	409,450	-
Fee for Service	152,003	-	152,003	151,478
Other Income	8,309	-	8,309	20,983
Net Assets Released from Restrictions	<u>7,442,697</u>	<u>(7,442,697)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	8,969,140	(295,325)	8,673,815	8,008,817
EXPENSES				
Program	7,264,678	-	7,264,678	4,476,974
General and Administrative	708,792	-	708,792	469,568
Fundraising	<u>584,493</u>	<u>-</u>	<u>584,493</u>	<u>608,344</u>
Total Expenses	8,557,963	-	8,557,963	5,554,886
CHANGE IN NET ASSETS	411,177	(295,325)	115,852	2,453,931
Net Assets - Beginning of Year	<u>506,136</u>	<u>3,727,695</u>	<u>4,233,831</u>	<u>1,779,900</u>
NET ASSETS - END OF YEAR	<u><u>\$ 917,313</u></u>	<u><u>\$ 3,432,370</u></u>	<u><u>\$ 4,349,683</u></u>	<u><u>\$ 4,233,831</u></u>

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Program				General and Administration	Fundraising	2021 Total	2020 Total
	Healthy Forest	Climate - Canada	Climate	Total				
Contract Services	\$ 155,957	597,547	\$ 3,674,274	\$ 4,427,778	\$ 103,231	\$ 9,065	\$ 4,540,074	\$ 2,266,292
Wages	239,813	299,066	1,185,102	1,723,981	287,217	412,243	2,423,441	2,034,003
Other Benefits	52,841	49,055	232,330	334,226	55,212	71,664	461,102	423,418
Payroll Taxes	20,952	24,252	103,806	149,010	23,652	35,082	207,744	178,321
Grants to Other Organizations	-	-	194,428	194,428	-	-	194,428	6,162
Dues and Subscriptions	18,978	13,447	66,465	98,890	34,200	6,764	139,854	124,578
Advertising and Promotion	26,765	6,451	47,234	80,450	18,938	2,438	101,826	86,015
Professional Fees	-	-	6,500	6,500	77,575	-	84,075	15,824
Payroll Fees	8,013	6,914	33,021	47,948	20,207	10,864	79,019	74,456
Miscellaneous	1,907	25,262	9,109	36,278	7,815	7,108	51,201	41,288
Rent	1,340	9,429	8,714	19,483	24,178	532	44,193	56,053
Depreciation	2,830	4,895	10,222	17,947	6,425	4,892	29,264	25,479
Staff Development and Recognition	3,654	1,659	8,713	14,026	3,909	8,824	26,759	14,911
Telephone, Fax, and Internet	2,793	3,209	6,462	12,464	8,725	4,715	25,904	28,881
Travel	3,358	2,793	11,041	17,192	4,971	2,056	24,219	64,950
Fundraising and Special Events	1,051	7	22,133	23,191	204	276	23,671	9,850
Office Expenses	1,917	35	16,110	18,062	819	476	19,357	24,681
Meetings	1	6	16,399	16,406	13	-	16,419	774
Insurance	349	2,461	2,267	5,077	6,518	136	11,731	12,813
Food and Reception	399	697	2,566	3,662	4,127	2,696	10,485	6,873
Stipend/Honorarium	808	275	1,821	2,904	4,770	2,228	9,902	9,740
Office Supplies	88	2,198	2,326	4,612	4,325	396	9,333	13,913
Utilities	263	1,853	1,718	3,834	4,360	106	8,300	10,491
Printing and Photocopy	724	-	5,251	5,975	-	1,470	7,445	2,174
Bad Debt	-	-	-	-	4,587	-	4,587	21,073
Postage and Delivery	81	9	264	354	2,814	462	3,630	1,873
Total Expenses by Function	<u>\$ 544,882</u>	<u>\$ 1,051,520</u>	<u>\$ 5,668,276</u>	<u>\$ 7,264,678</u>	<u>\$ 708,792</u>	<u>\$ 584,493</u>	<u>\$ 8,557,963</u>	<u>\$ 5,554,886</u>

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021 AND 2020
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 115,852	\$ 2,453,931
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	29,264	25,479
PPP Loan Forgiveness	(409,450)	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	30,451	23,817
Contributions Receivable	(138,146)	379,111
Prepaid Expenses and Other Assets	(2,603)	(46,061)
Accounts Payable and Accrued Expenses	207,450	(79,764)
Refundable Advance	-	(500,000)
Net Cash (Used) Provided by Operating Activities	<u>(167,182)</u>	<u>2,256,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Acquisitions	(47,688)	(16,412)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP Loan	<u>-</u>	<u>409,450</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(214,870)	2,649,551
Cash and Cash Equivalents - Beginning of Year	<u>4,653,073</u>	<u>2,003,522</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,438,203</u></u>	<u><u>\$ 4,653,073</u></u>

See accompanying Notes to Financial Statements.

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 1 NATURE OF ORGANIZATION

Our Mission: Stand. Earth challenges corporations and governments to treat people and the environment with respect because our lives depend on it.

Our Vision: A world where respect for people and the environment comes first.

Our campaigns challenge destructive corporate and governmental practices. demand accountability and create solutions that protect the forests and the stable climate required to keep our planet - and us - thriving. As we have done since our founding, we pursue audacious solutions, campaign for as long as it takes to see them through, punch way above our weight. and treat everyone, including our adversaries, with respect. Our work has resulted in sweeping industry-wide changes and environmental protection on a massive scale.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to nonprofit institutions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of donor-imposed restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate consistent with general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on contributions.

Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2021 and 2020, the Organization did not have any outstanding conditional promises.

Fee for Service

Fee for service revenues are recognized over time as research is being performed and delivered.

Functional Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Expenses requiring allocation are allocated on the basis of estimates of time and effort, and employee headcount.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization has received favorable determination letters indicating it is generally exempt from federal income taxes and California franchise taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

U.S. GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the Organization are more likely than not to be sustained upon examination.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk are cash and cash equivalents. The Organization's cash, at times, may exceed the Federal Deposit Insurance Corporation statutory limits. The Organization continually monitors its receivables and establishes valuation reserves as considered appropriate. As of December 31, 2021 and 2020, four and three donors represent approximately 99% and 87% of the total contributions receivable, respectively. As of December 31, 2021, one donor accounted for approximately 12% of contributions and grants.

Subsequent Events

Subsequent events have been evaluated through August 15, 2022, the date that these financial statements were available to be issued. There were no subsequent events that would require adjustments or disclosures in these financial statements.

New Accounting Pronouncement Effective in Future Accounting Period

The FASB issued *ASU 2016-02 Leases (Topic 842)*. This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Management is evaluating the effects of the new standard.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2021 and 2020, the Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	2021	2020
Cash and Cash Equivalents	\$ 4,438,203	4,653,073
Accounts Receivable	1,549	32,000
Contributions Receivable	196,250	58,104
Subtotal	4,636,002	4,743,177
Less: Net Assets with Donor Restriction	(3,382,370)	(3,707,695)
Total	<u>\$ 1,253,632</u>	<u>\$ 1,035,482</u>

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

No other designations have been imposed by board of this organization regarding use of general operating cash. The Organization maintains and monitors its cash flow periodically to ensure funds are available for next 90 days of operation. However, available cash balance fluctuates throughout the year. Restricted funds are released upon expiration of time restrictions, or completion of program requirements. Additionally, the Organization has lines of credit, that can be used for liquidity purposes, as further described in Note 5.

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2021 and 2020 were \$197,799 and \$58,104, respectively. At December 31, 2021 and 2020, all contributions receivable are expected to be collected within one year.

NOTE 5 LOAN PAYABLE

PPP Loan

In May 2020, the Organization received a \$409,450 loan to fund payroll and utilities through a lender pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is unsecured and guaranteed by the Small Business Administration (SBA). In April 2021, the Organization was notified that the entire PPP Loan in the amount of \$409,450 was forgiven by the SBA. PPP Loan forgiveness is recorded as income without donor restrictions in the accompanying statement of activities for the year ended December 31, 2021.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

Lines of Credit

The Organization has two unsecured lines of credit with a financial institution with a maximum draw totaled of \$700,000. The lines of credit bear an interest rate of 4% and expire on March 10, 2023. At December 31, 2021 and 2020, there were no outstanding balances on these lines of credit.

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 and 2020, net assets with donor restrictions are restricted for the following:

	2021	2020
Subject to Expenditure for Specified Purpose:		
Climate Campaign	\$ 3,171,862	\$ 3,566,303
Healthy Forest	210,508	141,392
Total	3,382,370	3,707,695
Subject to Passage of Time	50,000	20,000
Total Net Assets with Donor Restrictions	<u>\$ 3,432,370</u>	<u>\$ 3,727,695</u>

During the years ended December 31, 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time.

	2021	2020
Subject to Expenditure for Specified Purpose:		
Climate Campaign	\$ 6,426,314	\$ 3,130,017
Healthy Forest	594,883	575,752
Total	7,021,197	3,705,769
Passage of Specified Time	421,500	735,666
Total Net Assets Released from Donor Restrictions	<u>\$ 7,442,697</u>	<u>\$ 4,441,435</u>

NOTE 7 COMMITMENTS

The Organization entered into a lease for office space for the term June 2020 to May 2023. Monthly payments of \$3,044 are due with 3% increases June 2021 and June 2022. Minimum annual rental payments required under the leases in effect on December 31 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 38,292
2023	16,151
Total	<u>\$ 54,443</u>

STAND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution plan covering employees with at least 1,000 hours of service in the initial 12 months of employment or in any subsequent plan year. The Organization matches participants' contributions to the plan equal to 70% of the first 6% of before-tax savings. Participants can contribute before-tax contributions of 1 to 15% of their total compensation, up to the Internal Revenue Service indexed maximum for a calendar year. The employer contribution plan was on hold from January 2009 to December 2020. The Organization started matching employer contribution effective January 1, 2021 and maximum contribution per participating employee is \$1,200 per year. Employer contributions for the year ended December 31, 2021 was \$29,313. There was no employer matches during 2020.

NOTE 9 LOBBYING

Through its lobbying program, the Organization uses unrestricted resources to influence state, local, and federal legislation related to its exempt purpose through grassroots organizing and direct contact with elected officials or their staff.

The Organization is funded by an array of foundations grants, individual gifts and organizational donations. The Organization uses only unrestricted individual gifts to support its state, local and federal legislation related lobbying activities.

