STAND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2021)

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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, 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 the Organization as of December 31, 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 (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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2022 the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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.

Board of Directors
Stand

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 Financial statements, and our report dated August 15, 2022, expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it was derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
October 23, 2023

STAND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 5,630,110	$ 4,438,203
Accounts Receivable	30,000	1,549
Contributions Receivable	1,256,034	196,250
Prepaid Expenses and Other Assets	91,467	80,029
Property and Equipment, Net of Accumulated Depreciation of $207,394 in 2022 and $176,842 in 2021	64,410	54,865
Right of Use Assets	111,403	-
Total Assets	$ 7,183,424	$ 4,770,896
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 327,272	$ 421,213
Operating Lease Liability	110,614	-
Total Liabilities	437,886	421,213
NET ASSETS		
Without Donor Restrictions	989,942	917,313
With Donor Restrictions	5,755,596	3,432,370
Total Net Assets	6,745,538	4,349,683
Total Liabilities and Net Assets	$ 7,183,424	$ 4,770,896

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUE AND SUPPORT				
Contributions and Grants	$ 1,509,500	$ 11,775,140	$ 13,284,640	$ 8,104,053
PPP Loan Forgiveness	-	-	-	409,450
Fee for Service	423,985	-	423,985	152,003
Other Income	65,390	-	65,390	8,309
Net Assets Released from Restrictions	9,451,914	(9,451,914)	-	-
Total Revenue and Support	11,450,789	2,323,226	13,774,015	8,673,815
EXPENSES				
Program	9,525,982	-	9,525,982	7,264,678
General and Administrative	902,307	-	902,307	708,792
Fundraising	949,871	-	949,871	584,493
Total Expenses	11,378,160	-	11,378,160	8,557,963
CHANGE IN NET ASSETS	72,629	2,323,226	2,395,855	115,852
Net Assets - Beginning of Year	917,313	3,432,370	4,349,683	4,233,831
NET ASSETS - END OF YEAR	$ 989,942	$ 5,755,596	$ 6,745,538	$ 4,349,683

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program							
	Healthy Forest	Climate - Canada	Climate	Total	General and Administration	Fundraising	2022 Total	2021 Total
Contract Services	$ 360,112	$ 111,567	$ 4,390,409	$ 4,862,088	$ 56,647	$ 12,654	$ 4,931,389	$ 4,540,074
Wages	57,465	71,035	2,186,304	2,314,804	547,100	683,922	3,545,826	2,423,441
Other Benefits	10,973	12,482	417,276	440,731	108,952	109,810	659,493	461,102
Travel	16,340	7,996	321,659	345,995	15,989	15,664	377,648	24,219
Grants to Other Organizations	-	-	346,420	346,420	-	-	346,420	194,428
Payroll Taxes	4,584	5,865	164,660	175,109	45,640	57,796	278,545	207,744
Dues and Subscriptions	22,943	16,929	193,452	233,324	16,273	11,751	261,348	139,854
Advertising and Promotion	31,071	26,761	175,418	233,250	1,374	1,754	236,378	101,826
Payroll and Other Fees	1,974	2,267	74,148	78,389	26,372	15,689	120,450	79,019
Fundraising and Special Events	189	188	112,493	112,870	288	1,828	114,986	23,671
Meetings	175	117	108,480	108,772	-	-	108,772	16,419
Professional Fees	3,242	3,737	34,670	41,649	45,250	8,064	94,963	84,075
Rent	3,021	3,294	30,523	36,838	4,599	7,159	48,596	44,193
Office Expenses	247	215	39,582	40,044	353	468	40,865	19,357
Telephone, Fax, and Internet	947	1,049	19,943	21,939	5,608	6,111	33,658	25,904
Depreciation	1,779	854	16,174	18,807	8,214	3,532	30,553	29,264
Miscellaneous	345	357	27,529	28,231	945	732	29,908	51,201
Staff Development and Recognition	1,475	1,172	22,027	24,674	853	2,458	27,985	26,759
Food and Reception	508	486	16,478	17,472	2,207	1,434	21,113	10,485
Utilities	1,002	1,104	9,944	12,050	1,800	2,396	16,246	8,300
Office Supplies	211	227	10,471	10,909	2,932	570	14,411	9,333
Insurance	678	746	6,707	8,131	1,964	1,619	11,714	11,731
Stipend and Honorarium	292	269	2,562	3,123	4,849	2,568	10,540	9,902
Printing and Photocopy	144	168	6,833	7,145	268	935	8,348	7,445
Postage and Delivery	214	246	2,758	3,218	3,830	957	8,005	3,630
Bad Debts	-	-	-	-	-	-	-	4,587
Total Expenses by Function	$ 519,931	$ 269,131	$ 8,736,920	$ 9,525,982	$ 902,307	$ 949,871	$ 11,378,160	$ 8,557,963

See accompanying Notes to Financial Statements.

STAND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 2,395,855	$ 115,852
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	30,553	29,264
Noncash Lease Expense	(789)	-
PPP Loan Forgiveness	-	(409,450)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(28,451)	30,451
Contributions Receivable	(1,059,784)	(138,146)
Prepaid Expenses and Other Assets	(11,438)	(2,603)
Accounts Payable and Accrued Expenses	(93,941)	207,450
Net Cash Provided (Used) by Operating Activities	1,232,005	(167,182)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Acquisitions	(40,098)	(47,688)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,191,907	(214,870)
Cash and Cash Equivalents - Beginning of Year	4,438,203	4,653,073
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 5,630,110	$ 4,438,203

See accompanying Notes to Financial Statements.

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.

Pursuant to the Project Exit Agreement between Stand and Earth Island Institute, on July 10, 2023 (Exit Effective Date), Stand will transfer its right, title, and interest in and to the Project Assets, as defined, to Earth Island Institute. In connection with the transfer of the Project Assets, Earth Island Institute will assume the liabilities and obligations related to the Project, as defined. Each employee of the Project, as defined, will either be terminated by Stand on the date immediately preceding the Exit Effective Date or will transfer employment to Earth Island Institute.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2022 and 2021, 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.

Lease

In February 2016, Accounting Standards Updates (FASB) issued Accounting Standards Updates (ASU) 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and the leases are not included as right-of-use assets and lease liabilities on the statements of financial position. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of its ROU assets. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization adopted the requirements of the guidance effective December 31, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

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.

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, 2022 and 2021, four donors represent approximately 91% and 99% of the total contributions receivable, respectively. As of December 31, 2022, one donor accounted for approximately 27% of contributions and grants.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events have been evaluated through October 23, 2023, the date that these financial statements were available to be issued. Except as disclosed in Note 1, there were no other subsequent events that would require adjustments or disclosures in these financial statements.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2022 and 2021, 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:

	2022	2021
Cash and Cash Equivalents	$ 5,630,110	4,438,203
Accounts Receivable	30,000	1,549
Contributions Receivable	1,256,034	196,250
Subtotal	6,916,144	4,636,002
Less: Net Assets with Donor Restriction	(5,755,596)	(3,382,370)
Total	$ 1,160,548	$ 1,253,632

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, 2022 and 2021 were $1,256,034 and $197,799, respectively. At December 31, 2022 and 2021, all contributions receivable are expected to be collected within one year.

NOTE 5 LINE 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 expired on March 10, 2023. On March 28, 2023, these lines of credit were consolidated into a single line of credit which was executed on the same day. The new line of credit has a maximum draw of $1,000,000 bearing an interest rate of 8%. At December 31, 2022 and 2021, there were no outstanding balances on these lines of credit.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022 and 2021, net assets with donor restrictions are restricted for the following:

	2022	2021
Subject to Expenditure for Specified Purpose:		
Climate Campaign	$ 5,535,018	$ 3,171,862
Healthy Forest	220,578	210,508
Total	5,755,596	3,382,370
Subject to Passage of Time	-	50,000
Total Net Assets with Donor Restrictions	$ 5,755,596	$ 3,432,370

During the years ended December 31, 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time.

	2022	2021
Subject to Expenditure for Specified Purpose:		
Climate Campaign	$ 8,365,740	$ 6,426,314
Healthy Forest	519,930	594,883
Total	8,885,670	7,021,197
Passage of Specified Time	566,244	421,500
Total Net Assets Released from Donor Restrictions	$ 9,451,914	$ 7,442,697

NOTE 7 COMMITMENTS

In December 2010, the Organization entered into a lease agreement, which expired in February 2014. The lease went through several amendments and was renewed for two years, which initially expires on May 31, 2023, and extended for three years, expiring March 31, 2026. Under the new terms of the lease, the monthly lease payment is $2,900, scheduled to increase by 3% in October 2023, 2024, and 2025.

NOTE 7 COMMITMENTS (CONTINUED)

The following table provides quantitative information concerning the Organization's lease.

Lease Costs (Included in Rent Expense):		
Operating Lease Costs	$	36,513
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$	37,302
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities		142,920
Weighted-Average Remaining Lease Term - Operating Leases		3.25 Years
Weighted-Average Discount Rate - Operating Leases		4.00%

The Organization entered into a lease for office space for the term June 2020 to March 2026. Initial monthly payments of $3,230 are due with 3% increases June 2022 and June 2023. In October 2022, the Organization and the lessor amended the agreement with monthly payments of $2,900 from October 1, 2022, to September 30, 2023. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

Year Ending December 31,		Amount
2023	$	37,302
2024		35,061
2025		37,196
2026		9,507
Subtotal		119,066
Discount at 4%		(8,452)
Total	$	110,614

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 until December 31, 2021. In fiscal year 2022, employer contributions were increased to $1,500. Employer contributions for the years ended December 31, 2022 and 2021 were $43,861 and $29,313 respectively.

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.