COMMITTEE FOR A CONSTRUCTIVE TOMORROW

Financial Statements For the Years Ended December 31, 2018 and 2017
and Independent Auditors’ Report
Dated August 26, 2019

JENNIFER S. BURKE, CPA PLLC
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WARRENTON, VIRGINIA 20186
TELEPHONE (540) 229-9538
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Independent Auditors’ Report

Members of the Board of Directors
Committee For A Constructive Tomorrow

We have audited the accompanying financial statements of Committee For A Constructive Tomorrow (“the Organization”), which comprise the statements of financial position as of December 31, 2018 and 2017, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Committee For A Constructive Tomorrow as of December 31, 2018 and 2017, 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.

Jennifer S. Burke CPA PLLC
Warrenton, Virginia
August 26, 2019
## COMMITTEE FOR A CONSTRUCTIVE TOMORROW
### Statements of Financial Position
#### As of December 31, 2018 and 2017

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$978,144</td>
<td>$941,557</td>
</tr>
<tr>
<td>Inventory</td>
<td>396</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>30,945</td>
<td>10,252</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>899</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,009,485</td>
<td>952,708</td>
</tr>
<tr>
<td><strong>Furniture and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>19,034</td>
<td>16,892</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(13,103)</td>
<td>(10,801)</td>
</tr>
<tr>
<td>Total Furniture and Equipment</td>
<td>5,931</td>
<td>6,091</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,015,416</td>
<td>$958,799</td>
</tr>
</tbody>
</table>

### LIABILITIES & NET ASSETS

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$44,884</td>
<td>$22,143</td>
</tr>
<tr>
<td>Payroll Liabilities</td>
<td>6,169</td>
<td>7,781</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>51,053</td>
<td>29,924</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>51,053</td>
<td>29,924</td>
</tr>
</tbody>
</table>

#### Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>901,480</td>
<td>843,393</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>62,883</td>
<td>85,482</td>
</tr>
<tr>
<td>Total Net Assets</td>
<td>964,363</td>
<td>928,875</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$1,015,416</td>
<td>$958,799</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report and notes to the financial statements
### COMMITTEE FOR A CONSTRUCTIVE TOMORROW

#### Statement of Activities

For the Year Ended December 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,571,116</td>
<td>$23,311</td>
<td>$1,594,427</td>
</tr>
<tr>
<td>Book Sales</td>
<td>17,342</td>
<td>-</td>
<td>17,342</td>
</tr>
<tr>
<td>Advertising Income</td>
<td>13,670</td>
<td>-</td>
<td>13,670</td>
</tr>
<tr>
<td>List Rental Income</td>
<td>4,750</td>
<td>-</td>
<td>4,750</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>3,218</td>
<td>-</td>
<td>3,218</td>
</tr>
<tr>
<td>Loss on Disposal of Assets</td>
<td>(1,193)</td>
<td>-</td>
<td>(1,193)</td>
</tr>
<tr>
<td>Released from Restriction</td>
<td>45,910</td>
<td>(45,910)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Gross Revenue</strong></td>
<td>1,654,813</td>
<td>(22,599)</td>
<td>1,632,214</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold</strong></td>
<td>(8,759)</td>
<td>-</td>
<td>(8,759)</td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td>1,646,054</td>
<td>(22,599)</td>
<td>1,623,455</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>1,003,684</td>
<td>-</td>
<td>1,003,684</td>
</tr>
<tr>
<td>Administrative</td>
<td>135,772</td>
<td>-</td>
<td>135,772</td>
</tr>
<tr>
<td>Fundraising</td>
<td>448,511</td>
<td>-</td>
<td>448,511</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,587,967</td>
<td>-</td>
<td>1,587,967</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>58,087</td>
<td>(22,599)</td>
<td>35,488</td>
</tr>
<tr>
<td><strong>Net Assets, Beginning of Year</strong></td>
<td>843,393</td>
<td>85,482</td>
<td>928,875</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>$901,480</td>
<td>$62,883</td>
<td>$964,363</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report and notes to the financial statements.
committed FOR A CONSTRUCTIVE TOMORROW
Statement of Activities
For the Year Ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,501,384</td>
<td>$85,482</td>
<td>$1,586,866</td>
</tr>
<tr>
<td>Advertising Income</td>
<td>25,257</td>
<td>-</td>
<td>25,257</td>
</tr>
<tr>
<td>List Rental Income</td>
<td>5,092</td>
<td>-</td>
<td>5,092</td>
</tr>
<tr>
<td>Realized Gains / (Losses)</td>
<td>1,019</td>
<td>-</td>
<td>1,019</td>
</tr>
<tr>
<td>Book Sales</td>
<td>669</td>
<td>-</td>
<td>669</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>92</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>Loss on Disposal of Assets</td>
<td>(26)</td>
<td>-</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,533,487</td>
<td>85,482</td>
<td>1,618,969</td>
</tr>
</tbody>
</table>

|                          |                            |                         |         |
| **Expenses**             |                            |                         |         |
| Program                  | 1,053,741                  | -                       | 1,053,741 |
| Administrative           | 157,545                    | -                       | 157,545 |
| Fundraising              | 489,451                    | -                       | 489,451 |
| **Total Expenses**       | 1,700,737                  | -                       | 1,700,737 |

|                          |                            |                         |         |
| **Change in Net Assets** | (167,250)                  | 85,482                  | (81,768)|
| **Net Assets, Beginning of Year** | 1,010,643 | - | 1,010,643 |
| **Net Assets, End of Year** | $ 843,393 | $ 85,482 | $ 928,875 |

See the accompanying Independent Auditors' Report and notes to the financial statements
COMMITTEE FOR A CONSTRUCTIVE TOMORROW

Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$35,488</td>
<td>$(81,768)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock donation</td>
<td>-</td>
<td>(49,163)</td>
</tr>
<tr>
<td>Investment Gains/Losses</td>
<td>-</td>
<td>(1,018)</td>
</tr>
<tr>
<td>Loss on Disposal of Assets</td>
<td>1,193</td>
<td>26</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,806</td>
<td>2,715</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in accounts receivable</td>
<td>899</td>
<td>42,198</td>
</tr>
<tr>
<td>(Increase)/decrease in inventory</td>
<td>(396)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/decrease in prepaid expenses</td>
<td>(20,694)</td>
<td>2,152</td>
</tr>
<tr>
<td>Increase/(decrease) in accounts payable</td>
<td>22,741</td>
<td>2,259</td>
</tr>
<tr>
<td>Increase/(decrease) in payroll liabilities</td>
<td>(1,612)</td>
<td>(639)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY/(USED BY) OPERATING ACTIVITIES</strong></td>
<td>40,425</td>
<td>(83,238)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Investments</td>
<td>-</td>
<td>50,181</td>
</tr>
<tr>
<td>Sale of property and equipment</td>
<td>135</td>
<td>-</td>
</tr>
<tr>
<td>(Purchases) of property and equipment</td>
<td>(3,973)</td>
<td>(6,143)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY/(USED BY) INVESTING ACTIVITIES</strong></td>
<td>(3,838)</td>
<td>44,038</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (decrease) in cash</td>
<td>36,587</td>
<td>(39,200)</td>
</tr>
<tr>
<td>Cash at beginning of year</td>
<td>941,557</td>
<td>980,757</td>
</tr>
<tr>
<td><strong>CASH AT END OF YEAR</strong></td>
<td>$978,144</td>
<td>$941,557</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report and notes to the financial statements
<table>
<thead>
<tr>
<th>Item</th>
<th>Program</th>
<th>Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>$533,930</td>
<td>$43,194</td>
<td>$79,938</td>
<td>$657,062</td>
</tr>
<tr>
<td>Direct Mail Expense</td>
<td>-</td>
<td>-</td>
<td>293,577</td>
<td>293,577</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>85,998</td>
<td>5,830</td>
<td>7,853</td>
<td>99,681</td>
</tr>
<tr>
<td>Travel</td>
<td>78,147</td>
<td>2,413</td>
<td>4,056</td>
<td>84,616</td>
</tr>
<tr>
<td>Consulting</td>
<td>69,051</td>
<td>682</td>
<td>12,925</td>
<td>82,658</td>
</tr>
<tr>
<td>Professional Fees: Other</td>
<td>56,325</td>
<td>4,529</td>
<td>7,336</td>
<td>68,190</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>37,780</td>
<td>3,309</td>
<td>6,361</td>
<td>47,450</td>
</tr>
<tr>
<td>Professional Fees: Accounting</td>
<td>-</td>
<td>47,025</td>
<td>-</td>
<td>47,025</td>
</tr>
<tr>
<td>Radio</td>
<td>31,623</td>
<td>-</td>
<td>-</td>
<td>31,623</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>26,154</td>
<td>931</td>
<td>1,242</td>
<td>28,327</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>9,489</td>
<td>877</td>
<td>15,366</td>
<td>25,732</td>
</tr>
<tr>
<td>Telephone</td>
<td>14,983</td>
<td>1,543</td>
<td>4,321</td>
<td>20,847</td>
</tr>
<tr>
<td>Rent</td>
<td>14,782</td>
<td>870</td>
<td>1,148</td>
<td>16,800</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,944</td>
<td>12,144</td>
<td>331</td>
<td>16,419</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>15,690</td>
<td>11</td>
<td>13</td>
<td>15,714</td>
</tr>
<tr>
<td>Supplies</td>
<td>7,089</td>
<td>2,978</td>
<td>1,209</td>
<td>11,276</td>
</tr>
<tr>
<td>Books and Publications</td>
<td>35</td>
<td>169</td>
<td>9,370</td>
<td>9,547</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>1,831</td>
<td>4,251</td>
<td>2,128</td>
<td>8,210</td>
</tr>
<tr>
<td>Internet and Social Media</td>
<td>7,589</td>
<td>35</td>
<td>567</td>
<td>8,191</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td>-</td>
<td>4,307</td>
<td>-</td>
<td>4,307</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,849</td>
<td>-</td>
<td>-</td>
<td>2,849</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>2,176</td>
<td>294</td>
<td>336</td>
<td>2,806</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,360</td>
<td>129</td>
<td>147</td>
<td>2,636</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,859</td>
<td>251</td>
<td>287</td>
<td>2,397</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,003,684</td>
<td>$135,772</td>
<td>$448,511</td>
<td>$1,587,967</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report and notes to the financial statements
<table>
<thead>
<tr>
<th>Program</th>
<th>Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>$ 553,815</td>
<td>$ 57,804</td>
<td>$ 95,184</td>
</tr>
<tr>
<td>Direct Mail Expense</td>
<td>-</td>
<td>-</td>
<td>349,459</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>80,382</td>
<td>7,474</td>
<td>6,545</td>
</tr>
<tr>
<td>Travel</td>
<td>72,556</td>
<td>2,331</td>
<td>3,831</td>
</tr>
<tr>
<td>Consulting</td>
<td>61,141</td>
<td>844</td>
<td>574</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>38,773</td>
<td>4,408</td>
<td>7,518</td>
</tr>
<tr>
<td>Internet and Social Media</td>
<td>40,825</td>
<td>3,955</td>
<td>2,157</td>
</tr>
<tr>
<td>Professional Fees: Other</td>
<td>42,266</td>
<td>2,936</td>
<td>287</td>
</tr>
<tr>
<td>Professional Fees: Accounting</td>
<td>-</td>
<td>45,315</td>
<td>-</td>
</tr>
<tr>
<td>Radio</td>
<td>38,639</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>24,062</td>
<td>1,150</td>
<td>3,968</td>
</tr>
<tr>
<td>Telephone</td>
<td>22,813</td>
<td>3,110</td>
<td>2,305</td>
</tr>
<tr>
<td>Meetings and Conferences</td>
<td>23,124</td>
<td>123</td>
<td>110</td>
</tr>
<tr>
<td>Supplies</td>
<td>13,150</td>
<td>6,503</td>
<td>465</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>5,094</td>
<td>1,120</td>
<td>11,017</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,459</td>
<td>8,860</td>
<td>168</td>
</tr>
<tr>
<td>Rent</td>
<td>13,600</td>
<td>958</td>
<td>854</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td>-</td>
<td>7,214</td>
<td>3,654</td>
</tr>
<tr>
<td>Postage and Delivery</td>
<td>6,601</td>
<td>820</td>
<td>673</td>
</tr>
<tr>
<td>Books and Publications</td>
<td>3,786</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,938</td>
<td>250</td>
<td>223</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>2,117</td>
<td>316</td>
<td>282</td>
</tr>
<tr>
<td>Professional Fees: Legal</td>
<td>275</td>
<td>1,831</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,325</td>
<td>198</td>
<td>177</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,053,741</strong></td>
<td><strong>$ 157,545</strong></td>
<td><strong>$ 489,451</strong></td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report and notes to the financial statements
NOTE 1: ORGANIZATION AND PURPOSE

The Committee For A Constructive Tomorrow (“the Organization”) was organized in 1986 and is registered under the District of Columbia Not-for-Profit Corporation Act. The Organization conducts educational activities on a wide range of public policy issues, centered around the topics of environment and development.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Method of accounting: The financial statements are presented on the accrual basis of accounting.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities in the financial statements and reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

Investments: The Organization reports investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventories: Inventories consist of items for sale through the online bookstore of the Organization. They are stated at the lower of cost (first-in, first-out basis) or market.

Public support and revenue recognition: Current net assets without donor restrictions are those funds presently available for use by the Organization at management’s discretion. All contributions with time or donor-imposed restrictions are recognized as temporarily or permanently restricted revenue that increases net assets with donor restrictions. When temporary restrictions are met, the contributions are transferred to net assets without donor restrictions. Donor restricted contributions whose restrictions are met in the same year are reported solely as unrestricted revenue. Contributions with no restrictions are recognized immediately as unrestricted revenue.

Property and Equipment: The Organization capitalizes all property and equipment acquisitions in excess of $250. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over their estimated useful lives. One-half
NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

year depreciation is taken during the years of acquisition and disposal. Equipment is depreciated over three to five years and furniture over five years. The Organization’s annual depreciation expense amounted to $2,806 and $2,715 for the years ended December 31, 2018 and 2017, respectively.

Functional Expenses: Expenses are charged directly to program, administrative, and fundraising in general categories based on specific identification. Indirect expenses have been allocated based on direct costs.

Income Tax Status: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Collaborative Arrangements: Under FASB ASC 808, a collaborative arrangement is defined as a contractual arrangement that involves a joint operating activity. These arrangements involve two or more parties who are both (i) active participants in the activity and (ii) exposed to significant risks and rewards dependent on the commercial success of the activity. The Organization evaluates whether an arrangement is a collaborative arrangement at its inception based on the facts and circumstances specific to the arrangement. The Organization will re-evaluate whether an arrangement qualifies or continues to qualify as a collaborative arrangement whenever there is a change in either the roles of the participants or the participants’ exposure to significant risks and rewards dependent on the ultimate commercial success of the endeavor. For collaborative arrangements where it is determined that we are the principal participant, in accordance with existing accounting rules, revenue generated and costs incurred with third parties are recorded on a gross basis in our financial statements.

Change in Accounting Principle - On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly.
NOTE 3: RETIREMENT PLAN

Eligible employees may participate in an IRS section 403(b) retirement savings plan. Employees with one year of service and a minimum of twenty hours worked per week are eligible. The Organization contributes a match of up to 3% of an employee’s salary. Contributions totaling $7,580 and $0 for the years ended December 31, 2018 and 2017, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 4: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has $915,261 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures. The following table reflects the Organization’s financial assets as of December 31, 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations.

<table>
<thead>
<tr>
<th>Financial Assets at year-end:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 978,144</td>
<td>$ 941,557</td>
</tr>
<tr>
<td>Receivables</td>
<td>0</td>
<td>899</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>$ 978,144</td>
<td>$ 942,456</td>
</tr>
</tbody>
</table>

Assets limited to use:

| Donor Restricted             | (62,883) | (85,482) |
| Total Assets limited to use  | (62,883) | (85,482) |

Financial Assets available to meet cash needs for general expenditures within one year: $ 915,261 $ 856,974

NOTE 5: NET ASSETS

<table>
<thead>
<tr>
<th>Net assets without donor restrictions:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted, undesignated net assets</td>
<td>$ 901,480</td>
<td>$ 843,393</td>
</tr>
<tr>
<td>Total net assets without donor restrictions</td>
<td>$ 901,480</td>
<td>$ 843,393</td>
</tr>
</tbody>
</table>

Net assets with donor restrictions:

| Climate Hustle project             | 49,572   | 85,482   |
| CO2 analysis project               | 10,000   | 0        |
| Salary and social media bias project | 3,311    | 0        |
| Total net assets with donor restrictions | 62,883   | 85,482   |

Total net assets $ 964,363 $ 928,875
NOTE 6. COLLABORATIVE ARRANGEMENT

In 2015, the Organization entered into a collaborative arrangement with another organization (hereafter known as “Collaborating Entity”). The purpose of the collaborative arrangement was to produce a film. The Organization and the Collaborating Entity will hold joint ownership of all materials produced from the contract, both organizations are actively involved in the oversight of the project, and the expenses and revenues will be shared. Under this collaborative agreement, the Collaborating Entity is responsible for the production and manufacturing of the film and the collection of revenues. The Collaborating Entity will bill the Organization for a portion of the costs incurred and remit revenues collected to the Organization. The Organization and Collaborating Entity will split revenues evenly. This project was completed in 2017.

In 2018, the Organization entered into a second collaborative arrangement with the Collaborating Entity. The purpose of the collaborative arrangement was to produce a film. The Organization and the Collaborating Entity will hold joint ownership of all materials produced from the contract, both organizations are actively involved in the oversight of the project, and the expenses and revenues will be shared. Under this collaborative agreement, the Collaborating Entity is responsible for the production and manufacturing of the film and the collection of revenues. The Collaborating Entity will bill the Organization for a portion of the costs incurred and remit revenues collected to the Organization. The first $150,000 in net income will be split one-third to the Organization and two-thirds to the Collaborating Entity. The Organization and Collaborating Entity will split revenues evenly after the first $150,000 generated in net income.

Amounts received from and paid to the Collaborating Entity are presented as follows in the statements of activities and functional expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Revenue from Collaborative Arrangement</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Received from Collaborating Entity</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>$39,310</td>
<td>$13,958</td>
</tr>
<tr>
<td>Total Paid to Collaborating Entity</td>
<td>$39,310</td>
<td>$13,958</td>
</tr>
</tbody>
</table>

NOTE 7: SUBSEQUENT EVENTS

Management evaluated events and transactions that occurred after the statement of financial position date for potential recognition and disclosure through August 26, 2019, the date on which the financial statements were available to be issued.