

**Audited Financial Statements**



**December 31, 2021**

**Quigley & Miron**

**Social & Environmental Entrepreneurs**  
**Audited Financial Statements**  
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**December 31, 2021**

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## Independent Auditor's Report

Board of Directors  
**Social & Environmental Entrepreneurs**  
Calabasas, California

### Opinion

We have audited the accompanying financial statements of Social & Environmental Entrepreneurs (SEE), a nonprofit organization, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEE as of December 31, 2021, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis of 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of SEE 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.

### 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 SEE's ability to continue as a going concern for one year after the date that the financial statements are issued.

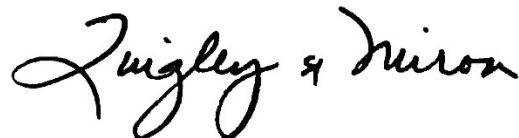
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 auditor's 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 SEE'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 SEE'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.

A handwritten signature in black ink that reads "Quigley & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California  
November 15, 2022

**Social & Environmental Entrepreneurs**  
**Statement of Financial Position**  
**December 31, 2021**

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 53,505,726
Grants and contributions receivable—Note 3	11,456,871
Investments—Note 4	3,375,145
Other current assets	14,322

<b>Total Current Assets</b>	<b>68,352,064</b>
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Grants and contributions receivable—Note 3	3,905,282
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<b>Total Assets</b>	<b><u>\$ 72,257,346</u></b>
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**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 1,459,509
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<b>Total Liabilities</b>	<b>1,459,509</b>
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**Commitments and Contingencies—Note 6**

**Net Assets**

Without donor restrictions	3,879,038
With donor restrictions—Note 7	66,918,799

<b>Total Net Assets</b>	<b><u>70,797,837</u></b>
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<b>Total Liabilities and Net Assets</b>	<b><u>\$ 72,257,346</u></b>
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See notes to financial statements.

**Social & Environmental Entrepreneurs**  
**Statement of Activities**  
**Year Ended December 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Support</b>			
Contributions	\$ 153,775	\$ 71,935,186	\$ 72,088,961
SBA PPP grant income		1,097,707	1,097,707
Interest income	29,559		29,559
<b>Total Support</b>	<b>183,334</b>	<b>73,032,893</b>	<b>73,216,227</b>
Net assets released from restrictions	37,199,354	(37,199,354)	
<b>Total Support and Net Assets Released from Restrictions</b>	<b>37,382,688</b>	<b>35,833,539</b>	<b>73,216,227</b>
<b>Expenses</b>			
Fiscal sponsorship services	33,410,340		33,410,340
Management and general	1,878,192		1,878,192
<b>Total Expenses</b>	<b>35,288,532</b>		<b>35,288,532</b>
<b>Change in Net Assets From Operations</b>	<b>2,094,156</b>	<b>35,833,539</b>	<b>37,927,695</b>
<b>Nonoperating Activities</b>			
Investment return, net—Note 4	19,677		19,677
<b>Total Nonoperating Activities</b>	<b>19,677</b>		<b>19,677</b>
<b>Change in Net Assets</b>	<b>2,113,833</b>	<b>35,833,539</b>	<b>37,947,372</b>
<b>Net Assets at Beginning of Year</b>	<b>1,765,205</b>	<b>31,085,260</b>	<b>32,850,465</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,879,038</b>	<b>\$ 66,918,799</b>	<b>\$ 70,797,837</b>

See notes to financial statements.

**Social & Environmental Entrepreneurs**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	Fiscal Sponsorship Services	Management and General	Total
<b>Expenses</b>			
Salaries and wages	\$ 12,206,705	\$ 1,351,998	\$ 13,558,703
Payroll taxes	985,754	99,369	1,085,123
Workers' compensation insurance and other employee benefits	1,242,745	104,534	1,347,279
<b>Total Personnel</b>	<b>14,435,204</b>	<b>1,555,901</b>	<b>15,991,105</b>
Advertising and promotion	277,428		277,428
Community relations	4,922,672		4,922,672
Contractor and professional fees	7,690,510	99,284	7,789,794
Equipment purchases, rental, and maintenance	329,409	8,725	338,134
Grants made:			
To project-based collaborative organizations	1,945,922		1,945,922
Insurance	38,388	76,000	114,388
Occupancy	507,032	56,576	563,608
Office expenses	609,349	41,506	650,855
Postage and shipping	71,065	4,026	75,091
Printing and publications	54,229	2,434	56,663
Supplies and miscellaneous	1,311,276	9,555	1,320,831
Telephone	289,068	13,578	302,646
Travel, conferences, and meetings	928,788	10,607	939,395
<b>Total Non-Personnel</b>	<b>18,975,136</b>	<b>322,291</b>	<b>19,297,427</b>
<b>Total Expenses</b>	<b>\$ 33,410,340</b>	<b>\$ 1,878,192</b>	<b>\$ 35,288,532</b>

See notes to financial statements.

**Social & Environmental Entrepreneurs**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

**Cash Flows from Operating Activities**

Change in net assets	\$ 37,947,372
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Gain on investments	(24,703)
Changes in operating assets and liabilities:	
Grants and contributions receivable	(7,054,934)
Other current assets	224,290
Accounts payable and accrued expenses	708,032
PPP advance	(1,201,889)
<b>Net Cash Provided by Operating Activities</b>	<b>30,598,168</b>

**Cash Flows from Investing Activities**

Purchases of investments	(14,697,681)
Proceeds from sales of investments	16,713,007
<b>Net Cash Provided by Investing Activities</b>	<b>2,015,326</b>

**Increase in Cash and Cash Equivalents** **32,613,494**

**Cash and Cash Equivalents at Beginning of Year** **20,892,232**

**Cash and Cash Equivalents at End of Year** **\$ 53,505,726**

**Supplementary Disclosures**

Cash paid during the year for:	
Income taxes	\$ -
Interest	\$ -

See notes to financial statements.



**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

**Note 1—Organization and Summary of Significant Accounting Policies**

Organization—Social & Environmental Entrepreneurs (SEE) was initiated in 1994 as a nonprofit administrative structure for grassroots projects. In addition to providing necessary administrative services, this structure is a model of activist empowerment and mutual support. Through the years, SEE has grown to encompass over 200 projects, from one-person, start-up volunteer efforts to full-scale, long-term operations.

SEE's projects are funded primarily by grants from foundations, corporations, and government agencies, contributions from individuals, and earnings on investments. The management and general operations of SEE are funded primarily by administrative fees charged on project revenues.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. SEE's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of SEE and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of SEE. These net assets may be used at the discretion of SEE's management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of SEE and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit SEE to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Since the contributions relate to the various projects of SEE, essentially all contributions are net assets with donor restrictions. When a donor restriction expires, as the monies are spent, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as released from restrictions. Net assets with donor restrictions at December 31, 2021 consisted of amounts restricted to funding specific expenses in future periods.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of activities attributable to SEE's ongoing fiscal sponsorship services and interest and dividends earned investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more usual or nonrecurring nature.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

Income Taxes—SEE is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements. In addition, SEE has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘*more likely than not*’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2021. Generally, SEE’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash and Cash Equivalents—SEE considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash consists of balances in checking and savings accounts at banks.

Grants and Contributions Receivable—Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value upon receipt of the award. Grants and contributions receivable that are expected to be collected in future years are recorded at fair value at the time of the award. SEE measures fair value of contributions receivable in more than one year as the present value of expected future cash flows. Amortization of the associated discount is included in contributions revenue. Management provides for probably uncollectible amounts based on its assessment of recent collection history and current donor relationships.

Conditional contributions are not included as support until the conditions on which they depend are substantially met.

Investments—Investments are valued at fair market value. Investment income, gains, and losses are reported as unrestricted income unless use of the earnings is restricted by the donor.

Property and Equipment—Property, furniture, and equipment are stated at cost. Acquisitions in excess of \$3,000 are capitalized. Property, furniture, and equipment are depreciated on the straight-line method using useful lives ranging from five to 31.5 years. At December 31, 2021, SEE had no capitalized property and equipment.

Contributions—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 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 net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a 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.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

Concentration of Credit Risk—Financial instruments which potentially subject SEE to concentrations of credit risk consist of cash and cash equivalents, and grants and contributions receivable. SEE places its cash and cash equivalents with two high quality financial institutions, where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. At times, such cash and cash equivalent balances are in excess of the FDIC/SIPC insurance limits. At December 31, 2021, cash balances exceeded the FDIC insurance limits by approximately \$53,255,726. Management regularly reviews the financial stability of its cash and money market fund depositories and deems the risk of loss due to these concentrations to be minimal.

Grants and contributions receivable consist of balances from foundations, businesses, and individuals. Collection losses related to contributions receivable have historically been immaterial and management has concluded that, based on its review of balances outstanding, a valuation allowance from selected receivable balances is not necessary.

Interest Income—Interest income is recognized when received and is reported under support in the statement of activities.

Revenue Recognition—Revenues from grants and contributions are reported as increases in net assets without donor restrictions as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as contributions receivable. Amounts received in excess of amounts expended are recorded as net assets with donor restrictions.

Donated Services—A substantial number of volunteers have donated a significant number of hours devoted to SEE's program services, management and general, and fundraising activities. However, these donated services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under current accounting standards.

Advertising Expense—Advertising costs are expensed as incurred and amounted to \$277,428 and for the year ended December 31, 2021.

Functional Expenses—The financial statements report all categories of expenses directly either to a fiscally sponsored project as part of the program services function or to SEE operations as part of the management and general supporting services function.

Use of Estimates—The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 2—Availability and Liquidity**

The following represents the availability and liquidity of SEE's financial assets at December 31, 2021 to cover operating expenses for the next fiscal year:

Financial assets		
Cash and cash equivalents	\$	53,505,726
Grants and contributions receivable		11,456,871
Investments		3,375,145
		<hr/>
	<b>Total Financial Assets</b>	<b>68,337,742</b>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		
Restricted due to purpose		
Animal welfare projects		(830,565)
Civic engagement projects		(465,065)
Community development projects		(10,320,452)
Donor-advised funds		(35,871)
Environmental sustainability projects		(22,115,448)
Health and food projects		(3,018,827)
Human rights projects		(22,860,655)
Youth development projects		(7,271,916)
		<hr/>
	<b>Total Amounts Not Available to be Used Within One Year</b>	<b>(66,918,799)</b>
		<hr/>
	<b>Financial Assets Available to Meet General Expenditures Over the Next Twelve Months</b>	<b>\$ 1,418,943</b>

SEE's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$300,000). SEE operates within a prudent range of financial soundness and stability to support the ongoing fulfillment of its mission.

**Note 3—Grants and Contributions Receivable**

Future expected receipts of grants and contributions receivable at December 31, 2021 are as follows:

<u>Year Ending December 31,</u>		
2022	\$	11,456,871
2023		3,324,299
2024		580,983
		<hr/>
	<b>Total</b>	<b>\$ 15,362,153</b>

There was no allowance for doubtful accounts at December 31, 2021. The present value discount at December 31, 2021, was considered to not be material by management and, thus, not recorded.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 3—Grants and Contributions Receivable—Continued**

Grants and contributions receivable at December 31, 2021 by both funder and net asset categories consist of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Foundations and other nonprofit organizations	\$	\$ 14,374,576	\$ 14,374,576
Businesses, individuals, and government agencies		987,577	987,577
<b>Totals</b>	<b>\$</b>	<b>\$ 15,362,153</b>	<b>\$ 15,362,153</b>

For detail on the composition of net assets with donor restrictions, see Note 7.

**Note 4—Investments and Fair Value Measurements**

In determining the fair value of investments, SEE utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. SEE determines fair value based on assumption that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment.

SEE may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by SEE to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. At December 31, 2021, SEE had no investments for which fair value was estimated at NAV.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 4—Investments and Fair Value Measurements—Continued**

Fair values of assets and liabilities on a recurring basis at December 31, 2021 consist of investments which are classified as Level 1 and Level 2, detailed as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Bond funds	\$ 2,008,784	\$ 2,008,784	\$
Equity funds	1,011,241	1,011,241	
ETFs	266,935		
Fixed income annuities	88,185		88,185
<b>Totals</b>	<b><u>\$ 3,375,145</u></b>	<b><u>\$ 3,020,025</u></b>	<b><u>\$ 88,185</u></b>

Investment activity for the year ended December 31, 2021 is summarized as follows:

Investment gains	\$ 24,703
Investment management fees	(5,026)
<b>Investment Return, Net</b>	<b><u>19,677</u></b>
Interest income	29,559
<b>Total Return on Investment</b>	<b><u>\$ 49,236</u></b>

**Note 5—PPP Advance**

On April 27, 2020, SEE received a \$1,201,889 Paycheck Protection Program (PPP) advance from the U.S. Small Business Administration (SBA). The advance was designed to provide a direct incentive for small businesses struggling from the impact of the COVID-19 pandemic (see Note 9) to keep their workers on the payroll. SEE has elected to record the PPP grant revenue only upon receipt of the forgiveness letter from the SBA, which was received on February 24, 2021. PPP grant revenue is reported in the statement of activities under SBA PPP grant income.

**Note 6—Commitments and Contingencies**

SEE leases office facilities in Calabasas, California under two separate non-cancellable rental agreements which expire on September 30, 2021 and August 31, 2022.

The future minimum annual rental commitments by year for these leases are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 22,709
<b>Total</b>	<b><u>\$ 22,709</u></b>

Office facilities rental expense for the year ended December 31, 2021 was approximately \$54,000.

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 6—Commitments and Contingencies—Continued**

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting a grant and its terms, the Board is acknowledging the requirements of the grantor at the time of receipt of the grant.

**Note 7—Net Assets with Donor Restrictions**

Net assets with donor restrictions for the year ended December 31, 2021 are as follows:

Subject to expenditure for specified purpose:

Fiscal sponsorship services	
Animal welfare projects	\$ 755,565
Civic engagement projects	455,465
Community development projects	5,173,917
Donor-advised funds	35,871
Environmental sustainability projects	19,347,011
Health and food projects	2,811,327
Human rights projects	17,305,251
Youth development projects	5,672,239
	<hr/>
<b>Total Subject to Purpose Restrictions</b>	<b>51,556,646</b>

Promises to give, the proceeds from which have been restricted by donors for:

Fiscal sponsorship services	
Animal welfare projects	75,000
Civic engagement projects	9,600
Community development projects	5,146,535
Environmental sustainability projects	2,768,437
Health and food projects	207,500
Human rights projects	5,555,404
Youth development projects	1,599,677
	<hr/>
<b>Total Subject to Time and Purpose Restrictions</b>	<b>15,362,153</b>
	<hr/>
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 66,918,799</b>

**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 7—Net Assets with Donor Restrictions—Continued**

Net assets released from donor restrictions for the year ended December 31, 2021 are as follows:

Satisfaction of purpose restrictions:	
Fiscal sponsorship services	
Animal welfare projects	\$ 707,107
Civic engagement projects	92,469
Community development projects	5,716,040
Donor-advised funds	41,015
Environmental sustainability projects	6,300,940
Health and food projects	2,151,821
Human rights projects	16,160,893
Youth development projects	6,029,069
	<hr/>
<b>Total Net Assets Released from Donor Restrictions</b>	<b>\$ 37,199,354</b>

SEE administers two “donor-advised funds.” A donor-advised fund is a separately-identified fund established by a donor or group of donors with an instrument of gift describing the general or specific purposes of the funds; is owned and controlled by a sponsoring organization (SEE); and allows a donor, or person designated by the donor, advisory privileges with respect to the distribution of the charitable funds.

**Note 8—Recent Accounting Pronouncements**

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is to be applied using the modified retrospective approach and is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. SEE is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.



**Social & Environmental Entrepreneurs**  
**Notes to Financial Statements—Continued**

**Note 8—Recent Accounting Pronouncements—Continued**

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity’s policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. SEE is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

**Note 9—Risks and Uncertainties**

In early March 2020, the COVID-19 virus was declared a global pandemic. Since then, business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. SEE is continuing to conduct its activities, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on SEE cannot be fully determined, therefore no related adjustment has been made to these financial statements.

**Note 10—Subsequent Events**

Management evaluated all activities of SEE through November 15, 2022, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.