

**GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION**

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

AND DECEMBER 31, 2019

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Patricia A. Wintroath, CPA

Independent Auditor's Report

Board of Directors
Global Footprint Network, Inc.
Oakland, CA

I have audited the accompanying financial statements of Global Footprint Network, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Footprint Network, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Patricia A. Wintroath, CPA
Certified Public Accountant
Walnut Creek, CA
September 27, 2021

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------------|---------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$492,771 | \$692,313 |
| Grants and accounts receivable without donor restrictions (Note D) | 196,315 | 260,599 |
| Prepaid expenses | <u>27,114</u> | <u>24,512</u> |
| TOTAL CURRENT ASSETS | 716,200 | 977,424 |
| PROPERTY AND EQUIPMENT net of accumulated depreciation and amortization at December 31, 2020 and 2019 of \$47,132 and \$39,793, respectively (Notes B and E) | 6,881 | 14,220 |
| GENEVA GIFT TO BE TRANSFERRED | <u>106,648</u> | <u>106,648</u> |
| TOTAL ASSETS | <u><u>\$829,729</u></u> | <u><u>\$1,098,292</u></u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$69,298 | \$39,846 |
| Accrued vacation (Note F) | <u>37,515</u> | <u>28,426</u> |
| TOTAL CURRENT LIABILITIES | 106,813 | 68,272 |
| COMMITMENTS AND CONTINGENCIES (Note H) | | |
| TOTAL LIABILITIES | 106,813 | 68,272 |
| NET ASSETS (Notes B & I) | | |
| Without Donor Restrictions | 719,891 | 1,014,337 |
| With Donor Rstrictions | <u>3,025</u> | <u>15,683</u> |
| TOTAL NET ASSETS | <u>722,916</u> | <u>1,030,020</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$829,729</u></u> | <u><u>\$1,098,292</u></u> |

See Notes to Financial Statements

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total 2020 |
|---|----------------------------------|-------------------------------|-------------------------|
| SUPPORT AND REVENUE | | | |
| Public Support: | | | |
| Foundation grants | \$111,000 | \$23,025 | \$134,025 |
| Contributions | 121,882 | 0 | 121,882 |
| PPP Loan forgiveness (Note G) | 100,400 | | 100,400 |
| In-kind contributions | 194,348 | | 194,348 |
| | <u>527,630</u> | <u>23,025</u> | <u>550,655</u> |
| Total Support | | | |
| Revenue: | | | |
| Fees for services | 421,323 | | 421,323 |
| Honorarium | 6,509 | | 6,509 |
| License fees | 44,974 | | 44,974 |
| Miscellaneous | 7,587 | | 7,587 |
| Royalties | 352 | | 352 |
| Investment income | 1 | | 1 |
| Realized gain (loss) on sale of investments | 106 | | 106 |
| Realized gain (loss) on exchange account | (187) | | (187) |
| Unrealized gain (loss) on exchange account | 25,928 | | 25,928 |
| | <u>506,593</u> | <u>0</u> | <u>506,593</u> |
| Total Revenue | | | |
| Net Assets Released From Restrictions | 35,683 | (35,683) | 0 |
| TOTAL SUPPORT AND REVENUE | <u>1,069,906</u> | <u>(12,658)</u> | <u>1,057,248</u> |
| EXPENSES | | | |
| Program services | 1,155,633 | | 1,155,633 |
| Management and general | 168,875 | | 168,875 |
| Fundraising | 39,844 | | 39,844 |
| | <u>1,364,352</u> | <u>0</u> | <u>1,364,352</u> |
| Total Expenses | | | |
| CHANGE IN NET ASSETS | (294,446) | (12,658) | (307,104) |
| NET ASSETS, beginning of year | <u>1,014,337</u> | <u>15,683</u> | <u>1,030,020</u> |
| NET ASSETS, end of year (Notes B & I) | <u><u>\$719,891</u></u> | <u><u>\$3,025</u></u> | <u><u>\$722,916</u></u> |

See Notes to Financial Statements

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

| | WithOUT Donor Restrictions | With Donor Restrictions | Total 2019 |
|--|----------------------------------|-------------------------------|--------------------|
| SUPPORT AND REVENUE | | | |
| Public Support: | | | |
| Foundation grants | \$3,000 | \$136,885 | \$139,885 |
| Contributions | 146,590 | | 146,590 |
| In-kind contributions | 192,200 | | 192,200 |
| | <u>341,790</u> | <u>136,885</u> | <u>478,675</u> |
| Total Support | | | |
| Revenue: | | | |
| Fees for services | 535,711 | | 535,711 |
| Honorarium | 13,958 | | 13,958 |
| License fees | 22,593 | | 22,593 |
| Miscellaneous | 546 | | 546 |
| Royalties | 426 | | 426 |
| Investment income | 313 | | 313 |
| Realized gain (loss) on disposal of assets | | | 0 |
| Realized gain (loss) on exchange account | (2,250) | | (2,250) |
| Unrealized gain (loss) on exchange account | 5,486 | | 5,486 |
| Unrealized gain (loss) on investments | 37 | | 37 |
| | <u>576,820</u> | <u>0</u> | <u>576,820</u> |
| Total Revenue | | | |
| Net Assets Released From Restrictions | 583,714 | (583,714) | 0 |
| | <u>1,502,324</u> | <u>(446,829)</u> | <u>1,055,495</u> |
| TOTAL SUPPORT AND REVENUE | | | |
| EXPENSES | | | |
| Program services | 1,070,205 | | 1,070,205 |
| Management and general | 115,515 | | 115,515 |
| Fundraising | 31,059 | | 31,059 |
| | <u>1,216,779</u> | <u>0</u> | <u>1,216,779</u> |
| Total Expenses | | | |
| CHANGE IN NET ASSETS | 285,545 | (446,829) | (161,284) |
| NET ASSETS, beginning of year | 728,792 | 462,512 | 1,191,304 |
| NET ASSETS, end of year (Notes B & I) | <u>\$1,014,337</u> | <u>\$15,683</u> | <u>\$1,030,020</u> |

See Notes to Financial Statements

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in Net Assets | (\$307,104) | (\$161,284) |
| Adjustment to reconcile change in net assets to cash provided (used) by operating activities: | | |
| Depreciation | <u>7,339</u> | <u>10,292</u> |
| | (299,765) | (150,992) |
| CHANGES IN CURRENT ASSETS AND CURRENT LIABILITIES | | |
| (Increase) decrease in funding and accounts receivable without donor restrictions | 64,284 | 59,278 |
| (Increase) decrease in funding and accounts receivable with donor restrictions | 0 | 192,500 |
| (Increase) decrease in prepaid expenses | (2,602) | (4,531) |
| (Increase) decrease in deposits | 0 | 9,020 |
| Increase (decrease) in accounts payable and accrued liabilities | 29,452 | 11,709 |
| Increase (decrease) in accrued vacation | <u>9,089</u> | <u>4,000</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(199,542)</u> | <u>120,984</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (199,542) | 120,984 |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>692,313</u> | <u>571,329</u> |
| CASH AND CASH EQUIVALENTS, end of year | <u><u>\$492,771</u></u> | <u><u>\$692,313</u></u> |
| SUPPLEMENTAL INFORMATION: | | |
| Interest paid | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

See Notes to Financial Statements

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

| | Programs and Outreach | Research and Standards | Total Program | Management and General | Fundraising | Total Support | Total 2020 |
|---------------------------------|-----------------------------|------------------------------|--------------------|---------------------------|-----------------|------------------|--------------------|
| Salaries | \$363,760 | \$106,042 | \$469,802 | \$58,778 | \$30,468 | \$89,246 | \$559,048 |
| Payroll taxes | 26,885 | 8,417 | 35,302 | 4,177 | 2,214 | 6,391 | 41,693 |
| Employee benefits | 15,341 | 5,168 | 20,509 | 1,522 | 1,157 | 2,679 | 23,188 |
| Total personnel expenses | 405,986 | 119,627 | 525,613 | 64,477 | 33,839 | 98,316 | 623,929 |
| Direct program expenses | 238,002 | 32,154 | 270,156 | | | 0 | 270,156 |
| Computer expenses | 35,979 | 10,330 | 46,309 | 5,367 | 2,858 | 8,225 | 54,534 |
| Insurance | 4,875 | 1,463 | 6,338 | (122) | 412 | 290 | 6,628 |
| Interest expense | | | 0 | | | 0 | 0 |
| Bank charges | 33 | 53 | 86 | 1,753 | 3,725 | 5,478 | 5,564 |
| Advertising | 1,512 | | 1,512 | | | 0 | 1,512 |
| Board expenses | | | 0 | | | 0 | 0 |
| Depreciation | | | 0 | 7,339 | | 7,339 | 7,339 |
| Licenses, fees, permits | | | 0 | 163 | | 163 | 163 |
| Office expense | 638 | 144 | 782 | 230 | 41 | 271 | 1,053 |
| Professional development | 32 | 10 | 42 | 475 | 3 | 478 | 520 |
| Professional fees | 66,852 | 7,456 | 74,308 | 14,993 | 274 | 15,267 | 89,575 |
| Recruitment | 22 | 7 | 29 | 3 | 2 | 5 | 34 |
| Rent | 1,753 | 526 | 2,279 | 21,653 | 148 | 21,801 | 24,080 |
| Repairs and maintenance | | | 0 | | | 0 | 0 |
| Communications | 82,751 | 150 | 82,901 | 80 | 42 | 122 | 83,023 |
| Utilities | | | 0 | | | 0 | 0 |
| Travel | 1,894 | | 1,894 | 0 | (1,750) | (1,750) | 144 |
| Bad debt | | | 0 | 1,276 | 250 | 1,526 | 1,526 |
| Miscellaneous | | | 0 | 224 | | 224 | 224 |
| In kind expenses | 124,384 | 19,000 | 143,384 | 50,964 | | 50,964 | 194,348 |
| Total expenses | \$964,713 | \$190,920 | \$1,155,633 | \$168,875 | \$39,844 | \$208,719 | \$1,364,352 |

See Notes to Financial Statements

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

| | Programs and Outreach | Research and Standards | Total Program | Management and General | Fundraising | Total Support | Total 2019 |
|---------------------------------|-----------------------------|------------------------------|--------------------|---------------------------|-----------------|------------------|--------------------|
| Salaries | \$277,111 | \$100,768 | \$377,879 | \$54,185 | \$14,023 | \$68,208 | \$446,087 |
| Payroll taxes | 20,961 | 7,622 | 28,583 | 3,796 | 1,061 | 4,857 | 33,440 |
| Employee benefits | 14,456 | 5,256 | 19,712 | 1,838 | 731 | 2,569 | 22,281 |
| Total personnel expenses | 312,528 | 113,646 | 426,174 | 59,819 | 15,815 | 75,634 | 501,808 |
| Direct program expenses | 185,677 | 24,238 | 209,915 | 53 | 283 | 336 | 210,251 |
| Computer expenses | 30,453 | 10,611 | 41,064 | 5,113 | 1,845 | 6,958 | 48,022 |
| Insurance | 4,163 | 1,514 | 5,677 | 754 | 211 | 965 | 6,642 |
| Interest expense | | | 0 | | | 0 | 0 |
| Bank charges | 66 | 61 | 127 | 1,845 | 3,741 | 5,586 | 5,713 |
| Advertising | 1,978 | | 1,978 | | | 0 | 1,978 |
| Board expenses | | | 0 | | | 0 | 0 |
| Depreciation | | | 0 | 10,292 | | 10,292 | 10,292 |
| Licenses, fees, permits | | | 0 | 556 | | 556 | 556 |
| Office expense | 2,053 | 782 | 2,835 | 663 | 108 | 771 | 3,606 |
| Professional development | 27 | | 27 | | | 0 | 27 |
| Professional fees | 82,312 | 2,076 | 84,388 | 13,815 | 4,748 | 18,563 | 102,951 |
| Recruitment | | | 0 | | | 0 | 0 |
| Rent | 12,902 | 4,692 | 17,594 | 20,636 | 653 | 21,289 | 38,883 |
| Repairs and maintenance | | | 0 | | | 0 | 0 |
| Communications | 75,644 | 179 | 75,823 | 89 | 3,630 | 3,719 | 79,542 |
| Utilities | | | 0 | | | 0 | 0 |
| Travel | 11,831 | 1,589 | 13,420 | 766 | | 766 | 14,186 |
| Miscellaneous | | | 0 | 97 | 25 | 122 | 122 |
| In kind expenses | 182,135 | 9,048 | 191,183 | 1,017 | | 1,017 | 192,200 |
| Total expenses | \$901,769 | \$168,436 | \$1,070,205 | \$115,515 | \$31,059 | \$146,574 | \$1,216,779 |

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION

General - The Global Footprint Network, Inc. is a California non-profit corporation incorporated under the laws of California in 2003. The Organization's purpose is to help organizations around the world track the extent of society's environmental impact through the use of a resource management tool, known as the "ecological footprint," that measures how much land and water area a human population requires to produce resources it consumes and to absorb its wastes, taking into account prevailing technology.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting - The Organization maintains its accounting records on the accrual basis of accounting.

Use of Estimates - In preparing financial statements in conformity with Generally Accepted Accounting Principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities as of the date of the financial statements; and revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - The Organization's cash and cash equivalents balance consists of amounts held in checking and savings accounts in large financial institutions.

Property and Equipment - Furniture and equipment are stated at cost. Expenditures for furniture and equipment, in amounts greater than \$1,000, are capitalized and depreciated over three to five years using the straight-line method. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts and any gain or loss arising from such disposition is included as income or expense. Expenditures for repairs and maintenance are charged to expense as incurred. Donated equipment is recorded at its fair market value at the date of the donation.

Fair Value Measurements – Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumption market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

Functional Allocation of Expenses - Costs of providing the programs, administrative duties and fundraising activities have been summarized on a functional basis in the accompanying statement of functional expenses. Certain indirect costs have been allocated directly to programs and administration based upon ratios determined by management, based upon detailed estimates prepared by management personnel and on the basis of direct hours charged to each program. These costs primarily include salaries, fringe benefits, occupancy and other expenses.

Income Taxes - The Organization is a Section 501(c)(3) organization exempt from income taxes under Section 501(a) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization believe that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal and state information returns for the years 2016 through 2019 are subject to examination by regulatory agencies, generally for three years and four years after they have been filed with the federal and state governments, respectively. There was no taxable unrelated business income during the year ended December 31, 2020.

Advertising Costs – Advertising costs are expensed as incurred, the costs incurred during the years ended December 31, 2020 and 2019 were \$1,512 and \$1,978, respectively. In-kind advertising costs incurred during the years ended December 31, 2020 and 2019 were \$124,139 and \$66,633, respectively.

Contributions and Grant Revenue – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in the net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), 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. All other contributions are recognized upon receipt.

Performance revenue is recognized as earned. Amounts received but not yet earned are reported as advances.

Donated Materials and Services - Donated materials are recorded at their fair value at the date of donation. In addition, a substantial number of individuals have donated significant amounts of their time to the Organization, primarily through program activities. These services are reflected in the accompanying financial statements using a valuation of the services based on an estimate of the fair value at the time of the donation. Donated services by individuals providing specialized volunteer services are valued at \$21.50 per hour based estimates. Donated services by individuals providing administration services are not recorded as donated services as there are no special skills required for these services.

Financial Statement Presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions:

Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations – The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organizations ongoing operations and interest and dividends earned on investments. Non-operating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

Reclassifications - Certain reclassifications have been made in the 2019 comparative totals to conform to the classifications used in 2020.

New Accounting Pronouncements – On June 21, 2018, FASB issued ASU 2018-08, Not-for-profit Entities (Topic 605) – *Clarifying the Scope and the Accounting guidance for Contributions Received and Contributions Made*. This standard is intended to address questions stemming from ASU No. 2014-09 – *Revenue from Contracts with Customers*, issued on May 28, 2014, regarding its implications on the grants and contracts of not-for-profit organizations. These updates address the issue of whether non-for-profit grants and contracts fit the definition of a contract with a customer, or are they more appropriately classified as contributions, which would exclude them from the scope of ASI 2014-09. The ASU has been applied retrospectively to all periods presented.

NOTE C – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs, liabilities and other obligations as they become due. As of December 31, 2020, the Organization has ample cash and cash equivalents to cover operating expenses. The following assets could be readily made available within one year of the statement of financial position to meet general expenditures:

Financial assets:

| | |
|--|------------------|
| Cash | \$492,771 |
| Accounts receivable | <u>196,315</u> |
| Financial assets available within one year | <u>\$689,086</u> |

The Organization does not have an operating reserve.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE D – GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable consisted of the following amounts as of December 31:

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Grants and accounts receivable without donor restrictions: | | |
| Amazon Smile | \$ 127 | \$ 0 |
| Aristotle University of Thessaloniki | 12,519 | 0 |
| British Columbia | 0 | 1,695 |
| Bullfrog Films | 114 | 0 |
| California State University | 0 | 5,753 |
| Codice Edizioni | 840 | 0 |
| DestiMED Plus | 33,300 | 0 |
| Eilene Ayala | -46 | 0 |
| Erasmus + | 61,290 | 61,290 |
| Foster + Partners | 0 | 1,276 |
| IBLA Luxemburg | 0 | 11,300 |
| Jean Hauss-Meyer | 8,016 | 0 |
| Justin Smith | 120 | 0 |
| Mava Learning Grant | 21,240 | 0 |
| Mava Stiftung fur Naturschutz | 47,025 | 44,000 |
| Museum of Tomorrow | 0 | 10,000 |
| Novartis International | 0 | 4,453 |
| Salesforce | 0 | 250 |
| Schneider Electric Industries | 0 | 80,000 |
| Swiss Confederation/BAFU | 0 | 40,582 |
| Universitat de Vic | <u>11,770</u> | <u>0</u> |
| Total grants and accounts receivable without donor restrictions | <u>196,315</u> | <u>260,599</u> |
| Total grants and accounts receivable | <u>\$196,315</u> | <u>\$260,599</u> |

The organization does not believe that an allowance for doubtful accounts is required for any of the grant receivable as of December 31, 2020.

Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

GLOBAL FOOTPRINT NETWORK, INC.
A CALIFORNIA NONPROFIT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE E - PROPERTY AND EQUIPMENT

Property and Equipment as of December 31, consisted of the following:

| | <u>2020</u> | <u>2019</u> |
|--------------------------------|-----------------|-----------------|
| Furniture & Equipment | \$19,703 | \$19,703 |
| Software & Website | <u>34,310</u> | <u>34,310</u> |
| Total Property and Equipment | 54,013 | 54,013 |
| Less: Accumulated Depreciation | <u>(47,132)</u> | <u>(39,793)</u> |
| Net Property and Equipment | <u>\$ 6,881</u> | <u>\$14,220</u> |

Total depreciation expense for the years ended December 31, 2020 and 2019 was \$7,339 and \$10,292, respectively.

NOTE F – ACCUMULATED VACATION AND SICK LEAVE

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The liability is recognized in the program to which the liability relates, and is consolidated with accounts payable and accrued liabilities in the financial statements. At December 31, 2020 and 2019, the accumulated accrued vacation totaled \$37,515 and \$28,426, respectively.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulate sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the Organization since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period sick leaves are taken.

NOTE G – PPP LOAN FORGIVENESS

As of December 31, 2020, advances consisted of the following:

The Organization obtained a Paycheck Protection Program loan, in the amount of \$100,400, from the Small Business Association which was made available as part of the federal Coronavirus Relief package in May 2020. As of December 31, 2020, funds in the amount of \$100,400 have been used in compliance with the loan requirements, which allows the loan to be forgiven. As of July 21, 2021, the bank has forgiven the loan with no interest charged.

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NOTE H – COMMITMENTS AND CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the Organization to the provisions of the grant. Management is of the opinion that the Organization has complied with the terms of all grants.

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, the net assets with donor restrictions consisted of the following funding:

| | <u>2020</u> | <u>2019</u> |
|--|----------------|-----------------|
| Specific Purpose: | | |
| Mava Stiftung fur Naturschutz – Core Support | \$ 0 | \$15,683 |
| Mava Stiftung fur Naturschutz – Lessons | <u>3,025</u> | <u>0</u> |
| | <u>\$3,025</u> | <u>\$15,683</u> |

Net Assets released from restrictions during the year ended December 31, consisted of the following:

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|------------------|
| Satisfaction of purpose restriction: | | |
| Mava Stiftung fur Naturschutz – Core Support | \$15,683 | \$302,500 |
| Mava Stiftung fur Naturschutz – Lessons | | 11,202 |
| Daniela Schlettwein-Gsell Legacy Gift | | 216,679 |
| Schneider Electric Industries | | 53,333 |
| Weeden Foundation | <u>20,000</u> | <u>0</u> |
| Total net assets released from donor restrictions | <u>\$35,683</u> | <u>\$583,714</u> |

NOTE J – CONCENTRATION OF RISK

The Organization places its temporary cash investments with high-credit, high quality financial institutions, and by policy, limits the amount of credit exposure to any one financial institution. The Organization maintains three of its cash accounts in three such financial institutions. Cash balances held at these financial institutions were in excess of federally insured limits. The Organization believes no significant concentration of credit risk exists with respect to these cash investments.

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NOTE K – SUBSEQUENT EVENTS

These financial statements were approved by the management of the Organization and available for issuance on September 27, 2021. The Organization has evaluated subsequent events through September 27, 2021.

The Covid-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of the COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's customers, participants, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position, changes in net assets, and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.