SUMOFUS AND AFFILIATE

Consolidated Financial Statements
with Independent Auditor's Report

December 31, 2020 And 2019

GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP

SUMOFUS AND AFFILIATE

DECEMBER 31, 2020 AND 2019

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GALLEROS ROBINSON
CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SumOfUs and Affiliate

We have audited the accompanying consolidated financial statements of SumOfUs and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SumOfUs and Affiliate as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of SumOfUs and Affiliate as of December 31, 2019, were audited by other auditors whose report dated November 10, 2020, expressed an unmodified opinion on those statements.

Galleros Robinson CPAs, LLP

New York, New York
February 11, 2022

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 1,159,093	$ 471,298
Grants and contributions receivable	243,925	251,472
Investments	951,931	945,532
Prepaid expenses	11,473	41,072
Property and equipment, net	3,957	4,468
Other assets	1,813	2,958
Total Assets	$ 2,372,192	$ 1,716,800
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 448,500	$ 298,724
Grants payable	-	3,750
Total Liabilities	448,500	302,474
COMMITMENTS AND CONTINGENCIES		
Net assets		
Without donor restrictions	1,595,382	1,207,776
With donor restrictions	328,310	206,550
Total Net Assets	1,923,692	1,414,326
Total Liabilities and Net Assets	$ 2,372,192	$ 1,716,800

See notes to financial statements.

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Grants and contributions	$ 6,004,251	$ 1,101,115	$ 7,105,366	$ 5,505,755	$ 184,216	$ 5,689,971
Program revenue	-	-	-	60,934	-	60,934
Investment income	6,699	-	6,699	19,766	-	19,766
Other revenue	2,341	-	2,341	20,670	-	20,670
Net assets released from restrictions	979,355	(979,355)	-	398,466	(398,466)	-
Total Support And Revenue	6,992,646	121,760	7,114,406	6,005,591	(214,250)	5,791,341
EXPENSES:						
Program services	5,182,736	-	5,182,736	4,426,758	-	4,426,758
Management and general	864,561	-	864,561	862,058	-	862,058
Fundraising and development	557,743	-	557,743	497,121	-	497,121
Total Expenses	6,605,040	-	6,605,040	5,785,937	-	5,785,937
CHANGE IN NET ASSETS	387,606	121,760	509,366	219,654	(214,250)	5,404
NET ASSETS, BEGINNING OF YEAR	1,207,776	206,550	1,414,326	988,122	420,800	1,408,922
NET ASSETS, END OF YEAR	$ 1,595,382	$ 328,310	$ 1,923,692	$ 1,207,776	$ 206,550	$ 1,414,326

See notes to financial statements.

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	$ 2,121,998	$ 413,250	$ 126,030	$ 2,661,278	$ 2,115,316	$ 386,947	$ 77,389	$ 2,579,652
Payroll taxes and fringe benefits	672,299	130,927	39,929	843,155	521,709	95,435	19,088	636,232
Total salaries and related costs	2,794,297	544,177	165,959	3,504,433	2,637,025	482,382	96,477	3,215,884
Grants expense	149,565	-	-	149,565	163,016	-	-	163,016
Campaign costs and media	905,376	-	-	905,376	309,773	-	-	309,773
Information technology	322,863	67,386	-	390,249	359,213	59,043	-	418,256
Consulting and contracted services	798,662	-	42,184	840,846	726,138	-	57,140	783,278
Staff development	5,128	-	-	5,128	5,857	-	-	5,857
Legal and accounting	-	73,322	-	73,322	-	144,906	-	144,906
Travel and related expenses	1,845	7,053	-	8,898	57,910	9,529	5,706	73,145
Occupancy costs	37,782	7,358	2,244	47,384	53,460	9,779	1,956	65,195
Recruitment	-	27,211	-	27,211	-	49,505	-	49,505
Office supplies and general expenses	25,472	85,226	5,838	116,536	12,308	38,687	7,263	58,258
Telecommunications	-	29,173	-	29,173	-	28,183	-	28,183
Campaign related conferences	141,746	-	-	141,746	102,058	-	-	102,058
Insurance expense	-	18,557	-	18,557	-	18,804	-	18,804
Miscellaneous	-	23	-	23	-	10,367	-	10,367
Processsing and fiscal sponsorship fees	-	-	341,518	341,518	-	-	328,579	328,579
Depreciation and amortization	-	5,075	-	5,075	-	10,873	-	10,873
Total Expenses	$ 5,182,736	$ 864,561	$ 557,743	$ 6,605,040	$ 4,426,758	$ 862,058	$ 497,121	$ 5,785,937

See notes to financial statements.

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 509,366	$ 5,404
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,075	10,873
Unrealized gains on investments	(3,566)	(2,619)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and contributions receivable	7,547	(13,318)
Prepaid expenses	29,599	(8,174)
Other assets	1,145	10,252
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	149,776	26,669
Grants payable	(3,750)	(19,965)
Net Cash Provided by Operating Activities	695,192	9,122
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,833)	(16,845)
Property and equipment acquisitions	(4,564)	-
Net Cash Used in Investing Activities	(7,397)	(16,845)
NET CHANGE IN CASH AND CASH EQUIVALENTS	687,795	(7,723)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	471,298	479,021
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,159,093	$ 471,298

See notes to financial statements.

1. ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying consolidated financial statements of SumOfUs (“SOU”) and Affiliate (collectively, the “Organization”) have been prepared by consolidating SOU and SumOfUs Canada Society (the “Society”).

SOU is a global movement of over 15 million people working to curb the abuse of corporate power and shift the global economy to respect people and the planet. We leverage the combined power of everyday consumers, workers, and investors, to create fundamental shifts in corporations and the global economy to put people and planet over profit. SOU is supported by contributions from people all over the world.

SOU was incorporated in Washington, DC on June 11, 2011 and is exempt from taxation under section 501(c)(4) of the Internal Revenue Code.

The Society was incorporated on July 30, 2016 as a Society under the Society Act of British Columbia, Canada, and is considered a nonprofit organization under the provisions of the income tax act of Canada. The purpose of the Society is to promote and advocate the accountability of governments and corporations; the fair treatment of workers and the right of every human being to make a living and be safe; and the right of communities to manage and protect their own environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its consolidated financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Basis of Consolidation

SOU consolidates the activities of its affiliate since it has both control and an economic interest in the affiliate. All significant intercompany balances and transactions have been eliminated during the consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

See Note 5 - Fair Value Measurements for assets measured at fair value.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of less than three months to be cash equivalents, except for cash equivalents held in investment accounts.

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the FASB Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for grants and contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Grants and contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The Organization has determined that no allowance was considered necessary at December 31, 2020 and 2019, based on management's evaluations of the creditworthiness of contributors, as well as past history.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contribution and Grants Revenue

Contributions are provided to the Organization either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts and grants, with or without restrictions	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
Unconditional gifts and grants, with or without restrictions	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Expected to be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or 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. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated In-Kind Services and Costs

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance nonfinancial assets or (b) require special skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the years ended December 31, 2020 and 2019, there were no donated in-kind services and costs.

Program Revenue

Program revenue is recorded in the period in which the Organization satisfies the performance obligations under contracts by providing services to its customers, net of amounts to which it does not expect to be entitled. Program revenue received in advance of services to be rendered is recorded as deferred revenue.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets over five years. Maintenance and repair costs are charged to expense as incurred, and cost of renewals and improvements are capitalized. The Organization capitalizes property and equipment with a useful life of three years or more and a cost of $2,000 or more.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited and provided by management using their best estimates as to the appropriate allocation. Grants expense and campaign costs and media are directly charged to program expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques including square footage and time and effort.

Grants Expense

Grants expense is recognized in the period the grant is approved by management, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Unpaid grants at the end of the year are recorded as grants payable.

Campaign Costs and Media

Campaign costs and media are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Uncertainty in Income Taxes

The Organization applies the provisions pertaining for uncertain tax provisions (FASB ASC Topic 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

New Accounting Pronouncements

Accounting for Leases

On February 25, 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2021.

The Organization has not yet determined if this ASU will have a material effect on its financial statements.

3. CONCENTRATIONS

The Organization maintains two bank accounts at a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per depositor. From time to time, the total cash balance exceeds the insured amounts. Management believes that credit risk related to these accounts is minimal. The Society maintains a bank account in Canada, which is insured by the Canada Deposit Insurance Corp. ("CDIC") for up to $100,000.

The Organization uses the services of a payment service provider for its online donations. Balances that are on deposit at this provider are not insured by the FDIC. The balances on deposit at December 31, 2020 and 2019 are $284,496 and $47,524, respectively. Management believes that credit risk related to these online payment service accounts is minimal.

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of unconditional promises to give which are due to be collected within one year in the amounts of $243,925 and $251,472 as of December 31, 2020 and 2019, respectively.

5. INVESTMENTS

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the Organization's own assumptions of market participant valuation (unobservable inputs).

Items Measured at Fair Value on a Recurring Basis

Investments are stated at fair value using Level 1 inputs based on quoted market prices of identical securities.

The following table presents the Organization's assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019:

	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 933,289	$ -	$ -	$ 933,289
Equities	18,642	-	-	18,642
	$ 951,931	$ -	$ -	$ 951,931

	2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 930,456	$ -	$ -	$ 930,456
Equities	15,076	-	-	15,076
	$ 945,532	$ -	$ -	$ 945,532

Investment income consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Interest and dividends	$ 3,133	$ 17,147
Unrealized gains on investments	3,566	2,619
	$ 6,699	$ 19,766

6. PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following as of December 31, 2020 and 2019:

	2020	2019
Computers and equipment	$ 108,562	$ 103,998
Less: Accumulated depreciation	104,605	99,530
	$ 3,957	$ 4,468

Depreciation expense amounted to $5,075 and $10,873 for the years ended December 31, 2020 and 2019, respectively.

7. GRANTS PAYABLE

Grants payable consists of various grants payable in less than one year amounted to $3,750 as of December 31, 2019.

8. COMMITMENTS AND CONTINGENCIES

The Organization leases facilities in various locations to conduct its programs on a month-to-month or temporary basis. Rent expense amounted to $47,384 and $65,195 for the years ended December 31, 2020 and 2019, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of $328,310 and $206,550 are available at December 31, 2020 and 2019, respectively, for the public education program.

10. COLLECTIVE BARGAINING AGREEMENT

Nonmanagement employees, representing approximately 45% of the Organization's workforce in the United States, belong to the International Federation of Professional and Technical Engineers, Local 70, AFL-CIO. In November 2019, the Organization and Local 70 signed a new collective bargaining agreement, which covers the period from April 2019 through November 2022.

11. RETIREMENT PLAN

The Organization maintains a 401(k) plan. All employees become eligible after six months of employment from date of hire. Contributions are 100% vested upon payment. The Organization contributed a nonmatching contribution annually for all eligible staff of 8% of employee compensation, in the amounts of $85,274 and $72,045, for the years ended December 31, 2020 and 2019, respectively.

12. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's expenditures are not subject to significant seasonal fluctuations.

As of December 31, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, were as follows:

	2020	2019
Cash and cash equivalents	$ 1,159,093	$ 471,298
Grants and contributions receivable	243,925	251,472
Investments	951,931	945,532
Total Financial Assets	2,354,949	1,668,302
Contractual or donor-imposed restrictions:		
Donor's restrictions	328,310	206,550
Financial assets available to meet cash needs for general expenditures within one year	$ 2,026,639	$ 1,461,752

13. RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Organization's performance in future periods may be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Organization continues to monitor evolving economic and general business conditions and the actual and potential impacts on our financial position and results of operations.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through February 11, 2022, the date that the financial statements were available to be issued. During this period, there were no subsequent events requiring separate disclosure.